



PSL LIMITED

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

Ref: PSL/2016-17/

November 11, 2016

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 on 11.11.2016

With reference to the captioned subject, this is to inform you that the Board of Directors, at its meeting held today i.e. November 11, 2016, has approved and taken on record the un-audited financial results for the Quarter / half year ended on September 30, 2016 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



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2016

(Rs. in Crores)

Sr No	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 previous year ended	Previous year ended
	Part I	30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)	31.03.2016 (Audited)
1	Income from operations						
	Net sales/income from operations (net of Excise duty)	5.09	1.94	21.26	7.03	52.71	73.34
	Other operating income	3.27	1.61	0.30	4.88	13.66	32.72
	Total income from operations (net)	8.36	3.55	21.56	11.91	66.37	106.06
2	Expenses						
	(a) Cost of materials consumed	2.57	1.67	40.56	4.24	73.01	84.34
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	4.47	1.47	0.38	5.94	22.50	1,165.13
	(d) Employee benefits expense	4.61	2.08	4.89	6.69	14.87	23.63
	(e) Depreciation and amortisation expense	32.41	32.42	37.57	64.83	75.14	150.28
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	5.91	4.57	8.53	10.48	22.81	38.66
	Total expenses	49.97	42.21	91.93	92.18	208.33	1,462.04
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(41.61)	(38.66)	(70.37)	(80.27)	(141.96)	(1,355.98)
4	Other income	-	-	-	-	-	-
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+ -4)	(41.61)	(38.66)	(70.37)	(80.27)	(141.96)	(1,355.98)
6	Finance costs	-	0.00	87.52	-	176.44	-
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 + -6)	(41.61)	(38.66)	(157.89)	(80.27)	(318.40)	(1,355.98)
8	Exceptional items	-	-	24.00	-	88.25	-
9	Profit(+)/Loss(-) from Ordinary Activities before tax (7+-8)	(41.61)	(38.66)	(181.89)	(80.27)	(406.65)	(1,355.98)
10	Tax Expense	-	-	-	-	-	-
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9 + -10)	(41.61)	(38.66)	(181.89)	(80.27)	(406.65)	(1,355.98)
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit (+)/ Loss (-) for the period (11+ -12)	(41.61)	(38.66)	(181.89)	(80.27)	(406.65)	(1,355.98)
14	Share of profit/(loss) of associates	-	-	-	-	-	-
15	Minority interest	-	-	-	-	-	-
16	Net Profit/ (Loss) after taxes, Minority interest and share of Profit/(Loss) of associates (13+ -14+-15)	(41.61)	(38.66)	(181.89)	(80.27)	(406.65)	(1,355.98)
17	Paid-up equity share capital (Face value of the Share shall be indicated)	124.93	124.93	98.94	124.93	98.94	98.94
18	Reserves excluding Revaluation Reserves (as per balance sheet) of previous accounting year.	-	-	-	-	-	(1,620.47)
19	Earnings Per Share (before extraordinary items) (of Rs.10/-each not annualised)						
.i	(a) Basic	(3.33)	(3.09)	(18.38)	(6.43)	(41.10)	(137.05)
	(b) Diluted	(3.33)	(3.09)	(18.38)	(6.43)	(41.10)	(137.05)
19	Earnings Per Share (after extraordinary items) (of Rs.10/-each not annualised)						
.ii	(a) Basic	(3.33)	(3.09)	(18.38)	(6.43)	(41.10)	(137.05)
	(b) Diluted	(3.33)	(3.09)	(18.38)	(6.43)	(41.10)	(137.05)

Notes:

- The above financial results for the quarter and half year ended on 30th September, 2016 were duly reviewed by the Audit Committee before the Limited review of the same carried out by the statutory Auditors. The said results and the Limited review report were also taken on record by the Board of Directors at their meeting held today i.e. 11th November, 2016.
- 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 Operation maintenance and Management Agreement between Company and Jindal Tubular Limited for ensuring that the Company's Plant & Machinery at its Plants situated at Vizag, Jaipur and Varsana continued during the quarter/ half year under review.
- The Company has not provided interest charges of Rs. 92.55 Crores for the quarter ended on 30.09.2016.
- The Company's application to BIFR duly registered with the latter is still pending for BIFR's consideration.

