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: FSL

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. February 11, 2020

Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, we are enclosing herewith a summarized copy of 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

Nitin Jain
Resolution Professional in the matter of PSL Limited

Encl.: As above
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(RS. IN CRORE)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>PARTICULARS</th>
<th>QUARTER ENDED</th>
<th>NINE MONTHS ENDED</th>
<th>YEAR ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unaudited</td>
<td>Unaudited</td>
<td>Unaudited</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Revenue from Operations</td>
<td>11.61</td>
<td>13.05</td>
<td>28.60</td>
</tr>
<tr>
<td></td>
<td>(b) Other Income</td>
<td>0.96</td>
<td>1.78</td>
<td>4.18</td>
</tr>
<tr>
<td></td>
<td>Total Income</td>
<td>12.47</td>
<td>14.84</td>
<td>32.78</td>
</tr>
<tr>
<td>2</td>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Cost of materials consumed</td>
<td>1.57</td>
<td>2.74</td>
<td>6.37</td>
</tr>
<tr>
<td></td>
<td>(b) Purchases of stock-in-trade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Changes in inventories of finished goods, work-in-progress &amp; stock-in-trade</td>
<td>2.20</td>
<td>3.26</td>
<td>9.51</td>
</tr>
<tr>
<td></td>
<td>(d) Employee benefits expense</td>
<td>8.27</td>
<td>8.67</td>
<td>9.21</td>
</tr>
<tr>
<td></td>
<td>(e) Finance Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(f) Depreciation and amortisation expense</td>
<td>20.69</td>
<td>20.64</td>
<td>22.16</td>
</tr>
<tr>
<td></td>
<td>(g) Other expenses</td>
<td>3.31</td>
<td>5.53</td>
<td>9.08</td>
</tr>
<tr>
<td></td>
<td>Total expenses</td>
<td>38.84</td>
<td>43.84</td>
<td>58.33</td>
</tr>
<tr>
<td>3</td>
<td>Profit/(Loss) Before exceptional items</td>
<td>(26.37)</td>
<td>(29.00)</td>
<td>(25.55)</td>
</tr>
<tr>
<td></td>
<td>(1-2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Exceptional items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Profit/(Loss) before tax (3-4)</td>
<td>(26.37)</td>
<td>(29.00)</td>
<td>(25.55)</td>
</tr>
<tr>
<td>6</td>
<td>Tax Expenses (Including deferred tax)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Profit/(Loss) for the period from Continuing operations (3-6)</td>
<td>(26.37)</td>
<td>(29.00)</td>
<td>(25.55)</td>
</tr>
<tr>
<td>8</td>
<td>Profit/(Loss) from discontinuing operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Tax Expense of discontinued operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Profit/(Loss) for the period from discontinuing operations after tax (8-9)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Profit/(Loss) for the period (2+10)</td>
<td>(26.37)</td>
<td>(29.00)</td>
<td>(25.55)</td>
</tr>
<tr>
<td>12</td>
<td>Other Comprehensive income net of taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Items that will not be reclassified to profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Comprehensive income for the period (3-12)</td>
<td>(26.37)</td>
<td>(29.00)</td>
<td>(25.55)</td>
</tr>
<tr>
<td>13</td>
<td>Paid-up Equity Share Capital (Face Value of Rs. 10/- each)</td>
<td>110.93</td>
<td>124.93</td>
<td>124.93</td>
</tr>
<tr>
<td>14</td>
<td>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</td>
<td>4,526.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Earnings Per Share (For Continuing Operations) (Face Value INR 10/- each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Basic</td>
<td>(2.11)</td>
<td>(2.32)</td>
<td>(2.05)</td>
</tr>
<tr>
<td></td>
<td>Diluted</td>
<td>(2.11)</td>
<td>(2.32)</td>
<td>(2.05)</td>
</tr>
<tr>
<td></td>
<td>Earnings Per Share (For Discontinued Operations) (Face Value INR 10/- each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Basic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diluted</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PSL LIMITED
Undergoing Corporate Insolvency Resolution Process
Regd.Office: Kachigam, Daman & Diu - 396 210
Tel No.(0260) 2242989 FAX No. (0260) 2241932
(Website : psllimited.com, Email:psiltdlegal@gmail.com) CIN :L67120DD1987PLC00385
# Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2019

