



SHAH ALLOYS LIMITED

Regd Off : 5/1, Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad - 380 006

CIN : L27100GJ1990PLC014698 WWW.SHAHALLOYS.COM

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2015

PART-I

(Rs. in Crores Except for per share data)

	Particulars	QUARTER ENDED			YEAR ENDED	
		31/03/2015	31/12/2014	31/03/2014	31/03/2015	31/03/2014
		(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations (Net of excise duty)	62.45	59.75	137.49	261.37	419.13
	(b) Other Operating Income	8.41	0.87	1.31	13.61	3.85
	Total Income from Operations (a)+(b)	70.86	60.62	138.80	274.98	422.98
2	Expenditure					
	(a) Cost of materials consumed	40.14	46.00	107.90	182.40	299.86
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	10.40	(2.82)	(7.43)	8.74	20.61
	(c) Employee benefits expense	3.62	3.84	6.24	15.39	20.96
	(d) Depreciation and amortisation expense	6.51	10.95	7.66	39.38	29.93
	(e) Consumption of Stores & Spares	5.41	10.96	22.80	39.71	60.58
	(f) Power cost	8.37	12.93	15.02	43.91	59.58
	(g) Other Expenditure	4.97	6.01	8.65	20.04	25.16
	Total Expenditure (a) to (g)	79.42	87.87	160.84	349.57	516.68
3	Profit / (Loss) from operations before other income, finance costs and exceptional item (1-2)	(8.56)	(27.25)	(22.04)	(74.59)	(93.70)
4	Other income	0.01	0.00	0.06	0.10	0.31
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	(8.55)	(27.25)	(21.98)	(74.49)	(93.39)
6	Finance costs	14.04	18.08	22.36	69.47	93.16
7	Profit / (Loss) from ordinary activities after finance costs (5-6)	(22.59)	(45.33)	(44.34)	(143.96)	(186.55)
8	Tax expense	(6.48)	(15.47)	(28.14)	(49.17)	(57.98)
9	Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (7-8)	(16.11)	(29.86)	(16.20)	(94.79)	(128.57)
10	Extraordinary items	40.39	-	-	40.39	-
11	Net Profit / (Loss) for the period after extra ordinary item (9-10)	(56.50)	(29.86)	(16.20)	(135.18)	(128.57)
12	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(593.01)
14	Earnings per share (of Rs. 10/- each) (not annualised)					
	Basic & Diluted before extra ordinary item	(8.14)	(15.08)	(8.19)	(47.87)	(64.95)
	Basic & Diluted after extra ordinary item	(28.54)	(15.08)	(8.19)	(68.28)	(64.95)

PART-II

A	Particulars of Shareholding	QUARTER ENDED			YEAR ENDED	
		31/03/2015	31/12/2014	31/03/2014	31/03/2015	31/03/2014
1	Public Shareholding					
	- Number of shares	9068294	9068294	9068294	9068294	9068294
	- Percentage of shareholding	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
	- Percentage of Total Promoter and Promoters Group Shareholding	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%
	b) Non - encumbered					
	- Number of shares	138876	138876	138876	138876	138876
	- Percentage of Total Promoter and Promoters Group Shareholding	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%

B	INVESTOR COMPLAINTS	Quarter ended 31/03/2015
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil



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Statement of Assets and Liabilities

(Rs. In Crore)

	PARTICULAR	As at 31/03/2015 (Audited)	As at 31/03/2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(729.26)	(593.01)
	Sub-total - Shareholders' funds	(709.46)	(573.21)
2	Non-current liabilities		
	(a) Long-term borrowings	254.37	340.03
	(b) Other long-term liabilities	9.64	11.56
	(c) Long-term provisions	1.30	1.22
	Sub-total - Non-current liabilities	265.31	352.81
3	Current liabilities		
	(a) Short-term borrowings	316.98	317.24
	(b) Trade payables	59.98	118.51
	(c) Other current liabilities	806.79	662.53
	(d) Short-term provisions	4.14	3.95
	Sub-total - Current liabilities	1,187.89	1,102.23
	TOTAL - EQUITY AND LIABILITIES	743.74	881.83
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	187.69	233.90
	(b) Non-current investments	5.29	39.95
	(c) Long-term loans and advances	2.27	10.25
	(d) Deferred tax assets (net)	412.91	363.73
	Sub-total - Non-current assets	608.16	647.83
2	Current assets		
	(a) Inventories	81.78	105.51
	(b) Trade receivables	15.19	31.08
	(c) Cash and cash equivalents	1.00	0.64
	(d) Short-term loans and advances	37.60	96.75
	(e) Other current assets	0.01	0.02
	Sub-total - Current assets	135.58	234.00
	TOTAL - ASSETS	743.74	881.83

