SHAH ALLOYS LTD.

Corp. Office : Shah Alloys Corporate House, Sola-Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar-382721.
Regd. Office : 5/1, Shreeji House, 5th Floor, Behind M. J. Library, Ashram Road, Ahmedabad-6. India

Phone : 02764 - 661100
Fax : 02764 - 661110
E-mail : info@shahalloys.com

31.08.2015

Department of Corporate Service
Bombay Stock Exchange Ltd.
PhirozeJeejeebhoy Tower.
Dalal Street,
Mumbai - 400 001

Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400051

BSE Scrip Code: 513436

NSE Symbol – SHAHALLOYS

Dear Sir,

Sub: Submission of Form A and Form B pursuant to Clause 31 (a) of the Listing Agreement.

With reference to above, please find enclosed herewith Form A and Form B pursuant to Clause 31 (a) of the Listing Agreement and copy of the Annual Report 2014-15 of the company for the year ended on 31st March, 2015.

This is for your information and record pursuant to listing agreement.

Thanking you,
Yours faithfully,

for Shah Alloys Ltd

SHAH ALLOYS LTD. A'BAD.

Vinod Kumar Shah
Company Secretary
Encl: As Stated

FORM A

Format of covering letter of the Annual Audit Report to be filled with the Stock Exchange

1	Name of the company	Shah Alloys Ltd
2	Annual financial statements for the year ended	31st March, 2015
3	Type of Audit observation	Matter of Emphasis
4	Frequency of observation	Repetitive - Para No. 2 appeared for second time. Para No. 1 appeared for the first time. Under the head "Emphasis of Matters" at Independent Auditor's Report
5	To be signed by-	
	• Jt. Managing Director	Shri K S Kamath ..... (DIN 00261544)
	• CFO	Shri Yashpal Mehta: .....
	• Auditor of the company	Shri Umesh Talati : ..... (ICAI Membership No. 034834)
	• Audit Committee Chairman	Shri G. M. Shaikh: ..... (DIN 00367186)

SHAH ALLOYS LTD. PUNE

TALATI & TALATI AHMEDABAD CHARTERED ACCOUNTANTS

FORM B

Format of covering letter of the Annual Audit Report to be filled with the Stock Exchange

1	Name of the company	Shah Alloys Ltd
2	Annual financial statements for the year ended	31st March, 2015
3	Type of Audit qualification	Qualified
4	Frequency of qualification	Repetitive
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	**1. Para of Independent Auditors' Report Under the head "Basis for Qualified Opinion- Para(1)"** *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.* **Reply:** Since last many years the company does not have internal accruals from the operations and as a

SHAH ALLOYS LTD. A'BAD

TALATI & TALATI AHMEDABAD CHARTERED ACCOUNTANTS

		result, management do not anticipate execution of its ongoing project of Cold Rolling Mill (CRM) Plant. Fund of ₹18,31,84,363/- is blocked in the said ongoing projects. Since the capital project is not anticipate to complete in future, we have charged back expense of pre-operative expense, trial run expense and borrowing cost elements for ₹5,72,84,008/- to the statement of profit and loss during the current year which was earlier capitalized and carried in Capital work In Progress of our ongoing projects. For the remaining balance carried as 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 such Capital Projects and hence identification of impairment loss and provision thereof, if any, has not been made. Considering the emphasis of the matter, company agreed to appoint an approved valuer to access the impairment of the assets. We are expecting a report from the valuer and decision will be taken with regard to impairment, if any, on such assets. **2. Para of Independent Auditors' Report Under the head "Basis for Qualified Opinion- Para(2)"** *The Company has not provided for foreign exchange 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 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 the balance sheet date. 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 March 31, 2015. The Company's record indicate that had management done the provision, the Exchange loss for the financial year 2014-15 would have been more by ₹3,69,30,321/-. Accordingly, loss for the current financial year 2014-15 has been under-stated by ₹*

		3,69,30,321/- and reserves and surplus has been overstated by ₹20,41,51,583/-. **Reply** Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on 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. "Para – vii (a)" of Annexure to Independent Auditors' Report** *According to the records of the company, undisputed Statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise ,value added tax, cess and any other statutory dues have not been generally regularly deposited during the year with the appropriate authorities. On the basis of records produced before us for our verification and according to the information & explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.* **Reply** Payments of Statutory dues were marginally delayed on account of slow recovery/collection. However, the same has been paid. **4. "Para – ix" of Annexure to Independent Auditors' Report** Qualified opinion and its reply is annexed herewith in separate page.
	Additional comments from the board/audit committee chair:	N.A

SHAH ALLOYS LTD. ABAD.

TALATI & TALATI CHARTERED ACCOUNTANTS AHMEDABAD

"Para – ix" of Annexure to Independent Auditors' report

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 default in repaying the dues as per the terms stipulated in the CDR rework proposal. The Amount and the period of default in respect of Term Loan, WCTL and Non-convertible Debentures are as under:

Particulars	***Period to which the default relates***	***Default (Amount in ₹)***	***Period for which the default subsists***
Term Loan	*2011-12*	*17,37,96,292*	*1095-1370 days*
	2012-13	*19,60,41,787*	*730-1005 days*
	2013-14	*19,60,41,790*	*365-640 days*
	2014-15	*20,90,51,014*	*1-270 days*
Working Capital Term Loan From Bank	*2011-12*	*18,64,03,089*	*1095-1370 days*
	2012-13	*22,36,83,707*	*730-1005 days*
	2013-14	*22,36,83,707*	*365-640 days*
	2014-15	*22,36,83,707*	*1-270 days*
Non-Convertible Debenture	*2011-12*	*10,41,66,667*	*1095-1370 days*
	2012-13	*12,50,00,000*	*730-1005 days*
	2013-14	*12,50,00,000*	*365-640 days*
	2014-15	*12,50,00,000*	*1-270 days*

As per the CDR Terms, Interest on Term Loan, Working capital term loan (WCTL) and Non-convertible debentures (NCD) had to be parked up to May 2011 into a separate account called Funded Interest Term loan (FITL). However, from June 2011 onwards, the interest on Term Loan, Working capital term loan (WCTL) and Non-convertible debentures (NCD) has to be serviced as and when due.

However, the company has defaulted in payment of interest on Term Loan, Working capital term loan (WCTL) and Non-convertible debentures (NCD). The Amount and the period of default are as listed under:

SHAH ALLOYS LTD. A'BAD.

TALATI & TALATI CHARTERED ACCOUNTANTS AHMEDABAD

Particulars	Period to which the default relates	Default (Amount in ₹)	Period for which the default subsists
Interest on Term Loan	2011-12	12,04,69,127	1095-1431 days
	2012-13	15,73,65,814	730-1066 days
	2013-14	13,33,73,691	365-700 days
	2014-15	9,47,04,719	1-335 days
Interest on Working Capital Term Loan	2011-12	14 95 31 027	1095-1431 days
	2012-13	17,89,46,966	730-1066 days
	2013-14	17,89,46,953	365-700 days
	2014-15	13,53,05,256	1-335 days
Interest on Non-Convertible Debenture	2011-12	8,18,90,411	1095-1431 days
	2012-13	9,80,00,000	730-1066 days
	2013-14	9,80,00,000	365-700 days
	2014-15	8,90,00,000	1-335 days

As per the terms of the CDR, Principal and Interest on funded interest term loan (FITL) was required to be paid as and when it was due. The company has made the default in payment of Principal and interest on FITL. The amount and the period of default are as mentioned below:

Particulars	Period to which the default relates	Default (Amount in ₹)	Period for which the default subsists
Funded Interest Term Loan(FITL)	2013-14	13,37,23,870	365-455 days
	2014-15	26,74,47,740	1-270 days
Interest on Funded Interest Term Loan(FITL)	2010-11	4,31,63,185	1461-1704 days
	2011-12	7,98,16,025	1096-1339 days
	2012-13	8,25,18,348	730-1066 days
	2013-14	7,71,66,458	365-700 days
	2014-15	6,13,23,453	1-335 days

TALATI & TALATI CHARTERED ACCOUNTANTS AHMEDABAD

As per the terms of the CDR, Interest on working capital facilities was required to be paid as and when it was due. The company has made the default in payment of interest on the working capital facilities. The amount and the period of default are as mentioned below:

Particulars	***Period to which the default relates***	***Default (Amount in ₹)***	***Period for which the default subsists***
Interest on working capital facilities	*2010-11*	*22,69,93,827*	*1461-1734 days*
	2011-12	*37,17,47,750*	*1096-1369 days*
	2012-13	*39,44,65,648*	*730-1066 days*
	2013-14	*44,18,08,307*	*365-700 days*
	2014-15	*31,15,15,625*	*1-335 days*

Moreover, the Company, in September 2006, has raised US $ 10 million through Unsecured Zero Coupon Foreign Currency Convertible Bonds (FCCB), due on 22nd September, 2011. On full conversion of FCCB, the FCCB will be converted in to 26,41,143 Equity shares of Rs 10 each at a premium of ₹ 165 per share, at the option of the Bondholders at any time before the maturity of the bonds. On Conversion, Capital will increase by ₹ 2,64,11,430 and Share Premium by ₹ 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 22nd 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

Reply:

As per the scheme sanctioned by CDR (EG) consortium bankers were required to give working capital for the optimal utilization of production capacity. However, in the absence of non availability of funds from the lenders, the accruals were not in line with the sanctioned scheme and hence Company could not utilize optimally its production capacity. In view of this, Company was not able to make payments to banks/institutions and debenture holders as per the sanctioned scheme. However, before due date of repayment, Company had approached Hon'ble BIFR for declaring it as a Sick company under Section 3(1)(o) of the SICA and was declared so before the due date, i.e., June 2011. On account of sick company status, payments were not made as per CDR. Company has submitted the proposal for One Time Settlement (OTS) of debts to all the lenders and also revised the proposals based on discussions with high level committee meetings of the lenders. However, despite of the repeated attempts by the company or/and order of the Hon'ble BIFR, Lenders have declined revised proposal and most of the banks assigned the debts to various Asset Reconstruction Companies (ARCs). Your company is actively negotiating with these ARCs' for one time settlement of debts and expecting a settlement in the coming hears.

ALLOYS LTD. BAD.

TALATI & TALATI CHARTERED ACCOUNTANTS

To be signed by-

- Jt. Managing Director — Shri K. S. Kamath: .....
  (DIN 00261544)
- CFO — Shri Yashpal Mehta: .....
- Auditor of the company — Shri Umesh Talati: .....
  (ICAI Membership No.034834)
- Audit Committee Chairman — Shri G. M. Shaikh: .....
  (DIN 00367186)

SHAH ALLOYS LTD. A'BAD.

TALATI & TALATI AHMEDABAD CHARTERED ACCOUNTANTS

Annual Report 2014-2015

SHAH ALLOYS LTD.

25TH ANNUAL REPORT

CIN L27100GJ1990PLC014698

BOARD OF DIRECTORS:

Shri Rajendra V. Shah	Chairman
Shri Ashok A Sharma	Whole-Time Director
Shri Kandodi Srinivas Kamath	Jt. Managing Director
Shri Dilip Kumar Sinha	Independent Director
Shri G.M. Shaikh	Independent Director
Shri Tejpal S Shah	Independent Director
Shri Harshad M Shah	Independent Director
Shri Tilak Raj Sahni	Nominee Director – UBI (upto 12.01.2015)
Shri Harbans Lal Rawal	Nominee Director – UBI (w.e.f. 13.01.2015)
Shri Yashpal Mehta	Chief Financial Officer
Shri Vinod Kumar Shah	Company Secretary

REGISTERED OFFICE

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

CORPORATE OFFICE

Shah Alloys Limited
Corporate House,
Sola-Kalol Road,
Village Santej,
Dist.-Gandhinagar-382 721.

WORKS

Shah Industrial Estate, Block No.2221,
Sola-Kalol Road, Santej,
Tal. Kalol, Dist. Gandhinagar- 382 721

AUDITORS

Talati & Talati
Chartered Accountants
Ambika Chambers
Nr. Old High Court, Navarangpura.
Ahmedabad-380 009.

BANKERS TO THE COMPANY

1. Union Bank of India
2. State Bank of India
3. Punjab National Bank
4. Bank of Maharashtra
5. Axis Bank Limited

Shareholders are requested to bring their copies of Annual Report at the Annual General Meeting as the same will not be distributed in the Meeting Hall.

CONTENTS ..... PAGE

Notice 01
Directors' Report 08
Corporate Governance Report 21
Management Discussion & Analysis 31
Independent Auditors' Report 35
Balance Sheet 40
Statement of Profit & Loss 41
Cash Flow Statement 42
Notes forming part of Financial Statements 44

NOTICE

NOTICE is hereby given that 25th Annual General Meeting of the Members of **SHAH ALLOYS LIMITED** will be held on Thursday, 24th September, 2015 at 05:00 P.M. at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380 060 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, Statement of Profit & Loss for year ended on that date and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Rajendra V. Shah (DIN 00020904), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s Talati & Talati, Chartered Accountants, Ahmedabad, (ICAI Registration No. 110758W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Eighth Annual General Meeting to be held in the year 2018 subject to ratification of the appointment by the members at every AGM held after this AGM at a remuneration plus applicable service tax and out of pocket expenses incurred by them for the purpose of audit to be decided by the Board of Directors in consultation with the Auditors.".

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), following resolution **as an Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time and subject to such approvals as may be necessary and further approval of the members in the forthcoming Annual General Meeting, consent of the company be and is hereby accorded for re-appointment and for the terms of remuneration of Shri Kandodi Srinivas Kamath (DIN 00261544) as Joint Managing Director of the Company for the period from 1st November 2015 to 30th October 2020, upon the terms and conditions as set out in the in the written memorandum placed before meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Kandodi Srinivas Kamath (DIN 00261544)."
5. To consider and if thought fit, to pass, with or without modification(s), following resolution **as an Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time and subject to such approvals as may be necessary and further approval of the members in the forthcoming Annual General Meeting, the Board hereby approves of the appointment and terms of remuneration of Shri Ashok A. Sharma (DIN 00038360) as Whole Time Director of the Company for the period from 1st May 2015 to 30th April 2020, upon the terms and conditions set out in appointment letter, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Ashok A Sharma (DIN 00038360)."
6. To consider and if thought fit, to pass, with or without modification(s), following resolution **as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 be paid the remuneration of ₹ 90,000/- per annum plus out of pocket expenses, if any, incurred during the course of above audit."

NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her self and proxy need not be a member. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement (Including any Statutory Modification or re-enactment thereof for the time being in force), the Company is providing e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. The instructions for e-voting are enclosed herewith.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

4. Pursuant to Clause 49 of the Listing Agreement, details of directors seeking appointment/reappointment at the Meeting are given in detail, is annexed hereto.
5. A statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
6. Shareholders are requested to bring their copy of Annual Report to the meeting.
7. Members/Proxies should fill Attendance Slip for attending the meeting.
8. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 16th September, 2015 to Thursday, 24th September, 2015 (both days inclusive).**
9. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the administrative office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
12. **Members holding shares in physical form and who have not registered their email IDs are requested to register their email IDs with the Company's Share Registrars and Transfer Agents.**
13. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2015 is uploaded on the Company's website **www.shahalloys.com** and may be accessed by the members and also on the website of the Bombay Stock Exchange Ltd. **www.bseindia.com.**
14. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, a physical copy of the Annual Report for 2014 -15 is being sent in the permitted mode.

Instructions for shareholders voting electronically are as under:

1. The shareholders should log on to the e-voting website **www.evotingindia.com.**
2. Click on Shareholders.
3. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
4. Now Enter your User ID
   a. For CDSL : 16 digits beneficiary ID,
   b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the relevant EVSN on which you choose to vote.
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com.**
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

18. Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.
19. The voting period begins on 21.09.2015 at 10 a.m. and ends on 23.09.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 17.09.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com.**

GENERAL INSTRUCTIONS FOR VOTING:

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 read with clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.

b. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

c. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

d. Shri Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072) (Address: 801-A, Mahalay Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India,) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

e. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, submit to the Chairman of the Company.

f. The Results declared by the Chairman along with the Scrutinizer's Report shall be placed on the Company's website **http://www.shahalloys.com** and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE Limited and will be uploaded on website of Stock Exchanges.

g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17.09.2015, may obtain the login ID and password by sending a request at **www.evotingindia.com.**

Note: For detailed instructions for e-voting, please visit website of CDSL.

By order of the Board

Date : 22nd May 2015
Place : Santej
Registered Office:
5/1 Shreeji House,
B/h M.J. Library,
Ashram Road, Ahmedabad-380 006.
CIN: L27100GJ1990PLC014698

Vinod Kumar Shah
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER

ITEM NO.4

The Board of Directors of the Company (the 'Board'), at its meeting held on 22nd May 2015 has, subject to the approval of members, re-appointed Shri Kandodi Srinivas Kamath (DIN 00261544) as Joint Managing Director, for a period of 5 (Five) years from the expiry of his present term, which will expire on 30th October, 2015, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Shri Kandodi Srinivas Kamath (DIN 00261544) as Joint Managing Director, in terms of the applicable provisions of the Act.

Shri Kandodi Srinivas Kamath (DIN 00261544) has been working as Joint Managing Director in the company since 1st November 2010. Shri Kandodi Srinivas Kamath has more than 33 years experience and has got vast experience in the Steel Industry.