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>PARTICULARS</th>
<th>QUARTER ENDED 31st December, 2019</th>
<th>Nine Months Ended</th>
<th>YEAR ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unaudited</td>
<td>Unaudited</td>
<td>Unaudited</td>
</tr>
<tr>
<td>1</td>
<td>Revenue</td>
<td>45.54</td>
<td>44.25</td>
<td>73.14</td>
</tr>
<tr>
<td>2</td>
<td>Expenses</td>
<td>35.68</td>
<td>10.35</td>
<td>25.40</td>
</tr>
<tr>
<td>3</td>
<td>Profit (Loss) Before Exceptional Items</td>
<td>9.86</td>
<td>28.84</td>
<td>-9.67</td>
</tr>
<tr>
<td>4</td>
<td>Exceptional Items</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>5</td>
<td>Profit (Loss) Before Tax</td>
<td>9.86</td>
<td>28.84</td>
<td>-9.67</td>
</tr>
<tr>
<td>6</td>
<td>Tax Expenses</td>
<td>2.86</td>
<td>2.86</td>
<td>2.86</td>
</tr>
<tr>
<td>7</td>
<td>Profit (Loss) for the Period from Continuing Operations</td>
<td>7.00</td>
<td>26.00</td>
<td>-6.61</td>
</tr>
<tr>
<td>8</td>
<td>Profit (Loss) for the Period from Discontinued Operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Profit (Loss) for the Period from Continuing Operations after Tax</td>
<td>7.00</td>
<td>26.00</td>
<td>-6.61</td>
</tr>
<tr>
<td>10</td>
<td>Share Capital and Reserves</td>
<td>124.93</td>
<td>124.93</td>
<td>124.93</td>
</tr>
<tr>
<td>11</td>
<td>Earnings per Share (Face Value INR 10/- each)</td>
<td>3.13</td>
<td>3.13</td>
<td>3.13</td>
</tr>
<tr>
<td>12</td>
<td>Other Comprehensive Income and Surplus</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>Retained Earnings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>Total Shareholder's Equity</td>
<td>124.93</td>
<td>124.93</td>
<td>124.93</td>
</tr>
</tbody>
</table>

### Footnotes
- Figures are rounded to the nearest thousand.
- All amounts are in INR (CRORE).
3 The application was filed by PSL LIMITED under Section 10 of Insolvency and Bankruptcy Code, 2016 and was also filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP) in respect of itself. The said application for initiation of Corporate Insolvency Resolution Process (CIRP) which was registered as C.P. (IB) No. 37/10/NCLT/AHM/2017, has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, on 15.02.2019 vide its order dated 15.02.2019 (The Adjudicating Authority (NCLT) has appointed Mr. Anil Sabharwal, having Registration no. IIBP/IPA-002/iP-P-00005/2016-17 as “Interim Insolvency Resolution Professional”) and on 29.08.2019 vide its order dated 29.08.2019 having Registration no. IIBP/IPA-002/iP-P-00005/2016-17 as Resolution Professional to carry out the functions as mentioned under Insolvency and Bankruptcy Code, 2016. Under the said proceedings the power of the Board was suspended with effect from 15.02.2019. The NCLT order was passed for a moratorium with effect from 15.02.2019, till the completion of the Corporate Insolvency Resolution process (CIRP) or until & if the resolution plan under section 31(1) is passed or a resolution plan is accepted under section 33, whichever is earlier.

Currently, the CIRP Process in the respect of the Company is in progress.

3 Adoption of Ind AS 116 - Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” retrospectively using the cumulative effect method and hence the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the company.

4 Under the Current CIRP process, the Resolution Professional is in the process of inviting resolution plans, once plans are received they will be placed before CoC and thereafter before the Hon'ble NCLT for approval. Currently, various initiatives have been taken to improve the operation of company, improve its customer base, optimize plant utilization, improving operational efficiencies, and other cost control measures to improve the company's operating results and cash flows. Considering the same financial statements of the company are prepared on the going concern basis.

5 The audited standalone and consolidated financial results for the quarter and nine months ended December, 2019 were placed at the meeting of the Directors of PSL Limited (Powers suspended), Auditors, Finance & Accounts Head and the RP held on 11th February, 2020. Accordingly, the said Un-audited financial results of the company have been approved by the RP in consultation with Directors, Auditors and Finance & Accounts Head of the company at the said meeting.

6 Since the lenders of the company have treated the outstanding dues from company to them as NPAs, the company has not provided interest amounting to Rs. 10.93 crores during the current quarter ending 31.12.2019 as also provided in all earlier quarters during the quarter under review.

7 The company has incurred net losses during the quarter ended as well as in the previous year and its net worth is fully in excess. However, the financial statements of the company have been prepared on a going concern basis.

8 The Company has incurred net losses during the quarter ended as well as in the previous year and its net worth is fully in excess. However, the financial statements of the company have been prepared on a going concern basis.