Notes:

- 1 The above results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 22nd May, 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 figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date upto 3rd Quarter.
- 4 Secured Borrowings from Karur Vysya Bank w.e.f. 31st Dec 2012, IDBI Bank w.e.f. 28th March 2014, Bank of Baroda w.e.f. 26th March 2014, Oriental Bank of Commerce w.e.f. 4th August 2014, State Bank of India w.e.f. 28th January 2015 and Union Bank of India w.e.f. 31st March 2015 have been transferred / assigned to financial institution together with all their rights, title and interest in the financial documents and any underline security interest/pledges and /or guarantees in respect of such loans.Hence the company has stopped for making provision for interest on such borrowing from the date of transferred due to non execution of agreement with Asset Reconstruction Companies.
- 5 Consequent to enactment of the Companies Act, 2013 and its applicability of accounting period commencing after 1st April 2014, the Company has reworked depreciation with reference to the estimated economic lives of fixed assets prescribed in Part C of Schdule II to the Act or actual useful life of assets reassessed by the Management . In case of any asset whose life has expired as at 1st April 2014, the carrying value of the said assets has been adjusted to General Reserve (net off deferred tax) and in other cases, carrying value of the has been depreciated over the remaining useful life of the assets and recognized in the statement of Profit & Loss. In case of any Asset whose life has completed as above, Carrying value as at 1st April 2014 has been adjusted to the opening balance of retained earnings (net off deferred tax) to the extent of Rs. 1,06,87,296/-
- 6 The Company has reworked depreciation with reference to the estimated economic lives of Fixed Assets prescribed in Part C of the Schedule II to the Act . Due to change in the estimates of economic lives of Fixed Assets, provision of Depreciation of the current year has been Higher by Rs. 11,95,72,449/- and negative balance of Reserves and Surplus has been higher by Rs. 11,95,72,449/-
- 7 Extraordinary item of Rs.40,38,30,553/- includes as follows:
1) Rs.5,72,84,008/-for charging back expenses of Preoperative expenses, trial run expenses and borrowing cost to statement of profit & Loss which was earlier capitalized and
2) Rs.34,65,46,545/-for provision of diminution in value of Investments in shares of SAL Steel Ltd, an associate company.
- 8 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

Place : Santej
Date : 22-05-2015



For, Shah Alloys Limited
K S Kamath
K S Kamath (DIN: 00261544)
Jt. Managing Director



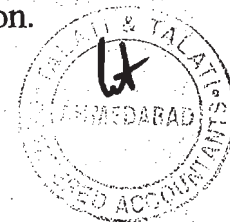
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Chartered Accountants

Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of Shah Alloys Limited Pursuant to the Clause 41 of the Listing Agreement

To,
Board of Directors of Shah Alloys Limited

We have audited the Quarterly Financial Results of Shah Alloys Limited ('the Company') for the Quarter ended 31st March 2015 and the year to date financial results for the period 1st April 2014 to 31st March 2015, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, 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. The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31st March 2015 and the published year to date figures up to 31st December 2014, being the date of the end of the 3rd quarter of the current financial year, which were subject to limited review. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial results, which are the responsibility of the Company's management and have been approved by the Board of Directors/ Committee of Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial results, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



AMBICA CHAMBERS, NEAR OLD HIGH COURT, NAVRANGPURA, AHMEDABAD 380 009.

