

**PSL LIMITED**

Regd. Office: Kachigam, Daman, U.T. of Daman & Diu -396210  
Tel No. (0260) 2242989 FAX No. (0260) 2241932



**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2015 (Rs. in Crores)**

	PARTICULARS	Three months ended	Preceding Three months ended	Corresponding Three months ended in the previous year	Year to date figures for current period ended	Year to date figures for the period ended	Previous year ended
Sr. No.	Part I	30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
1	<b>Income from operations</b>						
	Net sales/income from operations (net of Excise duty)	21.26	31.45	40.49	52.71	78.12	124.72
	Other operating income	0.30	13.36	9.26	13.66	15.04	24.75
	<b>Total income from operations (net)</b>	<b>21.56</b>	<b>44.81</b>	<b>49.75</b>	<b>66.37</b>	<b>93.16</b>	<b>149.47</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	40.56	32.45	21.46	73.01	58.76	104.41
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	0.38	22.12	15.50	22.50	11.59	13.03
	(d) Employee benefits expense	4.89	9.98	10.15	14.87	22.86	49.15
	(e) Depreciation and amortisation expense	37.57	37.57	43.45	75.14	86.89	173.84
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	8.53	14.28	14.43	22.81	29.50	64.67
	<b>Total expenses</b>	<b>91.93</b>	<b>116.40</b>	<b>104.99</b>	<b>208.33</b>	<b>209.60</b>	<b>405.10</b>
3	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(70.37)</b>	<b>(71.59)</b>	<b>(55.24)</b>	<b>(141.96)</b>	<b>(116.44)</b>	<b>(255.63)</b>
4	Other income	-	-	-	-	-	-
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+ -4))</b>	<b>(70.37)</b>	<b>(71.59)</b>	<b>(55.24)</b>	<b>(141.96)</b>	<b>(116.44)</b>	<b>(255.63)</b>
6	Finance costs	87.52	88.92	22.23	176.44	27.23	46.18
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 + -6)</b>	<b>(157.89)</b>	<b>(160.51)</b>	<b>(77.47)</b>	<b>(318.40)</b>	<b>(143.67)</b>	<b>(301.81)</b>
8	Exceptional items	24.00	64.25	-	88.25	-	175.74
9	<b>Profit(+)/Loss(-) from Ordinary Activities before tax (7+-8)</b>	<b>(181.89)</b>	<b>(224.76)</b>	<b>(77.47)</b>	<b>(406.65)</b>	<b>(143.67)</b>	<b>(477.55)</b>
10	Tax Expense	-	-	-	-	-	-
11	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9 + -10)</b>	<b>(181.89)</b>	<b>(224.76)</b>	<b>(77.47)</b>	<b>(406.65)</b>	<b>(143.67)</b>	<b>(477.55)</b>
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	<b>Net Profit (+)/ Loss (-) for the period (11+ -12)</b>	<b>(181.89)</b>	<b>(224.76)</b>	<b>(77.47)</b>	<b>(406.65)</b>	<b>(143.67)</b>	<b>(477.55)</b>
14	Share of profit/(loss) of associates	-	-	-	-	-	-
15	Minority interest	-	-	-	-	-	-
16	<b>Net Profit/ (Loss) after taxes. Minority interest and share of Profit/(Loss) of associates (13+ -14+-15)</b>	<b>(181.89)</b>	<b>(224.76)</b>	<b>(77.47)</b>	<b>(406.65)</b>	<b>(143.67)</b>	<b>(477.55)</b>
17	Paid-up equity share capital ( Face value of the Share shall be indicated)	98.94	98.94	53.33	98.94	53.33	98.94
18	Reserves excluding Revaluation Reserves (as per balance sheet) of previous accounting year.	-	-	-	-	-	(264.49)
19	<b>Earnings Per Share (before extraordinary items) (of Rs.10/-each not annualised)</b>						
.i	(a) Basic	(18.38)	(22.72)	14.54	(41.10)	26.87	(48.27)
	(b) Diluted	(18.38)	(22.72)	14.54	(41.10)	26.87	(48.27)
19	<b>Earnings Per Share (after extraordinary items) (of Rs.10/-each not annualised)</b>						
.ii	(a) Basic	(18.38)	(22.72)	14.54	(41.10)	26.87	(48.27)
	(b) Diluted	(18.38)	(22.72)	14.54	(41.10)	26.87	(48.27)

