



PSL LIMITED

PSL Towers, 615 Makwana Road, Marol, Andheri (East), Mumbai - 400 059.
Telephone : 66447777 / 66447788 / 66447799 • Fax : 022-66447700 / 66447711
CIN: L67120DDI987PLC002395

Ref: PSL/2018-19/740

May 24, 2018

To,

National Stock Exchange of India Limited

Listing Department
Exchange Plaza,
5th Floor, Plot No C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai-400 051
Tel: 022-26598235/36
Fax: 022-26598237/38
NSE Scrip Symbol: PSL

BSE Limited

Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001
Tel: 022-22728398
Fax: 022-22722037/39
BSE Scrip Code: 526801

Dear Sir/Madam,

Sub: Outcome of Board Meeting held today i.e. May 24, 2018

With reference to the captioned subject, this is to inform you that the Board of Directors in its meeting held today i.e. May 24, 2018, has approved the Audited Financial Results for the Quarter and Financial Year ended on March 31, 2018 under regulation 33 of SEBI (LODR) Regulations, 2015. In the view of same, we are enclosing herewith a summarized copy of Financial Results along with Audit Report issued by the Statutory Auditors of the Company.

Kindly take the same on your records and oblige.

Thanking You

Yours Faithfully

For PSL LIMITED

**ASHOK PUNJ
MANAGING DIRECTOR**

Encl.: As above

PSL LIMITED

Regd. Office: Kachigam, Daman & Diu - 396 210

Tel No. (0260) 2242989 FAX No. (0260) 2241932

(Website : psllimited.com, Email: pslltdlegal@gmail.com) CIN : L67120DD1987PLC002395



STATEMENT OF STANDALONE / CONSOLIDATED AUDITED FINANCIAL RESULT FOR THE QUARTER AND YEAR ENDED 31st March, 2018

(Rs. in Crores)

S.No.	PARTICULARS	STANDALONE					CONSOLIDATED	
		QUARTER ENDED			YEAR ENDED		YEAR ENDED	
		31-03-2018 (Audited)	31-12-2017 (Unaudited)	31-03-2017 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)
1	Income							
	(a) Revenue from Operations	19.33	14.19	9.27	51.05	19.05	167.73	109.17
	(b) Other Income	0.17	6.07	0.00	10.68	5.11	11.30	5.80
	Total Income	19.50	20.26	9.27	61.73	24.16	179.03	114.97
2	Expenses							
	(a) Cost of materials consumed	(6.19)	3.51	29.64	6.96	15.24	50.57	52.22
	(b) Purchases of stock-in-trade	-	0.00		-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	0.12	1.17	96.72	(2.24)	102.70	1.75	96.35
	(d) Excise duty	-	-	-	0.00	0.00		
	(e) Employee benefits expense	8.05	6.53	5.44	25.46	20.63	43.64	37.35
	(f) Finance Costs	0.13	-	-	0.13	0.86	34.99	19.09
	(g) Depreciation and amortisation expense	27.96	27.98	43.25	111.93	140.49	139.24	171.74
	(h) Other expenses	31.42	12.49	261.53	66.20	311.26	111.86	360.25
	Total expenses	61.49	51.68	436.58	208.44	591.19	382.05	736.99
3	Profit(Loss) Before exceptional and extraordinary items and tax (1-2)	(41.99)	(31.42)	(427.31)	(146.71)	(567.03)	(203.02)	(622.02)
4	Exceptional Items / Extraordinary items		0.00	130.34		130.34	-	130.34
5	Profit/(Loss) before tax (3-4)	(41.99)	(31.42)	(557.65)	(146.71)	(697.37)	(203.02)	(752.36)
6	Tax Expenses							
	(i) Current Tax	-					0.26	0.25
	(ii) Deferred Tax	6.05			6.05		6.07	(0.01)
7	Profit/(Loss) for the period (5-6)	(48.03)	(31.42)	(557.65)	(152.75)	(697.37)	(209.35)	(752.60)
8	Other Comprehensive Income net of taxes							
	a) Items that will not be reclassified to profit or loss			0.00		0.00		
	b) Items that will be reclassified to profit or loss							
9	Total Comprehensive Income (8+9)	-48.03	-31.42	-557.65	-152.75	-697.37	-209.35	-752.60
	Net Profit attributable to :							
	- Owners	-48.03	-31.42	-557.65	-152.75	-697.37	-209.35	-752.60
	- Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Comprehensive Income attributable to :							
	- Owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Comprehensive Income attributable to :							
	- Owners	-48.03	-31.42	-557.65	-152.75	-697.37	-209.35	-752.60
	- Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XVIII	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	124.93	124.93	124.93	124.93	124.93	124.93	124.93
XIX	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year		0.00	0.00	(2,431.15)	(2,278.40)	-2,664.92	-2,452.82
XX	(i) Earning Per Share							
	- Basic	(3.84)	(2.52)	(44.64)	(12.23)	(55.82)	(16.76)	(60.24)
	- Diluted	(3.84)	(2.52)	(44.64)	(12.23)	(55.82)	(16.76)	(60.24)

