



SHAH ALLOYS LIMITED

Regd Off : 5/1, Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad - 380 006
 CIN : L27100GJ1990PLC014698 www.shahalloys.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2015

PART-I

(Rs. in Crores Except for per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30/06/2015 (Un Audited)	31/03/2015 (Audited)	30/06/2014 (Un Audited)	31/03/2015 (Audited)
1	Income from Operations				
	(a) Net Sales/Income from Operations (Net of excise duty)	78.54	62.45	76.88	261.37
	(b) Other Operating Income	7.60	8.41	0.02	13.61
	Total Income from Operations (a)+(b)	86.14	70.86	76.90	274.98
2	Expenditure				
	(a) Cost of materials consumed	53.39	40.14	46.65	182.40
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	11.99	10.40	13.87	8.74
	(c) Employee benefits expense	3.08	3.62	3.99	15.39
	(d) Depreciation and amortisation expense	4.54	6.51	10.96	39.38
	(e) Consumption of Stores & Spares	4.46	5.41	10.03	39.71
	(f) Power cost	9.76	8.37	11.74	43.91
	(g) Other Expenditure	5.37	4.97	3.40	20.04
	Total Expenditure (a) to (g)	92.59	79.42	100.64	349.57
3	Profit / (Loss) from operations before other income, finance costs and exceptional item (1-2)	(6.45)	(8.56)	(23.74)	(74.59)
4	Other income	0.55	0.01	-	0.10
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Item (3+4)	(5.90)	(8.55)	(23.74)	(74.49)
6	Finance costs	6.13	14.04	18.58	69.47
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Item (5-6)	(12.03)	(22.59)	(42.32)	(143.96)
8	Exceptional items	3.59	0.00	0.00	0.00
9	Net Profit / (Loss) from ordinary activities before tax and extra ordinary item (8-9)	(15.62)	(22.59)	(42.32)	(143.96)
10	Deferred Tax expense	(4.04)	(6.48)	(15.08)	(49.17)
11	Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (9-10)	(11.58)	(16.11)	(27.24)	(94.79)
12	Extraordinary items	-	40.39	-	40.39
13	Net Profit / (Loss) for the period after extra ordinary item (11-12)	(11.58)	(56.50)	(27.24)	(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
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	(5.85)	(8.14)	(13.76)	(47.87)
	Basic & Diluted after extra ordinary item	(5.85)	(28.54)	(13.76)	(68.28)

PART-II

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

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B	Investor Complaints	Quarter ended 30/06/2015
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	1

Notes:

- 1 The above results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 14th August, 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 Secured Borrowings from Bank of Maharashtra on 13th May 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.
- 4 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
- 5 The company has entered into settlement agreement with Invent Assets Securitization & Reconstruction Private Limited as full and final payment for ₹ 73,40,00,000 against total dues of ₹ 296,77,03,894 earlier payable to Union Bank of India in respect of various facilities and assistance provided to the Company. Since agreement is having certain terms and conditions to be fulfilled by parties and hence the company will recognize waiver on settlement after all terms and conditions are satisfied by the parties.
- 6 During the current quarter, the company has obtain valuation report of their capital work in progress assets from the approved valuer and booked impairment loss amounting of ₹3,58,50,355 /- to the statement of Profit and Loss and shown as exceptional items.
- 7 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

Place : Santej
Date : 14-08-2015



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



Limited 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 June 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 June 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 4 to the financial results.
- 2) Note 5 to the Financial Results about the settlement agreement 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 said agreement provides for the settlement of entire dues in respect of financial assistance and facilities with the underlying securities for the payment of Rs. 73,40,00,000 towards full and final settlement against the total liability of Rs. 296,77,03,894 resulting into the waiver of liability for the amount of Rs. 223,37,03,894/-.



However, in view of the management, reasonable assurance as to the benefit of waiver of liability is available only when compliance of all the terms and conditions of the agreement are fulfilled and hence the income should be recognized in the period in which all the terms and conditions of the agreement is fulfilled.

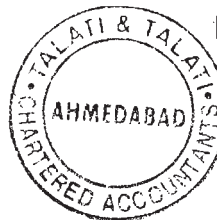
Basis for Qualified Conclusion

- 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 June 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. 1,72,58,365/-. Accordingly, loss for the current quarter has been under-stated by Rs. 1,72,58,365/- and reserves and surplus has been overstated by Rs. 22,14,09,947/-.*

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: 14th August 2015



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

Umesh Talati
Partner
Mem. No. 034834