Board recommends his appointment on the following material terms & conditions:

a	**Period of Appointment**	Five years from 1st November 2015 to ending on 30th October 2020.
b	**Remuneration Details**	
	Monthly Salary	₹ 1,07,700/- (Rupees one lac seven thousand seven hundred only)
	Perquisites and Facilities	
	Medical Reimbursement	For himself, spouse and dependent children as per Company's Policy.
	Car facility	Company maintained Car with option of driver as per Company's policy.
	Other facilities, if any	It includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration.
	Minimum Remuneration	Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Kamath, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed the Government from time to time.
C	**Termination of Agreement**	Written memorandum executed between Company and Shri Kandodi Srinivas Kamath, can be terminated by either party giving 3 months notice in writing of such termination.
D	**Duties and Responsibilities**	Shri Kandodi Srinivas Kamath shall be responsible for overall management of the company and shall perform such duties which may be entrusted to him, subject to superintendence, control and guidance of Board of Directors.

Shri Kandodi Srinivas Kamath satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Kandodi Srinivas Kamath under Section 190 of the Act.

Brief resume of Shri Kandodi Srinivas Kamath, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with Stock Exchanges, are provided in Corporate Governance Report forming part of Annual Report.

Shri Kandodi Srinivas Kamath is interested in the resolution set out at Item No. 4 of the Notice, which pertain to his respective re-appointment and remuneration payable to him.

Save and except the above, none of the other Directors / Key Managerial Personnel of Company / their relatives is in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends Special Resolution set out at Item No. 4 of Notice for approval by shareholders.

Item No. 5

The Board of Directors of the Company (the 'Board'), at its meeting held on 22nd May 2015 has, subject to the approval of members, re-appointed Shri Ashok A. Sharma (DIN 00038360) as Whole Time Director, for a period of 5 (Five) years from the expiry of his present term, which expired on 30th April 2015, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Shri Ashok A. Sharma (DIN 00038360) as Whole Time Director, in terms of the applicable provisions of the Act.

Shri Ashok A. Sharma (DIN 00038360) has been working as Whole Time Director in the company since July 2001. Shri Ashok A Sharma has been looking after day to day administrative and commercial work at the Company's plant situated at Santej. Shri Sharma is Chartered Accountant and Company Secretary by profession and has more than 30 years of rich experience in the field.

Board recommends his appointment on the following material terms & conditions:

a	**Period of Appointment**	Five years from 1st May 2015 to ending on 30th April 2020.
b	**Remuneration Details**	
	Monthly Salary	₹ 1,00,000/- (Rupees one lac only)
	Perquisites and Facilities	
	Medical Reimbursement	For himself, spouse and dependent children as per Company's Policy.
	Car facility	Company maintained Car with option of driver as per Company's policy.
	Other facilities, if any	It includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company. These shall not be included in computation of above limits of remuneration.
	Minimum Remuneration	Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Shri Sharma, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed the Government from time to time.
C	**Termination of Agreement**	Written memorandum executed between Company and Shri Ashok Sharma, can be terminated by either party giving 3 months notice in writing of such termination.
D	**Duties and Responsibilities**	Shri Ashok Sharma shall be responsible for overall day to day administrative and commercial work of the company and shall perform such duties which may be entrusted to him, subject to superintendence, control and guidance of Board of Directors.

Shri Ashok Sharma satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Ashok Sharma under Section 190 of the Act.

Brief resume of Shri Ashok Sharma, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with Stock Exchanges, are provided in Corporate Governance Report forming part of Annual Report.

Shri Ashok Sharma is interested in the resolution set out at Item No. 5 of the Notice, which pertain to his respective re-appointment and remuneration payable to him.

Save and except the above, none of the other Directors / Key Managerial Personnel of Company / their relatives is in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends Special Resolution set out at Item No. 5 of Notice for approval by shareholders.

ITEM NO.6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 at the remuneration of ₹ 90,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

For and on behalf of the Board

Date : 22nd May 2015
Place : Santej
Registered Office:
5/1 Shreeji House,
B/h M.J. Library,
Ashram Road, Ahmedabad-380 006.
CIN: L27100GJ1990PLC014698

Vinod Kumar Shah
Company Secretary

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 25TH ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT RELATING TO CORPORATE GOVERNANCE:

Name of Director	RAJENDRA V. SHAH DIN 00020904	KANDODI SRINIVAS KAMATH DIN 00261544	ASHOK SHARMA DIN 00038360
Date of Birth	19.09.1955	05.05.1960	04.01.1956
Date of Appointment	23.11.1990	26.04.2006	11.07.2001
Relationship with other Directors Inter se	None	None	None
Profile & Expertise in Specific functional Areas	34 years of experience in trading of Steel products and in construction company	33 years of experience in trading of Steel Industry	30 years of experience in administrative
Qualification	B. E. (Mech.)	B.Com.	C.A. & C.S.
No. of Equity Shares held in the Company	Nil	NIL	NIL
List of other Companies in which Directorships are held	S.A.L STEEL LTD	NIL	NIL
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	NIL	NIL	NIL

ADDITIONAL AGENDA TO NOTICE COVENING 25TH AGM OF SHAH ALLOYS LIMITED
Registered Office: 5/1 Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad-380 006
CIN: L29199GJ2003PLC043148

Following is an additional item of agenda to the Notice convening 25th Annual General Meeting of the Company which will be taken up for discussion and voting after all the items of the agenda of the notice of AGM dated 22.05.2015 is considered. This item will also appear in the list of various resolutions to be passed through e-voting portal helpdesk.evoting@cdslindia.com

RESOLUTION NO. 7

TO APPOINT SMT. SHEFALI M. PATEL, AS AN INDEPENDENT WOMEN DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors)Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Shefali M. Patel, (DIN: 07235872) who was appointed by the Board of Directors as an additional director as per Section 161 w.e.f. 13.07.2015 and who holds the office as such only upto the date of ensuing Annual General Meeting be and is hereby appointed as an Independent Women Director for a period of 5 years, i.e., upto conclusion of 30th AGM of the Company and she is not liable to retire by rotation."

By order of the Board

Date : 13th July 2015
Place : Santej
Registered Office:
5/1 Shreeji House, B/h M.J. Library,
Ashram Road, Ahmedabad-380 006.
CIN: L27100GJ1990PLC014698

Vinod Kumar Shah
Company Secretary

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013) &
Particulars pursuant to clause 49(II)(A)(1) of the Listing Agreement relating to

Corporate Governance, the particulars of Director proposed to be appointed.

As required by section 102 of the Companies Act, 2013 (Act) read with clause 49 of the Listing Agreement, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 7 of the accompanying Notice:

Smt. Shefali M Patel is aged 42 years. She is having excellent social background and is social worker working for nobel causes. She does not hold any shares in the Company. She is also a director in S.A.L. Steel Limited. After approval of members in AGM, she will be appointed as Non-Executive & Independent Women Director of the Company. Smt. Shefali M Patel is appointed pursuant to the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement. As she holds the office of Director only upto the date of ensuing Annual General Meeting, the resolution is proposed for consideration and approval by the members in 25th AGM.

None of the Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested in the proposed resolution except Smt. Shefali M Patel.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT IN THE 12TH ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Name of Director	SMT. SHEFALI M PATEL DIN: 07235872
Date of Birth	20.10.1972
Date of Appointment	13.07.2015
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	Engaged in Social work like education, medical services etc.
Qualification	SY B Sc
No. of Equity Shares held in the Company	Nil
List of other Companies in which Directorships are held	S.A.L. Steel Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	NIL

Members are requested to consider and approve this resolution as an ordinary resolution.

For and on behalf of the Board

Date : 13th July 2015
Place : Santej
Registered Office:
5/1 Shreeji House, B/h M.J. Library,
Ashram Road, Ahmedabad-380 006.
CIN: L27100GJ1990PLC014698

Vinod Kumar Shah
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors present 25th Annual Report on the operations and performance together with the Audited Financial Statements for the year ended on 31st March 2015.

FINANCIAL HIGHLIGHTS **₹ In Crores**

Particulars	Current Year 31.03.15	Previous Year 31.03.14
Total Turnover and other Receipts	306.41	472.75
Gross Profit/Loss(Before deducting any of the following)	(35.13)	(63.17)
A. Interest and Financial charges	69.47	93.47
B. Depreciation, Amortisation and Impairment	39.38	29.93
C. Tax Liability		
I. Current Tax	0.00	0.00
II. Deferred Tax	(49.18)	(57.98)
III. Prior year Tax adjustment	0.00	0.00
Extra ordinary items	40.38	0.00
Net profit available for appropriation	(135.18)	(128.59)
Provision for Investment Allowance Reserve	Nil	Nil
Net Profit.		
A. Add: Brought forward from last year's balance	(658.04)	(529.45)
B. Less: Transferred to: General Reserve	Nil	Nil
Transfer to Debenture Redemption Reserve	Nil	Nil
Transitional effect of depreciation	(1.07)	0.00
Dividend: Dividend has not been recommended by the Board	N.A	N.A
Balance Carried forward	(794.29)	(658.04)

OPERATIONAL OVERVIEW

During the year under review Net Turnover of the Company has been decreased from ₹ 472.75 Crores to ₹ 306.41 Crores as compared to previous year's turnover poor demand of product. There was net loss of ₹ 35.13 Crores in comparison to the loss of ₹ 63.17 Crores in the previous year.

DIVIDEND

Due to loss, your Directors have not recommended dividend for the financial year 2014-15.

PERFORMANCE

As you are aware that Company has been declared Sick Unit under the provisions of Sick Industrial Company (Special Provisions) Act, 1985, it has become difficult for the company to arrange the funds. As such due to paucity of working capital, company's working is declining. Company is in constant touch with the lenders for an amicable settlement with the lenders through Hon'ble BIFR.

BUSINESS ACTIVITY

The company is engaged in manufacturing of wide range of Stainless Steel, Alloy & Special steel, Carbon/ Mild Steel and Armour Steel in Flat and Long products. Company has been successful in developing protection Armour Steel which is mainly required for defense purpose. Company has been registered with Defense Research and Development Organization as approved vendor and it is expected that good business will be available to the company. To reduce the cost of power, company has been making efforts to purchase power through Open Access which would be cheaper than the present cost of power. There was no change in the business activities during the year.

DETAILS OF THE ASSOCIATES/ JOINT VENTURE / SUBSIDIARIES COMAPANIES

The company does not have holding or subsidiary companies during the year and no other company has become holding / subsidiary/ joint venture. However, it has two associates companies, details are as under:

S. No.	Name of the Company	CIN/GLN	CONCERN	% of shares held by Company	Applicable Section
1.	S.A.L. Steel Limited	L27100GJ1990PLC014698	ASSOCIATE	35.61%	2(6)

FIXED DEPOSIT

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

REGULATORY STATEMENT

In conformity with provision of Clause 32 in the Listing Agreement (s), the Cash Flow Statement for the year ended 31.03.2015 is annexed hereto. The equity shares of the Company are listed on the BSE Ltd. and the National Stock Exchange of India Ltd. (NSE).

The Company has paid listing fees for the year 2015-16 to above stock exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report

DETAILS OF RELATED PARTIES TRANSACTIONS PURUSANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013

The Company is not entering into related parties transactions for sale/purchase of goods or services at preferential prices. However, all the transactions in the nature of sales/purchase of goods or services are made on arms length basis. The same were reported to the Board at every meeting and Board took a note of the same and approved. Other details for inter corporate financial transactions or remuneration and other benefits paid to directors, their relatives, key managerial personnel etc. are given in the notes to the accounts vide note no 31 as per requirements of AS 18.

The Company has formulated various other policies like Risk Management Policy, Evaluation of Board Performance Policy, CSR Policy etc. etc. All such policies were documented and adopted by the Board in its meeting held on 14.02.2015.

Full details of Risk Management Policy are given in the Corporate Governance Report under the head Whistle Blower Policy.

As the Company is loss making one, the provisions related to CSR is presently not applicable to the Company.

Regarding Performance Review of each of the member of the Board and also the performance of the various Committees and the Board, the Company has adopted the Model Code of Conduct for Independent Directors, Key Managerial Personnel as prescribed in Schedule IV to the Companies Act, 2013 and also as prescribed in the SEBI (Insider Trading) Regulations. The Company strictly follows the procedure to obtain necessary timely declarations from each of the directors and key managerial personnel from time to time.

DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

CORPORATE GOVERNANCE

The Board of Directors supports to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to the Report on corporate governance.

BOARD OF DIRECTORS

Details about the Board of Directors Meetings are attached to the Report on Corporate Governance. Further, Shri Rajendra V Shah, will be the Director retiring by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Shri Kandodi Srinivas Kamath, Joint Managing Director and Shri Ashok A Sharma, Whole Time Director has been re-appointed for a period of five years with effect from 01.11.2015 and 01.05.2015 respectively by the Board subject to approval of shareholders and other authority, if any. A resolution seeking approval of the members for re-appointment of Shri Kandodi Srinivas Kamath as Joint Managing Director and Shri Ashok A Sharma as Whole Time Director is being proposed at this Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

DECLARATION BY INDEPENDENT DIRECTORS: (Pursuant to Provisions of section 149(6) OF the Companies Act 2013)

All the Independent Directors of the Company do hereby declare that:

(1) All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.

(2) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.

(3) Who are or were not a Promoter of the Company or its Holding or subsidiary or associate company.

(4) Who are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.

(5) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.

(6) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lacs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,

(7) Who neither himself, nor any of his relatives,

(a) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which I\he is proposed to be appointed.

(b) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed of

(i) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; OR

(ii) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent, or more of the gross turnover of such firm;

(iii) Holds together with his relatives two per cent, or more of the total voting power of the company; OR

(iv) Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; OR

(v) Who possesses such other qualifications as may be prescribed.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134 Clause (C) of Sub-Section (3) of the Companies Act, 2013, in relation to financial statements for the year 2014-15, the Board of Directors state:

a) In the preparation of the annual accounts for the financial year ended 31st March 2015, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis; and

e) The directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY BOARD AS PER REQUIREMENT OF SECTION 178 (1)

In compliance with Section 178 (1) as also in compliance with Clause 49 of the Listing Agreement, the Board of Directors do hereby declare that:

a. The Company has proper constitution of the Board of Directors including independent directors in proportion as per requirement of clause 49 of the Listing Agreement. However, the Company is still in process for appointing a suitable person as woman director as required under Section 149 of the Companies Act, 2013.

b. The Company has constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee as per requirements of the Clause 49 of the Listing Agreement and provisions of the Companies Act 2013.

c. The Company has the policy for selection and appointment of independent directors who are persons of reputation in the society, have adequate educational qualification, sufficient business experience and have integrity & loyalty towards their duties.

d. The Company pays managerial remuneration to its Managing/Whole Time Directors based upon their qualification, experience and past remuneration received by them from their previous employers and company's financial position.

e. The Independent Directors are paid sitting fee for attending sitting fees for attending Board and other committee meetings as decided by the Board from time to time. This sitting fee is decided considering the financial position of the company.

f. The Company is not paying any commission on net profits to any directors.

g. During the year the Board has met 4 times during the year. The details of presence of every director at each meeting of the Board including the meetings of the Committees, if any, are given in the reports of the Corporate Governance.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

SYSTEM OF PERFORMANCE EVALUATION OF THE BOARD, INDEPENDENT DIRECTORS AND COMMITTEES AND INDIVISULA DIRECTORS

1. The Board makes evaluation of the effectiveness and efficiency of every individual directors, committee of directors, independent directors and board as a whole.
2. For these purpose the Board makes evaluation twice in a year on a half yearly basis.
3. The performance of individual directors are evaluated by the entire Board, excluding the Director being evaluated on the basis of presence of every directors at a meeting, effective participation in discussion of each of the business of agenda for the meetings, feedback receives from every directors on draft of the minutes and follow up for action taken reports from first line management.
4. Effectiveness and performance of various committees are evaluated on the basis of the scope of work assign to each of the committees the action taken by the committees are reviews and evaluated on the basis of minutes and agenda papers for each of the committee meetings.
5. The performance of independent directors are evaluated on the basis of their participation at the meetings and post meeting follow up and communication from each of such independent directors.

DISCLOUSER AS PER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Company has Shri Ashok Sharma as Whole Time Director, Shri Srinivas Devidas Kamath as Joint Managing Director, Shri Yashpal Mehta as CFO and Shri Vinod Kumar Shah, FCS as Company Secretary. Total managerial remuneration paid to each of them during the current year and previous year are as under:

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. No.	Name of director	Designation	Remuneration paid in current year	Remuneration paid in previous year	Total cost of remuneration of the employees	Percentage remuneration of director to total cost of remuneration
1	Shri Ashok Sharma	Whole Time Director	12,00,000	12,00,000	14,68,15,029	0.82%
2	Shri Kandodi Srinivas Kamat	Joint Managing Director	12,92,400	12,92,400	14,68,15,029	0.88%
3	Shri Yashpal Mehta	CFO	9,75,840	9,75,840	146815029	0.66%
4	Shri Vinod Kumar Shah	Company Secretary	10,20,000	10,20,000	146815029	0.69%

II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

There was no increase in remuneration during the year 2014-2015.

III. The percentage increase in the median remuneration of employees in the financial year:

During the year the total remuneration of employees is ₹ 14,68,15,029 as against ₹ 20,10,00,891 in the previous year constituting a net decrease of ₹ 5,41,85,862 constituting 26.95%. This decrease in remuneration of employees was due to reduction in business activities.

IV. The number of permanent employees on the rolls of company:

There were 515 permanent employees on the rolls of company.

V. The explanation on the relationship between average increase in remuneration and company performance; NOT APPLICABLE

VI. Comparison of the remuneration of the Key managerial personnel against the performance of the company :

The KMP i.e. whole time Directors, Company Secretary CFO are being paid total Remuneration of ₹ 44.88 Lacs per annum.