9 The figures for the previous period / year have been restated where necessary to conform to the current year's classification.

10 The Company has incurred net losses during the quarter ended as well as in the previous year and its net worth is fully in excess. However, the financial statements of the company have been prepared on a going concern basis.

11 The figures for the previous period / year have been restated where necessary to conform to the current year’s classification.

12 The figures for the previous period / year have been restated where necessary to conform to the current year’s classification.

The Resolution Professional, in exercise of responsibilities mentioned in Section 17(2) of the Insolvency & Bankruptcy Code, 2016 has signed these results which is based on the information provided by the Corporate Debtor, its directors, auditors, managers and staff etc.

For PSL LIMITED

Place: Mumbai

Date: 11th February, 2020

Ashok Pun

Resolution Professional in the matter of PSL Limited

Poonam Jellal

Auditor

Date: 11th February, 2020

Resolution Professional in the matter of PSL Limited
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022-02-28</td>
<td>Transaction 1</td>
<td>$123,456</td>
</tr>
<tr>
<td>2022-03-01</td>
<td>Transaction 2</td>
<td>$67,890</td>
</tr>
<tr>
<td>2022-03-02</td>
<td>Transaction 3</td>
<td>$98,765</td>
</tr>
</tbody>
</table>

Note: The table represents a summary of financial transactions for the specified period.
LIMITED REVIEW REPORT

To,
The Resolution Professional (RP)
In the matter of PSL Limited,
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/20|9-2020/12462

1. Corporate insolvency Resolution Process (“CIRP”)
The Hon’ble National Company Law Tribunal, Ahmedabad (“NCLT”) by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process (“CIRP”) consequent upon an application filed by PSL Limited u/s 10 of IBC Code and appointed Mr. Nilesh Sharma as the Interim Resolution Professional (“IRP”) and subsequently by virtue of NCLT order dated 29th August, 2019, Mr. Nitin Jain as Resolution Professional (“RP”) in term of the Insolvency and Bankruptcy Code, 2016 (“Code”) to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.

During the 10th meeting of Committee of Creditors (COC) of the PSL Limited held on 6th January, 2020, it was resolved that in the absence of any resolution plan being received by the Resolution Professional in the Corporate Insolvency Resolution Process of PSL Limited, the Corporate Debtor, an application for initiating liquidation be filed before the Adjudicating Authority under Section 33(1)(a) of Insolvency and Bankruptcy Code, 2016.

2. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results (the “statements”) of PSL LIMITED (the “Company”) for the quarter and nine months ended 31st December, 2019 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘the Regulation’).

3. This Statement, which is the responsibility of the Company’s Management and approved at the meeting of PSL Limited of its Board (power suspended) and the resolution professional held on 11th February, 2020, has been prepared in accordance with the recognition and measurement principal laid down in the Indian Accounting Standard 34 “Interim Financial Report” (Ind AS 34), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
LIMITED REVIEW REPORT

4. 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 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.

Emphasis of matter

i. 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 are further enhanced creating a further adverse impact on it’s net worth.

ii. The financial statements have been prepared on a going concern basis although consequent upon severe financial crises faced by the company its net worth is eroded. Moreover, due to the said reason, Company is unable to procure adequate fresh orders which inturn has resulted into reduced income and profitability. Servicing of companies’ debts has also accordingly been adversely affected.

iii. These events cast significant doubt on the ability of the Company to continue as a going concern under the present circumstances. 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.

iv. 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 11 of the Companies Act, 2013. We are therefore unable to comment on the impact on statement of Profit & Loss Account.

v. It has been observed that the Company is unable to deposit the provident fund amount with PF authorities in time, as a result of which Rs. 1.54 Crores is the amount which yet to be deposited.

vi. The Company has reported a Net Loss of Rs. 26.37 Crores for the quarter ended on 31\textsuperscript{st} December, 2019 as against the net loss of Rs. 25.55 Crores for the corresponding quarter ended on 31\textsuperscript{st} December, 2018.

