



PSL Limited

Secretarial & Legal Deptt.

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Ref: PSL/2014-15/297

10th February, 2015

National Stock Exchange
of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400051.

SYMBOL: PSL

KIND ATTN: MANAGER – LISTING DEPARTMENT

SUB: SUBMISSION OF LIMITED REVIEW REPORT FOR THE QUARTER ENDED ON 31ST DECEMBER, 2014

Dear Sir,

This is furtherance to our letter dated 10th February, 2015 vide which we have intimated the Un-Audited Financial Results for the quarter ended on 31st December, 2014.

Further in compliance of Clause 41 of the Listing Agreement, requiring submission of "Limited Review Report". We are now enclosing herewith copy of the "Limited Review Report" for the quarter ended on 31st December, 2014 as submitted by our Statutory Auditors.

You are requested to take the enclosed Report on record.

Thanking You,

Yours faithfully,
FOR PSL LIMITED


(SHASHI RANJAN)
COMPANY SECRETARY

Encl: a/a

Limited Review Report

To
The Board of Directors
PSL Limited

We have reviewed the accompanying statement of Unaudited financial Results of PSL Limited 3rd quarter ended on 31st December, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements 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 statements 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.

Based on our review conducted as above, we have observed that –

1. There is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient Orders and reduced net realization in comparison to the increase cost of sales.
2. The Company has reported a Net Loss of Rs. 92.95 Crores for the 3 months ended 31st December, 2014 against preceding 3 months ended 30-9-2014 a net loss of Rs. 77.47 Crores.
3. The company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act, 2013.
4. Due to acute liquidity crunch in early 2013, an application with CDR Cell for restructuring of the Company's debt was filed. The CDR package for the Company was finally approved on 23rd September, 2013.
5. During the period, the Syndicate Bank and Edelweiss Assets Reconstruction Company, which had taken over the debt of State Bank of India and Yes Bank, have also joined the CDR process. As a result of aforesaid developments all the 14 CDR Lenders who were required to sign the MRA have executed the same and 4 out of 8 non CDR lenders have signed the Deed of Accession thereby making 86.52% of the Company's total debt duly restructured.

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6. The company has not provided for the interest on Term Loan and Cash Credit for current quarter to the tune of Rs. 58.68 Crores. The cumulative interest not provided for in the Current year nine months period is Rs. 176.60 Crores. The loss for the quarter as well as the nine months period is understated to an extent of Rs. 58.68 Crores & Rs. 176.60 Crores respectively.
7. The Kandla Port Authorities cancelled Lease of certain lease hold lands at Kandla. They have demanded damages and arrears. Pending Arbitration proceeding, the ultimate expected liability is not fully provided.
8. Operations Maintenance and Management Agreement with Jindal Tabular (India) Limited:
 - a) The company has negotiated with Jindal Saw Limited through the Manager (Special Purpose Vehicle owned and controlled by Jindal Saw Limited) with necessary assistance from ICICI Bank for handing over the operations of manufacturing units of the company located at Varsana, Vizag, Vaiyavoor, Jaipur on some broad terms and conditions as are finalized between two companies consequent upon personal discussions between the senior officials of the two companies and ICICI Bank.
 - b) The duration of the proposed transaction will be for a period of one year from the date mentioned in the Definitive Agreements and shall be renewable for an additional period of one year as may be mutually agreed between the parties.
 - c) Subject to deduction of all costs and expenses incurred by the Manager towards satisfaction of legacy dues, employee and utility dues/other liability of PSL Limited, the Manager will pay to the company 70% of the net revenue for identified facilities at Vaiyavoor, Jaipur and Vizag and for facilities located at Varsana the Manager will pay 50% of net revenue.
 - d) Upon satisfactory completion of legal and taxation due diligence / identified facilities by the Manager the party shall decide the start up date.
 - e) After completion of the proposed transaction period the parties may agree for any sale of the identified facility, the Company and the ICICI Bank shall provide the Manager a right of first refusal.
 - f) Jindal Tabular (India) Limited has now submitted draft of an "Operations Maintenance and Management Agreement" (OMMA) to the company. The Said OMMA is presently being studied by the company.
9. The reconciliation of the balances from Sundry Debtors confirming the amount of outstanding on 31st December, 2014 is in progress. In the absence of adequate evidence and information made available to us supporting the recoverability of this amount, we are further unable to comment on the financial impact of this matter on the profit / loss for the period ended on 31st December, 2014.

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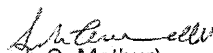
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10. The cost audit is in progress and the reports for the years 2013 and 2014 are awaited.
11. Due to continuous losses suffered by the Company's step down subsidiary namely PSL North America LLC, it was directly affecting the financial position of PSL/USA/Inc. (the holding Company of PSL North America LLC). The Company voluntarily petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware. All the assets of PSL North America LLC were put to sale/sold to a Company for US 100 Million. The impairment of loss/profit on sale of assets will be ascertained / recognized in the current year by the Company.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for Suresh C. Mathur & Co.
Chartered Accountants,
Firm Regn. No. 000891N

Place: Mumbai
Dated: 10th February, 2015


(Suresh C. Mathur)
Partner
M. No. 1276