STATEMENT OF AUDITED ASSETS & LIABILITIES AS AT 31st March, 2018**NOTES: 1****(Rs. In Crore)**

Particulars	STANDALONE		CONSOLIDATED	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
ASSET				
(1) Non Current Assets				
(a) Property, Plant and Equipment	1,326.66	1,438.43	1,504.71	1,643.36
(b) Capital Work-in-progress	-	-	77.61	80.95
(c) Other Intangible assets	0.00	0.00	0.00	0.00
(d) Financial Assets				
(i) Investments	174.27	174.27	2.99	2.99
(ii) Loans	26.77	33.51	34.17	40.85
(e) Deferred Tax Assets (Net)		6.05		6.07
(f) Other Non-Current Assets		-		
	1,527.70	1,652.26	1,619.47	1,774.23
(2) Current Assets				
(a) Inventories	20.67	19.52	48.36	53.98
(b) Financial Assets				
(i) Investment			0.29	0.29
(ii) Trade Receivables	6.59	9.63	58.28	59.57
(iii) Cash and Cash Equivalents	4.20	6.10	11.13	12.88
(iv) Bank Balances	-	-		
(v) Loans	0.06	0.41	72.24	75.67
(vi) Others				
(c) Current Tax Asset (Net)				
(d) Other Current Assets	424.63	449.80	405.20	425.39
	456.15	485.45	595.50	627.78
Total Assets	1,983.85	2,137.71	2,214.98	2,402.01
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	124.93	124.93	124.93	124.93
(b) Other Equity	-2,431.15	-2,278.40	2,664.92	2,452.82
Equity Attributable to owner of the company	-2,306.22	-2,153.47	-2,539.98	-2,327.88
(2) Non-Controlling Interest				
Total Equity	-2,306.22	-2,153.47	-2,539.98	-2,327.88
Liabilities				
(3) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	3,870.17	3,880.23	3,870.17	3,883.61
(ii) Other Financial Liabilities	263.56	263.56	263.56	263.56
(b) Provisions	12.76	13.30	12.76	13.30
(c) Other Non Current Liabilities				
	4,146.49	4,157.08	4,146.49	4,160.46
(4) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings			468.02	440.39
(ii) Trade Payables	13.27	5.16	59.83	53.84
(iii) Other Financial Liabilities	0.29	0.29	0.29	0.29
(b) Other Current Liabilities	130.03	128.65	72.20	66.35
(c) Provisions			8.14	8.56
(d) Current Tax Liabilities (Net)				
	143.58	134.10	608.47	569.43
Total Equity and Liabilities	1,983.85	2,137.71	2,214.98	2,402.01

2	The above Financial results were reviewed by the Audit Committee and approved by the Board of Director at its meeting held on 24th May, 2018.		
3	The Company has adopted Indian Accounting Standard(Ind AS) effective 1st April, 2017 (transition date being 1st April, 2016) and accordingly audited financial results for the quarter and year ended 31st March, 2018 are in compliance with the Ind AS prescribed under section 133 of the companies Act, 2013 read together with the companies (Indian Accounting Standards) Rules, 2015 (as Amended). Accordingly , previous Indian Generally Accepted Accounting Principles (IGAAP) results for the quarter and year ended 31st March 2017, have been restated to make the results comparable.		
4	The reconciliation of the net profit for the quarter and year ended 31st March, 2017, as reported under previous IGAAP and as restated under Ind AS summarised as below:		
	Particulars	Quarter Ended 31st March, 2017	Year Ended 31st March, 2017
	Net Profit /(Loss) after tax reported in previous Indian GAAP	(557.65)	(697.37)
	Add/(Less) adjustments for Ind AS:		
	Actuarial loss on defined benefit plans recognised in Other Comprehensive Income		
	Net Profit /(Loss) as per Ind AS.	(557.65)	(697.37)
	Other Comprehensive Income (net of tax):	-	-
	Total Comprehensive Income as per Ind AS	(557.65)	(697.37)
5	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 in accordance with IND AS 108 "Segment Reporting" issued by the Institute of Chartered Accountants of India.		
6	Consequent upon enactment of Insolvency & Bankruptcy Code ('IBC') resulting into abatement of The Sick Industrial Companies (Special Provisions) Act, 1985, the Company's reference then pending before The Board for Industrial and Financial Reconstruction ('BIFR') became infructuous. Hence, the Company had filed application on May 29, 2017 with Hon'ble National Company Law Tribunal ('NCLT') Ahmedabad under section 10 of the said code read with rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process 'CIRP'. The hearing before NCLT is already completed. However, the formal order regarding admission of company's application is awaited.		
7	Since various creditors of the company have treated their outstanding dues from Company to them as NPA and have not demanded any interest from the Company, the Company has not provided interest amounting to Rs. 434.54 crores in its books of accounts during the quarter under review.		
8	A closing Inventory of Rs.20.67 crores (valued at realisable value as on 31.03.2018 excludes disputed (currently under Arbitration process) amount of Rs. 17.07 Crores as WIP Building of Coimbatore.		
9	Figures for the quarter ended March 31, 2018 and the corresponding quarter ended in the Previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. The figures upto the end of the third quarter had only been reviewed and not subjected to audit.		
10	The figures for the previous period / year have been regrouped wherever necessary to confirm to the current year's classification.		
11	Since the company has subsidiaries and step down subsidiaries in compliance of clause 33(3)(b) of SEBI (LODR) standalone as well as consolidated results for the quarter and year ended 31st March 2018 have been stated in the above statement		
Place: Mumbai Date: 24-05-2018		For PSL LIMITED  Ashok Punj (Managing Director)	