**NOTES:**

- The above financial results of the Second Quarter ended on 30th September, 2015 of Financial year 2015-16 were reviewed by the Audit Committee at the meeting held today i.e.9th Nov,2015 and then taken on record by the Board of Director at its meeting also held today.
- The Company's main business is to manufacture steel pipes. Accordingly, the Company does not have more than one segment eligible for reporting in terms of relevant accounting standard issued by the Institute of Chartered Accountants of India.
- The Statutory Auditors of the company have conducted a "Limited Review" of the above unaudited financial results and have also submitted their report thereon.
- Consequent upon erosion of Company's Net Worth due to excessive accumulated losses, Section 15 of Sick Industrial Companies(Special Provision) Act, 1985 had got triggered due to which the Company had made a reference to Board for Industrial and Financial Recontructions(BIFR) for determination of the measures which shall be adopted with respect to the Company. After due consideration of the said reference by BIFR, the same has been registered by them on 8/9/2015.

- 5 Closing inventories of Rs. 1220.60 Crore as of 30/09/2015, includes slow moving/very old inventories, which are being sold as scrap at distress value. After Complete realisation of scrap value resultant, loss on sale will be assessed & accounted.
- 6 In order to ensure that the Company's plant and machinery installed at its plants situated at Vizag, Jaipur & Varsana, continue in serviceable conditions, the Operation Maintenance and Management of these plants has been handed over to Jindal Tubular Limited in accordance with an arrangement agreed by the Company with Jindal Tubular Limited duly approved by Company's Lenders.
- 7 The above results have also been submitted to the Bombay and National Stock Exchange where the Company's Securities are listed. These results are also being posted at Company's website at "www.pslimited.com".

Part II

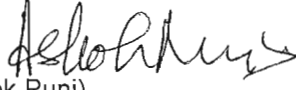
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	-Number of Shares	77,952,542	77,952,542	32,314,101	77,952,542	32,314,101	77,952,542
	-Percentage of Shares	78.79%	78.79%	60.63%	78.79%	60.63%	78.79%
2	Promoter and Promoter group Shareholding						
	(a) Pledge/Encumbered						
	(i) Number of Shares	20982710	20982710	20982710	20982710	20,982,710	20982710
	(ii) Percentage of shares(as a % of the total Shareholding of Promoter and Promoter group)	100%	100%	100%	100%	100%	100%
	(iii) Percentage of Shares(as a % of the total Share Capital of the Company)	21.21%	21.21%	39.37%	21.21%	39.37%	21.21%
	(b) Non Encumbered						
	(i) Number of Shares						
	(ii) Percentage of shares(as a % of the total Shareholding of Promoter and Promoter group)						
	(iii) Percentage of Shares(as a % of the total Share Capital of the Company)						
B	INVESTOR COMPLAINTS	For the Quarter Ended on 30th September, 2015					
	Pending at the Beginning of the Quarter	0					
	Received during the quarter	27					
	Disposed of during the Quarter	27					
	Remaining unresolved at the end of the Quarter	0					

## ANNEXURE - I X

Clause 41 of the Listing Agreement for companies (other than PSUs) (Rs. in Crores)

Standalone Statement of Assets and Liabilities		As at (Current half year end)	As at (Previous Period end)
Particulars		30-Sep-15	31-Mar-15
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholder's funds		
	(a) Share Capital	98.94	98.94
	(b) Reserves and Surplus	(667.33)	(264.49)
	<b>Sub -Total - Shareholder's funds</b>	<b>(568.39)</b>	<b>(165.55)</b>
2	Share application money pending allotment	65.32	65.32
3	Minority Interest	NIL	NIL
4	Non-current liabilities		
	(a) Long-term borrowings	3,274.63	3,308.49
	(b) Deferred tax liabilities (net)	NIL	NIL
	(c) Other Long-term liabilities	292.96	292.95
	(d) Long- terms provisions	13.38	13.38
	<b>Sub- total - Non- Current Liabilities</b>	<b>3,580.97</b>	<b>3,614.82</b>
5	Current Liabilities		
	(a) Short-term borrowings	354.95	354.95
	(b) Trade payables	14.73	21.91
	(C) Other Current Liabilities	545.82	345.86
	(d) Short-terms provisions	NIL	NIL
	<b>Sub- total- Current Liabilities</b>	<b>915.50</b>	<b>722.72</b>
	<b>TOTAL -EQUITY AND LIABILITIES</b>	<b>3,993.39</b>	<b>4,237.31</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-current assets		
	( a) Fixed Assets	1,649.33	1,724.44
	( c) Non-current Investments	304.61	304.61
	( d) Deferred tax assets (net)	6.05	6.05
	(e) Long-term loans and advances	440.08	440.17
	(f) Other non-current assets	NIL	NIL
	<b>Sub-total- Non-current assets</b>	<b>2,400.07</b>	<b>2,475.27</b>
2	Current Assets		
	(a) Current Investments	NIL	NIL
	(b) Inventories	1,220.60	1,391.25
	( c) Trade receivables	315.94	311.94
	(d) Cash and cash equivalents	24.36	27.79
	(e) Short-terms loans and advances	32.42	31.06
	(f) Other current assets	NIL	NIL
	<b>Sub-total - Current Assets</b>	<b>1,593.32</b>	<b>1,762.04</b>
	<b>TOTAL- ASSETS</b>	<b>3,993.39</b>	<b>4,237.31</b>

