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Sola - Kalol Road, Santej, Ta. Kalol,
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Regd. Office :

5/1, Shreeji House,
5th Floor, B/h. M.J. Library,
Ashram Road,
Ahmedabad - 380 006.

30th May 2016

Ref. No. : To,

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

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

Date : 30th May 2016

BSE Scrip Code: 532604

NSE Symbol - SALSTEEL

Sub: Board Meeting for considering Audited Financial Results for the Quarter and Year Ended on 31.03.2016

With reference to above, kindly be informed that the Board in its meeting held today has inter-alia, considered and taken on record the Audited Financial Results for the quarter and year ended on 31.03.2016 and which were duly reviewed by the Audit Committee.
[The aforesaid Board Meeting commenced at 06:15 p.m. and concluded at 06:45 p.m.]

A copy of approved Annual Financial Results along with Statement of Impact of Audit Qualification (for audit report with modified opinion) and Audit Report issued by Statutory Auditor of the Company for the Quarter and Year ended on 31.03.2016 is enclosed for ready reference pursuant to Regulation 33(3)(d) read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

for S.A.L. Steel Ltd



Company Secretary

S.A.L. STEEL LIMITED

Regd. Office: 5/1, Shreeji House, 5th Floor, Behind M. J. Library, Ashram Road, Ahmedabad - 380006.

Audited Financial Results for the year ended on 31st March, 2016

Sr. No.	Particulars	(Amount in ₹ Lakhs)				
		Quarter Ended			Year ended	
		31-Mar-16 (Audited)	31-Dec-15 (Unaudited)	31-Mar-15 (Audited)	31-Mar-16 (Audited)	31-Mar-15 (Audited)
1	Income from Operations					
a.	Net Sales/ Income from operations	7,473.40	9,156.99	9,377.21	33,761.29	36,538.93
b.	Other Operating Income	19.37	21.22	23.74	58.07	65.16
	Total Income from Operations (net)	7,492.77	9,178.21	9,400.95	33,819.36	36,604.09
2	Expenses					
a.	Cost of Materials consumed	4,653.38	6,397.04	6,100.41	22,586.99	25,995.64
b.	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	301.13
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(88.52)	(79.11)	146.89	(218.77)	621.02
d.	Employee benefits expense	304.22	269.84	292.86	1,101.86	1,026.90
e.	Depreciation and amortisation expenses	226.94	195.18	20.37	846.86	874.02
f.	Consumption of stores & Spares	225.91	230.72	401.66	1,502.23	972.10
g.	Power Cost and cost of power generation	991.15	1,030.29	1,109.21	3,824.72	3,455.70
h.	Other Expenses	920.08	522.84	258.17	2,642.07	1,556.87
	Total Expenses	7,233.16	8,566.80	8,329.57	32,285.96	34,803.38
3	Profit/ (Loss) from operations before other income, finance costs and execeptional items(1-2)	259.61	611.41	1,071.38	1,533.40	1,800.71
4	Other Income	0.00	0.00	0.00	0.00	0.00
5	Profit/ (Loss) from ordinary activities before finance costs and execeptional items (3+4)	259.61	611.41	1,071.38	1,533.40	1,800.71
6	Finance Costs	1.62	81.51	729.38	1,240.00	2,991.74
7	Profit/(Loss) from ordinary activities after finance costs but before execeptional items (5-6)	257.99	529.90	342.00	293.40	(1,191.03)
8	Exceptional items	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	257.99	529.90	342.00	293.40	(1,191.03)
10	Tax Expenses (Deferred Tax)	0.00	0.00	1,867.21	0.00	1,643.88
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	257.99	529.90	(1,525.21)	293.40	(2,834.91)
12	Extraordinary items	1,829.36	0.00	4,748.71	3,170.24	4,748.71
13	Net Profit/ (Loss) for the period (11-12)	(1,571.37)	529.90	(6,273.92)	(2,876.84)	(7,583.62)
14	Paid-up Equity Share Capital (Face Value of ₹.10/- each per share)	8,496.67	8,496.67	8,496.67	8,496.67	8,496.67
15	Reserve excluding Revaluation Resereves as per balance sheet of previous accounting year				(12,006.37)	(9,129.54)
16	Earnings per share					
i	(a) Basic and Diluted EPS before extraordinary items (not annualised)	0.30	0.62	(1.80)	0.35	(3.34)
ii	b) Basic and Diluted EPS after extraordinary items (not annualised)	(1.85)	0.62	(7.38)	(3.39)	(8.93)

Notes:

- The above Audited results were reviewed by the Audit Committee and approved by Board of Directors in its meeting held on 30th May 2016.
- Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- The figures pertaining to last quarter are the balancing figures between the audited figures for the full financial year and the published year to date figures upto the third quarter of the current financial year.
- 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 Accounting Standard -17, Segment Reporting issued by The Institute of Chartered Accountants of India. 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 Accounting Standard -17. 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 Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

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As at the yearend 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 current and 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.

