

# 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 31<sup>ST</sup> MARCH, 2016**

(Rs. in crore except per share data)

	Particulars	QUARTER ENDED			YEAR ENDED	
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>					
	(a) Net Sales/Income from Operations <i>(Net of excise duty)</i>	73.99	62.12	62.45	261.00	261.37
	(b) Other Operating Income	0.05	0.05	6.31	0.31	4.35
	<b>Total Income from Operations (a)+(b)</b>	<b>74.04</b>	<b>62.17</b>	<b>68.76</b>	<b>261.31</b>	<b>265.72</b>
<b>2</b>	<b>Expenditure</b>					
	(a) Cost of materials consumed	47.48	43.75	40.04	192.66	177.69
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.07)	1.36	10.40	(2.17)	8.74
	(c) Employee benefits expense	3.05	2.94	3.62	12.10	15.39
	(d) Depreciation and amortisation expense	4.54	4.54	6.51	18.16	39.38
	(e) Consumption of Stores & Spares	5.28	5.99	5.58	20.65	40.47
	(f) Power cost	13.62	11.29	8.37	42.57	43.91
	(g) Other Expenditure	8.62	4.57	2.80	13.24	14.73
	<b>Total Expenditure (a) to (g)</b>	<b>79.52</b>	<b>74.44</b>	<b>77.32</b>	<b>297.21</b>	<b>340.31</b>
<b>3</b>	<b>Profit / (Loss) from operations before other income, finance costs and exceptional item ( 1-2 )</b>	<b>(5.48)</b>	<b>(12.27)</b>	<b>(8.56)</b>	<b>(35.90)</b>	<b>(74.59)</b>
<b>4</b>	Other income	0.07	0.02	0.01	1.06	0.10
<b>5</b>	<b>Profit / (Loss) from ordinary activities before finance costs ( 3+4 )</b>	<b>(5.41)</b>	<b>(12.25)</b>	<b>(8.55)</b>	<b>(34.84)</b>	<b>(74.49)</b>
<b>6</b>	Finance costs	5.70	5.66	14.04	23.14	69.47
<b>7</b>	<b>Profit / (Loss) from ordinary activities after finance costs ( 5-6 )</b>	<b>(11.11)</b>	<b>(17.91)</b>	<b>(22.59)</b>	<b>(57.98)</b>	<b>(143.96)</b>
<b>8</b>	Exceptional items	-	-	-	-	-
<b>9</b>	<b>Profit / (Loss) from ordinary activities before tax ( 7-8 )</b>	<b>(11.11)</b>	<b>(17.91)</b>	<b>(22.59)</b>	<b>(57.98)</b>	<b>(143.96)</b>
<b>10</b>	Deferred Tax	(3.42)	(6.12)	(6.48)	64.76	(49.17)
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (9-10)</b>	<b>(7.69)</b>	<b>(11.79)</b>	<b>(16.11)</b>	<b>(122.74)</b>	<b>(94.79)</b>
<b>12</b>	Extraordinary items ( Refer Note No.6)	1.30	(4.63)	40.39	(247.12)	40.39
<b>13</b>	<b>Net Profit / (Loss) for the period after extra ordinary item (11-12)</b>	<b>(8.99)</b>	<b>(7.16)</b>	<b>(56.50)</b>	<b>124.38</b>	<b>(135.18)</b>
<b>14</b>	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80
<b>15</b>	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(729.26)
<b>16</b>	Earnings per share (of Rs. 10/- each) (not annualised)					
	Basic & Diluted before extra ordinary item	(3.88)	(5.96)	(8.14)	(61.99)	(47.87)
	Basic & Diluted after extra ordinary item	(4.54)	(3.62)	(28.54)	62.82	(68.28)

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## Audited Statement of Assets and Liabilities

(Rs. In Crore)

Sr. No.	PARTICULAR	As at 31/03/2016	As at 31/03/2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(390.93)	(729.26)
	<b>Sub-total - Shareholders' funds</b>	<b>(371.13)</b>	<b>(709.46)</b>
2	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	240.06	254.37
	(b) Other long-term liabilities	0.35	9.64
	(c) Long-term provisions	1.17	1.30
	<b>Sub-total - Non-current liabilities</b>	<b>241.58</b>	<b>265.31</b>
3	<b>Current liabilities</b>		
	(a) Short-term borrowings	130.61	316.98
	(b) Trade payables	73.16	59.98
	(c) Other current liabilities	556.42	806.79
	(d) Short-term provisions	4.51	4.14
	<b>Sub-total - Current liabilities</b>	<b>764.70</b>	<b>1,187.89</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>635.15</b>	<b>743.74</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Fixed assets	165.95	187.69
	(b) Non-current investments	8.74	5.29
	(c) Long-term loans and advances	2.27	2.27
	(d) Deferred tax assets (net)	348.16	412.91
	<b>Sub-total - Non-current assets</b>	<b>525.12</b>	<b>608.16</b>
2	<b>Current assets</b>		
	(a) Inventories	82.43	81.78
	(b) Trade receivables	9.94	15.19
	(c) Cash and Bank Balances	3.05	1.00
	(d) Short-term loans and advances	14.61	37.60
	(e) Other current assets	0.00	0.01
	<b>Sub-total - Current assets</b>	<b>110.03</b>	<b>135.58</b>
	<b>TOTAL - ASSETS</b>	<b>635.15</b>	<b>743.74</b>

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## Notes:

- 1 The above audited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 30<sup>th</sup> May, 2016
- 2 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.
- 3 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.
- 4 Secured Borrowings from the below mentioned banks 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.

Name of Bank	Date of Loan Transferred	Name of Financial Institution
Karur Vysya Bank	31/12/2012	Asset Reconstruction Company (India) Limited.
IDBI Bank	28/03/2014	Asset Reconstruction Company (India) Limited.
Bank of Baroda	26/03/2014	Edelweiss Assets Reconstruction Company Limited.
Oriental Bank of Commerce	04/08/2014	Edelweiss Assets Reconstruction Company Limited.
Punjab National Bank	31/03/2016	Invent Assets Securitization & Reconstruction Private Limited.

Further 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 (ARC) and hence due to non availability of agreement with Asset Reconstruction Companies (ARC) , the company has taken the CDR – 2 orders as base for classification of current / non-current liability and default of total borrowing

- 5 As at the year end the Company has accumulated losses and its net worth has been fully eroded. The Financial results indicate that the Company has net loss during the current and previous year and the Company's current liabilities exceed 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 based on that the Company is actively negotiating with the ARC / lenders for settlement.
- 6 Extraordinary item of Rs.247,11,85,076/- for the year ended 31st March 2016 includes as follows:
  - 1) Rs.3,44,92,967/- for reversal of provision for diminution in value of Investments in shares of SAL Steel Ltd , an associate company.
  - 2) During the year the company has entered settlement agreement 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.

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 31st March 2016 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 31st March 2016.

3) During the year, the Company has obtained technical valuation of their Capital work In Progress from the approved valuer and booked impairment loss of Rs. 3,58,50,355/- to the statement of Profit and Loss.

- 7 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

For and on behalf of Board of Directors

Place : Santej

Date : 30-05-2016

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