



SAL STEEL LIMITED

Admn. Office : Shah Alloys Corporate House, Sola - Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar- 382721
Regd. Office : 5/1, Shreeji House, 5th Floor, Behind M.J.Library, Ashram Road, Ahmedabad- 6. India
Phone : 02764 - 661100

December 11, 2017

To,

Department of Corporate Service
Bombay Stock Exchange Ltd.
PhirozeJeejeebhoy Tower.
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 532604

Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1, G-Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051
NSE Symbol - SALSTEEL

Sub: Approval of the un-audited financial results for the Quarter and half year ended on 30.09.2017

Sir,

This is to inform that pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Resolution Professional ("RP") on December 11, 2017 has considered and taken on record the un-audited financial results alongwith limited review for the quarter and half year ended September 30, 2017. The un-audited financial statements and Limited Review Report is enclosed herewith.

Further, please note that the Company has already made necessary arrangement to publish the same in newspaper as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

[The meeting of RP with Key managerial personnel commenced at 02:30 p.m. and concluded at 04:30 p.m.]

Information is being given as per the instructions of the RP. Kindly take the above on your record.

Thanking you,

Yours faithfully,

for S.A.L. Steel Ltd.

Company Secretary

Encl: a/a

Copy to: Shri Navin Kanjwani (Resolution Professional)

CIN-L 29199GJ2003PLC043148

Regd. Office: 5/1, Shreeji House, 5th Floor, Behind M. J. Library, Ashram Road, Ahmedabad - 380006.
UnAudited Financial Results for the Quarter and Half Year Ended as on 30th Sept 2017

₹ in Lacs

Particulars	Quarter Ended		Six Months Ended		31-Mar-17 (Audited)
	30-Sep-17 (UnAudited)	30-Jun-17 (UnAudited)	30-Sep-17 (UnAudited)	30-Sep-16 (UnAudited)	
I Revenue from operations	10,552.29	10,792.34	9,954.18	19,541.74	39,702.93
II Other Operating Income	146.75	26.02	24.85	71.26	236.97
III Total Revenue (I + II)	10,699.04	10,818.36	9,979.03	19,613.00	39,939.90
IV Expenses					
a) Cost of Materials consumed	6,190.28	7,802.90	5,717.89	12,079.93	24,029.98
b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
c) Changes in inventories of finished goods, work-in-progress	341.07	(122.47)	572.70	103.91	(274.48)
d) Employee benefits expense	348.15	311.72	303.32	594.67	1,286.21
e) Excise Duty on Sales	0.00	963.00	922.85	1,812.06	3,641.77
f) Finance Costs	3.79	31.83	3.23	13.50	73.06
g) Depreciation and amortisation expenses	190.04	168.39	197.96	399.76	764.23
h) Consumption of stores & Spares	378.09	253.12	222.15	573.64	1,192.02
i) Power Cost and cost of power generation	1,529.34	1,107.68	1,105.85	2,189.21	4,849.63
j) Other Expenses	1,776.16	1,080.34	775.30	1,636.55	3,703.11
Total Expenses	10,756.92	11,596.51	9,821.25	19,403.23	39,265.53
V Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)	(57.88)	(778.15)	157.78	209.77	674.37
VI Tax Expense	0.00	0.00	0.00	0.00	0.00
VII Profit/ (Loss) for the period from continuing operations (VII-VIII)	(57.88)	(778.15)	157.78	209.77	674.37
VIII Profit / (Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00
IX Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00
X Profit/(Loss) from Discontinuing operations (after tax) (VIII-IX)	0.00	0.00	0.00	0.00	0.00
XI Net (Loss) profit for the period (VII + X)	(57.88)	(778.15)	157.78	209.77	674.37
XII Other Comprehensive income	3.72	3.72	2.43	4.86	14.88
XIII Total Comprehensive income	(54.16)	(774.43)	160.21	214.63	689.25
Earnings per equity share :					
(1) Basic	(0.07)	(0.92)	0.19	0.25	0.79
(2) Diluted	(0.07)	(0.92)	0.19	0.25	0.79



NAVIN KANTJWANI

INSOLVENCY PROFESSIONAL

IBBI/IPA-002/IP-N00347/2017-19 10997

Notes:

- 1 Hon'ble NCLT Ahmedabad bench vide its order dated 06.09.2017 has appointed Mr. Parag Sheth as the Interim Resolution Professional. Further Hon'ble NCLT Ahmedabad vide its order dated 16.11.2017 has appointed Mr. Navin Kanjwani as Resolution Professional.
- 2 Under the CIR Process, a resolution plan needs to be prepared and approved by the Committee of Creditors (CoC). The CoC is formed. The resolution plan which would be approved by the CoC will need to be further approved by the NCLT to keep the Company, a going concern. As the Company is under CIR Process, the financial statements have been presented on a 'going concern' basis.
- 3 The above financial results have been prepared in accordance with the Regulation 33 of the SEBI (LODR) Regulations, 2015 read with SEBI Circular dated July 5, 2016. The above Un-audited financial results have been subjected to Limited Review by the Statutory Auditors. The powers of the Board of Directors have been suspended after commencement of the CIR process vide order of NCLT, Ahmedabad dated 06.09.2017. Shri Navin Kanjwani has been appointed as Resolution Professional. Above financial results have been certified by the CFO. The Resolution Professional has relied upon the certification made by the CFO; and accordingly reviewed and approved the results for the quarter ended September 30, 2017.
- 4 Results for the quarter and half year ended as on September 30, 2017 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) notified by the Ministry of Corporate Affairs. The results for the quarters and half year have been restated as per IND AS and are comparable on like to like basis.
- 5 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- 6 The Company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the company in its power plant is used for captive as well as trading purpose. In view of this, the company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Ind As 108, Operating Segment. However, due to substantial competition, risk, on-going position of Company and largely in the interest of the Company as well as interest of the stake holders involved, the management has not made disclosure of Primary Reportable segment as per Ind As 108, Operating Segment. Further, in view of the fact that the Company has its business within the geographical territory of India, Company has considered "INDIAN GEOGRAPHY" as the only secondary reportable business segment, as per the Ind As 108, Operating Segment.
- 7 The Company has accumulated losses and its net worth has been fully eroded. The Financial results indicates that the Company has a net loss during the previous year and the Company's current liabilities exceeded its current assets as at the current and previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a "going concern". However, the financial results of the Company have been prepared on a going concern basis based on that the Company is actively negotiating for settlement. As a result, not only the Company's net worth will improve but also improve productivity on account of morale booster of the employees. Further, post settlement, the Company will reduce interest burden drastically and will be optimistic about vanishing of accumulated losses gradually.

8 Secured Borrowings from the below mentioned banks have been transferred / assigned to Invent Assets Securitization and Reconstruction Pvt Ltd

Name of Bank	Date of Transferred
State Bank of Hyderabad	07-01-15
Union Bank of India	07-03-15
State Bank of India	30/10/2015

The Company has stopped making provision for interest on such borrowing from the date of transfer due to pending settlement with Invent Assets Securitization and Reconstruction Pvt Ltd and hence due to non availability of documents, the company has taken last sanction letter as a base for classification of current / non-current liability and default of the borrowings.



NAVIN KANJWANI

INSOLVENCY PROFESSIONAL

IBBI/IPA-002/IP-N00347/2017-17/10057

- 9 The Company has paid the capital advances in earlier years for total amounting of ₹.9,12,32,084/- which are currently shown under Long term loans and advances to the suppliers for the supply of customized equipments based of our specific design and requirements. The machines are manufactured and ready for dispatch but company does not have further fund to pay balance amount to lift the machines. However, the management is trying to recover such advances from the suppliers fully subject to provision made in the books of accounts of ₹ 2,37,83,523/-.
- 10 The above result does not include ind As compliance results for the preceding quarter and previous year ended March 31, 2017 as it is not mandatory as per SEBI circular dated July 5,2016
- 11 The format for above results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's Circular dated July 5, 2016, IND AS and Schedule III [Division II] to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- 12 The Ind-AS compliant financial results, pertaining to the relevant periods of the previous year as applicable, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 13 Reconciliation of results between previously reported (referred to as "Previous GAAP" and IND AS for the quarters / year are presented as under :

Particulars	Half Year ended 30th Sept, 2017
Net Profit under Previous GAAP	209.77
Employee benefits - Actuarial Gain / (loss) recognized in OCI	4.86
Total comprehensive income under IND AS	214.63

- 14 Consequent to the introduction of GST w.e.f July 1, 2017 the Excise duty is subsumed under GST. There is NIL amount in Excise Duty for the quarter ended September 2017.
- 15 The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be significant enough in the Half Year ended Sept 30, 2017 and hence, the Management has not given effect of the same in the financial results.

