



S.A.L STEEL LIMITED

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Sarkhej-Gandhinagar-Highway,
Bodakdev, Ahmedabad-380 054.
Ph. : 66629100
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Regd. Office :
5/1, Shreeji House,
5th Floor, B/h. M.J.Library,
Ashram Road,
Ahmedabad - 380 006.

Ref. No. : Department of Corporate Service
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Tower.
Dalal Street,
Mumbai - 400 001

Date : 05.05.2015
Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1, G-Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051

BSE Scrip Code: 532604

NSE Symbol - SALSTEEL

Sub: Outcome of Board meeting held on 5th May, 2015 of the Company.

With reference to above, Board has approved the following items in the Board meeting held on 5th May, 2015.

1. The Board has approved the audited financial results for the quarter and year ended on 31st March, 2015 and copy of the same is attached herewith.
2. The 12th Annual General Meeting of the Company will be held on Thursday, 24th September, 2015 at 10:30 A.M. at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060.
3. The Register of Members and Share Transfer of the Company will remain closed from Wednesday, 16.09.2015 to Thursday, 24.09.2015 (both days inclusive).
4. Board has decided to approach Hon'ble BIFR for making reference under the provisions of Section 15 of Sick Industrial Companies (Special Provisions) Act.

We request you to take note of the same and take on records.

Thanking you,

Yours faithfully,
For, S.A.L. Steel Ltd


K S Kamath
President

Encl: a.a

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, 2015

www.salsteel.com

PART - I

CIN:29199GJ2003PLC043148

(Amount in Rs Lakhs except share data)

Sr No.	Particulars	Quarter Ended		Year ended		
		3/31/2015 (Audited)	12/31/2014 (Unaudited)	3/31/2014 (Audited)	3/31/2015 (Audited)	3/31/2014 (Audited)
1	Income from Operations					
a	Net Sales/ Income from operations	9,377.21	9,206.63	8,967.36	36,538.93	32,788.44
b	Other Operating Income	23.74	10.53	28.52	65.16	153.37
	Total Income from Operations (net)	9,400.95	9,217.16	8,995.88	36,604.09	32,941.81
2	Expenses					
a	Cost of Materials consumed	6,100.41	6,533.12	6,046.33	25,995.64	22,361.26
b	Purchase of stock-in-trade	0.00	-	135.08	301.13	1,153.87
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	146.89	207.73	553.01	621.02	1,417.26
d	Employee benefits expense	292.86	262.95	210.73	1,026.90	962.43
e	Depreciation and amortisation expenses	20.37	281.74	323.39	874.02	1,748.42
f	Consumption of stores & Spares	401.66	219.10	178.38	972.10	673.52
g	Power Cost and cost of power generation	1,109.21	943.75	1,424.28	3,455.70	4,154.00
h	Other Expenses	258.17	369.19	246.03	1,556.87	1,976.09
	Total Expenses	8,329.57	8,817.58	9,117.23	34,803.38	34,446.85
	Profit/ (Loss) from operations before other income, finance costs and exceptional items(1-2)	1,071.38	399.58	(121.35)	1,800.71	(1,505.04)
3	Other Income	-	-	-	-	-
	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)	1,071.38	399.58	(121.35)	1,800.71	(1,505.04)
5	Finance Costs	729.38	723.91	821.60	2,991.74	3,162.11
	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	342.00	(324.33)	(942.95)	(1,191.03)	(4,667.15)
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7+8)	342.00	(324.33)	(942.95)	(1,191.03)	(4,667.15)
10	Tax Expenses (Deferred Tax)	1,867.21	(11.36)	38.04	1,643.88	(1,124.47)
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	(1,525.21)	(312.97)	(980.99)	(2,834.91)	(3,542.68)
12	Extraordinary items	4,748.71	-	-	4,748.71	-
13	Net Profit/ (Loss) for the period (11-12)	(6,273.92)	(312.97)	(980.99)	(7,583.62)	(3,542.68)
14	Paid-up Equity Share Capital (Face Value of Rs.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					(1,491.79)
16	Earnings per share					
i	(a) Basic and Diluted EPS before extraordinary items	(1.80)	(0.37)	(4.17)	(3.34)	(4.62)
ii	b) Basic and Diluted EPS after extraordinary items	(7.38)	(0.37)	(4.17)	(8.93)	(4.62)