VII. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Closing Market Price of shares of Company as on 31/03/2014 : ₹ 4.00 /-

Closing Market Price of shares of Company as on 31/03/2015 : ₹ 5.40/-

Earning Per share for the financial year ended on 31/03/2014 : ₹ (64.95)/-

Earning per share for the financial year ended on 31/03/2015 : ₹ (47.87)/-

Regarding other information like Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies is not given herewith since Company had made IPO more than 5 Years before and there was no substantial variation in the market price of shares of the company. Company's EPS is negative and hence PE Ratio is not given.

VIII. Comparison of the each remuneration of the key managerial personnel against the performance of the company;

As the company is paying minimum managerial remuneration to its managerial personnel and the Company is the loss making one the comparison of remuneration of each of the KMP with performance of the company is not comparable.

Since WTDs are being paid minimum remuneration and other KMPs are getting remuneration as per prevailing industry norms, it is not possible to compare remuneration with the performance of the company.

IX. The key parameters for any variable component of remuneration availed by the directors; NOT APPLICABLE.

X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

9 (Nine) employees is receiving remuneration in excess than the remuneration of Director or Key Managerial Personnel.

XI. Affirmation that the remuneration is as per the remuneration policy of the Company.

All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

PARTICULARS OF THE EMPLOYEES

Particulars of the employees as required under provisions of Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are not attached with this report since there was no employee who was in receipt of remuneration in excess of ₹5,00,000 per month during the year or ₹ 60 Lacs per annum in the aggregate if employed part of the year.

AUDITORS

Statutory Auditors

M/s. Talati & Talati, Chartered Accountants, an Auditors firm are statutory auditors of the company since 2008-09. As per Rule 6(3) of the Companies (Audit and Auditors) Rules 2014, they are eligible to continue as the statutory auditors of the company for financial years 2015-16, 2016-17, and 2017-18. Accordingly Statutory Auditors of the company have given their letter of consent and confirmation under section 141(1) the Companies Act 2013 for their appointment as Statutory Auditors of the Company up to the financial year 2017-18 hence, the Board has now proposed to appoint the Statutory Auditors for a period of up to 2017-18. Necessary Resolution for their appointment as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

Cost Auditors

M/s. Ashish Bhavsar & Associates, Cost Accountants have been appointed for auditing cost accounting records of the Company for the year ending 31st March, 2015. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under.

Internal Auditor

The Company has appointed an Independent firm of Chartered Accountants to act as an Internal Auditor as per suggestion of auditors and recommendation of the audit Committee in order to strengthen the internal control system for the Company.

Secretarial Auditor

The Company has appointed M/s. KAMLESH SHAH & SHAH CO. as the secretarial auditor for the financial year 2014-15. They have given their report in the prescribed form MR-3 which is annexed to this report as an ANNEXURE.

Observations of the Secretarial Auditor

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executives Directors and Independent Directors except the woman director. The Company is in process of finding of suitable Woman Director.

EXPLAINATION TO THE Auditors' REMARKS

The Directors submit their explanations to then various observations made by the Auditors in their report for the year 2014-15. Para nos. of Auditors' Report and reply are us under:

Basis for Qualified Opinion – Para 1

Since last many years the company does not have internal accruals from the operations and as a result, management do not anticipate execution of its ongoing project of Cold Rolling Mill (CRM) Plant. Fund of ₹ 18,31,84,363/- is blocked in the said ongoing projects. Since the capital project is not anticipate to complete in future, we have charged back expense of pre-operative expense, trial run expense and borrowing cost elements for ₹ 5,72,84,008/- to the statement of profit and loss during the current year which was earlier capitalized and carried in Capital work In Progress of our ongoing projects. For the remaining balance carried as Capital Work in Progress, the company has not carried out any Techno-economic assessment during the year ended 31st March 2015 for the valuations of such Capital Projects and hence identification of impairment loss and provision thereof, if any, has not been made. Considering the emphasis of the matter, company agreed to appoint an approved valuer to access the impairment of the assets. We are expecting a report from the valuer and decision will be taken with regard to impairment, if any, on such assets.

Basis for Qualified Opinion – Para 2

Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on 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.

Annexure to the Independent Auditors' Report – Para vii a

Payments of Statutory dues were marginally delayed on account of slow recovery/collection. However, the same has been paid.

Annexure to the Independent Auditors' Report – Para ix

As per the scheme sanctioned by CDR (EG) consortium bankers were required to give working capital for the optimal utilization of production capacity. However, in the absence of non availability of funds from the lenders, the accruals were not in line with the sanctioned scheme and hence Company could not utilize optimally its production capacity. In view of this, Company was not able to make payments to banks/institutions and debenture holders as per the sanctioned scheme. However, before due date of repayment, Company had approached Hon'ble BIFR for declaring it as a Sick company under Section 3(1)(o) of the SICA and was declared so before the due date, i.e., June 2011. On account of sick company status, payments were not made as per CDR. Company has submitted the proposal for One Time Settlement (OTS) of debts to all the lenders and also revised the proposals based on discussions with high level committee meetings of the lenders. However, despite of the repeated attempts by the company or/and order of the Hon'ble BIFR, Lenders have declined revised proposal and most of the banks assigned the debts to various Asset Reconstruction Companies (ARCs). Your company is actively negotiating with these ARCs' for one time settlement of debts and expecting a settlement in the coming hears.

MATERIAL CHANGES / INFORMATION:

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financial of the Company. However, in the year current financial year most of the lenders have assigned the debts to various Asset Reconstruction Companies (ARCs)
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

APPRECIATION

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions and Banks during the year. The Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. The Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

For and on behalf of the Board

Rajendra V. Shah
(DIN: 00020904)
Chairman

Date : 22nd May 2015
Place : Santej

ANNEXURE-1 TO THE DIRECTORS' REPORT

Statement Pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the RULE 8(3) of Companies (ACCOUNTS) Rules, 2014.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

Your company gives priority to Energy conservation. It regularly reviews measures to be taken for Energy Conservation/Consumption and its effective utilization.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

Your Company is highly power intensive industry and power is the basic requirements of manufacturing process. In order to reduce the cost per unit for power consumption, the Company has installed 40 MW Captive Power Plant.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The company is operating 40 MW Captive Power Plant in parallel with GETCO Grid and with the consumption of own power, Company saves substantial amount from the same.

(d) Total energy consumption and energy consumption per unit of production:

(I) POWER & FUEL CONSUMPTION

		2014-15	2013-14
1	**ELECTRICITY**		
	(a) Purchased		
	Unit (Kwh)	7,91,11,283	10,02,12,352
	Total Amount (₹)	43,91,31,013	59,58,31,200
	Rate / Unit (₹)	5.50	5.95
	(b) Own Generation		
	(i) *Through Diesel Generator Unit (Kwh)*		
	Unit Per Ltr of Diesel Oil	Nil	Nil
	Cost / Unit (₹)	Nil	Nil
	(ii) *Through Steam Turbine / Generator Unit (Kwh)*	Nil	Nil
	Unit Per Kg of Lignite	Nil	Nil
	Cost Lignite / Unit (₹)	Nil	Nil
	Cost Coal / Unit (₹)	Nil	Nil
	Cost Coal & Lignite / Unit (₹)	Nil	Nil
2	**COAL (Including Coal Fines)**	Nil	
	Quantity (MT)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil
3	**FURNACE OIL** (used in the generation of power)		
	Quantity (K Ltr)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil
4	**OTHERS - LIGNITE** (used in the generation of steam)		
	Quantity (K Tonns)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil

(II) CONSUMTION PER M.T. OF PRODUCTION

Particulars of Product	2014-15	2013-14
Electricity (in Unit)	1,445	1,395
Furnace Oil	NIL	NIL
Coal (Specify quantity)	NIL	NIL
Others	NIL	NIL

B. TECHNOLOGY ABSORPTION

Particulars	2014-15	2013-14
(I) Research and Development (R & D)		
1. Specific areas in which R&D carried out by the company.	NIL	NIL
2. Benefits derived as a result of the above R&D	NIL	NIL
3. Future plan of action:		
a) Capital		
b) Recurring		
c) Total		
d) Total R&D expenditure as a percentage of total turnover	NIL	NIL
(II) Technology absorption, adaptation:		
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	NIL	NIL
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	NIL	NIL
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	NIL	NIL
a) Technology imported		
b) Year of import		
c) Has technology has been fully absorbed		
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	NIL	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crores)

Particulars	2014-15	2013-14
1) EARNINGS & OUTGO		
a) Earnings	4.61	4.87
b) outgo	1.64	20.86

2) **TOTAL FOREIGN EXCHANGE USED AND EARNED**

As per notes on account

For and on behalf of the Board

Rajendra V. Shah
(DIN: 00020904)
Chairman

Date : 22nd May 2015
Place : Santej

ANNEXURE – 2 TO THE DIRECTORS' REPORT

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDING ON 31/03/2015
[Pursuant to section 92(3) *of the Companies Act, 2013* and
rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1) REGISTRATION AND OTHER DETAILS:

SR. NO.	PARTICULARS	DETAILS
1	CIN	L27100GJ1990PLC014698
2	Registration date	23/11/1990
3	Name of the company	SHAH ALLOYS LIMITED
4	Category/ sub-category of the company	Company limited by shares/ Indian Non Government Company
5	Address of the registered office and contact details	5/1 Shreeji House, 5TH Floor B/h M J Library Ashram Road Ahmedabad-380006 Gujarat
6	Whether listed company	YES
7	Name, address and contact details of registrar and transfer agent if any	BIGSHARE SERVICES PVT. LTD. E- 2/3,Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072 Phone: 022-28470652 Fax: 022-28475207 E-mail: info@bigshareonline.com Website:www.bigshareonline.com

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SL No	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Ingots of iron & steel & other primary forms	24103	100%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl No	Name & Address of the Company	CIN/GLN	CONCERN	% OF SHARES HELD BY COMPANY	APPLICABLE SECTION
1.	S.A.L. Steel Limited	L27100GJ1990PLC014698	ASSOCIATE	35.61%	2(6)

4) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 31-March-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% Change during this year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoter's									
(1) **Indian**									
a) Individual/ HUF	10729246	0	10729246	54.19	10729246	0	10729246	54.19	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	10729246	0	10729246	54.19	10729246	0	10729246	54.19	0
(2) Foreign									
a) NRI- Individual	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks. FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
Totalshareholding of Promoter (A) =(A)(1)+(A)(2)	10729246	0	10729246	54.19	10729246	0	10729246	54.19	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	1746624	0	1746624	8.82	1746624	0	1746624	8.82	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	1746624	0	1746624	8.82	1746624	0	1746624	8.82	**0**
2. Non-Institutions									
a) Bodies Corp.	2776799	0	2776799	14.03	2747098	800	2747898	13.88	0.15
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	3087228	493432	3580660	18.09	3025052	491632	3516684	17.76	0.33
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	819222	12000	831222	4.20	887935	12000	899935	4.55	0.35
c) Others (TRUSTS)	130989	2000	132989	0.67	200	0	200	0	0
Non Resident Indians	130087	2000	132087	0.05	146701	2000	148701	0.75	0.70
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	8252	0	8252	0.04	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**6813438**	**508232**	**7321670**	**36.98**	**7049350**	**506432**	**9998748**	**36.98**	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**8560062**	**508232**	**9068294**	**45.81**	**7049350**	**506432**	**9998748**	**45.81**	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	**19289308**	**508232**	**19797540**	**100**	**19291108**	**506432**	**19797540**	**100**	0

(ii) Shareholding of promoters

Name of promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of of the Company	% of shares Pledged / encumbered to total shares	
RAJENDRABHAI V SHAH	7912404	39.97	7912404	7912404	39.97	7912404	NIL
RAJENDRABHAI V SHAH HUF	1531960	7.74	1531960	1531960	7.74	1531960	NIL
RAGINI R SHAH	1146006	5.79	1146006	1146006	5.79	1146006	NIL
PRAKASH V SHAH	47000	0.24	0	47000	0.24	0	NIL
KARAN R SHAH	40000	0.20	0	40000	0.20	0	NIL
JAYESH V SHAH	29936	0.15	0	29936	0.15	0	NIL
ASHVIN V SHAH	21940	0.11	0	21940	0.11	0	NIL
TOTAL	10729246	54.19	10590370	10729246	54.19	10590370	NIL

(iii) Change In Promoter's Shareholding (Please Specify, If There Is No Change)

Name of promoter	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
RAJENDRABHAI V SHAH	7912404	39.97	NO CHANGE	7912404	39.97
RAJENDRABHAI V SHAH HUF	1531960	7.74	NO CHANGE	1531960	7.74
RAGINI R SHAH	1146006	5.79	NO CHANGE	1146006	5.79
PRAKASH V SHAH	47000	0.24	NO CHANGE	47000	0.24
KARAN R SHAH	40000	0.20	NO CHANGE	40000	0.20
JAYESH V SHAH	29936	0.15	NO CHANGE	29936	0.15
ASHVIN V SHAH	21940	0.11	NO CHANGE	21940	0.11
TOTAL	10729246	54.19	NO CHANGE	10729246	54.19

5) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	ASHISH J BHAVSAR	55615	0.2809	55615	0.2809
2	SANJAY MAHENDRA SHAH	55521	0.2804	55521	0.2804
3	RAVI LALWANI	47961	0.2423	47961	0.2423
4	JAYESH VIJAYKUMAR SHAH	47091	0.2379	47091	0.2379
5	MAHESH MAFATLAL SHAH	31583	0.1595	31583	0.1595
6	KAMALABEN PANKAJBHAI KHANDHAR	29000	0.1465	29000	0.1465
7	RASHMIBEN PANKAJBHAI KHANDHAR	28500	0.1440	28500	0.1440
8	RAMNIWAS RAMJEEVAN KASAT	28000	0.1414	28000	0.1414
9	ARVINDKUMAR PUNAMCHAND SHAH	26000	0.1313	26000	0.1313
10	TRIMURTHY RAJU K	25650	0.1296	25650	0.1296
	TOTAL	374921	1.8938	374921	1.8938

6) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

No Director or Key Managerial personnel have any shareholding in the company.

7) INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8890859157	488205000	-	9379064157
ii) Interest due but not paid	3165483725	235583323	-	3401067048
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12056342882	723788323	-	12780131205
Change in Indebtedness during the financial year	-			
* Addition	691849053	-	-	691849053
* Reduction	2578875	-	-	2578875
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-			
i) Principal Amount	8888280282	488205000	-	9376485282
ii) Interest due but not paid	3857332778	235583323	-	4092916101
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12745613060	723788323	-	13469401383

8) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ ~~Manager~~	Total Amount
1.	SALARY	SHRI ASHOK SHARMA	12,00,000
		SHRI K.S. KAMATH	12,92,400
2.	Stock Option	NIL	-
3.	Sweat Equity	NIL	-
4.	Commission- as % of profit- others, specify...	NIL	-
5.	Others, please specify	NIL	-
	Total (A)	NIL	-
	Ceiling as per the Act	**30,00,000** As per section (ii) part (ii) of schedule V.	

b. Remuneration to other directors:

Particulars of remuneration	Name of Directors				Nominee Directors		Total Amount
Independent Directors	Shri Dilip Kumar Sinha	Shri G M Shaikh	Shri Tejpal S Shah	Shri Harshad M Shah	Shri Harbans Lal Rawal	Shri Tilak Raj Sahni	
Fee for attending board committee meetings	12,500	15,000	20,000	10,000	7,500	2,500	67,500
Commission	0	0	0	0	0	0	0
Others, please specify	0	0	0	0	0	0	0
Total (1)	12,500	15,000	20,000	10,000	7,500	2,500	67,500

9) REMUNERATION TO KEY MANAG.ERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CS Shri Vinod Kumar Shah	**CFO/CEO** Shri Yashpal Mehta	
1	Gross salary	10,20,000	9,75,840	19,95,840
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total	10,20,000	9,75,840	19,95,840

10) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (giveDetails)
A. COMPANY					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
compounding	No	No	No	No	No
B. DIRECTORS					
Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No
C. Other Officers In Default					
Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No

ANNEXURE – 3 TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and expectations. The Company will continue to focus its resources, strengths and strategies for enhancement of the long term shareholders' value while at the same time protecting the interest of other stakeholders.

2. BOARD OF DIRECTORS :

COMPOSITION AND CATEGORY

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independence of the Board and to separate the board functions of governance and management

The Board currently comprises of Three Executive Directors and five Non-Executive Directors including the Chairman of the Board.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

BOARD PROCEDURE

The Board meets atleast once in a quarter to review the quarterly performance and the financial results. The Board meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the company.

The Minutes of the Board meetings are circulated in advance to all Directors and confirmed at subsequent Meeting. The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board.

During the financial year ended March 31st, 2015, 4 Board Meeting were held respectively on 28.05.2014, 13.8.2014, 12.11.2014 and 14.02.2015. The gap between two Board Meetings did not exceed four months.