V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS

37, HAMAM STREET, 2nd FLOOR, FORT, MUMBAI - 400 001. TEL 22650264, 22653555, 22666219 FAX: 22654370 E-mail: mail@vparekh.com

INDEPENDENT AUDITOR'S REPORT

The Board of Directors,
 PSL Limited,
 PSL Towers,
 615, Makwana Road,
 Marol, Andheri (East)
 Mumbai. 400 059.

1. We have audited the accompanying Statement of Standalone Financial Results of **PSL LIMITED** ("the Company") for the year ended 31st March, 2018 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No.CIR/CFD /CMD/15/2015 dated November 30, 2015 & SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement» The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

Emphasis of Matter:

- i. As a consequence to acute financial stress being faced by the Company in recent years, the Company's networth has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses is further enhanced creating a further adverse impact on the network.
- ii. The financial statement being prepared on a going concern basis notwithstanding the fact that the



Company's net worth is eroded. The company had made reference to BIFR under the provisions of Sick Industrial Companies Act, however, consequent upon recent development of coming into force of a new legislation namely Insolvency and Bankruptcy Code the said reference was abated.

- iii. The financial performance of the Company had deteriorated substantially. The manufacturing cost has gone up. There is weakness in demand. The Company continue to deal with a range of uncertainties. The interest payments exceeded its operating income. The Company is not able to service its debts
- iv. These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations
- v. The Company has filed application of Insolvency and Bankruptcy Code: 2016 read with Rule 10 of Insolvency and Bankruptcy before the National Company Law Tribunal (NCLT), Ahmedabad on 29th May, 2017.
- vi. Edelweiss and JIPL filed an application before NCLT, Ahmedabad for intervention and NCLT has kept order reserve for Edelweiss and Jotun India Pvt. Ltd
- vii. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.
- viii. The Company has reported a Net Loss of Rs. 146.71 Crores for the year ended on 31st March, 2018 as against the net loss of Rs. 697.38 Crores for the corresponding period ended on 31st March, 2017.
- ix. Since most of the banks which had extended financial facilities to the company have already treated the outstanding from the company as "Non-Performing Assets", they as a usual practice have discontinued making provisions of interest on such loss as accrued income in their books. In order to achieve the desired congruency on this issue the Company has also not provided for any interest amounting to Rs.434.54 Crores on such outstanding facilities for the period ended 31st March, 2018 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 146.71 Crores would have risen to Rs. 581.25 Crores.
- x. Sometime back Kandla Port Trust had cancelled the lease of different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and had also taken physical possession of the land. However, on the company approaching Gujarat High Court and Hon'ble High Court having granted stay of Kandla Port Trust orders the Company has not provided for any liability that may arise on this account.

- xi. **Inventory:**



- a. The closing inventory as on 31st March, 2018 of Rs. 20.67. Crores (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.17.07 Crores which is in arbitration stage.
- b. The Company has done physical inventories on 31st March, 2018 and they have certified the realizable value as on 31st March, 2018 on physical / saleable ground.

xii. Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.

- a. Although company's three plants handed over to Jindal Tubular (India) Limited (JTIL) in mid 2015 were returned to the company during September to November, 2016, JTIL has yet to return to the company part of the plant and machinery shifted by it contrary to the provisions of their agreement with the company.

