

**SHAH ALLOYS LIMITED**Regd Off : 5/1, Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad - 380 006
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015**PART-I**

(Rs. in Crores)

	Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-09-2015	30-06-2015	30-09-2014	30-09-2015	30-09-2014	31-03-2015
		(UnAudited)	(UnAudited)	(UnAudited)	(UnAudited)	(UnAudited)	(Audited)
1	Income from Operations						
	(a) Net Sales/Income from Operations (Net of excise duty)	46.35	78.54	60.79	124.89	137.67	261.37
	(b) Other Operating Income	1.36	7.60	4.31	8.96	4.33	13.61
	Total Income from Operations (a)+(b)	47.71	86.14	65.10	133.85	142.00	274.98
2	Expenditure						
	(a) Cost of materials consumed	46.06	53.39	49.61	99.45	96.26	182.40
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(12.45)	11.99	(12.71)	(0.46)	1.16	8.74
	(c) Employee benefits expense	3.03	3.08	3.94	6.11	7.93	15.39
	(d) Depreciation and amortisation expense	4.54	4.54	10.96	9.08	21.92	39.38
	(e) Consumption of Stores & Spares	4.79	4.46	13.31	9.25	23.34	39.71
	(f) Power cost	7.90	9.76	10.87	17.66	22.61	43.91
	(g) Other Expenditure	5.42	5.37	4.01	10.79	7.41	20.04
	Total Expenditure (a) to (g)	59.29	92.59	79.99	151.88	180.63	349.57
3	Profit / (Loss) from operations before other income, finance costs and exceptional item (1-2)	(11.58)	(6.45)	(14.89)	(18.03)	(38.63)	(74.59)
4	Other income	0.42	0.55	0.09	0.97	0.09	0.10
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(11.16)	(5.90)	(14.80)	(17.06)	(38.54)	(74.49)
6	Finance costs	5.65	6.13	18.92	11.78	37.50	69.47
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(16.81)	(12.03)	(33.72)	(28.84)	(76.04)	(143.96)
8	Exceptional items (Refer Note No 4)	(247.26)	3.59	-	(243.67)	-	-
9	Profit / (Loss) from ordinary activities before tax and extra ordinary item (7-8)	230.45	(15.62)	(33.72)	214.83	(76.04)	(143.96)
10	Deferred Tax expense	78.34	(4.04)	(12.14)	74.30	(27.22)	(49.17)
11	Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (9 - 10)	152.11	(11.58)	(21.58)	140.53	(48.82)	(94.79)
12	Extraordinary items	-	-	-	-	-	40.39
13	Net Profit / (Loss) for the period after extra ordinary item (11 - 12)	152.11	(11.58)	(21.58)	140.53	(48.82)	(135.18)
14	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80	19.80
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(729.26)
16	Earnings per share (of Rs. 10/- each) (not annualised)						
	Basic & Diluted before extra ordinary item	76.83	(5.85)	(10.90)	70.97	(24.66)	(47.87)
	Basic & Diluted after extra ordinary item	76.83	(5.85)	(10.90)	70.97	(24.66)	(68.28)

PART-II

A	Particulars of Shareholding	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-09-2015	30-06-2015	30-09-2014	30-09-2015	30-09-2014	31-03-2015
1	Public Shareholding						
	- Number of shares	9068294	9068294	9068294	9068294	9068294	9068294
	- Percentage of shareholding	45.81%	45.81%	45.81%	45.81%	45.81%	45.81%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	10590370	10590370	10590370	10590370	10590370	10590370
	- Percentage of Total Promotor and Promoters Group Shareholding	98.71%	98.71%	98.71%	98.71%	98.71%	98.71%
	- Percentage of Total Share Capital	53.49%	53.49%	53.49%	53.49%	53.49%	53.49%
	b) Non - encumbered						
	- Number of shares	138876	138876	138876	138876	138876	138876
	- Percentage of Total Promotor and Promoters Group Shareholding	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
	- Percentage of Total Share Capital	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%

B	INVESTOR COMPLAINTS	Quarter ended 30-09-2015
	Pending at the beginning of the quarter	Nil
	Received during the quarter	5
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	3

SHAH ALLOYS LIMITED

Registered Office: 5/1, Shreeji House, Behind M.J. Library, Ashram Road, Ahmedabad - 380 006

Statement of Assets and Liabilities

(Rs. In Crore)

	PARTICULAR	As at	As at
		30-09-2015	31-03-2015
		(Unaudited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(374.77)	(729.26)
	Sub-total - Shareholders' funds	(354.97)	(709.46)
2	Share application money pending allotment	-	-
3	Non-current liabilities		
	(a) Long-term borrowings	272.12	254.37
	(b) Other long-term liabilities	2.58	9.64
	(c) Long-term provisions	1.43	1.30
	Sub-total - Non-current liabilities	276.13	265.31
4	Current liabilities		
	(a) Short-term borrowings	130.61	316.98
	(b) Trade payables	61.74	59.98
	(c) Other current liabilities	517.32	806.79
	(d) Short-term provisions	4.21	4.14
	Sub-total - Current liabilities	713.88	1,187.89
	TOTAL - EQUITY AND LIABILITIES	635.04	743.74
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	175.03	187.69
	(b) Non-current investments	5.41	5.29
	(c) Long-term loans and advances	2.27	2.27
	(d) Deferred tax assets (net)	338.61	412.91
	Sub-total - Non-current assets	521.32	608.16
2	Current assets		
	(a) Inventories	84.40	81.78
	(b) Trade receivables	6.16	15.19
	(c) Cash and cash equivalents	0.42	1.00
	(d) Short-term loans and advances	22.67	37.60
	(e) Other current assets	0.07	0.01
	Sub-total - Current assets	113.72	135.58
	TOTAL - ASSETS	635.04	743.74