The composition of the Board of Directors, the number of other Directorship and Committee positions held by the Director, of which the Director is a Member/Chairman, are as under:

Name of Director	Category	Numbers of Board Meetings.		No. of Directorships held	Committee Memberships held in other companies		Whether attended last AGM
		Held during the year	Attended during the Year		as member	as Chairman	
Shri Rajendra V.Shah	Promoter Non- Executive Chairman	4	3	1	Nil	Nil	Yes
Shri Kondadi S Kamath	Non Promoter Executive Director	4	4	Nil	Nil	Nil	Yes
Shri Ashok A Sharma	Non Promoter Wholetime Director	4	4	Nil	Nil	Nil	Yes
Shri G.M. Shaikh	Non – Executive & Independent	4	3	Nil	Nil	Nil	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	4	1	1	Nil	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	4	1	1	Nil	No
Shri Dilip Kumar Sinha	Non-Executive & Independent	4	4	1	Nil	Nil	No
Shri Tilak Raj Sahni	Nominee Director of UBI (upto 12.01.2015)	4	1	Nil	Nil	Nil	No
Shri Harbans Lal Rawal	Nominee Director of UBI (w.e.f. 13.01.2015)	4	3	Nil	Nil	Nil	No

CODE OF CONDUCT

The Company has already adopted a code of conduct for all employees of the company and Executive directors. The board has also approved a code of conduct for the non-executive directors of the company. All board members and senior management personnel (as per clause 49 of listing agreement) have affirmed compliance with the applicable code of conduct has been provided in the Annual Report. The directors and senior management of the company have made disclosures to the board confirming that there are no material financial and/ or commercial transactions between them and the company that could have potential conflict of interest with the company at large.

3. COMMITTEES OF THE BOARD

AUDIT COMMITTEE:

The terms of reference of the Audit Committee are wide enough to cover matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 177 of the Companies Act, 2013 besides other terms as may be referred to by Board of Directors from time to time.

The Audit Committee comprises of three non-executive Directors and two of them are Independent Directors.

During the period under review, four Audit Committee meetings were held respectively on 28.05.2014, 13.8.2014, 12.11.2014 and 14.02.2015.

The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Position	No. of Meetings	Meetings attended
Shri G.M. Shaikh	Chairman	4	3
Shri Tejpal Shah	Member	4	4
Shri Rajendra V. Shah	Member	4	3

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors viz. Shri G M Shaikh – Chairman, Shri Tejpal Shah and Shri Harshad M. Shah.

During the period under review, one Nomination And Remuneration Committee meetings were held respectively on 28.05.2014.

Name of Director	Position	No. of Meetings	Meetings attended
Shri G M Shaikh	Chairman	1	1
Shri Tejpal Shah	Member	1	1
Shri Harshad M. Shah	Member	1	1

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/ Whole Time Directors based on performance and defined criteria.

DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2014-15 ***(Amount in ₹)***

Name of Director	Sitting Fees ₹	Salaries & Perquisites ₹	Commission ₹	Total ₹
Shri Rajendra V. Shah	Nil	Nil	Nil	Nil
Shri Kondadi S Kamath	Nil	12,92,400	Nil	12,92,400
Shri Ashok Sharma	Nil	12,00,000	Nil	12,00,000
Shri G. M Shaikh	15,000	Nil	Nil	15,000
Shri Harshad M. Shah	10,000	Nil	Nil	10,000
Shri Dilip Kumar Sinha	12,500	Nil	Nil	12,500
Shri Tejpal S. Shah	20,000	Nil	Nil	20,000
Shri Harbans Lal Rawal	7,500	Nil	Nil	7,500
Shri Tilak Raj Sahni	2,500	Nil	Nil	2,500

- The Company does not have scheme for grant of stock option to the directors.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

Shri G M. Shaikh – Chairman, Shri Tejpal Shah and Shri Ashok Sharma are members of the Committee. The Committee is empowered to oversee the redressal of Investors' complaints and other miscellaneous complaints. The Company as a matter of policy disposes of investor complaints within a span of five working days.

Name and designation of Compliance Officer:

Shri Vinod Kumar Shah, Company Secretary

No. of shareholders' complaints received during the year : Nil

No. of complaints not resolved to the satisfaction of shareholders : Nil

No. of pending Complaints : Nil

No. of complaints resolved during the year : Nil

4. GENERAL BODY MEETING

- ***Date, Time and Venue of the last three Annual General Meetings:***

Year	Date	Time	Venue	No. of Special Resolution Passed
2011-12	September 24th, 2012	09.30 A.M	SAL Institute & Engineering Research, Opp. Science City,Ahmedabad 380 060	0
2012-13	September 24th, 2013	09.30 A.M	SAL Institute & Engineering Research, Opp. Science City,Ahmedabad 380 060	0
2013-14	September 24th, 2014.	09.30 A.M	SAL Institute & Engineering Research, Opp. Science City,Ahmedabad 380 060	0

1. No extra-ordinary general meeting of the shareholders was held during the year.
2. Postal ballot: during the year under review, no resolution was put through by postal ballot.

DISCLOSURES

POLICIES:-

A. POLICY ON RELATED PARTY TRANSACTIONS

SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated April 17, 2014 and September 15, 2014), our Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Clause 49(VII)(C) of the Listing Agreement requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In light of the above, our Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of related parties:-

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Clause 49 of the Listing Agreement.

b) Identification of related party transactions:-

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Clause 49 of the Listing Agreement.

DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business along with the justification for entering into such transaction.

B. FAMILIARIZATION POLICY FOR INDEPENDENT DIRECTORS

PURPOSE AND OBJECTIVE OF THE POLICY

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

FAMILIARIZATION AND CONTINUING EDUCATION PROCESS

- The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes/ presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- Such programmes/presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarize the Independent Directors with their roles, rights and responsibilities.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- New Independent Directors are provided with copy of latest Annual Report, the Company's Code of Conduct, the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, Schedule of upcoming Board and Committee meetings.
- The Company provides the Directors with the tours of company's facilities from time to time.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, insurance cover, Tata Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

C. RISK MANAGEMENT POLICY

LEGAL FRAMEWORK

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

BACK GROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. The objective of Risk Management Policy shall be identification, evaluation, monitoring and minimization of identifiable risks. This policy is in compliance with the amended Clause 49 of the Listing Agreement (W.e.F 1st October 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

COMMITTEE

The Company has not made Risk Management Committee but the Board of Directors & Audit Committee is looking after the Risk Management of the Company.

D. CORPORATE SOCIAL RESPONSIBILITY POLICY

India's new Companies Act, 2013 has introduced several new provisions which change the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility (CSR). As per Section 135 of the Companies Act, 2013, it provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the company to be Rs 500 crore or more; (b) turnover of the company to be Rs 1000 crore or more; (c) net profit of the company to be Rs 5 crore or more.

Since company is a loss making company, CSR Policy is not applicable. Company has not made Corporate Responsibility Committee.

E. VIGIL MECHANISM POLICY

LEGAL FRAMEWORK

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Effective October 1, 2014, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

In compliance of the above requirements, SHAH ALLOYS LIMITED, being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

F. SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (POLICY WHERE MORE THAN 4 WOMEN WORKING) AND ELIMINATION OF CHILD LABOUR POLICY.

Objective:

It is the endeavor of the Company, to ensure a safe, secure and congenial work environment where employees and workers will deliver their best without any inhibition, threat or fear. In pursuance of this objective, the Company has evolved a "Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Policy".

The approach adopted by the Company is to spread awareness about the causes and consequences of sexual harassment at workplace and thereby prevent any occurrences. In the event of such an occurrence, the Group would use this Policy to provide the framework for action.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Policy:

Sexual harassment in the work place has been defined as "unwelcome" sexually determined behavior (whether directly or by implication). It includes any or all of the following:

- Physical contact and advances
- A demand or request for sexual favors
- Sexually colored remarks
- Showing pornography
- Any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.
- Sexual harassment will be deemed to have taken place if work is used as the excuse or occasion for repeated, personalized, offensive and unwelcome speech or gestures.

It is the duty of the Organization to prevent or deter acts of sexual harassment and if they take place, to provide procedure for resolution, encourage counseling, settlement or prosecution of acts of sexual harassment;

- Where the conduct of the employee would constitute an offence under the Indian Penal Code of any other law, the Shah Alloys Limited shall initiate legal action
- Where the conduct would in addition to an offence under law, constitute misconduct under the rules or regulations of the organization, Shah Alloys Limited shall initiate disciplinary action against him/her.

The concerns of or about employees can be reported without fear of reprisal or retaliation. Any allegations of sexual harassment will be investigated quickly and discreetly, and disciplinary action initiated as described in this policy. To the extent possible, the identity of the complainant, the victim, witnesses and the alleged harasser will be protected against unnecessary disclosure. All efforts will be made to ensure that proceedings remain confidential.

NON COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES:

The Company has complied with the requirements of the Stock Exchange/SEBI/any statutory authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI.

5. CODE OF CONDUCT

The Company has its Code of Conduct which is applicable to Board of Directors as well as designated senior management personnel. The Code is circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. An annual declaration of Whole Time Director, as to compliance of Code of Conduct has been provided in the Annual Report.

6. CERTIFICATE ON CORPORATE GOVENANCE

As required under Clause 49 of Listing Agreement, Certificate is provided in the Annual Report.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate section in this Annual Report.

8. CERTIFICATION

As required by clause 49 of the Listing Agreement, certification on financial statements is provided in the Annual Report.

9. COMPLIANCE WITH CLAUSE 49

Company is fully committed to the compliance of applicable mandatory requirement of Clause 49 of the Listing Agreement as amended from time to time. The company submits quarterly Compliance Report to BSE & NSE in respect of compliance of Clause 49 of the Listing Agreement

10. SECRETARIAL AUDIT

a. Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

b. A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

11. MEANS OF COMMUNICATION

a. All financial results are immediately sent to stock exchanges after being taken on record by the Board.

b. As per the requirements of Listing Agreement, Results are also published in leading daily local & English National newspapers namely Indian Express and Financial Express. The said results are also displayed at Company's web site.

c. The Company's website **www.shahalloys.com** contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

12. GENERAL INFORMATION FOR SHAREHOLDERS AND INVESTORS

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L29199GJ2003PLC043148.

a) Annual General Meeting.

Date : 24th September, 2015

Time : 05:00 P.M.

Venue : SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060.

b) Financial Year

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Quarterly Results for the financial year 2015-16 will be taken on record by the Board of Directors as per the following schedule:

Quarter ending 30th June 2015	:	By 14th August 2015
Quarter ending 30th September 2015	:	By 14th November 2015
Quarter ending 31st December 2015	:	By 14th February 2015
Quarter ending 31st March 2016	:	By 14th May 2016

c) Date of Book Closure / Record Date : 16-09-2015 to 24-09-2015 (Both days inclusive)

d) Dividend Payment Date : Not Applicable

e) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.(BSE)**
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
Scrip Code: 513436

: **National Stock Exchange of India Ltd (NSE)**
"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai – 400051
NSE SYMBOL: SHAHALLOYS

Demat ISIN No. for NSDL and CDSL : INE640C01011

f) **Listing Fees to Stock Exchanges**

Company has paid listing fees in respect of financial year 2015-2016 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

g) **Custodial Fees to Depositories**

Company has paid Custodian Fees for the financial year 2015-16 to both depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

h) **Share Price Data** *(₹ per share)*

Month	SSL Price at BSE		SSL Price at NSE	
	Month's High Price	*Month's Low Price*	*Month's High Price*	*Month's Low Price*
Apr' 14	4.87	3.80	4.25	3.40
May' 14	7.06	4.75	7.10	4.10
June' 14	14.30	6.85	14.50	6.85
July' 14	13.45	9.00	14.10	9.50
Aug' 14	9.97	8.64	10.50	9.05
Sept' 14	9.44	6.78	9.70	6.50
Oct' 14	7.44	5.95	6.80	5.80
Nov' 14	7.74	6.47	7.40	6.00
Dec' 14	7.60	6.26	7.35	5.80
Jan' 15	7.29	4.75	7.05	4.75
Feb' 15	5.99	4.52	5.55	4.50
Mar' 15	5.93	4.14	5.55	4.20

i) **Shareholding pattern as on 31st March, 2015**

Particulars	No. of Shares	% holding
Promoters	10729246	54.19
Clearing Members	8252	0.04
Indian Public	4416619	22.31
Domestic Companies	2747898	13.88
Nationalized Bank/ Insurance Company	1746624	8.82
NRI	146701	0.75
Total	**19797540**	**100.00**

j) Distribution of shareholding as on 31st March, 2015

Shareholding (Range)	No. of Shares	%	No. of Members	%
Up to 5000	1247708	6.3023	6843	82.0996
5001 - 10000	619331	3.1283	752	9.0222
10001 - 20000	553161	2.7941	357	4.2831
20001 - 30000	329980	1.6668	130	1.5597
30001 - 40000	243887	1.2319	68	0.8158
40001 - 50000	197365	0.9969	42	0.5039
50001 - 100000	553858	2.7976	76	0.9118
100001 & ABOVE	16052250	81.0820	67	0.8038
Total	**19797540**	**100.00%**	**8335**	**100.00%**

k) Dematerialization of Shares and Liquidity

On March 31st 2015, nearly 97.44% of the shareholders of Company were holding Company's shares in demat form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized. Also, the aggregate dematerialized shareholding of the Company stood at 97.44% of the total no. of shares.

l) Share Transfer System

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (15) days from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the stock exchanges.

m) Reconciliation of Share Capital Audit Report

As stipulated by Securities and Exchange Board of India, Company is required to carry out Reconciliation of Share Capital Audit (RSCA) from a practicing Company Secretary. This audit is carried out every quarter and the report thereon of Practicing Company Secretary is submitted to the stock exchanges. The audit, inter alia, confirms that the total listed and paid-up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

n) Plant Location:

The Company's plant is located at:

2221/2222, Shah Industrial Estate, Sola-Kalol Road, Santej, Ta. Kalol, Dist. Gandhinagar - 382721

o) Registered & Administrative Offices:

Registered Office
5/1, Shreeji House,
Behind M. J. Library, Ashram Road
Ahmedabad – 380006, Gujarat

Administrative Office:
Corporate House,
Sola-Kalol Road, Village Santej,
Dist: Gandhinagar, Gujarat – 382721

p) Address for Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Company Secretary and Compliance officer

Address : Shah Alloys Corporate House, Sola-Kalol Road, Santej, Dist. Gandhinagar, Gujarat 382 721

Phone : 91-02764-661100/11

Fax : 91-02764-661110

Email : **info@shahalloys.com**

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Name : Bigshare Services Private Limited

Address : Plot no.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad, - 500 081.

Phone : 91-040-44655000

Fax : 91-040-23420859

Email : **info@bigshareonline.com**

Website : **www.bigshare.com**

Annexure to Corporate Governance Report

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

We, Ashok Sharma, Whole Time Director & Yashpal Mehta, Vice President & CFO of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Clause-49 (IIE) of the Listing Agreement entered into with Stock Exchange. The Board has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the current year.

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by Auditors is given as an annexure to the Directors' Report.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on 22nd May 2015.

For, Shah Alloys Limited

Place : Santej	**Ashok Sharma**	**Yashpal Mehta**
Date : 22.05.2015	**Whole time Director**	**Vice President & Chief Financial Officer**
	(DIN 00038360)	**(PAN AFYPM9788C)**

CERTIFICATE ON CORPORATE GOVERNANCE

To
Members
SHAH ALLOYS LIMITED

We have examined the compliance of the conditions of Corporate Governance by SHAH ALLOYS LIMITED for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement except to the extent that Woman Director is yet to be appointed.

We state that in respect of investor grievances received during the year ended 31st March, 2015 no investor grievances are pending against the company for the period exceeding one month, as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR, K.K PATEL AND ASSOCIATES
Company Secretaries

SD/-
Kiran Kumar Patel
Proprietor
CP No. 6352

Place : Gandhinagar
Date : 22.05.2015

CERTIFICATION

(Pursuant to Clause 49 IX of Listing Agreement)

To
The Board of Directors
We hereby certify that:

a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended **31st March 2015** and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee –

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, Shah Alloys Limited

	Ashok Sharma **Whole time** **Director** **(DIN 00038360)**	**Yashpal Mehta** **Vice President &** **Chief Financial Officer** **(PAN AFYPM9788C)**
Place : Santej **Date :** 22.05.2015		

ANNEXURE 4 TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is expected to become the world's second largest producer of crude steel in 2015-16, moving up from the fourth position, as its capacity is projected to increase from 100 million tonne (MT) to about 112.5 MT in 2015-16. "All indicators suggest that India will soon move up to the second position both in production and consumption,"

With infrastructure development and automotive industry driving steel demand, production of steel is expected to hit 140 MT by the end of 2016, while consumption is expected to grow 6.8% to reach 104MT by 2017.After a period of 5 years, since the break out of the global financial crisis and with significant liquidity injection by several large economies, the macro data from the developed economies started showing trends of slow improvement from 2013 but this pace was very slow as compare to the anticipated projections, it was basically due to gut in the construction, capital goods and automobiles sector world across. Worldwide recession /political polarization etc had a savior impact on the Indian iron ore mining industry also which was already experiencing a difficult phase.

India is currently the 4th largest producer of crude steel in the world and is poised to become the 2nd largest producer of crude steel in the world by 2015-16. The Iron and Steel Industry in India contributes around 2 per cent of the Gross Domestic Product (GDP) and its weight in the Index of Industrial Production (IIP) is 6.2 per cent. India is also a leading producer of sponge iron a major supplement of fluctuating scrap market with a host of coal based units, located in the mineral-rich states of the country. Per capita consumption of steel in India is at just 59 kgs as against an average of 216 kgs of the world which shows the potential of the domestic market itself.

COMPANY'S PERFORMANCE AND HIGHLIGHTS

Financial Year 2013-14 was an year of overall turmoil & its impact was also been experienced in 2014-15 with subdued economic growth, as a result of higher inflation, higher interest rates, lower industrial growth and lower investments in the country, along with the poor condition of the global economy. Your company has also been affected.