- 6 Secured Borrowings from the below mentioned banks have been transferred / assigned to Invent Assets Securitization and Reconstruction Pvt Ltd (Financial Institution) together with all their rights, title and interest in the financial documents and any underline security interest / pledged and / or guarantees in respect of such loans.

Name of Bank	Date of Transferred
State Bank of Hyderabad	1/7/2015
Union Bank of India	3/7/2015
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.

- 7 The Company has obtained technical valuation of their Capital work In Progress from the approved valuer and booked impairment loss of ₹ 18,29,36,000/- and ₹ 31,70,24,474/- respectively for the quarter ended on 31st March 2016 and for the year ended on 31st March 2016 in the to the statement of Profit and Loss and shown as Extra Ordinary items.
- 8 The Company has paid the capital advances in earlier years for total amounting of ₹.9,41,22,080/- 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 lender's did not disburse the sanctioned term loan fully. Thus, the company was not able to make the balance payment to lift the machines. However, the management is trying to recover such advances from the suppliers fully. However, provision made in the books of accounts of ₹ 1,69,32,523/-.
- 9 The Company had filed a reference with BIFR u/s 15(1) of the Sick Industrial Companies (Special Provision) Act, 1985. The Honorable BIFR vide its letter reference no 3(S-10)/BC/2015 dated 24th August 2015 had registered the reference filed by the company vide case no 109/2015.

10 **The Statement of Assets and Liabilities as at 31st March, 2016**
Statement of Assets and Liabilities

Sr. No.	Particulars	(Amount in ₹ Lakhs)	
		Year Ended	Year Ended
		31.03.2016	31.03.2015
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	8,496.67	8,496.67
	(b) Reserves and Surplus	(12,006.39)	(9,129.54)
	Sub-total - Shareholders' funds	(3,509.72)	(632.87)
2	Non- Current Liabilities		
	(a) Long-term borrowings	424.92	1,513.55
	(b) Other Long-term liabilities	44.05	700.00
	(c) Long Term provisions	77.44	66.08
	Sub-total - Non- Current Liabilities (I)	546.41	2,279.63
3	Current Liabilities		
	(a) Short term borrowings	7,116.57	7,675.15
	(b) Trade payables	2,307.33	2,535.99
	(c) Other current liabilities	18,483.58	16,739.35
	(d) Short term provisions	81.63	67.09
	Sub-total - Current Liabilities (II)	27,989.11	27,017.58
	TOTAL - EQUITY AND LIABILITIES (I + II)	25,025.80	28,664.34
B	ASSETS		
1	Non- Current Assets		
	(a) Fixed Assets	16,450.62	20,322.68
	(b) Long Term loans and advances	938.86	2,686.87
	Sub-total - Non- Current Assets (III)	17,389.48	23,009.55
2	Current Assets		
	(a) Inventories	2,920.15	3,166.21
	(b) Trade receivables	4,038.42	1,295.77
	(c) Cash and cash equivalents	111.23	130.62
	(d) Short-term loans and advances	566.52	1,062.19
	Sub-total - Current Assets (IV)	7,636.32	5,654.79
	TOTAL- ASSETS (III + IV)	25,025.80	28,664.34

for and on behalf of the Board of
Directors of SAL Steel Ltd

Place: Santej

Date: 30/05/2016

Rajendra V. Shah
Chairman



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Chartered Accountants

**Auditor's Report On Quarterly Financial Results and Year to Date Results of the
Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015**

To,
Board of Directors of **S.A.L. STEEL LIMITED**

We have audited the Quarterly Financial Results of **S.A.L. STEEL LIMITED** ('the Company') for the Quarter ended 31st March 2016 and the year to date financial results for the period 1st April 2015 to 31st March 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India¹, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:



Page 1 of 4

Subject to

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 capital advances for the said project for the amount of Rs.9,41,22,080/- 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 statements is currently not ascertainable. Therefore, we are unable to comment on its consequential financial impact, if any, on the financial statements.
2. On the basis of the information and explanation given to us and on the basis of records produced before us, the company has defaulted in repayment of dues as follows:

Name of the Bank	Nature/Type of facility	Default as at 31-03-2016 (Amount in Rs.)	Period Of Default (No of Days)
Union Bank Of India	Term Loan	41,71,00,000	1 to 1170
	Working Capital	31,93,91,914	1 to 745
	Interest	30,41,67,170	1 to 745
State Bank of India	Term Loan	35,87,00,000	1 to 1170
	Working Capital	37,35,80,824	1 to 944
	Interest	39,41,86,852	1 to 944
State Bank of Saurashtra	Term Loan	7,00,00,000	1 to 1170
State Bank of Hyderabad	Term Loan	4,42,00,000	1 to 1170
	Interest	2,38,72,699	1 to 836

*The Dues of State bank of Hyderabad , Union Bank of India and State bank of India have been assigned to Invent Assets Securitization and Reconstruction Pvt Ltd respectively w.e.f 1st July 2015, 3rd July 15 and 30th Oct 2015 . However, no agreements has been executed between the company and Invent Assets Securitization and Reconstruction Pvt Ltd as on March 31, 2016. And hence, defaults have been considered towards banks as mentioned above till the date of Dues of respective banks being assigned to Invent Assets Securitization and Reconstruction Pvt Ltd..