For PSU Limited

  
 (Ashok Punj)  
 Managing Director

### Limited Review Report

We have reviewed the accompanying statement of Unaudited financial Results of PSL Limited for the quarter ended on 30<sup>th</sup> September, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, we have observed that –

1. Due to non-implementation CDR package, there is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient Orders and reduced net realization in comparison to the increase cost of sales.
2. It is noticed that the business of the Company is at stand still and no much production activity is carried out except negligible production has been carried out in Vizag and Chennai factories. Hence the sales are also very low.
3. The Company has reported a Net Loss of Rs.181.89 Crores for the 3 months ended 30<sup>th</sup> September, 2015 against preceding 3 months net loss of Rs.224.76 Crores ended 30-6-2015.
4. The company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act, 2013.
5. The company has provided Rs.87.52 Crores for the interest on Term Loan and Cash Credit for current quarter ended on 30-9-2015. For the preceding quarter ended on 30-6-2015 the interest on Term Loan and Cash Credit of Rs.88.92 Crores total comes to Rs.176.44 Crores.
  - a) The Company's net worth (consisting of Paid up share capital of Rs.9,893.53 lacs and free reserves of Rs.57,625.30 lacs (Excluding Revaluation Reserves of Rs.51,400.00 lacs) has been fully eroded by the accumulated loss of Rs.1,35,474.25 lacs upto 31<sup>st</sup> March, 2015. The Company has become a Sick Industrial Company as defined under Section 3(1)(o) of the Sick Industrial Companies (SP) Act, 1985.



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- b) The Company has made reference to the Board for Industrial and Financial Reconstruction on 19<sup>th</sup> June, 2015 under Section 15(1) of Sick Industrial Companies (Special Provisions Act, 1985) was admitted on 8-9-2015. As per decision of the BIFR, in regard to the registration of the reference, the Company is restrained from disposing off or alienating in any manner any fixed assets of the Company without the consent of the BIFR. The matter is pending.
6. The Kandla Port Authorities cancelled Lease of lease hold lands at Kandla. They have demanded damages and arrears. Pending Arbitration proceeding, the ultimate expected liability is not fully provided. The Estate Officer has taken over the possession of the land.
7. Operations Maintenance and Management Agreement with Jindal Tabular (India) Limited:
- a) As per the Operations Maintenance and Management Agreement with Jindal Tabular (India) Limited, they have taken over under their operation the following units:-
- b) PSL Vizag, Jaipur, Varsana & Chennai Units  
Out of the above 4 units, Jindal Tabular (India) Limited has taken over the operations of 3 units – namely PSL – Vizag, Jaipur and Varsana w.e.f. 15-6-2015, 16-7-2015 and 3-8-2015 respectively.
- c) Jindal Tabular (India) Limited has submitted a statement of Profit & Loss Account from 5-2-2015 to 30-9-2015, showing a profit/loss from the above period from continuing operation of PSL Ltd.
- |      |              |   |
|------|--------------|---|
| i)   | PSL, Jaipur  | Rs. 1.38 Crores                                   |
| ii)  | PSL, Varsana | Rs. 4.86Crores                                    |
| iii) | PSL, Vizag   | <u>Rs. 4.20Crores</u><br>Rs.10.44 Crores<br>===== |
- d) The above amount includes the legacy of Rs.2.02 crores.
- e) It appears that due to “Net Revenue” being a loss PSL will not be entitled for any revenues.
- f) It will not be out of place to mention that Jindal Tabular India Limited has shifted from Varsana, Testing Hydro Test Section (33 Tons) valuing Rs.8,74,500/- to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement.

