



PSL LIMITED

PSL Towers, 615 Makwana Road, Marol, Andheri (East), Mumbai - 400 059.
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10th August, 2015

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

SYMBOL: PSL
KIND ATTN: MANAGER - LISTING DEPARTMENT
SUB: COMPLIANCE OF CLAUSE 41 OF THE LISTING AGREEMENT

Dear Sir,

This is further to our letter dated 21st July, 2015 vide which we had informed you about fixation of Monday, the 10th August, 2015 as the Board Meeting date for taking on record Limited reviewed Results (i.e. Un-audited Financial Results accompanied by the Limited Review Report) of the Company for the first quarter ended on 30th June, 2015.

As scheduled the said meeting was held today wherein apart from considering other items the Un-audited Financial results of the company (on standalone basis) for the First quarter ended on 30th June, 2015 were after review by Audit Committee considered and taken on record along with a Limited Review report of the Statutory Auditors.

In compliance Clause 41 of the Listing Agreement, we are enclosing herewith a copy of the said results and the aforesaid Limited Review report for your reference and record. Please note that these results are being sent to certain newspapers also for their publication.

Thanking you,

Yours faithfully,

For PSL LIMITED

(ASHOK PUNJ)

MANAGING DIRECTOR

Fax No. 022 26598237/38

Encl: a/a

PSL LIMITED					
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PSL					
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE, 2015					(Rs. in crore)
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended on
Sr. No.	PARTICULARS	30.06.2015	31.03.2015	30.06.2014	31.03.2015
(1)	(2)	(3)	(4)	(5)	(6)
Part-I					
1	Income from operations				
	Net sales/income from operations (net of Excise duty)	31.45	25.23	37.63	124.72
	Other operating income	13.36	6.20	5.78	24.75
	Total income from operations (net)	44.81	31.43	43.41	149.47
2	Expenses				
	(a) Cost of materials consumed	32.45	25.42	37.30	104.41
	(b) Purchases of stock-in-trade	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	22.12	7.95	-3.91	13.03
	(d) Employee benefits expense	9.98	12.80	12.71	49.15
	(e) Depreciation and amortisation expense	37.57	43.45	43.44	173.84
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	14.28	11.92	15.08	64.67
	Total expenses	116.40	101.54	104.62	405.10
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(71.59)	(70.11)	(61.21)	(255.63)
4	Other income				
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+ - 4)	(71.59)	(70.11)	(61.21)	(255.63)
6	Finance costs	88.92	(0.91)	5.00	46.18
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 + -6)	(160.51)	(69.20)	(66.21)	(301.81)
8	Exceptional items	64.25	171.73	-	175.74
9	Profit/(+)/Loss(-) from Ordinary Activities before tax (7+-8)	(224.76)	(240.93)	(66.21)	(477.55)
10	Tax Expense	-	-	-	-
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9 + -10)	(224.76)	(240.93)	(66.21)	(477.55)
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Net Profit (+)/ Loss (-) for the period (11+ -12)	(224.76)	(240.93)	(66.21)	(477.55)
14	Share of profit/(loss) of associates				
15	Minority interest				
16	Net Profit/ (Loss) after taxes, Minority interest and share of Profit/(Loss) of associates (13+ -14+-15)	(224.76)	(240.93)	(66.21)	(477.55)
17	Paid-up equity share capital (Face value of the Share shall be indicated)	98.94	98.94	53.33	98.94
18	Reserves excluding Revaluation Reserves (as per balance sheet) of previous accounting year.				(264.49)
19	Earnings Per Share (before extraordinary items) (of Rs.10/-each not annualised				
i	(a) Basic	(22.72)	(24.35)	(12.42)	(48.27)
	(b) Diluted	(22.72)	(24.35)	(12.42)	(48.27)
19	Earnings Per Share (after extraordinary items) (of Rs.10/-each not annualised				
ii	(a) Basic	(22.72)	(24.35)	(12.42)	(48.27)
	(b) Diluted	(22.72)	(24.35)	(12.42)	(48.27)
Part-II					
A	PARTICULARS OF SHARE HOLDING				
1	Public shareholding				
	- Number of Shares	77,952,542	77,952,542	32,314,101	77,952,542
	- Percentage of Shareholding	78.79%	78.79%	60.63%	78.79%
2	Promoters and promoter group shareholding				
(a)	Pledged/Encumbered				
	- Number of shares	20,982,710	20,982,710	20,982,710	20,982,710
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	21.21%	21.21%	39.37%	21.21%
(b)	Non encumbered				
	- Number of shares	0	0	0	0
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0	0	0	0
	- Percentage of shares (as a % of the total share capital of the company)	0	0	0	0
B	INVESTOR COMPLAINTS For the quarter ended on 30th June, 2015				
	Pending at the beginning of the quarter		0		
	Received during the quarter		3		
	Disposed of during the quarter		3		
	Remaining unresolved at the end of the quarter		0		
NOTES:					
1	The above financial results of the First Quarter ended on 30th June, 2015 of Financial year 2015-16 were reviewed by the Audit Committee at the meeting held today i.e. 10th August, 2015 and then taken on record by the Board of Directors at its meeting also held today.				
2	The Company's main business is to manufacture steel pipes. Accordingly, the Company does not have more than one segment eligible for reporting in terms of relevant accounting standard issued by the Institute of Chartered Accountants of India.				
3	The Statutory Auditors of the company have conducted a "Limited Review" of the above unaudited financial results and have also submitted their Report thereon.				
4	The above result have also been submitted to the Bombay and National Stock Exchange where the Company's Securities are listed and the same have been posted at respective websites of the two exchange (s) at "www.nseindia.com" and "www.bseindia.com", in addition to posting at Company's website at "www.pslimited.com".				
5	Consequent upon erosion of Company's Net worth due to excessive accumulated losses, Section 15 of Sick Industrial Companies (Special Provision) Act, 1985 has got triggered due to which the Company has made a reference to Board for Industrial and Financial Reconstructions (BIFR) for determination of the measures which shall be adopted with respect to the Company.				
6	In order to ensure that the Company's plant and machinery installed at its plants situated at Vizag, Jaipur & Varsana, continues in serviceable conditions, the Operation Maintenance and Management of these plants have been handed over to Jindal Tubular Limited in accordance with an arrangement agreed by the Company with the Jindal Tubular Limited and duly approved by Monitoring Committee on behalf of Company's CDR lenders Group				
7	Consequent upon completion of moratorium period in the last financial year, interest accrued during quarter under review has been accounted for as "Finance Cost".				
				For PSL LIMITED	
				Sd/-	
				(Ashok Punj)	
				Managing Director	
Place:	Mumbai				
Date:	10th August, 2015				