Due to the status of sick undertaking, working of the company has been adversely affected. Performance of the company has been affected due to financial crunch, reduction in selling price, reduction in demand - domestically and globally, due to dumping of material by Chine in Global market which further shrunk the margins of the company. Due to paucity of working capital, company's working is declining. Company could make optimum use of power under Open Access. As Company is not in position to optimize its full working capacity, Company had reduced its contract demand with Electricity Distribution company and tried to control over fixed expenses.

SWOT ANALYSIS

Strength

- Good Industry experience & knowledge of Promoters.
- Limited players in speciality steel manufacturing domain.
- Established manufacturing infrastructure.
- Backward integration support.
- Diverse Supplier base.
- Long standing contracts for purchase of raw material

Weaknesses

- Heavy debt burden.
- High power cost.
- Dependency on third party for raw material.

Opportunities

- Unexplored Markets.
- Demand visibility is firming up for domestic as well as global market
- Per capital consumption of stainless steel in the country is increasing and application of Stainless Steel is expanding.

Threats

- Rising raw material, fuel and power prices.
- High Cost of Capital.
- Long tenure of rehabilitation.
- Unforeseen general macro-economic factors and political turmoil.
- Global economic slowdown.

RISKS AND CONCERNS

Some of the major risks and concerns identified by the Company are:

- Working Capital risks
- Government Policy and Political Structure risk
- Competition risk
- Debtor risk
- Exchange Rate fluctuation risk
- Geographic Concentration risk

The Company is taking appropriate steps to guard against these identified risks.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control procedures commensurate with its size and nature of its business. The objectives of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial statements and due compliance of statutes and Company's policies and procedures.

FUTURE OUTLOOK

During the Financial Year 2014-15, a positive trend of financial stability was witnessed by the advanced economies; growth rate remain subdued in emerging and developing economies. The lower growth trajectory in China indirectly influences the commodity markets, including steel and its raw materials. The economic outlook in Europe is strengthening and the US economy shows strong signs of a better performance is moving forward.

Indian economy shows comparatively a positive trained in the years to come. With a stable government at the centre, significant policy changes the government focus on infrastructure development; more foreign direct investment and more transparency in governance were the major fetchers for significant increase in the overall business confidence in the country. At a global level, supply continues to be more than demand, as capacity additions continued, primarily in the emerging economies. The trend is led by China and India. However, dependence on imported coking coal, low production efficiency, inadequate infrastructure & technology and delays in regulatory clearances & approvals are major hindrance to growth of Indian steel industry.

The global steel sector remains under pressure the overhang of excess capacity continues to put pressure on the global steel sector, particularly in light of uneven economic growth and weak steel demand. Indian steel sector is witnessing role reversal as several rapid-growth markets have not performed up to expectations in creating demand.

Until recently, the Indian steel sector has been relatively insular, but it now seems to be increasingly affected by developments in global steel and raw material markets in its quest to play a growing role in the international arena, given the significant growth of its economy and increasing integration with global economies. The following global factors will influence the extent of domestic growth till 2025 and the shape and trajectory the steel industry will take in India over a mid- to long-term period:

A sizeable surplus of steel scrap in China by 2025. China currently plays a critical role in absorbing excess supply of scrap from other parts of the world. However, due to initiatives to accelerate its own scrap industry, China, which is currently a net importer of scrap, is expected to have a surplus of 72mt of scrap by 2025. This will decrease demand and push down the prices of other raw materials, such as coking coal and iron ore. While stand-alone Indian steelmakers, who do not have captive access to such inputs, will benefit from the availability of cheap raw material, the real effects of this are unlikely to be felt before the middle of the next decade and overall steel prices are likely to remain under pressure.

Prima facie, low iron prices are good for steelmakers but they may not be as beneficial in the Indian context. Indian steel producers enjoyed the advantage of low-priced domestic ore to earn healthy margins, in comparison with their global peers. Despite some current issues regarding availability of iron ore, it seems likely that India will have sufficient iron ore to meet its domestic requirement until 2025. Availability of iron ore at lower prices for global players will narrow the relative advantage of Indian players in the global market. Most of the domestic players were severely affected due to international pressure on one side & on other side they were experiencing the stiff competitions from the Chinas producers.

At Shah alloys Limited we are striving hard to remain in the race & work hard to survive through this turmoil phase; one how could successfully pass through thin phase, as the Darwin's theory interprets that it's a Natural phenomenon in every walks of life one who successfully passes through this natural selection process, progression in the conducive environment will be quite easy. With the changing political environment across the globes thing are now getting settled. Indian industry has also pass through this critical phase & now poised to accept the newer challenges. With the new Leadership & long term vision of our beloved Hon. Prime Minister Shri Narendra Modi; Indian Inductors are committed to be among world leaders & attend our top position.

CAUTIONARY NOTE

Statements in Management Discussion and Analysis Report describing the Company's expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence Company's operations include global and domestic supply & demand conditions affecting selling prices of finished goods, input availability and prices, changes in the government regulations, tax laws, economic development within the country and other factors such as litigations and industrial relations.

ANNEXURE – 5 TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SHAH ALLOYS LIMITED
CIN: L27100GJ1990PLC014698

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAH ALLOYS LIMITED**. (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the records of **SHAH ALLOYS LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and record maintained by SHAH ALLOYS LIMITED (CIN:L27100GJ1990PLC014698) for the financial year ended on 31.03.2015 according to the provisions of:

(i) The Companies Act, 2013(the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

(v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-

  (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeover) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations,1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India(Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India(Delisting of Equity Shares) Regulations, 2009 and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) As stated in the **Annexure – A** – all the laws, rules, regulations be applicable specifically to the company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India though it is applicable w.e.f 1st day of July 2015 and not mandatory right now is also complied.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executives Directors and Independent Directors ***except***

I. The woman director is yet to be appointed as per requirement of Section 149.

The changes in the composition of the Board of Directors that took place during the period under review and necessary forms have been filed with Regulators.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has not make any

(I) Public/ Right/Preferential issue of shares/ debentures/sweat equity, etc.

(II) Redemption/ buy-back of securities

(III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(IV) Merger/ amalgamation/reconstruction etc.

(V) Foreign technical collaborations

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Place : Ahmedabad **(Kamlesh M. Shah)**
Date : 22nd May 2015 **ACS: 8356, COP: 2072.**

ANNEXURE-A

Securities Laws

1. All Price Sensitive Information was informed to the stock exchanges form time to time
2. All investors complains directly received by the company are recorded on the same date of receipts.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. The company is ensuring the compliances of PF/ESI and other social security measures to the contract employees. One of the responsible officers of the company carries out the survey regarding the compliance of this.

Environmental Laws

1. The Company is not discharging the contaminated water at the public drains/rivers. The company has efficient water treatment plants at its factory premises(is applicable).
2. The company has been disposing the hazardous waste as per applicable rules.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Place : Ahmedabad **(Kamlesh M. Shah)**
Date : 22nd May 2015 **ACS: 8356, COP: 2072.**

INDEPENDENT AUDITOR'S REPORT

To the Members of
SHAH ALLOYS LIMITED
AHMEDABAD

Report on the Financial Statements

We have audited the accompanying financial statements of Shah Alloys Limited ('the Company'), which comprise the Balance sheet as at March 31, 2015, the Statement of Profit and Loss , the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

1. *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 ₹ 18,31,84,363/-, the management has charged back only expense of pre-operative expense, trial run expense and borrowing cost element for ₹ 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.*
2. *The Company has not provided for foreign exchange 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 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 the balance sheet date. 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 March 31, 2015. The Company's record indicate that had management done the provision, the Exchange loss for the financial year 2014-15 would have been more by ₹ 3,69,30,321/-. Accordingly, loss for the current financial year 2014-15 has been under-stated by ₹ 3,69,30,321/- and reserves and surplus has been overstated by ₹ 20,41,51,583/-.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above , the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1) In case of the Balance Sheet ,of the state of affairs of the Company as at March 31, 2015 ,
2) In case of the Statement of profit and loss, of the loss for the year ended on that date
3) In case of the Cash flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the Financial Statements:

1) Note No 38A to the financial statements regarding the Company having accumulated losses and its net worth has been fully eroded. The Financial Statements indicates that the Company has incurred a net loss/net cash loss during the current and previous year(s) 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 statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note 36 to the financial statements.
2) Note No 34 to the financial statements, regarding the transfer/assignment of secured loans with all their rights, title and interest in the financial documents by banks to the Asset Reconstruction companies.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above , in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance sheet, the Statement of Profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
   (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above , in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) The going concern matter as described in sub-paragraph (1) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
   (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements;
      (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Talati & Talati
Chartered Accountants
(Firm Reg. No. : 110758W)

Umesh Talati
Partner
Membership No: 034834

Place : Ahmedabad
Date : May 22, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

i) In respect of its Fixed Assets:

a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets on the basis of available information.

b) As explained to us, a major portion of the fixed assets has been physically verified by the management during the year in accordance with a phased program of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.

ii) In respect of its inventories:

a) As explained to us, inventories (excluding Goods in Transit and Goods lying at Port) were physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on Physical Verification of Inventories as compared with the book records.

iii) In respect of Loans, Secured or Unsecured granted by the companyto companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

According to the information and explanations given to us and on the basis of the records produced before us, the company has not granted any Loan, Secured or Unsecured to the companies or firms or other parties covered in the register maintained under section 189 of the Companies Act 2013 and hence sub-clause (a) & (b) of paragraph 3 of the Companies Auditor's Report Order 2015 are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of Clause (v) of paragraph 3 of the Companies Auditor's Report Order 2015 are not applicable to the Company. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) We have broadly reviewed the cost records maintained by the Company as specified Central Government under sub Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of the Statutory dues:

a) *According to the records of the company, undisputed Statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax,duty of customs, duty of excise ,value added tax, cess and any other statutory dues have not been generally regularly deposited during the year with the appropriate authorities. On the basis of records produced before us for our verification and according to the information & explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.*

b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed dues of ₹ 7,64,25,452/- have not been deposited as on 31st March, 2015 on account of matters pending before the appropriate authorities. The details of which are as under :

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where the dispute is pending	Amount involved (in ₹)
1	Income Tax Act, 1961	Income Tax	1997-98	Gujarat High court	1,30,000/-
2	Sales Tax Act	Sales Tax	1995-96	Deputy commissioner of Sales Tax (Tribunal) Ahmedabad	6,99,000/-
3	Gujarat Value Added Tax Act, 2003	Value Added Tax	2006-07	Deputy Commissioner, VAT Ahmedabad	3,81,27,791/-
4	Central Excise Act, 1944	Excise Duty and Service Tax	1997-98, 1998-99 and 2004-05 to 2013-14	Central Excise & Service tax Appellate Tribunal / Joint / Deputy Commissioner of Central Excise/ Additional Commissioner of Central Excise	3,74,68,661/-

viii) On the basis of information and explanations given to us and on the basis of records produced before us, the company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The company has incurred cash losses amounting to Rs 108,89,32,013/- during the current year .The company has incurred cash losses amounting to Rs 156,64,00,658/- in the immediately preceding financial year.

ix) *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 default in repaying the dues as per the terms stipulated in the CDR rework proposal. The Amount and the period of default in respect of Term Loan, WCTL and Non-convertible Debentures are as under:*

Particulars	*Period to which the default relates*	*Default (Amount in ₹)*	*Period for which the default subsists*
Term Loan	*2011-12*	*17,37,96,292*	*1095-1370 days*
	2012-13	*19,60,41,787*	*730-1005 days*
	2013-14	*19,60,41,790*	*365-640 days*
	2014-15	*20,90,51,014*	*1-270 days*
Working Capital Term Loan From Bank	*2011-12*	*18,64,03,089*	*1095-1370 days*
	2012-13	*22,36,83,707*	*730-1005 days*
	2013-14	*22,36,83,707*	*365-640 days*
	2014-15	*22,36,83,707*	*1-270 days*
Non-Convertible Debenture	*2011-12*	*10,41,66,667*	*1095-1370 days*
	2012-13	*12,50,00,000*	*730-1005 days*
	2013-14	*12,50,00,000*	*365-640 days*
	2014-15	*12,50,00,000*	*1-270 days*

As per the CDR Terms, Interest on Term Loan, Working capital term loan (WCTL) and Non-convertible debentures (NCD) had to be parked up to May 2011 into a separate account called Funded Interest Term loan (FITL). However, from June 2011 onwards, the interest on Term Loan, Working capital term loan (WCTL) and Non-convertible debentures (NCD) has to be serviced as and when due.

However, the company has defaulted in payment of interest on Term Loan, Working capital term loan (WCTL) and Non-convertible debentures (NCD). The Amount and the period of default are as listed under:

Particulars	Period to which the default relates	Default (Amount in ₹)	Period for which the default subsists
Interest on Term Loan	2011-12	12,04,69,127	1095-1431 days
	2012-13	15,73,65,814	730-1066 days
	2013-14	13,33,73,691	365-700 days
	2014-15	9,47,04,719	1-335 days
Interest on Working Capital Term Loan	2011-12	14 95 31 027	1095-1431 days
	2012-13	17,89,46,966	730-1066 days
	2013-14	17,89,46,953	365-700 days
	2014-15	13,53,05,256	1-335 days
Interest on Non-Convertible Debenture	2011-12	8,18,90,411	1095-1431 days
	2012-13	9,80,00,000	730-1066 days
	2013-14	9,80,00,000	365-700 days
	2014-15	8,90,00,000	1-335 days

As per the terms of the CDR, Principal and Interest on funded interest term loan (FITL) was required to be paid as and when it was due. The company has made the default in payment of Principal and interest on FITL. The amount and the period of default are as mentioned below:

Particulars	Period to which the default relates	Default (Amount in ₹)	Period for which the default subsists
Funded Interest Term Loan(FITL)	2013-14	13,37,23,870	365-455 days
	2014-15	26,74,47,740	1-270 days
Interest on Funded Interest Term Loan(FITL)	2010-11	4,31,63,185	1461-1704 days
	2011-12	7,98,16,025	1096-1339 days
	2012-13	8,25,18,348	730-1066 days
	2013-14	7,71,66,458	365-700 days
	2014-15	6,13,23,453	1-335 days

As per the terms of the CDR, Interest on working capital facilities was required to be paid as and when it was due. The company has made the default in payment of interest on the working capital facilities. The amount and the period of default are as mentioned below:

Particulars	Period to which the default relates	Default (Amount in ₹)	Period for which the default subsists
Interest on working capital facilities	2010-11	22,69,93,827	1461-1734 days
	2011-12	37,17,47,750	1096-1369 days
	2012-13	39,44,65,648	730-1066 days
	2013-14	44,18,08,307	365-700 days
	2014-15	31,15,15,625	1-335 days

Moreover, the Company, in September 2006, has raised US $ 10 million through Unsecured Zero Coupon Foreign Currency Convertible Bonds (FCCB), due on 22nd September, 2011. On full conversion of FCCB, the FCCB will be converted in to 26,41,143 Equity shares of Rs 10 each at a premium of ₹ 165 per share, at the option of the Bondholders at any time before the maturity of the bonds. On Conversion, Capital will increase by ₹ 2,64,11,430 and Share Premium by ₹ 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 22nd 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

x) In our opinion, the terms & conditions on which the company has given guarantee for loans taken by others from Banks or financial institutions are not prejudicial to the interest of the company.

xi) According to the information & explanations given to us, the Company has not raised any term loan during the year under audit.

xii) In our opinion and according to the information and explanations given to us and based on management representation, no material fraud on or by the company has been noticed or reported during the financial year covered by the audit.