Place : Mumbai
Date : 11th November 2016

For PSL LIMITED

ASHOK PUNJ
MANAGING DIRECTOR

ANNEXURE - I X
STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2016

Standalone Statement of Assets and Liabilities		As at (Current half year end/year end) (dd/mm/yyyy) 30-Sep-16	As at (Previous Period end) (dd/mm/yyyy) 30-Sep-15	As at (Previous Period end) (dd/mm/yyyy) 31-Mar-16
Particulars				
A EQUITY AND LIABILITIES				
1	Shareholder's funds			
	(a) Share Capital	124.93	98.94	98.94
	(b) Reserves and Surplus	(1,659.14)	(667.33)	(1,620.47)
	SUB-TOTAL - Shareholder's funds	(1,534.21)	(568.39)	(1,521.54)
2	Share application money pending allotment	NIL	65.32	65.32
3	Minority Interest	NIL	NIL	NIL
4	Non-current liabilities	NIL	NIL	NIL
	(a) Long-term borrowings	3,177.22	3,274.63	3,179.90
	(b) Deferred tax liabilities (net)	NIL	NIL	NIL
	(c) Other Long-term liabilities	253.69	292.96	263.56
	(d) Long- terms provisions	13.38	13.38	13.38
	Sub- total - Non- Current Liabilities	3,444.31	3,580.97	3,456.84
5	Current Liabilities			
	(a) Short-term borrowings	354.95	354.95	354.95
	(b) Trade payables	25.13	14.73	25.13
	(C) Other Current Liabilities	456.42	545.82	468.43
	(d) Short-terms provisions	NIL	NIL	NIL
	Sub- total- Current Liabilities	836.50	915.50	848.50
	TOTAL -EQUITY AND LIABILITIES	2,746.59	3,993.39	2,849.13
B ASSETS				
1	Non-current assets			
	(a) Fixed Assets	1,509.47	1,649.33	1,574.25
	(b) Non-current Investments	304.61	304.61	304.61
	(c) Deferred tax assets (net)	6.05	6.05	6.05
	(d) Long-term loans and advances	426.09	440.08	438.67
	(e) Other non-current assets			
	Sub-total- Non-current assets	2,246.22	2,400.07	2,323.58
2	Current Assets			
	(a) Current Investments	NIL	NIL	NIL
	(b) Inventories	148.71	1,220.60	156.38
	(c) Trade receivables	275.55	315.94	287.23
	(d) Cash and cash equivalents	26.23	24.36	23.53
	(e) Short-terms loans and advances	49.89	32.42	58.41
	(f) Other current assets	NIL	NIL	NIL
	Sub-total - Current Assets	500.37	1,593.32	525.55
	TOTAL- ASSETS	2,746.59	3,993.39	2,849.13

LIMITED REVIEW REPORT

November 11, 2016

The Board of Directors,
PSL Limited,
Mumbai

We, Suresh C. Mathur & Co., Chartered Accountants, Statutory Auditors of **PSL Limited**(hereinafter referred to as the "Company") have its registered office at Kachigam, Daman, hereby confirm that we have reviewed the accompanying statement of unaudited financial results of the Company for the quarter ended 30thSeptember, 2016. This Statement is the responsibility of the Company's Management and has been taken on record by the Board of Directors in its meeting held on 11th November, 2016. 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 Engagements (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 provides less assurance than audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

- 1 Due to continuous financial stress the Company had sought a restructuring program from the lenders under the guidelines issued by the Reserve Bank of India. The Company filed an application before CDR Cell on 6th March, 2013 (Cut-off date is 1st January, 2013) along with flash report. After considering the proposal, the final restructuring package was approved by CDR empowered group on 23rd September, 2013 which was duly communicated to the Company by the CDR cell vide its letter of Approval dated 23rd September, 2013. It is noticed that the CDR got completed and all the bank accounts are NPA.
2. 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.



3. It is noticed that the business of the Company is at stand still and not 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.
4. The financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's net worth is eroded a reference has been made to the Board of Industrial and Financial Restructuring (BIFR). Some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA). 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.
5. The Company has made reference to the Board for Industrial and Financial Reconstruction on 19th June, 2015 under Section 15(1) of Sick Industrial Companies (Special Provisions Act, 1985) which was admitted on 8.9.2015. As per decision of the BIFR, in regard to the registration of the reference, the Company has been 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 Company's net worth has been fully eroded by the accumulated losses. The net worth of the Company will be further reduced/eroded. Presently net worth of the Company is negative. The Company has become a Sick Industrial company as defined under Section 3(1)(o) of the Sick Industrial Companies (SP) Act, 1985.