Without qualifying our opinion, we draw your attention to

- 1) Note 5 to the Financial Results wherein it is stated that during the year, the Company has accumulated losses and its net worth has been fully eroded. The Financial results indicates that the Company has incurred a net loss during the current and 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.
- 2) Note 4 to the financial results which describes about the Non disclosure of Reportable Segments as required under Accounting Standard – 17 'Segment Reporting', there is no impact on the Statement of Profit and Loss due to non disclosure.
- 3) Note 6 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 7 to the financial results wherein, it is mentioned that during the year, the company has carried out a techno-economic assessment for the valuations of its Capital Projects to identify the impairment loss and provision thereof, if any. Based on the said techno-economic assessment of the Capital Projects, the Company has provided for impairment loss for Rs. 31,70,24,474/- during the year ended March 31, 2016. The same is in accordance with the notified Accounting Standard 28 on Impairment of asset which states that impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.
- 5) Note 9 to the Financials results regarding the company's reference being filed under section 15(1) of SICA (SP) Act, 1985. The Honorable BIFR vide its letter reference no 3(S-10)/BC/2015 dated 24th August 2015 has registered the reference filed by the company vide case no 109/2015.



- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net loss and other financial information for the Quarter ended 31st March 2016 as well as the year to date results for the period from 1st April 2015 to 31st March 2016.

Place: Ahmedabad
Date: 30th May 2016



For Talati & Talati
Chartered Accountants
Firm Regn No. 110758W

Umesh Talati
(Partner)
Mem. No. 034834

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results – S.A.L. Steel Ltd.
(Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in lacs
	1.	Turnover / Total income (net)	-	-
	2.	Total Expenditure	-	-
	3.	Net Profit / loss	-	-
	4.	Earnings Per Share	-	-
	5.	Total Assets	-	-
	6.	Total Liabilities	-	-
	7.	Net Worth	-	-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately):				
	a. Details of Audit Qualification:		Pl. refer Para no. 1 & 2 of Qualifications of Auditors' Report	
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		Qualified opinion	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		Para 1 of Qualification: Since FY: 2014-15 Para 2 of Qualification: Since FY: 2011-12	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		NIL	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		Para no. 1 & 2 of Qualifications of Auditors' Report	
	(i) Management's estimation on the impact of audit qualification:		Not quantifiable.	
	(ii) If management is unable to estimate the impact, reasons for the same:		Para 1 –Company has paid the capital advances in earlier years for total amounting Rs. 9,41,22,080 which are currently shown under long term loans and advances to the suppliers for the supply of customized equipments based on our specific design and requirements. The machines are manufactured and ready for dispatch but Company does not have further funds to pay balance amount to lift the machines. However, the Management is trying to recover such advances from the suppliers fully subject to provisions made in the books of accounts of Rs. 1,69,32,523. At present amount of loss is not quantifiable.	



		Para 2 – In view of the market conditions of steel sector at the relevant time, Company approached to the Consortium of the Banks for restructuring of the debts through CDR mechanism. The lenders appointed SBI Capital Market Ltd. to prepare a financial package and GITCO to carry out the Techno Economic Viability (TEV) Report. Based on the viability of the plant certified by SBI Caps and GITCO, SBI approached to the CDR (EG) and the case was admitted by the CDR and directed the lenders to submit the final report within 90 days for the sanction of the package. In between, SBI withdrew the support from the CDR by submitting letter of withdrawal without assigning any reason. As a result Company suffered badly and later not able to make the payments as per the terms of sanction. As a result financial health of the Company got further deteriorated and net worth became negative. Thus, Company approached to Hon'ble BIFR for declaring company as sick undertaking pursuant to the provisions of Section 3 (1) (o) of the SICA. The application of the Company has been registered vide letter dated 24.08.2015. All the banks assigned debts to Assets Reconstruction Company (ARC). Company has made proposal for settlement with ARC. Company is actively negotiating with them for settlement of debts and expecting a settlement. Since matter is pending before Hon'ble BIFR and settlement proposals are under considerations, amount cannot be quantified.
	(iii) Auditors' Comments on Para 1 & 2 above:	For Para 1 & 2 of Qualification: Nothing further to add



To be signed by-

- Whole Time Director

Shri Anil Pandya :
(DIN 02453919)

Anil Pandya

- Director cum CFO

Shri B L Singhal :
(DIN 01484213)

B L Singhal

- Auditor of the company

Shri Umesh Talati :
(ICAI Membership No. 034834)

Umesh Talati

- Audit Committee
Chairman

Shri J. M. Shah :
(DIN 01412666)

J M Shah