As per the advice of Edelweiss, JTIL is transferring Rs .098 Crores after deducting tax of Rs 0.002 Crores every month to Company's bank account, thought there was no agreement for the same.

- b. The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004

Sl. No.	Show Cause Notice	Amount in Rs Crores
1.	Varsana 1	0.72/-
2.	Varsana 2 Coating	4.86/-
3.	Varsana 2 Pipe Mill	5.52/-
	Total Rs.	11.10/-

The Company has submitted that the allegations made in the show cause notices are not correct in law as well on facts. The matter is pending before the appellant authority.

- c. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs.4.37 Crores. However the PSL Statements are showing outstanding of Rs.4.08 Crores including Rs.1.55 Crores on account of legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.

xiii. Settlement with JSW

The Company has created pari passu charge with respect to immovable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited.

xiv. Lender Banks' Balance Confirmation as on 31st March, 2018

We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter of Credit/Corporate Guarantee given by company for its subsidiaries



company as on 31st March, 2018 but the same have not yet been issued. Pending balance confirmation, book balances as on 31st March, 2018 have been taken in the accounts of the Company.

xv. Assignment of entire Financial Assistance granted by ICICI Bank to the Company to “Edelweiss Assets Reconstructions Co. Ltd.”

- a. M/s. Edelweiss Assets Reconstruction Co. Ltd. has informed that pursuant to an Assignment Agreement executed by ICICI Bank, State Bank of India, Axis Bank Ltd. and Yes Bank Ltd., in favour of Edelweiss Assets Reconstructions Co. Ltd. on various dates, the banks have assigned all its rights, title and interest in financial assistances granted by all three banks to PSL Limited in favour of M/s. Edelweiss Asset Reconstruction Co. Ltd. Pursuant to this, M/s. Edelweiss Asset Reconstruction Co. Ltd., is now the biggest secured lender of the company.
- b. M/s. Assets Care & Reconstruction Enterprise Ltd., has informed that pursuant to an Assignment Agreement executed by DBS Bank Ltd., in their favour on 29th March 2017, DBS Bank Ltd., has assigned all its rights, title and interest in financial assistances granted by them to PSL Limited in favour of M/s. Assets Care & Reconstruction Enterprise Ltd.

xvi. Sundry Debtors:

- a. The Company has Sundry Debtors of Rs. 6.58 Crores as on 31st March, 2018
Less than Six Months Rs.1.76 Crores
More than Six Months Rs.4.82 Crores
- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2018. 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 year ended 31st March 2018.

xvii. Trade payable & Loans and Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2018, provision for any adverse variation in the balances is not quantified.

xviii. Due to Micro and Small Suppliers:

This information is not provided by the Company.

- xix. Impairment of Assets:** The Management has not carried out evaluation of impairment of assets and no provision for impairment has been recorded, as required by Indian Accounting Standard.

xx. Investment in Subsidiaries:

A. Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Mauritius
- a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded.

The Company has not provided for the diminution in the value of investment as per Indian Accounting Standard issued by institute of Chartered Accountants of India.



PSL Limited has also not provided for amounts due from PSL FZE being doubtful of recovery on account of losses incurred by PSL FZE.

- b) The share certificate of PSL FZE, Sharjah held by PSL Ltd. indirectly through the above said Company, amounting to 100% of the Equity Share Capital of the Company have been pledged in favour of National Bank of Oman S.A.O.G. acting as Security Agent of ICICI Bank Limited, Bahrain.
- c) During the year PSL FZE has incurred loss of AED 30.848 Mio. The interest on the loans from various banks has not been provided. Also in some cases company was not able to make the payment on due date of installment due to the banks. The bank balance confirmations were not available.
- d) PSL FZE has executed a project received from SWCC. Bank of Baroda has given guarantee in favour of State Bank of India, Bahrain to issue performance guarantee in favour of the client to the extent of USD 4.5 million. This is contingent liability of PSL FZE as on 31-3-2018.
- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.
- f) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 113.15 Million AED against Plant & Machinery, assignment of receivable and inventory as the security and the subordination of unsecured loans advances by PSL Ltd. and assets on pari passu basis with one of the banker.
- g) Term Loan 133.10 million AED - The Term Loan due to ICICI Bank, Bahrain is secured by charge on the fixed asset of PSL FZE and Corporate Guarantee issued by PSL Limited.

ii) PSL USA INC (USA), PSL NA LLC (USA) (Step down Subsidiary)

- a) The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded.
- b) 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, and no liabilities (related with non fund base facilities like LC, BG, etc) is pending of PSL India in USA. During previous year the company has written off Rs. 130.34 Crores invested in USA.