The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation charge has not been adjusted accordingly as per the notification to Schedule II of the Companies Act, 2013.
8. We are unable to comment on the impact on the value of investments made by the Company and its associate entities due to their losses and their impact on the losses for the consequent period ending 30th September, 2016.
9. The company has not provided the interest on Term Loan and Cash Credit for the half year ended 30-9-2016 amounting to Rs.185.23 Crores.
10. The company has reported a Net Loss of Rs.41.61 Crores for the 3 months ended 30th September, 2016 against preceding 3 months net loss of Rs.181.89 Crores ended 30th September, 2015.
11. The Kandla Port Authorities cancelled Lease of lease hold lands at Kandla. They have demanded damages and arrears. Pending Court proceedings the ultimate expected liability is not fully provided. The Estate Officer has taken over the possession of the land.

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

- a) As per the Operations, Maintenance and Management Agreement with Jindal Tubular (India) Limited, they have taken over under operations of the following three units of the company mentioned underneath :-

PSL VIZAG	15.06.2015
JAIPUR	16.07.2015
VARSANA	03.08.2015

-) It will not be out of place to mention that Jindal Tubular India Limited has shifted from Varsana, a part of Plant & Machinery to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement.
- c) 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 (Rs.)
1.	Varsana 1	71,70,823/-
2.	Varsana 2 Coating	4,86,28,617/-
3.	Varsana 2 Pipe Mill	5,52,20,906/-
	Total Rs.	11,10,20,346/-

- d) 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 Excise department
- e) The Company has handed over the Jaipur facility to JT (Jindal Tubular) under OMMA. JT had taken a provisional excise license. The Excise Department has informed that land on which Jaipur facility has been located is given on lease by the Govt. of Rajasthan to the Company and as per lease agreement the Company can neither sub-let/sale any part of land nor can make anyone financial and technical partner without prior permission of the State Government. On the basis of this, Excise authorities issued a show cause notice and informed that any entity seeking excise registration has to have land possession in any manner. Without possession of land by JT, the provisional excise registration shall stand cancelled/revoked. Currently, JT and the company are collectively representing the case before excise authorities. JT has informed that in case of non-confirmation or revocation of excise registration, they may not be able to operate or indicated their inability to continue at Jaipur facility under OMMA. The matter is under negotiation.

- f) Jindal Tubular (India) Limited has submitted that provisional Balance Sheet and Profit & Loss Account for the half year ended 30th September, 2016 and shown a loss of Rs.5.50 Crores. Besides this they have claimed payment from PSL amounting to Rs.4.77 Crores. However the PSL Statements are showing outstanding of Rs.3.96 Crores including Rs.2.31 Crores on account of Legacy dues. The Company has not accepted their claim and the accounts are under reconciliations. It appears that due to "Net Revenue" being a loss PSL will not be entitled for any revenues.

13. **PSL Limited (Survey No. 355 – Kachigam, Daman):**

Excise Recovery of Arrears

- i) The Assistant Commissioner vide his Order dated 29-4-2013 has ordered that the Cenvat Credit amounting to Rs.45,151/- was wrongly availed by the Company and should be recovered from them under Rule 14 of Cenvat Credit Rules, 2004 read with proviso to sub section (1) of Section 11A of Central Excise Act, 1944 together with interest and penalty of Rs.45,151/- under Rule 15(2) of the Cenvat Credit Rules 2004 read with Section 11AC of the Act. The Appeal of the Company was dismissed.
- ii) The demand is pending and not provided.