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 any interest amounting to Rs. 109.53 Crores on such outstanding facilities for the quarter ended on 31\textsuperscript{st} December, 2019 due to various banks. Had the said interest been provided in the books in the normal course, the current quarter losses of Rs. 26.37 Crores would have raised to Rs. 135.90 Crores.

viii. The agreement with Kandla Port Trust had not renewed w.e.f. 31.07.2007 onwards for different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and, possession of the same was taken over by Kandla Port Trust on 31\textsuperscript{st} March, 2015. PSL Limited has filed appeal before the District Court, Gandhidham for the same.
LIMITED REVIEW REPORT

The matter is pending at Gandhidham District Court.

ix. Inventory:
   a. The closing inventory as on 31st December, 2019 of Rs. 17.98 Crores (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.17.07 Crores which is currently in arbitration stage.
   b. The Company has done physical inventories on 31st December, 2019 and they have certified the realizable value as on 31st December, 2019 on physical saleable ground.

x. Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.
   a. Although company's three plants earlier 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 one Pipe Mill having capacity of 75000MT, one IPC plant having capacity of 18000Sqr Meter and other spares and consumable 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 0.002 Crores every month to Company's bank account, though there was no agreement for the same.
   b. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs. 4.37 Crores. The Company has not accepted their claim and the accounts are under reconciliations.
   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

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Show Cause Notice</th>
<th>Amount in Rs Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Varsana 1</td>
<td>0.72/-</td>
</tr>
<tr>
<td>2.</td>
<td>Varsana 2 Coating</td>
<td>4.86/-</td>
</tr>
<tr>
<td>3.</td>
<td>Varsana 2 Pipe Mill</td>
<td>5.52/-</td>
</tr>
<tr>
<td></td>
<td>Total Rs.</td>
<td>11.10/-</td>
</tr>
</tbody>
</table>

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.

xi. Settlement with JSW
   'The Company has created pari passu charge with respect to some of the immovable and movable properties of the Company in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited, in pursuance of the Bombay High Court Order.

xii. Lender Banks' Balance Confirmation as on 31st December, 2019
LIMITED REVIEW REPORT

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 December, 2019 but the same have not yet been received the said confirmations. Pending the receipt of balance confirmations, book balances as on 31st December, 2019 have been taken in the accounts of the Company.

xiii. 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 04.03.2020 & Kotak Mahindra Bank is on 18.03.2020.

   b. Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging the order issued by Kandla Port Trust (KPT) in respect of evacuation of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. The matters are pending at High Court.

   c. 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.

      Our opinion is not modified in respect of these matters.

5. 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 the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

FOR V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS

MUMBAI,
LIMITED REVIEW REPORT

To,
The Resolution Professional (RP)
In the matter of PSL Limited,
IBBI Reg. No.: IBBI/IPA-001/IP-P-011562/2019-2020/12462

1. Corporate insolvency Resolution Process ("CIRP")

The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") consequent upon an application filed by PSL Limited u/s 10 of IBC Code and appointed Mr. Nilesh Sharma as the Interim Resolution Professional ("IRP") and subsequently by virtue of NCLT order dated 29th August, 2019, Mr. Nitin Jain as Resolution Professional ("RP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.

During the 10th meeting of Committee of Creditors (COC) of the PSL Limited held on 6th January, 2020, it was resolved that in the absence of any resolution plan being received by the Resolution Professional in the Corporate Insolvency Resolution Process of PSL Limited, the Corporate Debtor, an application for initiating liquidation be filed before the Adjudicating Authority under Section 33(1)(a) of Insolvency and Bankruptcy Code, 2016.

2. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results (the "statements") of PSL LIMITED ("the Parent"), which includes its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), for the quarter and nine months ended 31st December, 2019 being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Regulation).

3. This Statement, which is the responsibility of the Parent's Management and approved at the meeting of PSL Limited of its Board (power suspended) and the Resolution Professional held on 11th February, 2020, has been prepared in accordance with the recognition and measurement principal laid down in the Indian Accounting Standard 34 "Interim Financial Report" (Ind AS 34), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
4. 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 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.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

Attention is drawn to Note 10 of the Statement which states that the consolidated result for the corresponding quarter and nine months ended 31st December, 2018, as reported in the accompanying Statement has been approved by the Resolution Professional, but have not been subjected to review.

**Emphasis of matter**

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

ii. The financial statements have been prepared on a going concern basis although consequent upon severe financial crises faced by the group its net worth is eroded. Moreover, due to the said reason, group is unable to procure adequate fresh orders which in turn has resulted into reduced income and profitability. Servicing of parent companies’ debts has also accordingly been adversely affected.

iii. These events cast significant doubt on the ability of the group to continue as a going concern under the present circumstances. The appropriateness of the said basis is inter-alia dependent on the group’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.

iv. The group has not carried out detailed assessment of the useful life of the assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are therefore unable to comment on the impact on statement of Profit & Loss Account.

v. It has been observed that the Parent Company is unable to deposit the provident fund amount with PF authorities in time, as a result of which Rs. 1.54 Crores is the amount which yet to be deposited.