For Talati & Talati
Chartered Accountants
(Firm Reg. No. : 110758W)

Umesh Talati
Partner
Membership No: 034834

Place : Ahmedabad
Date : May 22, 2015

Balance Sheet as at March 31, 2015

(Amount in ₹)

	Note No	As At 31st March 2015	As At 31st March 2014
I. EQUITY AND LIABILITIES			
(1) **Shareholders' Funds:**			
(a) Share Capital	3	19 79 75 400	19 79 75 400
(b) Reserves and Surplus	4	(7 29 25 97 277)	(5 93 01 19 031)
		(7 09 46 21 877)	(5 73 21 43 631)
(2) **Non-Current Liabilities:**			
(a) Long Term Borrowings	5	2 54 36 56 199	3 40 03 29 426
(b) Other Long Term Liabilities	6	9 64 59 199	11 56 49 000
(c) Long Term Provisions	7	1 30 34 378	1 21 75 337
		2 65 31 49 776	3 52 81 53 763
(3) **Current Liabilities:**			
(a) Short Term Borrowings	8	3 16 98 00 268	3 17 23 79 144
(b) Trade Payables	9	59 97 71 718	1 18 50 92 636
(c) Other Current Liabilities	10	8 06 79 14 684	6 62 52 60 144
(d) Short Term Provisions	11	4 14 16 745	3 95 12 284
		11 87 89 03 415	11 02 22 44 208
TOTAL		**7 43 74 31 314**	**8 81 82 54 340**
II. ASSETS			
(1) **Non-Current Assets:**			
(a) Fixed Assets	12		
(i) Tangible Assets		1 75 10 49 450	2 15 58 04 024
(ii) Capital work-in-progress		12 59 00 355	18 31 84 363
(b) Non-Current Investments	13	5 29 49 731	39 94 96 276
(c) Long Term Loans and Advances	14	2 26 71 928	10 24 99 175
(d) Deferred Tax Assets (Net)	15	4 12 91 30 129	3 63 73 42 447
		6 08 17 01 593	6 47 83 26 285
(2) **Current Assets:**			
(a) Inventories	16	81 77 30 349	1 05 50 85 690
(b) Trade Receivables	17	15 18 36 254	31 07 81 266
(c) Cash and Bank Balances	18	1 00 04 440	63 74 866
(d) Short Term Loans and Advances	19	37 60 49 012	96 74 50 046
(e) Other Current Assets	20	1 09 666	2 36 187
		1 35 57 29 721	2 33 99 28 055
TOTAL		**7 43 74 31 314**	**8 81 82 54 340**
The accompanying notes are an integral part of these financial statements.	1 to 41		

As per our Report of even date

For Talati & Talati
Chartered Accountants
FRNo: 110758W

Umesh Talati
Partner
M.No. 034834

Place : Ahmedabad
Date : May 22, 2015

For and on behalf of the Board
Shah Alloys Limited

Rajendra V. Shah	Chairman
K.S. Kamath	Jt. Managing Director
Ashok Sharma	Whole Time Director
Yashpal Mehta	V.P. & CFO
Vinod Kumar Shah	Company Secretary

Place : Santej
Date : May 22, 2015

Statement of Profit and Loss for the Year ended 31st March 2015

(Amount in ₹)

		Note No	Year ended on 31st March 2015	Year ended on 31st March 2014
I.	Revenue from operations	22	2 92 70 16 704	4 68 59 20 483
	Less: Excise duty		(31 32 89 253)	(49 46 48 035)
			2 61 37 27 451	4 19 12 72 448
II.	Other income	23	13 70 80 652	4 16 18 758
III.	**Total revenue (I + II)**		**2 75 08 08 103**	**4 23 28 91 206**
IV	**EXPENDITURE :**			
	Cost of materials consumed	24	1 82 40 36 232	2 99 86 31 227
	Changes in inventories of finished goods & work-in-progress.	25	8 74 58 923	20 61 21 243
	Employee benefits expense	26	15 39 47 799	20 96 41 403
	Finance costs	27	69 46 56 972	93 16 37 291
	Depreciation and Amortization Expense		39 38 50 361	29 92 67 373
	Other Expenses	28	1 03 66 05 895	1 45 32 60 700
	Total Expenses		**4 19 05 56 182**	**6 09 85 59 237**
V	**Profit / (Loss) before extraordinary items and tax (III-IV)**		**(1 43 97 48 079)**	**(1 86 56 68 031)**
VI	Extraordinary Item. (Rerefer Note No 38 & 39)		40 38 30 553	0
VII	**Profit / (Loss) before tax (V-VI)**		**(1 84 35 78 632)**	**(1 86 56 68 031)**
VIII	**Tax expense:**			
	Deferred tax		(49 17 87 682)	(57 97 79 449)
IX	**Profit / (Loss) for the period (VII-VIII)**		**(1 35 17 90 950)**	**(1 28 58 88 582)**
X	**Earnings per equity share of face value of ₹ 10 each**	29		
	Basic & Diluted before Extraordinary Items		(47.87)	(64.95)
	Basic & Diluted after Extraordinary Items		(68.28)	(64.95)
The accompanying notes are an integral part of these financial statements.		1 to 41		

As per our Report of even date

For Talati & Talati
Chartered Accountants
FRNo: 110758W

Umesh Talati
Partner
M.No. 034834

Place : Ahmedabad
Date : May 22, 2015

For and on behalf of the Board
Shah Alloys Limited

Rajendra V. Shah	Chairman
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Ashok Sharma	Whole Time Director
Yashpal Mehta	V.P. & CFO
Vinod Kumar Shah	Company Secretary

Place : Santej
Date : May 22, 2015

Cash Flow Statement for the year ended 31st March 2015

(Pursuant to the listing Agreement with Stock Exchange)

(Amount in ₹)

Particulars	2014-15		2013-14	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit (Loss) before Tax		(1 84 35 78 632)		(1 86 56 68 031)
Adjustments for :				
Depreciation	39 38 50 361		29 92 67 373	
Unrealised Foreign (Gain) / Loss	(6 90 318)		(24 70 796)	
Loss on Sale of Assets	4 917		0	
Interest expenses	69 46 56 972		93 47 40 462	
Interest Income	(10 72 965)		(29 55 575)	
		1 08 67 48 967		1 22 85 81 464
		(75 68 29 665)		(63 70 86 567)
Operating Profit Before Working Capital Changes				
Adjustments for :				
Trade and other receivables	9 06 78 073		42 78 64 719	
Inventories	23 73 55 341		19 28 93 856	
Trade Payable and others	4 86 14 214		3 59 82 284	
		37 66 47 628		65 67 40 859
Cash Generated From Operations		(38 01 82 037)		1 96 54 292
Direct Taxes Paid		0	0	
Net Cash from Operating Activities before Extra Ordinery Items		**(38 01 82 037)**		**1 96 54 292**
Extra-ordinery Items				
Write off of Preliminery expence and Borrowing cost from Capital work-in-progress		5 72 84 008		0
Provision for diminution in value of long term investments		34 65 46 545		0
		40 38 30 553		0
Net Cash from Operating Activities after Extra Ordinery Items(A)		**2 36 48 516**		**1 96 54 292**
B CASH FLOW FROM INVESTING ACTIVITIES:				
Recovery of Loan Given	73 96 21 741		0	
Sale of Fixed Assets	2 12 000		0	
Sales of Investment	0		10 000	
Interest Income	10 72 965		29 55 575	
		74 09 06 706		29 65 575
Net Cash from Investing Activities(B)		**74 09 06 706**		**29 65 575**
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long term Borrowings (Net of repayments)	(6 36 89 801)		92 18 56 231	
Proceeds from Bank/ FIS borrowings for Working Capital.	(25 78 875)		(1 18 18 750)	
Interest Paid	(69 46 56 972)	(76 09 25 648)	(93 47 40 462)	(2 47 02 981)
Net Cash from Financing Activities(C)		**(76 09 25 648)**		**(2 47 02 981)**
Net Increase in Cash and Equivalent.(A+B+C)		36 29 574		(20 83 114)
Cash And Cash Equivalents as at the Beginning of the year		63 74 866		84 57 980
Cash And Cash Equivalents as at the Close of the year		1 00 04 440		63 74 866

Cash Flow Statement for the year ended 31st March 2015 [Contd...]

(Amount in ₹)

Particulars	2014-15	2013-14
Note:		
Cash & Bank balances:		
a) Balance with Banks :		
- In Current accounts	59 75 518	10 13 395
b) Cash on hand	8 04 223	9 68 471
d) Other bank balances:		
- In Margin Money	32 24 699	43 93 000
Total	**1 00 04 440**	**63 74 866**

As per our Report of even date

For Talati & Talati
Chartered Accountants
FRNo: 110758W

Umesh Talati
Partner
M.No. 034834

Place : Ahmedabad
Date : May 22, 2015

For and on behalf of the Board
Shah Alloys Limited

Rajendra V. Shah	Chairman
K.S. Kamath	Jt. Managing Director
Ashok Sharma	Whole Time Director
Yashpal Mehta	V.P. & CFO
Vinod Kumar Shah	Company Secretary

Place : Santej
Date : May 22, 2015

Notes to financial statement for the year ended 31st March 2015

1 1.1 **CORPORATE INFORMATION :**

The company is engaged in manufacturing of wide range of Stainless Steel, Alloy & Special steel, Carbon/ Mild Steel and Armour Steel in Flat and Long products. It is one of the key suppliers to many renowned companies in India and overseas. It exports various products to more than 50 countries around the world. Company has been successful in developing protection Armour Steel which is mainly required for defense purpose. Company has been registered with Defense Research and Development Organization as approved vendor and it is expected that good business will be available to the company. To reduce the cost of power, company has been making efforts to purchase power through Open Access which would be cheaper than the present cost of power.

1.2 **BASIS OF PREPARATION OF FINANCIAL STATEMENT:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company's activities in its business segments have operating cycles which do not exceed 12 months. As a result, current assets comprise elements that are expected to be realized within 12 months after the reporting date and current liabilities comprise elements that are due for settlement within 12 months after the reporting date.

2 **SIGNIFICANT ACCOUNTING POLICIES :**

2.1 **Use of Estimates:**

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting principles requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.2 **Revenue Recognition:**

Sales are stated net of rebate and trade discount and include Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. this usually occurs upon dispatch, after the price has been determined. Export Benefits are accounted / recognized on accrual basis. Dividend income is recognized when right to receive is established. Interest income is recognized on accrual basis

2.3 **Excise Duty**

Excise Duties recovered are included in the sale of products & then shown as deduction on the face of Statement of Profit & Loss Excise duties in respect of Finished Goods lying in stock/bonded warehouse are shown separately under the head "Other expenses" and included in the valuation of finished goods.

2.4 **Valuation of Inventories:**

Inventories are valued at lower of cost or net realizable value after considering the credit of VAT and CENVAT.

In case of Raw Materials, Stock at third party and Stores and Spares are determined in accordance with FIFO basis. Cost includes cost of purchase price, non refundable taxes and delivery handling cost.

Cost of Finished Goods and Work in Progress is determined using the absorption costing principle. Cost includes cost of material consumed, labour and systematic allocation of variable and fixed production overheads including excise duty at applicable rates.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

2.5 **Fixed Assets**

(a) Fixed assets are stated at cost (net of Cenvat credit), less accumulated depreciation and impairment loss, if any. [Other than "freehold land" where no depreciation is charged]. Costs include all expenses incurred to bring the assets to its present location and condition.

(b) Capital Work in progress is stated at cost.

(c) Cost of Trial run Production incurred during the initial period of production is capitalized amongst the various heads of fixed assets.

(d) Pre-operative expenditure incurred on projects is capitalized amongst the various heads of fixed assets on the commencement of the projects.

(e) Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

2.6 **Depreciation and Amortization**

Depreciation on tangible assets is provided by using the straight line method based on useful life specified in Schedule II of the Companies Act 2013 except for the following assets:

Electric Arc Furnace Useful life is estimated 8 years based on independent technical evaluation.

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013.

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

2.7 **Cash flow statement**

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and deposits with banks.

2.8 **Investments**

Investments are classified as Long Term & Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value whichever is lower.

2.9 **Foreign currency transactions**

Transactions in the foreign currency which are covered by forward contracts are accounted for at the contracted rate; the difference between the forward rate and the exchange rate at the date of transaction is recognized in the profit & loss account over the life of the contract. Transactions in the foreign currency other than those covered by forward contract rates are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates, and unrealized translation differences are included in the Profit and Loss Account.

2.10 **Employee Benefits:**

(a) **Short Term**

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company

(b) **Long Term**

The Company has both defined contribution and defined benefit plans. These plans are financed by the Company in the case of defined contribution plans.

(c) **Defined Contribution Plans**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

(d) **Defined Benefit Plans**

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

(e) **Other Employee Benefit**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

2.11 **Borrowing cost:**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.12 **Taxation:**

Income tax expenses comprise current tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The Deferred Tax Assets and Deferred Tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of Deferred Tax Assets are reviewed to reassure realization.

2.13 **Impairment of Assets**

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value based on internal/external factors. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. Net selling price is the estimate selling price in the ordinary course of business less estimated cost of completion and to make the sales.

2.14 **Earnings per share**

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares issued during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

2.15 **Provisions, Contingent Liability and Contingent Asset**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

Notes forming part of the Financial Statements

(Amount in ₹)

Note 3: SHARE CAPITAL	As At March 31, 2015	As At March 31, 2014
The Authorised, Issued, Subscribed and fully Paid up Share Capital comprises of equity shares having a par value of ₹ 10 each as follows:		
Authorised		
35,000,000 Equity Shares of ₹ 10/- each (P.Y: 35,000,000 Equity Shares of ₹ 10/- each)	35 00 00 000	35 00 00 000
Total	**35 00 00 000**	**35 00 00 000**
Issued, Subscribed & Fully Paid-Up		
19,797,540 Equity Shares of ₹ 10/- each fully paid up (P.Y: 19,797,540 Equity Shares of ₹ 10/- each)	19 79 75 400	19 79 75 400
[It comprises of 1,977,500 equity shares of Rs 10/- each fully paid (P.Y. 1,977,500 equity shares) converted from Global Depositary Receipts (GDRs). Outstanding number of GDRs is Nil (P.Y.- Nil)]		
Total	**19 79 75 400**	**19 79 75 400**

a) Reconciliation of Number of Shares:

	As at March 31, 2015		As at March 31, 2014	
Equity Shares:	**Number of shares**	**Amount (₹)**	**Number of shares**	**Amount (₹)**
Shares outstanding at the beginning of the year	1 97 97 540	19 79 75 400	1 97 97 540	19 79 75 400
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	**1 97 97 540**	**19 79 75 400**	**1 97 97 540**	**19 79 75 400**

b) Rights, Preferences and restrictions attached to shares

Equity Shares

The company has one class of equity share having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Shares held by Shareholders holding more than 5% in the Company

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	No of shares held	**Percentage of Shares held**	**No of shares held**	**Percentage of Shares held**
Mr. Rajendra V. Shah #	94 44 364	47.71%	94 44 364	47.71%
Mrs. Ragini R. Shah	11 46 006	5.79%	11 46 006	5.79%

including 7.74 % shares held as Karta

Note 4: RESERVES & SURPLUS	As At March 31, 2015	As At March 31, 2014
i) **Capital Reserve:**	500	500
	500	**500**
ii) **Security Premium Reserve:**	5 02 61 008	5 02 61 008
	5 02 61 008	**5 02 61 008**
iii) **Debenture Redemption Reserve:**	60 00 00 000	60 00 00 000
	60 00 00 000	**60 00 00 000**
iv) **Surplus / (Deficit) in Statement of Profit & Loss:**		
As per Last Balance Sheet	(6 58 03 80 539)	(5 29 44 91 957)
Transitional effect of Depreciation	(1 06 87 296)	0
Add:Loss during the year	(1 35 17 90 950)	(1 28 58 88 582)
	(7 94 28 58 785)	**(6 58 03 80 539)**
Total (i)+(ii)+(iii)+(iv)	**(7 29 25 97 277)**	**(5 93 01 19 031)**

Note 5: LONG TERM BORROWINGS	As At March 31, 2015	As At March 31, 2014
(A) SECURED :		
I) Debentures		
- Non Convertible Debentures	39 58 33 334	52 08 33 334
II) Term Loans		
a) From Banks		
- Rupee Term Loan	14 85 39 762	53 12 01 190
- Funded Interest Term Loan	49 31 50 547	69 04 10 766
- Working Capital Term Loan	9 85 99 247	75 96 19 611
b) From Financial Institutions		
- Rupee Term Loan	47 22 59 228	28 56 39 581
- Funded Interest Term Loan	17 54 68 803	24 56 56 324
- Working Capital Term Loan	60 97 32 491	17 23 95 833
	239 35 83 412	**320 57 56 639**
(B) UNSECURED:		
Inter Corporate Deposits		
From Related Parties	7 52 00 000	8 97 00 000
From Others	1 64 00 000	4 64 00 000
Loans & Advances from related parties		
- From Directors	5 84 72 787	5 84 72 787
	15 00 72 787	**19 45 72 787**
Total	**254 36 56 199**	**340 03 29 426**

(A) SECURED :

a) Nature of security and terms of repayment for secured borrowings

I) Non Convertible Debentures

First Mortgage and charge on the company's all immovable and movable properties (other than working capital assets), both present and future, ranking pari-passu with all term lenders. Second charges on Working Capital assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all Corporate Debts Restructuring lenders. Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

Non Convertible Debentures is repayable in equal monthly installment starting from June 2011 till May 2019.

Maturity profile of Non Convertible Debentures are as set out below :

Financial Year	Rate of Interest	
	9%	10%
2016-17	2 50 00 000	10 00 00 000
2017-18	2 50 00 000	10 00 00 000
2018-19	2 50 00 000	10 00 00 000
2019-20	41 66 667	1 66 66 667

b) Period and Amount of default as on the Balance sheet

Particulars	Default in repayment of principal	Period of default	Default in payment of interest	Period of default
2011-12	10 41 66 666	1095-1370 days	8 18 90 411	1095-1431 days
2012-13	12 50 00 000	730-1005 days	9 80 00 000	730-1066 days
2013-14	12 50 00 000	365-640 days	9 80 00 000	365-700 days
2014-15	12 50 00 000	1-270 days	8 90 00 000	1-335 days
Total	**47 91 66 666**		**36 68 90 411**	

II) Term Loan from Bank / Financial Institution:

First Mortgage and charge on the company's all immovable and movable properties (other then working capital assets), both present and future, ranking pari-passu with all term lenders.(except Punjab National Bank's Corporate loan which has exclusive charge on 26,00,000 shares of Shah Alloys Limited. Thus First charge on fixed assets is not extended to Punjab national bank over the Corporate loan) Second charges on WC assets of the company. Pledge of promoter's entire shareholding ranking pari passu with all CDR lenders except for 26,00,000 shares on which Punjab national bank has exclusive charge . Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

Term Loan is repayable in equal monthly installment starting from June 2011 till May 2019.