14. **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. vide their letter dated 11-7-2016 has informed that pursuant to an Assignment Agreement executed by ICICI Bank in favour of Edelweiss Assets Reconstructions Co. Ltd. on 29th June, 2016, ICICI Bank has assigned all its rights, title and interest in financial assistances granted by them to PSL Limited in their favour.
- b) As some time back all the rights, title and interest of financial assistance granted by YES Bank Limited and State Bank of India had also been similarly assigned in favour of Edelweiss Assets Reconstructions Co. Ltd., the latter is now the biggest secured lenders of the Company having the assignment right for a total debt of Rs.1619.07 crores out of a total outstanding debt of Rs.4547.91 Crores including a debt of Rs.3366.74 Crores for which the restructuring was sanctioned in September, 2013.
- c) **Conversion of Portion Debt:**
Since most of the lenders of the Company had accorded their consent to the aforesaid restructuring scheme by way of execution of a Master Restructuring Scheme and / or a Deed of Accession, the shareholders of the Company accorded their approval for allotment of varying number of company's equity shares each at a price of Rs.26/- per share to different lenders of the Company. Consequently the Company allotted a total number of 45638441 equity shares at a price of Rs.26/- each to thirteen different lenders of the Company. Such allotment resulted into conversion of a total debt of Rs.118.66 Crores into company's equity.

Various approvals as required from Stock Exchanges and two depositories have been obtained and the process is completed.

d) **Contribution by Different Entities of Promoters Group:**

Since one of the important condition of restructuring scheme was that the different entities of promoter group were also to contribute to the equity capital of the Company seven different promoter group entities including six associate companies made a total contribution of Rs.65.318 Crores for which 25122306 equity shares at a price of Rs.26/- each were required to be allotted to the said seven [promoter group entities]. In addition thereto an amount of Rs.2.28 Crores being part of the debt of an important lender of the company namely Edelweiss Assets Reconstructions Co. Ltd. was also required to be additionally converted into shares. Hence consequent upon an approval granted by company's shareholders dated 30/5/2015 an aggregate number of 25999232 shares were allotted on 24th May, 2016.

Now Edelweiss Assets Reconstruction Co. Ltd, holds 14203846 equity shares 8346150 shares (6.68% shareholding) earlier allotted to ICICI Bank not yet got transferred by Edelweiss Assets Reconstruction Company Limited in their name post takeover of ICICI's debt by them

15. **Inventory:**

- a) The closing inventory as on 30thSeptember, 2016 is Rs.148.70 Crores which includes old non-moving stock of Rs.71.90 Crores (Valued at Cost).
- b) We did not observe the counting of the physical inventories at the end of the quarter ending 30thSeptember, 2016. We were unable to satisfy ourselves by alternative means concerning finished goods and merchandise quantities held at 30thSeptember, 2016. Since finished goods and merchandise enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the loss for the quarter reported in the reporting package.

16. **Lender Banks' Balance Confirmation as on 30th September, 2016:**

- a) We are informed that the company has applied for their balances due from company into NPA. Confirmation of balances is not available.
- b) The loan figures were arrived in the ledger as per the MRA for both categories of creditors (signed and not signed) We are informed that for the figures stated in the MRA a document has to be taken as confirmation of balance for the loan accounts.

17. EOW case filed by Aditya Birla Finance Limited (ABFL):
As on date, approximately Rs. 100/- million is lying frozen in the TRA account with ICICI. 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 for distribution to lenders in case of surplus. It may be noted that although ABFL has become transaction specific member of CDR, however it 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.
18. The reconciliation of the balances from sundry Debtors confirming the amount of outstanding on 30thSeptember, 2016 is in progress. We are informed that the Arbitration proceedings between PSL Limited and Gail (India) Limited is pending before the Arbitrator. Further the settlement agreement, executed between M/s. LancoInfratech Limited and the Company for settlement of disputes which had arisen out of claim for supply of Spiral Welded Pipes for the IL & FS Pardip Projects is also in progress. In the absence of adequate evidence and information made available to us supporting the recoverability of dues, we are further unable to comment on the financial impact of this matter on the profit / loss for the period ended on 30thSeptember, 2016.
19. Balance confirmations of Sundry Creditors are yet to be shown to us.
20. Legal Matters:
 - a) Initially five complaints were filed by two banks 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.
 - b) A Petition has 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 NHNo. 08A, Kandla Road, Gandhidham and 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. The matters are still subjudice.
 - c) Termination of concession agreement executed by Kandla Port Trust in respect of PSL Infrastructure and Ports Private Limited. The matter is pending before arbitration Tribunal.
 - d) FIR's have been registered against the Company, Managing Director, Whole Time Directors and an official. Two separate writ petitions are pending before Delhi High Court for quashing of subject FIR registered against the directors. Interim orders passed earlier for no coercive action against Directors shall continue. The petitions are coming up for hearing on 17th November, 2016.
 - e) Aggrieved by the Order of Metropolitan Magistrate - the Company had earlier filed a Revision Petition before the Court of Additional Sessions Judge, Patiala House, New Delhi which was dismissed vide orders dated 22-7-2015. Based on

the advice of Advocate, the Company has now filed a Criminal Miscellaneous Petition being Cr. M.C. No. 5072 of 2015 under Section 482 of CPC in the Delhi High Court challenging the order dated 22-7-2015 of ASJ. The matter is listed for hearing on 17th November, 2016.