B. Indian Subsidiaries:

i) PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL Port & Infrastructure Limited is Rs. 28.21 Crores.
- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs.65.11 Crores.
- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/



contribute funds for the construction of the jetty.

- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete

ii) PSL Corrosion Control Services Ltd.

The total Revenue for the year stood at Rs. 79.19 Crores against previous year of Rs.68.92 Crores. The Net Profit is Rs.0.59 Crores. In our opinion and explanation given to us, the Guarantees given by the Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company

iii) PSL Gas Distribution (P) Ltd.

The company was incorporated on 31st December 2010 and has not commenced any business activity.

xxi. **Legal Matters:**

- a. Initially five complaints were filed by two banks Syndicate Bank and Kotak Mahindra Bank Ltd. under the relevant provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one complaint has been scrapped with respect to some of the Directors and matters are now pending for disposal. These matters are still pending in 16th/63rd MM Court, Andheri, Mumbai and the next date of hearing are fixed
Next date of Syndicate Bank hearing on 08.06.2018 & Kotak Mahindra Bank is on 20.06.2018.
- b. Five Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging compensation Bill raised by Kandla Port Trust (KPT) in respect of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two petitions w.r.t. two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. Stay has been granted in favour of Company with regard to 5 of the 7 plots. Interim orders earlier passed by the court restraining KPT from implement in the compensation bills continue to operate. The matters are pending High Court (Cut off).
- c. On the basis of a complaint filed to them by Aditya Birla Finance Ltd. – an unsecured creditor of the company Economic Offences Wing (EOW) of Delhi Police had registered a FIR against the Company, its Managing Director, its Whole Time Directors and another official. The company has moved Delhi High Court under section 482 of IPC whereas the other accused including Managing Director and Whole Time Directors have filed writ petitions with Delhi High Court praying for quashing of the said FIR on the ground that no criminality has been committed by them and that the complaint of ABFL against the Company is purely of civil nature. The next date of hearing of the case is 07.07.2018
All the three petitions are under active consideration by Delhi High Court.
- d. **The Economic Offence Wing of Crime Branch of Delhi Police on complaint of Aditya Birla Finance Limited (ABFL) – lender of the Company.**



The action taken by EOW, Delhi Police consequent to which some of the Company's Bank Accounts at various locations were frozen. The Court of ACMM on 1/7/2016 had allowed the defreezing of five bank accounts which can now be operated by the company. However, the money frozen earlier shall remain frozen and cannot be utilized by the company till investigation is complete and / or till further orders in this regard. However, recently Edelweiss Assets Reconstructions Co. Ltd. (EARC) which has acquired the debts of three lenders of the company has filed an application before the court of ACMM with a prayer that the amount of Rs.11.39 Crores FD lying to the credit of three frozen Bank accounts be allowed to be appropriated by all the CDR Lenders on pro-rata basis. The proceedings are in progress. Next date is 07.08.2018

e. Action taken by the Kotak Mahindra Bank Limited under the provisions of SARFAESI Act, 2002

Kotak Mahindra Bank Limited - one of the lenders of the company had a mortgage in their favour with respect to some parcels of company's land at Nanicherai at District Kutch, Gujarat. Since the company could not pay its debt to the said bank, the latter initiated action under the provisions of SARFAESI Act to secure the physical possession of the said parcels of land. Although District Magistrate, Kutch had vide his order permitted the handing over of the physical possession of the land in question, the company could successfully challenge the same in Gujarat High Court which recommended the case to the District Magistrate to consider company's pleas afresh. While after considering the matter afresh, District Magistrate has passed fresh order against the company. The District Magistrate has directed the Mamlatdar Anjar & Bachau to take the possession of Mortgaged land by giving 15 days' notice to the company. The Company has now filed a special Leave Application before the Gujarat High Court against the Order of the District Magistrate, next hearing of which is on 04.07.2018

f. Indian Bank, Nariman Point, Mumbai

Issued Notice to the Company and Directors to pay Rs.64.58 Crores and Bank Guarantee Rs.3.22 Crores due to them and threatened to initiate legal proceedings. However no legal action has been initiated by the said Bank.

g. Federal Bank

The Federal Bank has given a show cause notice in pursuance of the proceedings for declaring the Company as Willful defaulter. This is objected by the Company as unwarranted and non-tenable. The matter is under dispute.

h. Standard Chartered Bank

Given Notice u/s 433 and 434 of the Companies Act to pay outstanding dues and to initiate winding up proceedings against the Company. However no action has been taken by the said Bank.

i. M/s. Harjivandas Hathi Patel, Partnership concern has filed a Suit No. 4460 of 2016 against the company small causes at Ahmedabad against their dues. The matter is sub-judice.

j. Company's petition against Andhra Pradesh Industrial Infrastructure Corporation (APIIC)

Having felt aggrieved by the decision of APIIC to resume the possession of two plots earlier allotted by it to the company has filed writ petitions in Hyderabad High Court challenging APIIC's decision.