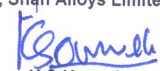
Notes:

- 1 The Un-audited financial results of the Company has been reviewed by the Statutory Auditors of Company and above results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 6th November, 2015
- 2 Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on Dt.22-09-2011, have been frozen on maturity and accordingly exchange rate fluctuation has not been considered thereafter. Payment of FCCB shall be considered as per the scheme that may be considered by Hon'ble BIFR.
- 3 The Company is maintaining its accounts on a going concern basis, inspite of net worth being fully eroded, since company is before Board for Industrial and Financial Restructuring (BIFR) and is in the process of settlement with the lenders under the direction of BIFR
- 4 The Company has entered into settlement agreement on 15th June 2015 and 11th August 2015 for the entire dues in respect of the various facilities and assistance provided respectively by Union Bank of India and State bank of India which was assigned to Invent Assets Securitization & Reconstruction Private Limited

The Company has not recognized the effect of agreement dated 15th June 2015 with Invent Assets Securitization & Reconstruction Private Limited for the remission of liability of Rs. 103,82,98,219/- and Interest of Rs. 119,54,05,675/- in respect of liability of Union Bank of India in the published result for the quarter ended on 30th June 2015. After detailed discussion on various aspects on accounting treatment on remission of liability and Interest on borrowing for the long term prospects, company has now decided to recognize the effect for the remission of liability and Interest portion of liability after assignment of dues by UBI and SBI to Invent and based on the agreements entered into with Invent and accordingly Company show the effect of waiver during the quarter ended 30th September 2015.

The Company has accounted for the remission Portion of loan facilities amounting of Rs. 213,94,42,763/- as Capital Reserve and Waiver of interest amounting of Rs. 247,25,42,464/- as exceptional Income which has been offered in the Statement of Profit and Loss.
- 5 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

For, Shah Alloys Limited


K S Kamath

Jt. Managing Director

Place : Santej

Date : 06-11-2015



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Chartered Accountants

Limited Review Report

Review Report To ,
The Board of Directors
Shah Alloys Limited

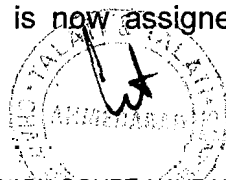
We have reviewed the accompanying statement of Un-audited financial results of **Shah Alloys Limited** ('the company') for the period ended 30th September 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures 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' committee of 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) 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 financial results 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.

Without qualifying our report, we draw your attention to the following matter:

- 1) For the period ended September 30, 2015, the Company has accumulated losses and its net worth has been fully eroded. The Financial results indicate that the Company has incurred a net loss during the current and previous period. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial results of the Company have been prepared on a going concern basis for the reasons stated in the Note 3 to the financial results.
- 2) Note 4 to the Financial Results about the settlement agreement entered into by the company with effect from 15th June 2015 and 11th August 2015 for the entire dues in respect of the various facilities and assistance provided respectively by Union Bank of India and State bank of India which is now assigned to Invent Assets Securitization & Reconstruction Private Limited.

For the agreement entered into by the company with effect from 15th June 2015 for the entire dues in respect of the various facilities and assistance provided by Union Bank of India which is now assigned to Invent Assets securitization &



Reconstruction Private Limited, the company did not recognize the effect for the waiver of Principal and Interest liability in the results published for the quarter ended 30th June 2015. The company has recognized the effect for the waiver of Principal and Interest portion of liability for both the agreements entered into respectively during Quarter ended June 30, 2015 and Sep 30, 2015 in the quarter ended Sep 30,2015 only.

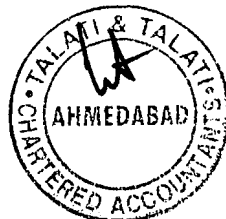
The Company has accounted for the Principal Portion of Waiver of loan facilities as Capital Reserve and Waiver of interest as Income which has been offered in the Statement of Profit and Loss .

The said agreements provides for the settlement of entire dues in respect of financial assistance and facilities with the underlying securities for the payment of Rs. 146,15,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 607,34,85,227/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 461,19,85,227/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 461,19,85,227/-, the waiver of liability of Principal portion of Rs. 213,94,42,763/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 30th Sep 2015 and waiver of interest liability for Rs. 247,25,42,464/- has been offered as Income in the Statement of profit and Loss and has been shown as an Exceptional item in the Results for the period ended 30th Sep 2015.

Basis for Qualified Conclusion

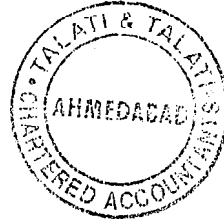
- 1) *The Company has not provided for foreign exchange loss in the financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds(FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at June 30, 2015, which constitutes a departure from the Accounting Standard- 11, "The Effects of Changes in Foreign Exchange Rates", which requires that each foreign currency monetary items should be reported using the closing rate as at each reporting period. Non provision of the foreign exchange loss on the aforesaid Foreign Currency Convertible Bonds (FCCB) and the Premium amount relates to the period from September 23, 2011 to September 30, 2015. The Company's record indicate that had management done the provision, the Exchange loss for the current quarter would have been more by Rs. 2,94,56,786/-. Accordingly, loss for the current quarter has been under-stated by Rs. 2,94,56,786/- and reserves and surplus has been overstated by Rs. 25,08,66,733/-.*



Qualified Conclusion

Except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable Accounting Standards issued under Companies (Accounting Standards) Rules, 2006 which continue to apply as per section 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India 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.

Place: Ahmedabad
Date: 6th November 2015



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


Urnesh Talati
Partner
Mem. No. 034834