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8. **Inventory:**

The closing inventory as on 30.9.2015 is Rs. 1,220.60 Crores which includes old non-moving stock of Rs.1,078.38 Crores. The Stock Auditors vide their report dated 21<sup>st</sup> October, 2015 has informed that out of the old non-moving stock of Rs.1,078.38 Crores, old stock Rs.458.78 Crores are sold out and some of the stock is to be lifted by customers. Till 31-8-2015 Rs.13.96 Crores is realised. Stock of Rs.619.60 Crores is very quite old. These stock are not sale able. In view of company's production activities having come down and slow movement in the inventory, there is a need for systematic age wise segregation and analysis of the items comprised in the inventory to assess their usefulness/usability in the production and servicing activities, period over which they could be used also whether the inventory items are capable of being sold/disposed off as standalone items. Pending such an exercise, we are unable to express an opinion towards non-moving and obsolete inventories and the eventual realizable amount in respect of the inventories, as also the possible effect on the financial statements. Loss on goods sold are yet to be ascertained and adjusted.

9. **Lender Banks' Balance Confirmation as on 31<sup>st</sup> March 2015:**

- a) We are informed that the company has applied for their confirmation of Bank certificate / Bank Guarantees / Letter of Credits / Corporate Guarantees given on behalf of subsidiary companies and interest certificates as on 30<sup>th</sup> September, 2015 which are yet to be obtained and supplied to us. This matter is pending.
- b) The loan figures were arrived in the ledger as per the MRA for both categories (signed and not signed). We are informed that the figures in the MRA a document has to be taken as confirmation of balance for the loan accounts.
- c) EOW case filed by Aditya Birla Finance Limited (ABFL):  
As on date, approximately Rs.100/- million is lying frozen in the TRA account. This is on account of receipt from various legacy orders like ISPRL, MT Educare, L&T etc. executed post CDR implementation and receipt of Vizag insurance claim amount. Due to EOW order, the Company is unable to use it which otherwise could be used for its operating expenses, insurance payments and/or distribution to lenders in case of surplus. It may be noted that ABFL has become transaction specific member of CDR, however, has not acceded to CDR restructuring package. Considering this, CDR cell may again be requested to direct ABFL to fall in line with efforts/decisions of majority of CDR lenders.

10. The reconciliation of the balances from Sundry Debtors confirming the amount of outstanding on 30<sup>th</sup> September, 2015 is in progress. In the absence of adequate evidence and information made available to us supporting the recoverability of this amount, we are further unable to comment on the financial impact of this matter on the profit / loss for the period ended on 30<sup>th</sup> September, 2015.



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11. Balance confirmations of Sundry Creditors are yet to be shown to us.
12. **Legal Matters:**
- a) Five Complaints were filed by two banks under the relevant provisions of Negotiable Instruments Act and are pending for disposal.
  - b) Winding up Petition  
The winding up petition filed by JSW was withdrawn on 29-6-2015. The Bombay High Court has directed the parties to execute necessary security documents in favour of JSW along with other CDR Lenders of the Company with respect to creation of charge over the moveable fixed assets of the Company on 15-6-2015.
  - c) Further charge has also been created over the Immoveable Assets of the Company at Vizag, Kakinada and Daman on 17-8-2015 by executing necessary security documents in favour of CDR Lenders and JSW.
  - d) Two suits have been filed before the High Court of Gujarat at Ahmedabad challenging compensation Bill raised by Kandla Port Trust (KPT) in respect of two plots of land measuring 43,694 and 44, 587 Sq. Mtrs of PCD-II unit located in Sector No. 12, Block-D and F, Gandhidham.
  - e) Eviction Order & Compensation Bills in respect of land at PCD-I, Kandla  
The Company has filed special leave application against Kandla Port Trust (KPT) before Gujrat High Court at Ahmedabad. The court restraining KPT from implementing the compensation bills continues to operate.
  - f) Termination of concession agreement executed by Kandla Port Trust in respect of PSL Infrastructure and Ports Private Limited. The matter is pending before arbitral Tribunal.
  - g) FIR's registered against the Company, Managing Director, Whole Time Directors and an official. This matter is pending for quashing of said FIR.
13. 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 voluntary petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware. All the assets of PSL North America LLC were put to sale/sold to a Company for US 100 Million. The impairment of loss/profit on sale of assets will be ascertained / recognized in the current year by the Company.



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

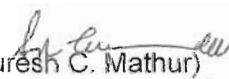
- a) The details of the pledge executed by Pipeline Systems Limited (the "Pledgor") in favour of National Bank of Oman S.A.O.G. (the "Pledgee") over its holding of one share in the capital of the Company (the "Share Pledge") have been recorded in books of the Company.
- b) The Company has also confirmed that the notice of this Share Pledge shall not be removed from the books of the Company without the written consent of the Pledgee and that we will not permit any transfer of disposition whatsoever in respect of the shares without the written consent of the Pledgee.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Place: New Delhi  
Dated:09-11-2015



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