While the Hon'ble High Court having examined the company's grievance has granted a stay in company's favour, the matter is still pending for final adjudication.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. Except the matters described in Emphasis of matters, which may have an adverse effect on the functioning of the Company, In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i).is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016', and

(ii) gives a true and fair View in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended 31st March, 2018.

5. The Statement includes the results for the Quarter ended 31st March, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**FOR AND ON BEHALF OF
V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 107488W**



Rasesh V. Parekh

**MUMBAI,
DATED: 24TH MAY, 2018**

**RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. 38615**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors,
PSL Limited,
PSL Towers,
615, Makwana Road,
Marol, Andheri (East)
Mumbai, 400 059.

1. We have audited the accompanying Statement of Consolidated Financial Results of **PSL LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended 31st March, 2018 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related Consolidated Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Consolidated Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

Emphasis of Matter:

- i. As a consequence to acute financial stress being faced by the Company in recent years, the Company's network has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses is further enhanced creating a further adverse impact on the network.



- ii. The financial statement being prepared on a going concern basis notwithstanding the fact that the Company's net worth is eroded. The company had made reference to BIFR under the provisions of Sick Industrial Companies Act, however, consequent upon recent development of coming into force of a new legislation namely Insolvency and Bankruptcy Code the said reference was abated.
- iii. The financial performance of the Company had deteriorated substantially. The manufacturing cost has gone up. There is weakness in demand. The Company continue to deal with a range of uncertainties. The interest payments exceeded its operating income. The Company is not able to service its debts
- iv. These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations
- v. The Company has filed application of Insolvency and Bankruptcy Code: 2016 read with Rule 10 of Insolvency and Bankruptcy before the National Company Law Tribunal (NCLT), Ahmedabad on 29th May, 2017.
- vi. Edelweiss and JIPL filed an application before NCLT, Ahmedabad for intervention and NCLT has kept order reserve for Edelweiss and Jotun India Pvt. Ltd
- vii. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.
- viii. The Company has reported a Net Loss of Rs. 146.71 Crores for the year ended on 31st March, 2018 as against the net loss of Rs. 697.38 Crores for the corresponding period ended on 31st March, 2017.
- ix. Since most of the banks which had extended financial facilities to the company have already treated the outstanding from the company as "Non-Performing Assets", they as a usual practice have discontinued making provisions of interest on such loss as accrued income in their books. In order to achieve the desired congruency on this issue the Company has also not provided for any interest amounting to Rs.434.54 Crores on such outstanding facilities for the period ended 31st March, 2018 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 146.71 Crores would have risen to Rs. 581.25 Crores.
- x. Sometime back Kandla Port Trust had cancelled the lease of different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and had also taken physical possession of the land. However, on the company approaching Gujarat High Court and Hon'ble High Court having granted stay of Kandla Port Trust orders the Company has not provided for any liability that may arise on this account.



xi. Inventory:

- a. The closing inventory as on 31st March, 2018 of Rs. 20.67. Crores (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.17.07 Crores which is in arbitration stage.
- b. The Company has done physical inventories on 31st March, 2018 and they have certified the realizable value as on 31st March, 2018 on physical / saleable ground.

xii. Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.

- a. Although company's three plants handed over to Jindal Tubular (India) Limited (JTIL) in mid 2015 were returned to the company during September to November, 2016, JTIL has yet to return to the company part of the plant and machinery shifted by it contrary to the provisions of their agreement with the company.
As per the advice of Edelweiss, JTIL is transferring Rs .098 Crores after deducting tax of Rs 0.002 Crores every month to Company's bank account, thought there was no agreement for the same.

- b. The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004

Sl. No.	Show Cause Notice	Amount in Rs Crores
1.	Varsana 1	0.72/-
2.	Varsana 2 Coating	4.86/-
3.	Varsana 2 Pipe Mill	5.52/-
	Total Rs.	11.10/-

The Company has submitted that the allegations made in the show cause notices are not correct in law as well on facts. The matter is pending before the appellant authority.

- c. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs.4.37 Crores. However the PSL Statements are showing outstanding of Rs.4.08 Crores including Rs.1.55 Crores on account of legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.

xiii. Settlement with JSW

The Company has created pari passu charge with respect to immovable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited.

xiv. Lender Banks' Balance Confirmation as on 31st March, 2018

We have been informed by the officials of the company that although the company has requested its



various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter of Credit/Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2018 but the same have not yet been issued. Pending balance confirmation, book balances as on 31st March, 2018 have been taken in the accounts of the Company.

xv. Assignment of entire Financial Assistance granted by ICICI Bank to the Company to “Edelweiss Assets Reconstructions Co. Ltd.”

