



# SHAH ALLOYS LIMITED

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CIN: L27100GJ1990PLC014698 WWW.SHAHALLOYS.COM

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2015

(Rs. in Crores Except per share data)

Particulars	QUARTER ENDED			YEAR TO DATE		YEAR ENDED
	31-12-2015	30-09-2015	31-12-2014	31-12-2015	31-12-2014	31-03-2015
	(UnAudited)	(UnAudited)	(UnAudited)	(UnAudited)	(UnAudited)	(Audited)
<b>1 Income from Operations</b>						
(a) Net Sales/Income from Operations (Net of excise duty)	62.12	46.35	59.00	187.01	196.67	261.37
(b) Other Operating Income	0.05	1.36	0.87	9.01	5.20	13.61
<b>Total Income from Operations (a)+(b)</b>	<b>62.17</b>	<b>47.71</b>	<b>59.87</b>	<b>196.02</b>	<b>201.87</b>	<b>274.98</b>
<b>2 Expenditure</b>						
(a) Cost of materials consumed	42.38	46.06	46.00	141.83	142.26	182.40
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.36	(12.45)	(2.82)	0.90	(1.66)	8.74
(c) Employee benefits expense	2.94	3.03	3.84	9.05	11.77	15.39
(d) Depreciation and amortisation expense	4.54	4.54	10.95	13.62	32.87	39.38
(e) Consumption of Stores & Spares	6.01	4.79	10.96	15.26	34.30	39.71
(f) Power cost	11.29	7.90	12.93	28.95	35.54	43.91
(g) Other Expenditure	5.92	5.48	5.26	16.83	12.82	20.04
<b>Total Expenditure (a) to (g)</b>	<b>74.44</b>	<b>59.35</b>	<b>87.12</b>	<b>226.44</b>	<b>267.90</b>	<b>349.57</b>
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional item ( 1-2 )</b>	<b>(12.27)</b>	<b>(11.64)</b>	<b>(27.25)</b>	<b>(30.42)</b>	<b>(66.03)</b>	<b>(74.59)</b>
4 Other income	0.02	0.42	0.00	0.99	0.09	0.10
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items ( 3+4 )</b>	<b>(12.25)</b>	<b>(11.22)</b>	<b>(27.25)</b>	<b>(29.43)</b>	<b>(65.94)</b>	<b>(74.49)</b>
6 Finance costs	5.66	5.65	18.08	17.44	55.43	69.47
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items ( 5-6 )</b>	<b>(17.91)</b>	<b>(16.87)</b>	<b>(45.33)</b>	<b>(46.87)</b>	<b>(121.37)</b>	<b>(143.96)</b>
8 Exceptional items ( Refer Note No 4)	(4.63)	(247.32)	-	(248.42)	-	-
<b>9 Profit / (Loss) from ordinary activities before tax and extra ordinary item ( 7-8 )</b>	<b>(13.28)</b>	<b>230.45</b>	<b>(45.33)</b>	<b>201.55</b>	<b>(121.37)</b>	<b>(143.96)</b>
10 Deferred Tax	(6.12)	78.34	(15.47)	68.18	(42.69)	(49.17)
<b>11 Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item ( 9 - 10)</b>	<b>(7.16)</b>	<b>152.11</b>	<b>(29.86)</b>	<b>133.37</b>	<b>(78.68)</b>	<b>(94.79)</b>
12 Extraordinary items	-	-	-	-	-	40.39
<b>13 Net Profit / (Loss) for the period after extra ordinary item (11 - 12)</b>	<b>(7.16)</b>	<b>152.11</b>	<b>(29.86)</b>	<b>133.37</b>	<b>(78.68)</b>	<b>(135.18)</b>
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	(3.62)	76.83	(15.08)	67.36	(39.74)	(47.87)
Basic & Diluted after extra ordinary item	(3.62)	76.83	(15.08)	67.36	(39.74)	(68.28)

#### Notes:

- 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 3rd February, 2016
- 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.
- Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.
- Exceptional item of Rs.4,62,83,193/- for reversal of provision of diminution in value of Investments in shares of SAL Steel Ltd , an associate company.
- 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

For, Shah Alloys Limited

K S Kamath (DIN : 00261544)  
Jt. Managing Director

Place : Santej

Date : 03-02-2016



***talati & talati***  
*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 31<sup>st</sup> December 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 December 31, 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 5 to the financial results.



## 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 December 31, 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 December 31, 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. 86,61,057/-. Accordingly, loss for the current quarter has been under-stated by Rs. 86,61,057/- and reserves and surplus has been overstated by Rs. 25,95,27,790/-.*

## 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 Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 , including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Umesh Talati  
Partner  
Mem. No. 034834

Place: Ahmedabad  
Date: 3<sup>rd</sup> February 2016