Limited Review Report

We have reviewed the accompanying statement of Unaudited financial Results of PSL Limited for the quarter ended on 30th June, 2015 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. Due to non-implementation CDR package, 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.224.76 Crores for the 3 months ended 30th June, 2015 against preceding 3 months net loss of Rs.240.94 Crores ended 31-3-2015.
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. The company has provided Rs.88.92 Crores for the interest on Term Loan and Cash Credit for current quarter ended on 30-6-2015. For the preceding quarter ended on 31-3-2015 the interest on Term Loan and Cash Credit was not provided.
 - a) The Company's net worth (consisting of Paid up share capital of Rs.9,893.53 lacs and free reserves of Rs.57,625.30 lacs (Excluding Revaluation Reserves of Rs.51,400.00 lacs) has been fully eroded by the accumulated loss of Rs.1,35,474.25 lacs upto 31st March, 2015.
 - b) The Company has become a Sick Industrial Company as defined under Section 3(1)(o) of the Sick Industrial Companies (SP) Act, 1985.
 - c) In view of b) above and in order to comply with Section 15(1) of the Sick Industrial Companies (SP) Act, 1985 the Company is now under a legal obligation to file a reference before the Hon'ble Board For Industrial Financial Reconstruction (BIFR) based on its accounts for the financial year 2014-15. The Board of Directors have accorded for making a reference to BIFR.



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5. The Kindia Port Authorities cancelled Lease of lease hold lands at Kandla. They have demanded damages and arrears. Pending Arbitration proceeding, the ultimate expected liability is not fully provided. The Estate Officer has taken over the possession of the land.
6. Operations Maintenance and Management Agreement with Jindal Tabular (India) Limited:
- a) The company has negotiated with Jindal Saw Limited through its Manager Jindal Tabular (India) Ltd., (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 have been 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) After satisfactory completion of legal and taxation due diligence / identified facilities by the Company's plants at Jaipur, Varsana and Vizag have been handed over to Jindal Tabular (India) Ltd.
 - 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.

7. Inventory:

The closing inventory as on 30.6.2015 is Rs.1280.07 Crores which includes old non-moving stock of Rs.1078.38Crores. In view of company's production activities having come down and slow movement in the inventory, there is a need for systematic age wise segregation and analysis of the items comprised in the inventory to assess their usefulness/usability in the production and servicing activities, period over which they could be used also whether the inventory items are capable of being sold/disposed off as standalone items. Pending such an exercise, we are unable to express an opinion towards non moving and obsolete inventories and the eventual realizable amount in respect of the inventories, as also the possible effect on the financial statements.

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8. **Lender Banks' Balance Confirmation as on 31st March 2015:**

- a) We are informed that the company has applied for their confirmation of Bank certificate / Bank Guarantees / Letter of Credits / Corporate Guarantees given on behalf of subsidiary companies and interest certificates as on 30th June, 2015 which are yet to be obtained and supplied to us. This matter is pending.
- b) The loan figures were arrived in the ledger as per the MRA for both categories (signed and not signed). We are informed that the figures in the MRA a document has to be taken as confirmation of balance for the loan accounts.

The reconciliation of the balances from Sundry Debtors confirming the amount of outstanding on 30th June, 2015 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 30th June, 2015.

- 10. 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.

11. **Pledge of Shares in PSL FZE:**

The details of the pledge executed by Pipeline Systems Limited (the "Pledgor") in favour of National Bank of Oman S.A.O.G. (the "Pledgee") over its holding of one share in the capital of the Company (the "Share Pledge") have been recorded in books of the Company.

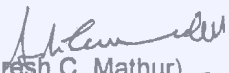
The Company has also confirmed that the notice of this Share Pledge shall not be removed from the books of the Company without the written consent of the Pledgee and that we will not permit any transfer of disposition whatsoever in respect of the shares without the written consent of the Pledgee.

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.

Place: New Delhi
Dated: 10th August, 2015



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


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

10/8/2015