PART - II

SELECT INFORMATION FOR THE QUARTER ENDED ON 31st March, 2015

A	PARTICULARS OF SHAREHOLDING	Quarter Ended		Year ended		
		3/31/2015	12/31/2014	3/31/2014	3/31/2015	3/31/2014
1	Public Shareholding					
	- Number of Shares	42,006,811	42,006,811	42,006,811	42,006,811	42,006,811
	- Percentage of shares	49.44%	49.44%	49.44%	49.44%	49.44%
2	Promoters and Promoter Group Shareholding					
a)	Pledged/ Encumbered					
	- Number of Shares	42,959,889	42,959,889	42,959,889	42,959,889	42,959,889
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of share (as a % of the total Share Capital of the Company)	50.56%	50.56%	50.56%	50.56%	50.56%
b)	Non-encumbered					
	- Number of Shares	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of share (as a % of the total Share Capital of the Comp.	0.00%	0.00%	0.00%	0.00%	0.00%

Particulars

3 Months Ended 31- Mar- 15

B	INVESTOR COMPLAINTS	
	Pending at the beginning of the Quarter	NIL
	Received during the quarter	NIL
	Disposd of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL



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Notes:

- 1 The above results were reviewed by the Audit Committee and approved by Board of Directors in its meeting held on 5th May, 2015
- 2 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- 3 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.
- 3 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.
- 4 Consequent to enactment of Companies Act, 2013 and its applicability of accounting period commencing after 1st April 2014, the Company has reworked depreciation with reference to the estimated economic lives of Fixed Assets prescribed in the Schedule II to the Act or useful lives, whichever is lower. In case of any Asset whose life has completed as above, Carrying value as at 1st April 2014 has been adjusted to the opening balance of retained earnings (net off deferred tax) to the extent of Rs. 54,13,180/-
- 5 further, the Company has reworked depreciation with reference to the estimated economic lives of Fixed Assets prescribed in the Schedule II to the Act. Due to change in the estimates of economic lives of Fixed Assets, provision of Depreciation of the current year has been lower by Rs. 9,05,05,012/- and reserves and Surplus has been higher by Rs. 9,05,05,012/-
- 6 The present economic and market condition made the Company into losses. However, in the current scenario when the government thrust is on to spend more on infrastructure the steel in times to come. Thus we consider the company as Going Concern.

- 7 The statement of Assets and Liabilities as at 31st March, 2015
Statement of Assets and Liabilities

Sr. No	Particulars	(Amount in Rs Lakhs)	
		Year Ended 31.03.2015 Audited	Year Ended 31.03.2014 Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	8,496.67	8,496.67
	(b) Reserves and Surplus	(9,129.54)	(1,491.79)
	Sub-total - Shareholders' funds	(632.87)	7,004.88
2	Non- Current Liabilities		
	(a) Long-term borrowings	1,513.55	5,404.87
	(b) Deferred tax liabilities (net)	0.00	0.00
	(c) Other Long-term liabilities	700.00	700.00
	(d) Long Term provisions	66.08	51.50
	Sub-total - Non- Current Liabilities (I)	2,279.63	6,156.37
3	Current Liabilities		
	(a) Short term borrowings	7,675.15	7,531.60
	(b) Trade payables	2,739.90	2,357.19
	(c) Other current liabilities	16,739.35	18,196.79
	(d) Short term provisions	67.09	62.20
	Sub-total - Current Liabilities (II)	27,221.49	28,147.78
	TOTAL - EQUITY AND LIABILITIES (I + II)	28,868.25	41,309.03
B	ASSETS		
1	Non- Current Assets		
	(a) Fixed Assets	20,322.68	26,017.08
	(b) Non- Current investments	0.00	0.00
	(c) Long Term loans and advances	2,686.86	3,339.52
	(d) Other non- current assets	0.00	1,616.29
	Sub-total - Non- Current Assets (III)	23,009.54	30,972.89
2	Current Assets		
	(a) Inventories	3,166.21	3,860.22
	(b) Trade receivables	1,295.77	4,808.82
	(c) Cash and cash equivalents	130.62	107.36
	(d) Short-term loans and advances	1,266.11	1,559.74
	(e) Other current assets	0.00	0.00
	Sub-total - Current Assets (IV)	5,858.71	10,336.14
	TOTAL- ASSETS (III + IV)	28,868.25	41,309.03