Terms of repayment for term loans are as set out below : **(Amount in ₹)**

Particulars	2016-17	2017-18	2018-19	Beyond 2018-19
Rupee term Loan	4 69 07 293	4 69 07 293	4 69 07 293	78 17 882
Term Loans from Financial Institution	14 91 34 493	14 91 34 493	14 91 34 493	2 48 55 749
Working Capital Term Loan from Bank	3 11 36 604	3 11 36 604	3 11 36 604	51 89 434
Working Capital Term Loan from Financial Institution	19 25 47 102	19 25 47 102	19 25 47 102	3 20 91 184
Funded Interest Term Loan from Bank	19 72 60 219	19 72 60 219	9 86 30 109	0
Funded Interest Term Loan from Financial Institution	7 01 87 521	7 01 87 521	3 50 93 761	0
Total	**68 71 73 232**	**68 71 73 232**	**55 34 49 362**	**6 99 54 249**

Rate of Interest on Term Loan @10 % except LIC of India @8.75 %
Rate of Interest on Working Capital Term Loan @10 %
Rate of Interest on Funded Interest Term Loan @6 %

b) Period and Amount of default as on the Balance sheet

The company has made a default in repayment as follows:

Particulars	*Period to which default relates*	Default in repayment of principal	Period of default	Default in payment of interest	Period of default
Rupee term Loan from Bank	2011-12	16 71 00 665	1095-1370 days	11 57 69 349	1095-1431 days
	2012-13	18 80 07 037	730-1005 days	15 17 41 489	730-1066 days
	2013-14	14 94 39 852	365-640 days	12 77 49 366	365-700 days
	2014-15	5 99 16 520	1-270 days	8 90 80 394	1-335 days
Term Loans from Financial Institution	2011-12	66 95 627	1095-1370 days	46 99 778	1095-1431 days
	2012-13	80 34 750	730-1005 days	56 24 325	730-1066 days
	2013-14	4 66 01 938	365-640 days	56 24 325	365-700 days
	2014-15	14 91 34 493	1-270 days	56 24 325	1-335 days
Working Capital Term Loan from Bank	2011-12	18 64 03 089	1095-1370 days	14 95 31 027	1095-1431 days
	2012-13	22 36 83 707	730-1005 days	17 89 46 966	730-1066 days
	2013-14	21 33 39 957	365-640 days	17 89 46 953	365-700 days
	2014-15	3 11 36 604	1-270 days	13 53 05 256	1-335 days
Working Capital Term Loan from Financial Institution	2013-14	1 03 43 750	1-366 days	0	
	2014-15	19 25 47 102	1-270 days	0	
Funded Interest Term Loan from Bank & Financial Institution	2010-11	0		4 31 63 185	1461-1704 days
	2011-12	0		7 98 16 025	1096-1339 days
	2012-13	0		8 25 18 348	730-1066 days
	2013-14	13 37 23 870	365-455 days	7 71 66 458	365-700 days
	2014-15	26 74 47 740	1-270 days	6 13 23 453	1-335 days
Total		**203 35 56 701**		**149 26 31 022**	

(B) UNSECURED :

Deposits : The company has taken inter corporate deposit during the year from one related pariy as mentioned herewith: SAL Care Pvt ltd of ₹ 4,30,00,000. This party is covered under the register maintained under section 189 of the Companies Act, 2013.

(Amount in ₹)

Note 6: OTHER LONG TERM LIABILITIES	As At March 31, 2015	As At March 31, 2014
Security Trade Deposits	9 64 59 199	11 56 49 000
Total	**9 64 59 199**	**11 56 49 000**

Note 7: LONG TERM PROVISIONS	As At March 31, 2015	As At March 31, 2014
Provision for Employee Benefits		
- Gratuity	1 30 34 378	1 21 75 337
Total	**1 30 34 378**	**1 21 75 337**

Note 8 : SHORT TERM BORROWINGS	As At March 31, 2015	As At March 31, 2014
SECURED		
Loans repayable on Demand		
- Cash Credit Facilities		
From Banks	54 63 80 634	241 26 11 243
From Financial Institution	262 34 19 634	75 97 67 901
Total	**316 98 00 268**	**317 23 79 144**

a) Nature of security and terms of repayment for secured borrowings

Cash Credit Facilities

Hypothecation first charges on company's entire stocks of raw material, stock in progress, finished goods, book debts/receivables and all current assets stored in the company's factory premises, at all plants and / or elsewhere including those in transit covered by documents of title thereto, local and export usance bill ranking pari-passu in favor of all the working capital banks. Second charge on the entire movable and immovable assets both present and future on pari-passu basis. Pledge of promoter's entire shareholding ranking pari-passu with all CDR lenders. Unconditional and irrevocable personal guarantee of the promoter-director Shri Rajendra Shah.

b) Period and Amount of default as on the Balance sheet

Particulars	*Period to which default relates*	*Default in payment of interest on working capital facilities*	*Period of default*
Interest on Working capital facilities	2010-11	22 69 93 827	*1461-1734 days*
	2011-12	37 17 47 750	*1096-1369 days*
	2012-13	39 44 65 648	*730-1066 days*
	2013-14	44 18 08 307	*365-700 days*
	2014-15	31 15 15 625	*1-335 days*
Total		**174 65 31 157**	

Note 9 : Trade Payables	As At March 31, 2015	As At March 31, 2014
Due to Micro, Small and Medium Enterprises *	0	0
Other than Micro, Small and Medium Enterprises	59 97 71 718	118 50 92 636
Total	**59 97 71 718**	**118 50 92 636**

* The Company has not received information from the Suppliers regarding their status under The Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosures, if any relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act, have not been made.

Sundry Creditors includes dues to Associate concerns in which director of the Company are interested:

	As At March 31, 2015	As At March 31, 2014
- SAL Steel Limited	0	22 96 58 507
- SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	27 15 320	26 65 798
- SAL Pharmacy (A Division of SAL Corporation Pvt. Ltd.)	8 51 918	5 17 689

(Amount in ₹)

Note 10: OTHER CURRENT LIABILITIES	As At March 31, 2015	As At March 31, 2014
(a) Current Maturities of Long Term Debts		
- Non Convertible Debentures	12 50 00 000	12 50 00 000
- Term Loan from Banks	4 69 07 294	12 74 88 287
- Working Capital Term Loan from Banks	3 11 36 604	18 23 08 706
- Working Capital Term Loan from Financial Institutions	19 25 47 102	4 13 75 000
- Term Loan from Financial Institutions	14 91 34 493	6 85 53 500
- Funded Interest Term Loan from Bank	19 72 60 219	19 72 60 219
- Funded Interest Term Loan from Financial Institutions	7 01 87 521	7 01 87 521
	81 21 73 233	**81 21 73 233**
(b) Interest accrued & due on Borrowings	322 52 58 675	261 34 09 622
	322 52 58 675	**261 34 09 622**
(c) Income received in Advance	1 17 27 047	5 76 75 129
(d) Unpaid Matured Debentures & Interest Accrued thereon		
- Matured Non Convertible Debentures	47 91 66 666	35 41 66 666
- Interest Accrued on Matured Non Convertible Debentures	63 20 74 103	55 20 74 103
	111 12 40 769	**90 62 40 769**
(e) Unpaid Foreign Currency Convertible Bonds #		
- Foreign Currency Convertible Bond (FCCB)	48 82 05 000	48 82 05 000
Add: Premium Payable on FCCB	23 55 83 323	23 55 83 323
	72 37 88 323	**72 37 88 323**
(f) Other Payables		
- Term Loan from Bank	19 22 68 972	38 46 54 183
- Working Capital Term Loan from Banks	11 93 56 983	51 65 41 337
- Working Capital Term Loan from Financial Institution	73 80 97 226	11 72 29 166
- Term Loan from Financial Institution	58 26 61 912	19 42 34 919
- Funded Interest Term Loan from Bank	29 58 90 329	9 86 30 110
- Funded Interest Term Loan from Financial Institution	10 52 81 281	3 50 93 760
- Statutory Dues Payable*	4 09 00 167	5 40 28 918
- Deferred Sales Tax Liability	6 71 98 787	6 71 98 787
- Unpaid Expenses	4 20 70 980	4 22 67 306
- Book overdraft	0	20 94 582
	218 37 26 637	**151 19 73 068**
Total	**806 79 14 684**	**662 52 60 144**

The Company, in September 2006, has raised US $ 10 million through Unsecured Zero Coupon Foreign Currency Convertible Bonds (FCCB), due in 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 ₹ 165 per share , at the option of the Bondholders at any time before the maturity of the bonds. On Conversion, Capital will increase by ₹ 2,64,11,430 and Share Premium by ₹ 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 September, 2011 which has been adjusted against Security Premium in accordance with Section 52 of Companies Act, 2013.

Since Bond holders have yet not exercised the option no further interest has been accounted for. Accordingly Foreign Currency Convertible Bonds (FCCB) is due for repayment to Bond Holders. However, no payment has been made to Bond Holders.

* It includes amount in the nature of Statutory dues such as withholding taxes, service tax, VAT, Excise duty, etc.

(Amount in ₹)

Note 11: SHORT TERM PROVISIONS	As At March 31, 2015	As At March 31, 2014
Provision for Employee Benefits		
- Gratuity	25 80 333	22 22 789
- Leave Encashment	54 12 223	54 12 223
- Others*	3 34 06 389	3 18 51 242
Others		
- Provision for Wealth Tax	17 800	26 030
Total	**4 14 16 745**	**3 95 12 284**

* It includes bonus & other incentives to employees

Note 12: FIXED ASSETS
Tangible Assets :

Particulars	Freehold Land	Factory Building	Office/ Residential Building	Plant and Machinery	Laboratory Equipments	Vehicles	Office Equipments	Furniture & Fixtures	TOTAL
Cost of Assets									
As at 1st April 2013	4 22 81 653	22 76 72 041	3 26 91 753	5 16 72 69 123	49 16 603	4 03 53 434	2 10 22 662	1 97 24 274	5 55 59 31 543
Addition	0	0	0	0	0	0	0	0	**0**
Disposal / Adjustments	0	0	0	0	0	0	0	0	**0**
As at 31st March 2014	**4 22 81 653**	**22 76 72 041**	**3 26 91 753**	**5 16 72 69 123**	**49 16 603**	**4 03 53 434**	**2 10 22 662**	**1 97 24 274**	**5 55 59 31 543**
Addition	0	0	0	0	0	0	0	0	**0**
Disposal / Adjustments	0	0	0	0	0	12 47 439	0	0	**12 47 439**
As at 31st March 2015	**4 22 81 653**	**22 76 72 041**	**3 26 91 753**	**5 16 72 69 123**	**49 16 603**	**3 91 05 995**	**2 10 22 662**	**1 97 24 274**	**5 55 46 84 104**
Depreciation									
As at 1st April 2013	0	7 33 28 337	27 91 393	2 96 27 74 485	41 56 962	3 36 85 194	1 33 97 035	1 07 26 740	**3 10 08 60 146**
Charge for the year	0	73 67 313	5 32 876	28 71 05 847	2 33 539	21 20 673	7 16 074	11 91 051	**29 92 67 373**
Disposal / Adjustments	0	0	0	0	0	0	0	0	**0**
As at 31st March 2014	**0**	**8 06 95 650**	**33 24 269**	**3 24 98 80 332**	**43 90 501**	**3 58 05 867**	**1 41 13 109**	**1 19 17 791**	**3 40 01 27 519**
Charge for the year	0	1 05 91 828	5 15 849	37 86 48 920	0	16 02 867	0	24 90 897	**39 38 50 361**
Disposal / Adjustments	0	19 06 492	0	0	2 80 274	(2 68 705)	58 58 420	18 80 293	**96 56 774**
As at 31st March 2015	**0**	**9 31 93 970**	**38 40 118**	**3 62 85 29 252**	**46 70 775**	**3 71 40 029**	**1 99 71 529**	**1 62 88 981**	**3 80 36 34 654**
Net Block									
As at 31st March 2014	**4 22 81 653**	**14 69 76 391**	**2 93 67 484**	**1 91 73 88 791**	**5 26 102**	**45 47 567**	**69 09 553**	**78 06 483**	**2 15 58 04 024**
As at 31st March 2015	**4 22 81 653**	**13 44 78 071**	**2 88 51 635**	**1 53 87 39 871**	**2 45 828**	**19 65 966**	**10 51 133**	**34 35 293**	**1 75 10 49 450**

Capital work-in-progess	31.03.2015	31.03.2014
Plant & Machinery	12 59 00 355	12 59 00 355
Amount of borrowing cost capitalized	0	5 72 84 008
Total	**12 59 00 355**	**18 31 84 363**

Notes:

1) Cost of Fixed Assets and pre-operative expenses, being technical matter, are capitalized or allocated to Capital work in progress on the basis of data certified by technical person & the Management.
2) Borrowing cost includes interest and other bank charges to the extent that they are regarded as an adjustment to interest costs which are directly related to the acquisition & construction of a qualifying asset.

(Amount in ₹)

Note 13: NON CURRENT INVESTMENTS	As At March 31, 2015	As At March 31, 2014
Trade Investments		
Quoted		
Investment in Equity instruments of Associate Company	39 94 96 276	39 94 96 276
3,02,56,989 Equity shares of Face value ₹ 10/- each in SAL Steel Limited (P.Y: 3,02,56,989 Equity shares)		
Less : Provision for Diminution in value of Investment (Refer note No 38)	34 65 46 545	0
Total	**5 29 49 731**	**39 94 96 276**

Aggregate amount of Quoted Investment and Market Value ₹ 5,29,49,731/- (P.Y. ₹ 4,62,93,193/-)

Note 14: LONG-TERM LOANS & ADVANCES (Unsecured, considered good unless otherwise stated)	As At March 31, 2015	As At March 31, 2014
Security Deposits	2 26 71 928	24 99 175
Loans & advance to related parties		
- Inter corporate loan *	0	10 00 00 000
Total	**2 26 71 928**	**10 24 99 175**

*The company has advanced an interest free Intercorporate loan in earlier years to its Associate Concern

Note 15: DEFERRED TAX ASSETS (NET)	As At March 31, 2015	As At March 31, 2014
Deferred tax assets		
Unabsorbed Depreciation and Business Loss	263 68 33 005	247 02 43 183
On account of disallowances under the Income tax act, 1961	178 28 77 745	154 65 80 626
Gross deferred tax asset (A)	**441 97 10 750**	**401 68 23 809**
Deferred tax liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	29 05 80 621	37 94 81 362
Gross deferred tax liability (B)	**29 05 80 621**	**37 94 81 362**
Net Deferred Tax (A-B)	**412 91 30 129**	**363 73 42 447**

Note 16: INVENTORIES (valued at lower of cost or net realizable value)	As At March 31, 2015	As At March 31, 2014
(Inventories are taken, valued and certified by the management)		
Raw Materials		
i) In stock	3 65 52 708	9 83 55 165
ii) In Transit	94 15 168	9 06 16 092
Work in Progress	4 38 53 260	15 75 08 514
Finished Goods	34 74 12 088	32 12 15 757
Stores & spares	38 04 97 125	38 73 90 162
Total	**81 77 30 349**	**105 50 85 690**

(Amount in ₹)

Note 17: TRADE RECEIVABLES	As At March 31, 2015	As At March 31, 2014
Unsecured considered good		
Trade Receivable outstanding for more than six months from the date they became due for payments	3 80 54 610	6 11 70 638
Others	11 37 81 644	24 96 10 628
Doubtful	98 58 257	1 05 84 179
Total	16 16 94 511	32 13 65 445
Less: Provision for claim / Doubtful debts	98 58 257	1 05 84 179
Total	**15 18 36 254**	**31 07 81 266**

Sundry Debtors include dues from Associate concerns:	2014-15 Amount	2013-14 Amount
- SAL College of Engineering (A Division of Adarsh Foundation)	8 72 200	22 734
- SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	0	13 686
- SAL Institute of Pharmacy (A Division of Adarsh Foundation)	2 05 800	0
- SAL Institute of Managament (A Division of Adarsh Foundation)	2 05 800	0
- SAL Institiute of Technical & Engineering Research (A Division of Adarsh Foundation)	11 66 200	0

Note 18: CASH AND BANK BALANCES	As At March 31, 2015	As At March 31, 2014
Cash & Cash Equivalents		
a) Balance with Banks :		
- In Current accounts	59 75 518	10 13 395
b) Cash on hand	8 04 223	9 68 471
c) Other bank balances:		
- In Margin Money *	32 24 699	43 93 000
Total	**1 00 04 440**	**63 74 866**

* Margin Money deposits with a carrying amount of ₹ 32,24,699/- (P.Y.: ₹ 43,93,000) are given as margin against bank guarantee

Note 19: SHORT TERM LOANS AND ADVANCES (Unsecured considered good, unless otherwise stated)	As At March 31, 2015	As At March 31, 2014
Loans & advances to related parties		
- Intercorporate Loan	6 03 78 259	70 00 00 000
Others		
Advances to suppliers	7 26 51 727	6 94 14 427
Balances with government authorities	22 72 15 918	15 27 83 089
Prepaid expenses	6 31 661	9 43 411
Deposits	97 000	2 74 44 141
Other Loans and Advance*	1 50 74 447	1 68 64 978
Total	**37 60 49 012**	**96 74 50 046**

* Includes Loan & advances given to Employees

(Amount in ₹)

Note 20: OTHER CURRENT ASSETS	As At March 31, 2015	As At March 31, 2014
Interest Accrued		
- On Deposits	1 09 666	2 36 187
Total	**1 09 666**	**2 36 187**

Note 21: CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	As At March 31, 2015	As At March 31, 2014
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
- Claim by Parties	275 80 15 418	274 15 93 040
(b) Guarantees		
- Corporate guarantee given to consortium Banks for SAL Steel Ltd.	207 50 00 000	207 50 00 000
- Bank guarantee given	30 43 000	42 83 294
(c) Other money for which the company is contingently liable		
- Disputed Income Tax /VAT/ Excise / Service tax Demand	7 64 25 452	40 79 95 054