NAVIN KATJWANI
 INSOLVENCY PROFESSIONAL
 IBBI/IPA-002/IP-N00347/2017-18

(Amount in ₹ Lakhs)

Sr. No.	Particulars	Year Ended
		30.09.2017
		unaudited
	ASSETS	
	1) Non- Current Assets	
a)	Property, Plant and Equipment	12,962.18
b)	Capital work-in-progress	2,470.25
c)	Other Intangible assets	5.77
d)	Financial Assets	
(i)	Trade receivables	286.37
(ii)	Loans	674.49
(iii)	Security Deposits	146.35
e)	Other non-current assets	501.79
	2) Current assets	
a)	Inventories	3,984.47
b)	Financial Assets	
(i)	Trade receivables	5,850.11
(ii)	Cash and cash equivalents	235.48
(iii)	Bank balances other than (iii) above	-
(iv)	Loans	1,690.83
c)	Other current assets	88.03
		28,896.12
	EQUITY & LIABILITIES :	
	Equity	
a)	Equity Share capital	8,496.67
b)	Other Equity	(13,745.72)
	LIABILITIES :	
	1) Non-Current Liabilities	
a)	Financial Liabilities	
(i)	Borrowings	67.89
	Trade payables	1,131.89
(iii)	Other financial liabilities	-
b)	Provisions	84.48
	2) Current liabilities	
(i)	Borrowings	7,052.58
(ii)	Trade payables	1,376.80
(iii)	other current liabilities	24,365.95
c)	Provisions	65.58
		28,896.12



Place : Santej
Date : 11-12-2017

For S.A.L. Steel Limited


Navin Kanjwani

Resolution Professional

IP Registration no. IBBI/IPA-002/IP-N00347/2017-2018/10997

**CHARTERED ACCOUNTANTS**

CA. (DR). HITEN PARIKH
M.Com., LL.B., FCA., Phd
CA. SANJAY MAJMUDAR
B.Com., LL.B., FCA

LIMITED REVIEW REPORT

Review Report to
Insolvency Resolution Professional
SAL Steel Limited

We have reviewed the accompanying statement of Unaudited Financial Results of SAL Steel Limited (the Company) for the quarter ended September 30, 2017 being submitted by the Insolvency Resolution Professional (IRP) pursuant to the requirement of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. This statement is the responsibility of the Insolvency Resolution Professional and has been approved by the Insolvency Resolution Professional. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim financial information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our opinion, we draw your attention to

- Note 7 to the Financial Results wherein it is stated that the Company has accumulated losses and its net worth has been fully eroded. The Financial results indicate that the Company has incurred net losses during the current and previous quarters and, the Company's current liabilities exceeded its current assets as at the previous year balance**



sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial results of the Company have been prepared on a going concern basis.

2. Note 6 to the financial results which describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard — 108 'Operating Segments'. As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the financial results due to non disclosure.
3. Note 8 to the financial results which states about assignment of dues for various facilities provided to the company by banks to Invent Assets Securitization and Reconstruction Private Limited.
4. Note 1 to the financial results which states about the Order of National Company Law Tribunal (NCLT) Ahmedabad Bench dated 6th Sep 2017 [C P (IB) no. 94/9/NCLT/AHM/2017] which has admitted the Corporate Insolvency Resolution (CIR) Process under section 9(5)(i) of the Insolvency and Bankruptcy Code and appointed Insolvency Resolution Professional (IRP).
5. Attention is drawn to the fact that figures for the quarter ended on June 30, 2017 are based on the previously issued results that were audited by predecessor auditors vide their report dated 09th September 2017. Further, we have not audited or reviewed the accompanying results and other financial information for the quarter and half year ended September 30, 2016 which has been prepared solely based on the information compiled by the Management.



Other Matter

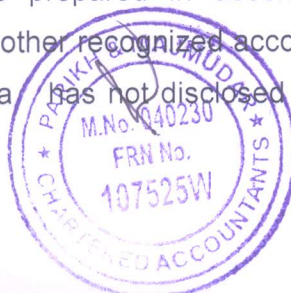
We report that the accompanying unaudited financial results for the corresponding period ended 30th September 2017 a-based on the Insolvency Resolution Professional (IRP) certified information and have not been subject to any review by us.

Basis for Qualified opinion

- 1. Management is of the view that they do not anticipate execution of its ongoing capital projects. However, the Company has not made adequate provision towards recovery of advances for the said capital projects for the amount of Rs.9,12,32,064/- which are currently shown under Long term loans and advances. The consequential impact of adjustment. if any, on the actual realization of said advances on the financial results is currently not ascertainable. Therefore, we are unable to comment on its consequential financial impact, if any, on the financial results.*
- 2. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give effect of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 "Financial Instruments" and hence, the effect of the same if any on the Financial Results is not identifiable therefore, We are unable to comment upon its impact on the Quarterly results for the period ended September 30, 2017.*

Qualified Conclusion

Except for the adjustment as stated above to the interim financial results that we might have become aware of had it not been for the situation described above, based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards and other recognized accounting practices and principles generally accepted in India has not disclosed the information required to be



disclosed in terms of Regulation 33 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular No.CIR/CFD/FAC/62/2016 dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 11/12/17

Place: Ahmedabad



For Parikh & Majmudar
Chartered Accountants
FRNNO 107525W

C.A Dr Hiten Parikh
PARTNER
M.No. 40230