Place: Santej
Date: 5/05/2015

For S.A.L. Steel Limited

Rajendra V. Shah
Chairman



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Chartered Accountants

Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of S.A.L. Steel Limited Pursuant to the Clause 41 of the Listing Agreement

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 2015 and the year to date financial results for the period 1st April 2014 to 31st March 2015, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, 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. The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31st March 2015 and the published year to date figures up to 31st December 2014, being the date of the end of the 3rd quarter of the current financial year, which were subject to limited review. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial results, which are the responsibility of the Company's management and have been approved by the Board of Directors/ Committee of Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial results, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

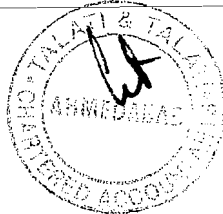
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, 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:

Subject to

1. *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.*
2. *The company has defaulted in repayment of Principal portion of the Term Loan to the extent of Rs 59,62,00,000/- as at March 31,2015 and Rs 6,73,00,000/- for the quarter ended on March 31,2015 . The company has also defaulted in payment of interest on term loan to the extent of Rs 39,41,29,005/- as at March 31,2015 and Rs 4,26,03,472/- for the quarter ended on March 31,2015. The period of default on repayment of principal and payment of interest is ranging for a period from 1 day to 912 days and 1 day to 820 days respectively. Moreover, the company has also defaulted in payment of interest on working capital facilities to the extent of Rs 21,25,93,330/- as at March 31,2015 and Rs 2,72,85,097/- for the quarter ended on March 31,2015. The period of default on payment of interest is ranging for a period from 1 day to 881 days. Also the company has defaulted in honoring L/C payments to the extent of Rs 12,50,04,346/- as at March 31,2015. The period of default in honoring L/C payments is ranging for a period from 609 days to 783 days.*
3. *As informed to us, Management is of the view that they do not anticipate execution of its ongoing projects of Pallate plant, Blast furnace plant , WRM plant, Sponge Iron plant and Stackel mill plant . However, due and adequate provision / write off / impairment which should have been made in the books of accounts has not been made. Out of the total book value of Capital work in progress of Rs. 103,89,20,943/- during the year, the management has charged back only expense of pre operative expense, trial run expense and borrowing cost element for Rs. 47,48,71,471/- to the statement of profit and loss during the current year which was earlier capitalized. For the remaining balance, the company has not carried out any Techno-economic assessment during the year ended 31 March 2015 for the valuations of its ongoing Capital Projects and hence identification of impairment loss and provision thereof, if any, has not been made. The same*



is not in accordance with notified Accounting Standard 28 on "Impairment of asset" which states that impairment loss is recognized when the carrying amount of the an asset exceeds its recoverable amount . The consequential impact of adjustment, if any, on the financial results due to non-provision / write off / impairment is currently not ascertainable and therefore we are unable to comment on its consequential financial impact, if any, on the financial results.

Apart from this, the Company has not made provision towards recovery of capital advances for the said project for the amount of Rs.25,26,09,551/- 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 .

Without qualifying our opinion, we draw your attention to

- 1) 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/net cash 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) The company has reversed the Deferred Tax Asset for the amount of Rs. 16,44,16,320/- and charged it to Statement of Profit and Loss during the Year ended March 31, 2015 due to Management anticipating no sufficient future taxable Income to recover such Deferred Tax Asset. The same is in accordance with the notified Accounting Standard 22 on Accounting for Taxes on Income which states that Deferred Tax asset should be recognized to the extent there is virtually certainty that there will be sufficient future taxable income against which the said deferred tax asset can be realized. Due to reversal of the said deferred tax asset for Rs. 16,44,16,320/-, loss of the current year has been higher by Rs. 16,44,16,320/- and reserves and Surplus has been lower by Rs. 16,44,16,320/- .



- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement 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 2015 as well as the year to date results for the period from 1st April 2014 to 31st March 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



A handwritten signature in black ink, appearing to read "Umesh Talati".

Umesh Talati
(Partner)

Mem. No. 034834

Place: Ahmedabad
Date: 5th May 2015