vi. The Group has reported a Net Loss of Rs. 39.14 Crores for the quarter ended on 31st December, 2019.

vii. Since most of the banks which had extended financial facilities to the parent company have
already treated the outstanding from the parent 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 parent Company has also not provided for any interest amounting to Rs. 109.53 Crores on such outstanding facilities for the quarter ended on 31st December, 2019 due to various banks. Had the said interest been provided in the books in the normal course, the current quarter losses of the group of Rs. 39.14 Crores would have raised to Rs. 148.67 Crores.

viii. The agreement with Kandla Port Trust had not renewed w.e.f. 31.07.2007 onwards for different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and possession of the same was taken over by Kandla Port Trust on 31st March, 2015. PSL Limited has filed appeal before the District Court, Gandhidham for the same. The matter is pending at Gandhidham District Court.

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

a. Although parent company’s three plants earlier handed over to Jindal Tubular (India) Limited (JTIL) in mid 2015 were returned to the parent company during September to November, 2016, JTIL has yet to return to the parent company one Pipe Mill having capacity of 75000MT, one IPC plant having capacity of 18000Sqr Meter and other spares and consumable shifted by it contrary to the provisions of their agreement with the parent company.

As per the advice of Edelweiss, JTIL is transferring Rs 0.098 Crores after deducting tax of Rs 0.002 Crores every month to parent company’s bank account, though there was no agreement for the same.

b. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from parent company amounting to Rs. 4.37 Crores. The parent company has not accepted their claim and the accounts are under reconciliations.

c. The Excise Department has issued following notices to the parent 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 w/s 11AA and penalty w/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Show Cause Notice</th>
<th>Amount in Rs Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Varsana 1</td>
<td>0.72/-</td>
</tr>
<tr>
<td>2.</td>
<td>Varsana 2 Coating</td>
<td>4.86/-</td>
</tr>
<tr>
<td>3.</td>
<td>Varsana 2 Pipe Mill</td>
<td>5.52/-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11.10/-</td>
</tr>
</tbody>
</table>

The parent 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 appellate authority.

x. Settlement with JSW
LIMITED REVIEW REPORT

The parent company has created pari passu charge with respect to some of the immovable and movable properties of the parent company in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited, in pursuance of the Bombay High Court Order.

xi. Lender Banks’ Balance Confirmation as on 31st December, 2019
We have been informed by the officials of the parent company that although the parent 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 parent company for its subsidiaries company as on 31st December, 2019 but the same have not yet been received the said confirmations. Pending the receipt of balance confirmations, book balances as on 31st December, 2019 have been taken in the accounts of the parent company.

xii. 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, Anand, Mumbai and the next date of hearing are fixed.

   Next date of Syndicate Bank hearing on 04.03.2020 & Kotak Mahindra Bank is on 18.03.2020.

   b. Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging the order issued by Kandla Port Trust (KPT) in respect of evacuation of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two plots of land of PCD-II in Plot No. 5 & 6 in Block D, Sector 12, Gandhidham. The matters are pending at High Court.

   c. Company’s petition against Andhra Pradesh Industrial Infrastructure Corporation (APIIIC)

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

   Our opinion is not modified in respect of these matters.

5. The Statement includes the results of the following entities:
   i. PSL Limited- the Parent Company
   ii. PSL Corrosion Control Services Limited- Subsidiary
   iii. PSL Gas Distribution Private Limited- Subsidiary
   iv. PSL Infrastructure and Ports Private Limited- Subsidiary
   v. Pipeline Systems Limited* - Subsidiary

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

6. The Statement includes the unaudited interim financial information of 1 foreign subsidiary and its step-down subsidiary, whose interim financial information reflect, total revenue of Rs. 9.47
crores, total loss of Rs. 14.72 crores and total comprehensive income of Rs. -14.72 crores for
the quarter ended 31st December, 2019 as considered in the Statement. These interim financial
information are unaudited and have been furnished to us by the Management and our opinion on
the Statement, in so far as it relates to the amounts and disclosures included in respect of these
subsidiaries is based solely on such unaudited financial information.

7. Based on our review conducted as stated above, nothing has come to our attention that causes
us to believe that the accompanying Statement, prepared in accordance with recognition and
measurement principles laid down in the aforesaid Indian Accounting Standard specified under
Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued
thereunder and other accounting principles generally accepted in India, has not disclosed the
information required to be disclosed in terms of the Regulation, read with the Circular,
including the manner in which it is to be disclosed, or that it contains any material
misstatement.

MUMBAI,
DATED : - 11TH FEBRUARY, 2020