- a. M/s. Edelweiss Assets Reconstruction Co. Ltd. has informed that pursuant to an Assignment Agreement executed by ICICI Bank, State Bank of India, Axis Bank Ltd. and Yes Bank Ltd., in favour of Edelweiss Assets Reconstructions Co. Ltd. on various dates, the banks have assigned all its rights, title and interest in financial assistances granted by all three banks to PSL Limited in favour of M/s. Edelweiss Asset Reconstruction Co. Ltd. Pursuant to this, M/s. Edelweiss Asset Reconstruction Co. Ltd., is now the biggest secured lender of the company.
- b. M/s. Assets Care & Reconstruction Enterprise Ltd., has informed that pursuant to an Assignment Agreement executed by DBS Bank Ltd., in their favour on 29th March 2017, DBS Bank Ltd., has assigned all its rights, title and interest in financial assistances granted by them to PSL Limited in favour of M/s. Assets Care & Reconstruction Enterprise Ltd.

xvi. Sundry Debtors:

- a. The Company has Sundry Debtors of Rs. 6.58 Crores as on 31st March, 2018

Less than Six Months Rs.1.76 Crores

More than Six Months Rs.4.82 Crores

- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2018. 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 year ended 31st March 2018.

xvii. Trade payable & Loans and Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2018, provision for any adverse variation in the balances is not quantified.

xviii. Due to Micro and Small Suppliers:

This information is not provided by the Company.

- xix. **Impairment of Assets:** The Management has not carried out evaluation of impairment of assets and no provision for impairment has been recorded, as required by Indian Accounting Standard.

xx. Investment in Subsidiaries:

A. Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Mauritius



- a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded.

The Company has not provided for the diminution in the value of investment as per Indian Accounting Standard issued by institute of Chartered Accountants of India.

PSL Limited has also not provided for amounts due from PSL FZE being doubtful of recovery on account of losses incurred by PSL FZE.

- b) The share certificate of PSL FZE, Sharjah held by PSL Ltd. indirectly through the above said Company, amounting to 100% of the Equity Share Capital of the Company have been pledged in favour of National Bank of Oman S.A.O.G. acting as Security Agent of ICICI Bank Limited, Bahrain.
- c) During the year PSL FZE has incurred loss of AED 30.848 Mio. The interest on the loans from various banks has not been provided. Also in some cases company was not able to make the payment on due date of installment due to the banks. The bank balance confirmations were not available.
- d) PSL FZE has executed a project received from SWCC. Bank of Baroda has given guarantee in favour of State Bank of India, Bahrain to issue performance guarantee in favour of the client to the extent of USD 4.5 million. This is contingent liability of PSL FZE as on 31-3-2018.
- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.
- f) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 113.15 Million AED against Plant & Machinery, assignment of receivable and inventory as the security and the subordination of unsecured loans advances by PSL Ltd. and assets on pari passu basis with one of the banker.
- g) Term Loan 133.10 million AED - The Term Loan due to ICICI Bank, Bahrain is secured by charge on the fixed asset of PSL FZE and Corporate Guarantee issued by PSL Limited.

ii) PSL USA INC (USA), PSL NA LLC (USA) (Step down Subsidiary)

- a) The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded.
- b) 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, and no liabilities (related with non fund base facilities like LC, BG, etc) is pending of PSL India in USA. During previous year the company has written off Rs. 130.34 Crores invested in USA.



B. Indian Subsidiaries:

i) PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL Port & Infrastructure Limited is Rs. 28.21 Crores.
- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs.65.11 Crores.
- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete

ii) PSL Corossion Control Services Ltd.

The total Revenue for the year stood at Rs. 79.19 Crores against previous year of Rs.68.92 Crores. The Net Profit is Rs.0.59 Crores. In our opinion and explanation given to us, the Guarantees given by the Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company

iii) PSL Gas Distribution (P) Ltd.

The company was incorporated on 31st December 2010 and has not commenced any business activity.

xxi. **Legal Matters:**

- a. Initially five complaints were filed by two banks Syndicate Bank and Kotak Mahindra Bank Ltd. under the relevant provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one complaint has been scrapped with respect to some of the Directors and matters are now pending for disposal. These matters are still pending in 16th/63rd MM Court, Andheri, Mumbai and the next date of hearing are fixed
Next date of Syndicate Bank hearing on 08.06.2018 & Kotak Mahindra Bank is on 20.06.2018.
- b. Five Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging compensation Bill raised by Kandla Port Trust (KPT) in respect of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two petitions w.r.t. two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. Stay has been granted in favour of Company with regard to 5 of the 7 plots. Interim orders earlier passed by the court restraining KPT from implement in the compensation bills continue to operate. The matters are pending High Court (Cut off).
- c. On the basis of a complaint filed to them by Aditya Birla Finance Ltd. – an unsecured creditor of the company Economic Offences Wing (EOW) of Delhi Police had registered a FIR against the Company, its Managing Director, its Whole Time Directors and another official. The company has moved Delhi High Court under section 482 of IPC whereas the



other accused including Managing Director and Whole Time Directors have filed writ petitions with Delhi High Court praying for quashing of the said FIR on the ground that no criminality has been committed by them and that the complaint of ABFL against the Company is purely of civil nature. The next date of hearing of the case is 07.07.2018
All the three petitions are under active consideration by Delhi High Court.

d. The Economic Offence Wing of Crime Branch of Delhi Police on complaint of Aditya Birla Finance Limited (ABFL) – lender of the Company.

The action taken by EOW, Delhi Police consequent to which some of the Company's Bank Accounts at various locations were frozen. The Court of ACMM on 1/7/2016 had allowed the defreezing of five bank accounts which can now be operated by the company. However, the money frozen earlier shall remain frozen and cannot be utilized by the company till investigation is complete and / or till further orders in this regard. However, recently Edelweiss Assets Reconstructions Co. Ltd. (EARC) which has acquired the debts of three lenders of the company has filed an application before the court of ACMM with a prayer that the amount of Rs.11.39 Crores FD lying to the credit of three frozen Bank accounts be allowed to be appropriated by all the CDR Lenders on pro-rata basis. The proceedings are in progress. Next date is 07.08.2018

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Kotak Mahindra Bank Limited - one of the lenders of the company had a mortgage in their favour with respect to some parcels of company's land at Nanicherai at District Kutch, Gujarat. Since the company could not pay its debt to the said bank, the latter initiated action under the provisions of SARFAESI Act to secure the physical possession of the said parcels of land. Although District Magistrate, Kutch had vide his order permitted the handing over of the physical possession of the land in question, the company could successfully challenge the same in Gujarat High Court which recommended the case to the District Magistrate to consider company's pleas afresh. While after considering the matter afresh, District Magistrate has passed fresh order against the company. The District Magistrate has directed the Mamlatdar Anjar & Bachau to take the possession of Mortgaged land by giving 15 days' notice to the company. The Company has now filed a special Leave Application before the Gujarat High Court against the Order of the District Magistrate, next hearing of which is on 04.07.2018

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- j. **Company's petition against Andhra Pradesh Industrial Infrastructure Corporation (APIIC)**

Having felt aggrieved by the decision of APIIC to resume the possession of two plots earlier allotted by it to the company has filed writ petitions in Hyderabad High Court challenging APIIC's decision. While the Hon'ble High Court having examined the company's grievance has granted a stay in company's favour, the matter is still pending for final adjudication.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. Except the matters described in Emphasis of matters, which may have an adverse effect on the functioning of the Group, In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries referred to in paragraph 5 below, the Statement:

- i) includes the results of the following entities:
 - PSL Limited- the Parent Company
 - PSL Corrosion Control Services Ltd.- Subsidiary
 - PSL Gas Distribution Pvt. Ltd.- Subsidiary
 - PSL Infrastructure & Ports Pvt. Ltd.- Subsidiary
 - Pipeline Systems Ltd.*.- Subsidiary

*Amount includes results of its subsidiary namely PSL FZE Sharjah incorporated under the laws of UAE

- ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016', and
- iii) gives a true and fair View in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended 31st March, 2018.

5. We did not audit the financial statements of subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 231.16 Crores as at 31st March, 2018, total revenues of Rs. 117.29 Crores, total net profit after tax of Rs. (56.31) Crores Crores and total comprehensive income of Rs. (56.31) Crores for the year ended on that date, as considered in the consolidated financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



6. The comparative financial information for the year ended March 31, 2017 in respect of subsidiaries, prepared in accordance with the Ind AS and included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in this Statement, is based solely on the reports of the other auditors

The comparative financial information of the Group for the quarter and year ended 31st March 2017 included in this Statement, have been prepared after adjusting the previously issued consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued consolidated financial information to comply with Ind AS have been audited by us

Our report is not qualified in respect of these matters.

**FOR AND ON BEHALF OF
V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 107488W**



Rakesh V. Parekh

**RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. 38615**

**MUMBAI,
DATED: 24TH MAY, 2018**