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Regd. Office :

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

Ref. No. :**February 11, 2017**

To,
The Department of Corporate Services
Bombay Stock Exchange Ltd.
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

To,
The Manager [Listing]
National Stock Exchange of India Ltd
"Exchange Plaza", C-1, Block-G,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

BSE Scrip Code: 532604**NSE Symbol: SALSTEEL**

Sub: Board Meeting for considering Unaudited Financial Results for the Quarter & Nine Months Ended on 31.12.2016

With reference to above, kindly be informed that the Board of Directors of the company in its meeting held today have considered the Unaudited Quarterly Results along with Limited Review Report for the quarter & nine months ended on 31.12.2016, copy of approved results along with Limited Review Report is enclosed for ready reference. *[Board Meeting commenced on 04:30 p.m. and concluded on 05:15 p.m.]*

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For, **S.A.L. Steel Ltd**

Company Secretary

Encl: a/a



S.A.L. STEEL LIMITED

Regd. Office: 5/1, Shreeji House, 5th Floor, Behind M. J. Library, Ashram Road, Ahmedabad - 380006.
Unaudited Financial Results for the Nine months ended on 31st December 2016

₹ in Lacs

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
1	Income from Operations						
a	Net Sales/ Income from operations	9,712.41	9,031.33	9,156.99	27,442.09	26,287.89	33,761.29
b	Other Operating Income	34.85	24.85	21.22	106.11	38.71	58.07
	Total Income from Operations (net)	9,747.26	9,056.18	9,178.21	27,548.20	26,326.59	33,819.36
2	Expenses						
a	Cost of Materials consumed	6,667.71	5,717.89	6,397.04	18,747.64	17,933.61	22,586.99
b	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1,108.06	572.70	-79.11	(1,004.15)	(130.25)	(218.77)
d	Employee benefits expense	301.51	300.89	269.84	891.32	797.64	1,101.86
e	Depreciation and amortisation expenses	192.63	197.96	195.18	592.40	619.92	846.86
f	Consumption of stores & Spares	311.90	222.15	230.72	885.54	1,276.32	1,502.23
g	Power Cost and cost of power generation	1,679.51	1,105.85	1,030.29	3,868.73	2,833.57	3,824.72
h	Other Expenses	1,129.33	775.30	522.84	2,765.89	1,721.99	2,642.07
	Total Expenses	9,174.53	8,892.74	8,566.80	26,747.37	25,052.79	32,285.96
3	Profit/ (Loss) from operations before other income, finance costs and execeptional items(1-2)	572.73	163.44	611.41	800.83	1,273.80	1,533.40
4	Other Income	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit/ (Loss) from ordinary activities before finance costs and execeptional items (3+4)	572.73	163.44	611.41	800.83	1,273.80	1,533.40
6	Finance Costs	15.37	3.23	81.51	18.60	1,238.37	1,240.00
7	Profit/(Loss) from ordinary activities after finance costs but before execeptional items (5-6)	557.36	160.21	529.90	782.23	35.43	293.40
8	Exceptional items	0.00	0.00	0.00	0.00	1,340.88	0.00
9	Profit / (Loss) from ordinary activities before tax (7-8)	557.36	160.21	529.90	782.23	-1,305.45	293.40
10	Tax Expende	0.00	0.00	0.00	0.00	0.00	0.00
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	557.36	160.21	529.90	782.23	-1,305.45	293.40
12	Extraordinary items	0.00	0.00	0.00	0.00	0.00	3,170.24
13	Net Profit/ (Loss) for the period (11-12)	557.36	160.21	529.90	782.23	-1,305.45	-2,876.84
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	8,496.67
15	Reserve excluding Revaluation Resereves as per balance sheet of previous accounting year						-12,006.37
16	Earnings per share :						
	(a) Basic and Diluted EPS before extraordinary items (not annualised)	0.66	0.19	0.62	0.92	-1.54	0.35
	b) Basic and Diluted EPS after extraordinary items (not annualised)	0.66	0.19	0.62	0.92	-1.54	-3.39

Notes:

- 1 The above results were reviewed by the Audit Committee and approved by Board of Directors in its meeting held on 11th February 2017.
- 2 The un-audited financial results of the Company for the Quarter and Nine Months ended on 31st Dec, 2016 have been Limited Reviewed by the Statutory Auditors of the Company.
- 3 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- 4 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.
- 5 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.
- 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.

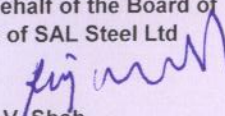
Name of Bank	Date of Transferred
State Bank of Hyderabad	07-01-2015
Union Bank of India	07-03-2015
State Bank of India	30-10-2015

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 paid the capital advances in earlier years for total amounting of ₹ 9,12,34,084/- 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/- .
- 8 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.

Place: Santej
Date: 11/02/2017

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


Rajendra V. Shah
Chairman

Rajendra V. Shah
(DIN 00020904)



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Chartered Accountants

Limited Review Report

Review Report to
The Board of Directors
SAL Steel Limited

We have reviewed the accompanying statement of unaudited financial results of SAL Steel Limited ("the Company") for the period ended December 31, 2016. 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 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 report, we draw your attention to the following matters:

- 1) Note 5 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 previous years 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



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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.

Basis for Qualified Conclusion

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.9,12,34,084/- 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.



Qualified Conclusion

Except for the adjustments to the interim results that we might have become aware of had it not been for the situation described above , based on our review conducted as 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 accounting standards and other recognized accounting practices and policies 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



A handwritten signature in black ink, appearing to read "Umesh Talati", written over a horizontal line.

Umesh Talati
(Partner)

Mem. No. 034834

Place of signature: Ahmedabad

Date: 11th February 2017