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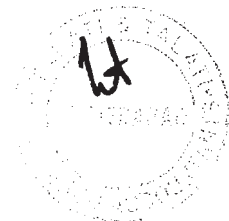
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In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:

Subject to

1. *The Company has not provided for foreign exchange gain/loss in the financial statements 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 March 31, 2015, which constitutes a departure from the AS- 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 the balance sheet date. Non provision of the foreign exchange gain/loss on the aforesaid Foreign Currency Convertible Bonds (FCCB) and the Premium amount thereon relates to the period from September 23, 2011 to March 31, 2015. The Company's record indicate that had management done the provision , Exchange gain for the current quarter would have been more by Rs. 1,09,81,248/-. Accordingly, loss for the current quarter has been overstated by Rs. 1,09,81,248/- and negative balance of reserves and surplus has been overstated to the extent of Rs. 20,41,51,583/- and other current liabilities has been under stated to the extent of Rs. 20,41,51,583/- as at the balance sheet date.*
2. *Consequent upon the sanction of the restructuring package given under CDR mechanism by banks & financial institution, the company was required to start repaying the loans sanctioned by banks/ institutions and debenture holders from June 2011 onwards, however the company has made continuing default in repaying the dues of term loans including Interest, working capital term loans, Funded Interest Term Loan and Non convertible debentures including Interest for Rs 437,22,44,803/- as per the terms stipulated in the CDR rework proposal as at March 31,2015 and Rs 23,07,59,399/- for the quarter ended on March 31,2015. The period of default on repayment of principal (for NCD, WCTL, TL and FITL) is ranging for a period from 1-1370 days, and the period of default in interest (on NCD, WCTL, TL and FITL) is ranging from 1-1704 days .*



Moreover the company has made a continuing default in payment of interest on Working capital facilities to the tune of Rs . 174,65,31,157/- respectively as at March 31,2015 and Rs 6,17,46,049/- for the quarter ended on March 31,2015. The period of default in interest is ranging for a period from 1-1734 days for Working capital facilities .

3. As informed to us, Management is of the view that they do not anticipate execution of its ongoing project of Cold Rolling Mill(CRM) Plant . However, due and adequate provision / write off / impairment which should have been made in the books of accounts has not been made. Out of the total book value of Capital work in progress of Rs. 18,31,84,363/-, the management has charged back only expense of pre operative expense, trial run expense and borrowing cost element for Rs. 5,72,84,008/- to the statement of profit and loss during the current year which was earlier capitalized. For the remaining balance of the book value of Capital work in progress , the company has not carried out any Techno-economic assessment during the year ended 31 March 2015 for the valuations of its ongoing Capital Project and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with notified Accounting Standard 28 on "Impairment of asset" which states that impairment loss is recognized when the carrying amount of the an asset exceeds its recoverable amount . The consequential impact of adjustment, if any, on the financial results due to non provision / write off / impairment is currently not ascertainable and therefore we are unable to comment on its consequential financial impact, if any, on the financial results.
4. The Company, in September 2006, has raised US \$ 10 million through Unsecured Zero Coupon Foreign Currency Convertible Bonds (FCCB), due on 2nd September, 2011. On full conversion of FCCB, the FCCB will be converted in to 26,41,143 Equity shares of 10 each at a premium of Rs. 165 per share, at the option of the Bondholders at any time before the maturity of the bonds. On Conversion, Capital will increase by Rs 2,64,11,430 and Share Premium by Rs 43,57,88,570/-. If Bonds are not converted, the company will have to repay the bonds at a premium & in US Dollars. The company has provided the premium till 2nd September, 2011 which has been adjusted against Security Premium in accordance with Section 52 of the Companies Act, 2013.
However, the company has defaulted in repayment of the foreign currency convertible bond (FCCB) dues on its maturity. The default is subsisting since 1286 days.



Without qualifying our opinion, we draw your attention to

- 1) 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/net cash loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the current and previous year balance sheet date. 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.
- 2) The transfer/ assignment of secured loans with all their rights, title and interest in the financial documents by banks to the Asset Reconstruction companies, against which the company has stopped making provision for interest on such borrowing from the date of transfer due to non execution of agreement with Asset Reconstruction companies.
 - (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (ii) give a true and fair view of the net loss and other financial information for the Quarter ended 31st March 2015 as well as the year to date results for the period from 1st April 2014 to 31st March 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



A handwritten signature in black ink, appearing to read "Umesh Talati".

Umesh Talati
(Partner)
Mem. No. 034834

Place: Ahmedabad
Date: 22nd May 2015