-) **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.11.68 Crores lying to the credit of three frozen Bank accounts be allowed to be appropriated by all the CDR Lenders on pro-rata basis, Notice has been issued by the Court to the Company for appearance before the court on 17-11-2016.
- g) **Filing of commercial suit by BhimjiVeljiSorathia Construction (P) Ltd. against Company's subsidiary PSL Infrastructure and ports (P) Ltd.**
The aforesaid company had earlier filed a suit for recovery of Rs.8.70,13,191/- plus interest against the above mentioned subsidiary of the Company. However, after the commercial Courts Act, 2015 came into force retrospective w.e.f. 23rd October, 2015, the said suit has been transferred to the commercial court at Rajkot. The subsidiary company has engaged a lawyer and is defending the case
- h) **Filing of commercial suit by Paresh Constructions & Foundation (P) Ltd.**
The aforesaid company had earlier filed a suit for recovery of Rs.6,52,59,744/- plus interest against company's wholly owned subsidiary namely (PSL Infrastructure & Ports Pvt. Ltd.) However, after the commercial Courts Act, 2015 came into force retrospective w.e.f. 23rd October, 2015, the said suit has been transferred to the commercial court at Rajkot. The subsidiary company has engaged a lawyer and is defending the case.
-) **Winding up Petition filed by Jotun India (P) Ltd.**
Jotun India (P) Ltd., a supplier of Company had on 10-03-2015 filed a company petition No. 434 of 2015 for winding up of the Company under Section 433(e) & (f) read with Section 434 and 439 of Companies Act, 1956 before the Bombay High Court.
- The next date of hearing of the case is 21st November, 2016.
-) Another supplier of company had on 10-3-2015 filed a company petition No. 434 of 2015 against the Company under Section 433(e) and (f) read with Section 434 and 439 of Companies Act, 1956 before the Bombay High Court. The matter is pending.

-) A Civil Suit was filed by Chaitanya Blasting Works against the Company before the court of Additional District Judge at Vishakhapatnam for recovery of Rs.1.25 Crores along with interest @ 24% per annum along with an application for attachment before judgment of company's stock lying at Gurrampalen, Vishakhapatnam which was dismissed by the Court of Addl.(ADJ) vide order dated 5-10-2015. The Chataniya Blasting Work has now challenged the order of ADJ by filing a petition under Article 227 of the Constitution of India in the High Court of Judicature at Hyderabad. This matter is pending.
-) **Kotak Mahindra Bank**
The Bank has initiated action under SARFAESI Act, 2002 u/s 14 of the said Act praying possession of property at Mouje, Nanicherai, Distt. Kutch, which property had been earlier mortgaged in favour of Kotak Mahindra Bank to secure the repayment of certain loan amounts. The Company had filed Special Leave application before Gujrat High Court challenging the action of the Bank. The Court after hearing the parties passed an order on 8th September, 2016 quashing the order dated 5th March, 2016 of Distt. Magistrate, Kutch, Gujarat and directed the District Magistrate to proceed afresh after giving the company an opportunity of being heard.
- m) **Indian Bank, Nariman Point, Mumbai**
Issued Notice to the Company and Directors to pay Rs.64,57,90,389/- and Bank Guarantee Rs.3,21,90,190/- due to them and threatened to initiate legal proceedings. However no legal action has been initiated by the said Bank.
- n) **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.
- o) **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.
21. 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 by filing petitions in **United States Bankruptcy** court in the state of Delaware. All the assets of PSL North America LLC were put to sale/sold to a company for US 100 Million. We are informed that the impairment of loss/profit on sales of assets will be ascertained / recognized in the current year by the Company.

22. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regul. 33 of SEBI (LODR) Regs,2015 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


(Suresh C. Mathur)
Partner

M. No. 1276

Place: New Delhi
Dated:

