



PSL LIMITED

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

Ref: PSL/2018-19/ 752

August 9, 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. August 09, 2018

With reference to the captioned subject, this is to inform you that the Board of Directors in its meeting held today i.e. August 9, 2018 has approved and taken on record the un-audited financial results for the Quarter ended on June 30, 2018 under regulation 33 of SEBI (LODR) Regulations, 2015. In the view of same, we are enclosing herewith a summarized copy of un-audited financial results along with Limited Review 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 - 756 230

Tel No. (0360) 2342383 FAX No. (0360) 2341932

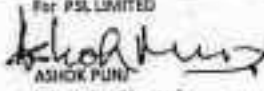
(Website : pslimited.com, Email: psl@psl.com) CIN (467120DD1987PLC002395)

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS OF PSL LTD AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 30th JUNE 2018

(Rs. In crores)

| S.No. | PARTICULARS | STANDALONE | | | |
|-------|---|-----------------------------|----------------------------|-----------------------------|--------------------------|
| | | Quarter ended 30.06.2018 | Quarter ended 31.3.2018 | Quarter ended 30.06.2017 | Year ended 31.03.2018 |
| 1 | Income | | | | |
| | (a) Revenue from Operations | 11.85 | 19.33 | 9.02 | 51.05 |
| | (b) Other Income | 1.43 | 0.17 | 3.66 | 10.68 |
| | Total income | 13.28 | 19.50 | 12.68 | 61.73 |
| 2 | Expenses | | | | |
| | (a) Cost of materials consumed | 3.08 | (6.18) | 2.00 | 6.86 |
| | (b) Purchases of stock-in-trade | - | - | - | - |
| | (c) Changes in inventories of finished goods, work-in-progress & stock in trade | (2.40) | 0.12 | 0.15 | (2.24) |
| | (d) Excise duty | - | - | - | - |
| | (e) Employee benefits expense | 8.53 | 8.05 | 5.16 | 25.46 |
| | (f) Finance Costs | - | 0.13 | - | 0.13 |
| | (g) Depreciation and amortisation expense | 24.17 | 27.06 | 27.88 | 111.93 |
| | (h) Other expenses | 9.07 | 31.42 | 9.90 | 66.20 |
| | Total expenses | 42.45 | 61.69 | 45.19 | 208.44 |
| 3 | Profit/(Loss) before exceptional and extraordinary items and tax [1-2] | (29.17) | (41.99) | (32.71) | (146.71) |
| 4 | Exceptional items / Extraordinary items | - | - | - | - |
| 5 | Profit/(Loss) before tax (3-4) | (29.17) | (41.99) | (32.71) | (146.71) |
| 6 | Tax Expenses | | | | |
| | (i) Current Tax | - | - | - | - |
| | (ii) Deferred Tax | - | 6.05 | - | 6.05 |
| 7 | Profit/(Loss) for the period (5-6) | (29.17) | (48.03) | (32.71) | (152.75) |
| 8 | Other Comprehensive Income net of taxes | | | | |
| | a) Items that will not be reclassified to profit or loss | | | | |
| | b) Items that will be reclassified to profit or loss | | | | |
| 9 | Total Comprehensive Income (8+9) | (29.17) | (48.03) | (32.71) | (152.75) |
| | Net Profit attributable to : | | | | |
| | - Owners | (29.17) | (48.03) | (32.71) | (152.75) |
| | - Non-controlling interests | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Comprehensive Income attributable to : | | | | |
| | - Owners | 0.00 | 0.00 | 0.00 | 0.00 |
| | - Non-controlling interests | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Comprehensive Income attributable to : | | | | |
| | - Owners | (29.17) | (48.03) | (32.71) | (152.75) |
| | - Non-controlling interests | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Paid-up Equity Share Capital (Face Value of Rs. 10/- each) | 124.93 | 124.93 | 124.93 | 124.93 |
| | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | (2,431.15) |
| 11 | (i) Earning Per Share | | | | |
| | - Basic | (2.33) | (3.84) | (2.62) | (12.23) |
| | - Diluted | (2.33) | (3.84) | (2.62) | (12.23) |

NOTES

| | | |
|---|---|--------------------------|
| 1 | The above Financial results were reviewed by the Audit Committee and approved by the Board of Director at its meeting held on 9th August 2018 | |
| 2 | The Company has adopted Indian Accounting Standard (Ind AS) effective 1st April, 2017 (transition date being 1st April, 2018) and accordingly audited financial results for the quarter ended 30th June, 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). | |
| 3 | The reconciliation of the net profit for the quarter ended 30th June, 2017 as reported under previous IGAAP and as restated under Ind AS summarized as below: | |
| | a) Total comprehensive income reconciliation | |
| | Particulars | Quarter ended 30.06.2017 |
| | Net Profit / (Loss) after tax reported in previous Indian GAAP | (98.70) |
| | Add/(Less) adjustments for Ind AS: | |
| | Actuarial loss on defined benefit plans recognized in Other Comprehensive Income | |
| | Net Profit / (Loss) as per Ind AS | |
| | Other Comprehensive Income (net of tax) | |
| | Total Comprehensive Income as per Ind AS | (98.70) |
| | b) Equity reconciliation | |
| | Particulars | |
| | Total Equity as per previous GAAP | - |
| | Adjustment | |
| | Equity as per Ind AS | - |
| 4 | 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. | |
| 5 | Consequent upon enactment of Insolvency & Bankruptcy Code ("IBC") resulting into abatement of The Sick Industrial Companies (Special Provisions) Act, 1985, the Company's reference 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") constituted 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. | |
| 6 | 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. 229.34 crores in its books of accounts during the quarter under review. | |
| 7 | Figures for the quarter ended June 30th June 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. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit. | |
| 8 | The figures for the previous period / year have been regrouped wherever necessary to confirm to the current year's classification. | |
| | For PSL LIMITED  ASHOK PUNJ (Managing Director) | |
| | Place: Mumbai Date: 9th August 2018 | |

LIMITED REVIEW REPORT

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

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of PSL LIMITED ("the Company") for the quarter ended 30th June, 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. This statement which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS-34) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these standalone financial Statement 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 standalone financial statement 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.

Emphasis of Matter:

- i. It is noticed that the business of the Company is negligible and not much production activity is carried out except negligible production has been carried out in Vizag, Varsana induction Bend Division and Chennai factories. Hence the turnover is also very low.
- ii. As a consequence to acute financial stress being faced by the Company in recent years, the Company's net worth 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 net worth. Although, as a result of erosion of said net worth 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



LIMITED REVIEW REPORT

- iii. 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.
- iv. Edelweiss and JIPL filed an application before NCLT, Ahmedabad for intervention and NCLT has kept order reserve for Edelweiss and Jotun India Pvt. Ltd on 02/08/2018.
- v. 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.
- vi. The Company has reported a net loss of Rs. 29.17 Crores for the quarter ended on 30th June, 2018 as against the net loss of Rs. 32.17 Crores for the corresponding period ended on 30th June, 2017.
- vii. 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 interest amounting to Rs. 108.34 Crores for the quarter ended 30th June, 2018 due to various banks.
- viii. 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.

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 0.098 Crores after deducting tax of Rs 0.0020 Crores every month to Company's bank account, though 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 Cen vat 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 Cen vat Credit Rules, 2004



LIMITED REVIEW REPORT

| Sl. No. | Show Cause Notice | Amount (Rs. In Crores) |
|---------|---------------------|------------------------|
| 1. | Varsana 1 | 0.72/- |
| 2. | Varsana 2 Coating | 4.86/- |
| 43. | 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 appellatant 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.

Settlement with JSW

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

Inventory:

- a. The closing inventory as on 30th June, 2018 of Rs. 24.40 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 30th June, 2018 and they have certified the realizable value as on 30th June, 2018 on physical / saleable ground.

Lender Banks' Balance Confirmation as on 30th June, 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 30th June, 2018 but the same have not yet been issued. Pending balance confirmation, book balances as on 30th June, 2018 have been taken in the accounts of the Company.

Legal Matters:

- a. 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, Gandhi ham and two petitions w.r.t. two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhi ham. 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).



LIMITED REVIEW REPORT

b. 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 and Fixed Deposits were made by the Company. In hearing held in the Hon. Delhi High Court on 26.07.2018 the High Court ordered for payment of Rs. 8.50 crores and interest thereon from the date of MOU signed by the Company with Aditya Birla Finance Limited. However the payment of said money has been stayed till next date of hearing on 05.09.2018.

c. 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 favor 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.

d. 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.

e. 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.

f. 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.

g. 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.

h. 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 favor, the matter is still pending for final adjudication.

Our opinion is not modified in respect of these matters.



LIMITED REVIEW REPORT

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of Un-Audited Standalone Financial Results prepared in accordance with applicable Indian 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 Circular no.CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular no. CIR/ CFD/ FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

The unaudited Financial Results for the corresponding quarter ended 30 June 2017 included in the statement, were reviewed by the predecessor auditor, whose limited review report dated 10 August, 2017 expressed an unmodified opinion on those financial results.

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



Rasesh V. Parekh

RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. 38615

MUMBAI,
DATED: 09TH AUGUST, 2018