Notes forming part of the Financial Statements

Note 22: REVENUES FROM OPERATION	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
I . Sale of Products		
Manufactured Goods		
- Domestic	2 84 50 41 754	4 60 43 18 388
- Export	5 00 82 074	5 11 61 958
	2 89 51 23 828	**4 65 54 80 346**
II. Sale of service		
- Job work	8 56 800	2 89 32 005
- Manpower Services	3 00 00 000	0
	3 08 56 800	**2 89 32 005**
III. Other Operating Revenues		
- Export incentive	10 36 076	15 08 132
	10 36 076	**15 08 132**
Total	**2 92 70 16 704**	**4 68 59 20 483**

(Amount in ₹)

Note22.1: Particulars of Sale of Products	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Sales of Iron & Steel		
- Round / Bright / TMT Bars	7 00 54 299	7 94 63 044
- S.S.Flats	4 34 84 549	93 09 11 715
- M.S/ S.S./ A.S Plate	1 69 66 94 602	1 82 30 88 097
- M.S/S.S.H.R.Coil, SS C.R. Coil	89 00 70 093	1 76 58 16 677
- S.S. Slab, Billets, Ingots etc	19 48 20 285	5 62 00 813
Total	**2 89 51 23 828**	**4 65 54 80 346**

Note 23: OTHER INCOMES	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Interest Income	10 72 965	29 55 575
VAT credit recovered	9 26 06 522	3 25 39 798
Miscellaneous Income	20 000	2 48 880
Foreign Exchange Fluctuation Gain (Net)	10 32 270	30 70 286
Other Non operating income		
Sundry Balances Written off (Net)	4 23 48 895	28 04 219
Total	**13 70 80 652**	**4 16 18 758**

Note 24: COST OF MATERIAL CONSUMED	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Opening Stock	18 89 71 257	12 92 15 069
Purchases	1 68 10 32 851	3 05 83 87 415
	1 87 00 04 108	3 18 76 02 484
Less :Closing Stock	4 59 67 876	18 89 71 257
Total	**1 82 40 36 232**	**2 99 86 31 227**

Note 25: CHANGES IN THE INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE.	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
A) Opening Stocks		
- Finished Goods	32 12 15 757	45 52 39 575
- Work in process	15 75 08 514	22 96 05 939
Sub-Total (A)	**47 87 24 271**	**68 48 45 514**
B) Less: Closing Stocks		
- Finished Goods	34 74 12 088	32 12 15 757
- Work in process	4 38 53 260	15 75 08 514
Sub-Total (B)	**39 12 65 348**	**47 87 24 271**
Total (A)-(B)	**8 74 58 923**	**20 61 21 243**

(Amount in ₹)

Note 26: EMPLOYEES BENEFIT EXPENSES	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Salaries & Wages	14 68 15 029	20 10 00 891
Contribution to Provident & Other Funds	45 21 046	58 08 175
Staff Welfare Expenses	26 11 724	28 32 337
Total	**15 39 47 799**	**20 96 41 403**

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expense for the year are as under:

Particulars	2014-15	2013-14
Employer's Contribution to Provident Fund	44 88 046	57 89 455
Contribution for Key Managerial Person	33 000	18 720

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

The Company has adopted Accounting Standard 15 (AS-15) (Revised) "Employee Benefits" which is mandatory from accounting periods starting from Dec 7, 2006. Accordingly, the Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method.

I. Reconciliation of opening and closing balance of Defined Benefit Obligation

Particulars	Gratuity (Unfunded)	
	2014-15	2013-14
Opening defined benefit obligation	1 43 98 126	1 76 03 150
Excess / Short provision	4 80 243	0
Service cost	18 81 130	17 24 226
Interest cost	12 09 093	12 65 154
Actuarial (Gain) / Loss	(6 34 593)	(22 26 482)
Benefits paid	(17 19 288)	(39 67 922)
Closing defined benefit obligation	**1 56 14 711**	**1 43 98 126**

II. Reconciliation of opening and closing balance of fair value of plan assets

Particulars	Gratuity (Unfunded)	
	2014-15	2013-14
Opening fair value of plan assets Expected return Actuarial Gain / (Loss) Employer contribution Benefits paid Closing fair value of plan assets	Not applicable as Gratuity Liability is unfunded	Not applicable as Gratuity Liability is unfunded

III. Reconciliation of fair value of assets and obligation

Particulars	Gratuity (Unfunded)	
	2014-15	2013-14
Fair value of plan assets Present value of obligation Amount recognised in balance sheet	Not applicable as Gratuity Liability is unfunded	Not applicable as Gratuity Liability is unfunded

IV. Expense recognised during the year (under the head "Employee benefit expense" of Notes '26') **(Amount in ₹)**

Particulars	Gratuity (Unfunded)	
	2014-15	2013-14
Service cost	18 81 130	17 24 226
Interest cost	12 09 093	12 65 154
Expected return on plan assets	0	0
Actuarial (Gain) / Loss	(6 34 593)	(22 26 482)
Prior year Charge	4 80 243	0
Net cost included in 'Employee Benefit Expense'	**29 35 873**	**7 62 898**

V. Investment Details

Particulars	% invested	
	2014-15 (%)	2013-14 (%
Public sector securities Special deposit schemes State Govt. securities FDR with banks Balance with banks Total	Not applicable as Gratuity Liability is not funded	Not applicable as Gratuity Liability is not funded

VI. Actuarial Assumptions

Particulars	Gratuity (Unfunded)	
	2014-15	2013-14
Mortality Table (LIC)	1994-96	1994-96
Discount rate (per annum)	7.80%	9.10%
Expected rate of return on plan assets (per annum)	0.00%	0.00%
Rate of escalation in salary (per annum)	7.00%	7.00%

VII Amount for the current and previous four year are as follows:-

Gratuity (Unfunded)	31.03.2015 Amount	31.03.2014 Amount	31.03.2013 Amount	31.03.2012 Amount	31.03.2011 Amount
Defined Benefit obligation	1 56 14 711	1 43 98 126	1 76 03 150	1 84 32 659	1 78 63 505
Plan asset	0	0	0	0	0
Surplus/(deficit)	(1 56 14 711)	(1 43 98 126)	(1 76 03 150)	(1 84 32 659)	(1 78 63 505)
Experience adjustment on plan liability	(23 86 573)	(8 75 657)	(27 09 878)	(30 24 713)	(3 00 181)
Acturial Loss / (Gain) due to change in assumptions.	17 51 980	(13 50 825)			
Experience adjustment on plan assets	0	0	0	0	0

VIII Expected Employer's Contribution for the financial year

On the basis of previous year's trend company is expecting to contribute the same amount as in 2014-15 to the defined contribution plan. However, for the defined benefit plan company is not liable to contribute any amount as the plans are unfunded.

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Note 27: FINANCE COSTS	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
(a) Term loans		
- From Banks	28 57 09 103	38 38 62 777
- From Financial institution	56 24 325	56 24 325
(b) Working capital facilities	31 15 15 625	44 18 08 307
(c) Debentures	8 90 00 000	9 80 00 000
(d) Others	28 07 919	23 41 882
Total	**69 46 56 972**	**93 16 37 291**

(Amount in ₹)

Note 28: OTHER EXPENSES	For the Year ended on 31st March 2015	For the Year ended on 31st March 2015
Consumption of stores & spare parts	39 70 55 934	60 58 45 097
Power & fuel	43 91 31 013	59 58 31 200
Factory Labour expense	7 05 30 597	7 01 10 527
Freight and handling changes	5 99 81 717	9 16 38 158
Provision for Excise Duty on finished goods	25 57 323	(1 56 40 326)
Factory Expenses	91 07 743	49 09 029
Repairs and maintenance :		
- to Factory Building	9 98 636	15 36 252
- to Plant & Machinery	61 98 217	71 66 859
- to Others	25 25 042	36 11 904
	97 21 895	**1 23 15 015**
Donation	13 152	6 901
Selling costs	40 76 471	40 86 385
Packing Cost	21 70 788	78 21 173
Freight outward expenses	1 71 92 502	4 46 45 766
Travelling & conveyance	55 50 875	70 33 230
Legal, Consultancy and Professional Fees	61 46 903	64 35 881
Miscellaneous expenses	32 36 737	65 94 133
Advertisement, Stationery and Communication	30 08 054	35 74 835
Payment to Auditors #	10 01 000	8 61 000
Rent	11 40 000	11 49 600
Rates and Taxes	10 86 919	8 67 375
Insurance	14 39 852	20 72 550
Bank Charges	24 56 420	31 03 171
Total	**1 03 66 05 895**	**1 45 32 60 700**

# Payment to Auditors :	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
As Auditor		
- Statutory Audit	7 50 000	6 50 000
For other services	2 00 000	1 66 000
For Reimbursement of Expenses	51 000	45 000
Total	**10 01 000**	**8 61 000**

Note 29: EARNING PER SHARE	Unit	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Net profit / (Loss) for the year attributable to Equity Shareholders before extraordinary item.	₹	(94 79 60 397)	(1 28 58 88 582)
Net profit / (Loss) for the year attributable to Equity Shareholders after extraordinary item.	₹	(1 35 17 90 950)	(1 28 58 88 582)
Weighted Average Number of Equity Shares outstanding	Nos.	1 97 97 540	1 97 97 540
Basic & Diluted earnings per share before extraordinary item (face value of ₹ 10 each)	₹	(47.87)	(64.95)
Basic & Diluted earnings per share after extraordinary item (face value of ₹ 10 each)	₹	(68.28)	(64.95)

Note 30: INFORMATION REGARDING STOCK

a) Capacity (As Certified by Management)

Class of products	Annual Licensed capacity (MT)		Annual Installed Casting (MT)	
	2014-15	2013-14	2014-15	2013-14
S.S.Flats, Bars & Castings, Hot Rolled M.S./S.S/A.S Plates , H.R. / C.R.Coil	**N.A**	**N.A**	3 00 000	3 00 000

b) Production:

Class of products	2014-15 Qty. (MT)	2013-14 Qty. (MT)
1. Finished Goods		
(a) Round / Bright / TMT Bars	428.114	1 867.241
(b) S.S.Flats	630.816	12 262.864
(c) M.S/ S.S./ A.S Plate	36 521.239	34 629.756
(d) M.S/S.S.H.R.Coil, S.S C.R. Coil	14 497.831	21 502.395
2. Semi-Finished Goods		
S.S. Slab, Billets, Ingots etc	2 685.094	1 551.455
TOTAL	**54 763.094**	**71 813.711**

c) Turnover (Exluding Trading Turnover)

Class of Goods	2014-15		2013-14	
	Quantity (MT)	Amount (in ₹)	Quantity (MT)	Amount (in ₹)
1. Finished Goods				
(a) Round / Bright / TMT Bars	1 261.970	7 00 54 299	1 081.589	7 94 63 044
(b) S.S.Flats	630.790	4 34 84 549	13 168.890	93 09 11 715
(c) M.S/ S.S./ A.S Plate	36 448.882	1 69 66 94 602	32 273.415	1 82 30 88 097
(d) M.S/S.S.H.R.Coil, S.S C.R. Coil	10 867.819	89 00 70 093	23 137.983	1 76 58 16 677
2. Semi-Finished Goods				
S.S. Slab, Billets, Ingots etc	5 292.585	19 48 20 285	1 453.620	5 62 00 813
TOTAL	**54 502.046**	**2 89 51 23 828**	**71 115.497**	**4 65 54 80 346**

d) Opening and Closing Stock

Class of Goods	Opening Stock				Closing Stock			
	As at 01-04-2014		As at 01-04-2013		As at 31-03-2015		As at 31-03-2014	
	Quantity (MT)	Amount (in ₹)	Quantity (MT)	Amount (in ₹)	Quantity (MT)	Amount (in ₹)	Quantity (MT)	Amount (in ₹)
1. Finished Goods								
(a) Round / Bright / TMT Bars	984.900	4 42 43 637	199.248	1 76 05 581	151.044	59 25 018	984.900	4 42 43 637
(b) S.S.Flats	0.839	33 806	906.865	5 62 58 752	0.865	49 085	0.839	33 806
(c) M.S/ S.S./ A.S Plate	3 407.809	14 66 13 684	1 051.468	5 90 61 780	3 480.166	12 03 41 674	3 407.809	14 66 13 684
(d) M.S/S.S.H.R.Coil, S.S C.R. Coil	1 874.592	9 58 86 982	3 510.180	27 22 35 488	5 504.604	18 41 01 340	1 874.592	9 58 86 982
(e) Excise Duty on Finished Goods	3 44 37 648	5 00 77 974	3 69 94 971	3 44 37 648				
2. Semi-Finished Goods								
S.S. Slab, Billets, Ingots etc	4 098.847	15 75 08 514	4 001.012	22 96 05 939	1 491.356	4 38 53 260	4 098.847	15 75 08 514
TOTAL	**10 366.987**	**47 87 24 271**	**9 668.773**	**68 48 45 514**	**10 628.035**	**39 12 65 348**	**10 366.987**	**47 87 24 271**

Note 30: INFORMATION REGARDING STOCK (Contd...)

e) Consumption of Raw materials:

Class of Goods	2014-15		2013-14	
	Quantity (MT)	Amount (in ₹)	Quantity (MT)	Amount (in ₹)
Scrap	58 873.931	1 29 87 35 095	72 394.606	1 86 06 46 807
Ferro Chrome	2 945.107	20 08 32 337	8 081.781	62 45 54 469
Others	4 225.181	32 44 68 800	6 306.931	51 34 29 951
TOTAL	**66 044.219**	**1 82 40 36 232**	**86 783.318**	**2 99 86 31 227**

f) Value of imports calculated on C.I.F. basis during the financial year in respect of:

(Amount in ₹)

Particulars	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Raw Materials	1 47 82 821	18 42 03 521
Stores & Spares	12 50 349	2 14 83 110

g) Expenditure in foreign currency during the financial year

Particulars	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
Travelling Expenses	1 70 503	0
Commission on Export Sales.	1 78 899	3 43 793

h) Value of Raw Materials, Stores, Chemical & Spares consumed during the year:

Class of Goods	2014-15		2013-14	
	Amount (in ₹)	% of consumption	Amount (in ₹)	% of consumption
Raw Material-Manufacturing Activity				
Imported	13 22 57 851	7.25%	7 28 60 372	2.43%
Indigenous	1 69 17 78 381	92.75%	2 92 57 70 855	97.57%
Total	**1 82 40 36 232**	**100.00%**	**2 99 86 31 227**	**100.00%**
Stores & Spare parts				
Imported	13 52 793	0.34%	2 29 95 943	3.80%
Indigenous	39 57 03 141	99.66%	58 28 49 154	96.20%
Total	**39 70 55 934**	**100.00%**	**60 58 45 097**	**100.00%**

i) Earning in Foreign Exchange:

Particulars	For the Year ended on 31st March 2015	For the Year ended on 31st March 2014
FOB Value of exports	4 61 65 177	4 87 95 993

Note 31: RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

i) Concern where significant interest exists.

Sr. no	Name of the Concern	Nature of Relationship
1	SAL Steel Limited	Associate
2	SAL Corporation Pvt. Ltd	Enterprise with significant influence
3	SAL Care Pvt Ltd	Enterprise with significant influence
4	SAL Pharmacy (A Division of SAL Corporation Pvt. Ltd.)	Enterprise with significant influence
5	SAL Hospital & Medical Institute (A Division of SAL Care Pvt Ltd.)	Enterprise with significant influence
6	SAL Institute of Technical & Engineering Research (A Division of Adarsh Foundation)	Enterprise with significant influence
7	SAL Institute of Pharmacy (A Division of Adarsh Foundation)	Enterprise with significant influence
8	SAL Institute of Management (A Division of Adarsh Foundation)	Enterprise with significant influence
9	SAL College of Engineering (A Division of Adarsh Foundation)	Enterprise with significant influence
10	Kesar SAL Hospital (A Division of Adarsh Foundation)	Enterprise with significant influence

ii) Key Management Personnel and Relatives

1	Mr. Rajendra V. Shah	Chairman
2	Mr. K. S. Kamath	Jt. Managing Director
3	Mr. Ashok Sharma	Whole Time Director
4	Mr. Yashpal Mehta	Vice President & Chief Financial Officer (CFO)
5	Mr. Vinod Shah	Company Secretary

iii) Disclosure of Related Party Transactions

(Amount in ₹)

Sr. no	Nature of Transaction	Parties mentioned at a (i) above		Key management personnel	
		2014-15	2013-14	2014-15	2013-14
1	Purchase of goods & Services	34 74 84 744	9 57 461	0	0
2	Purchase of Power	20 19 40 980	27 99 56 300	0	0
3	Sales of Goods	4 09 51 337	12 33 43 148	0	0
4	Manpower Recovered	3 00 00 000	0	0	0
5	Rent paid	9 60 000	9 60 000	0	19 600
6	Loan Availed	4 30 00 000	15 60 00 000	0	48 51 000
8	Loan Repaid	5 75 00 000	7 88 00 000	0	0
8	Intercorporate Loan Recoved	73 96 21 741	0	0	0
9	Remuneration	0	0	44 88 240	44 88 240
10	Professional Services	0	0	0	0

iv) Disclosures of material transactions with related parties during the year: **(Amount in ₹)**

					Balance outstanding as at	
Sr.No.	**Description**	**Related Parties**	**2014-15**	**2013-14**	**31-03-2015**	**31-03-2014**
1	Purchase of Goods & Services	SAL Steel Ltd	34 71 00 993	2 36 300	0	22 96 58 507
		SAL Pharmacy	3 34 229	2 05 131	8 51 918	5 17 689
		SAL Hospital & Medical Institute	49 522	5 16 030	27 15 320	26 65 798
2	Purchase of power	SAL Steel Ltd	20 19 40 980	27 99 56 300	0	0
3	Sales of goods	SAL Steel Ltd	4 07 78 416	12 33 20 414	0	0
		SAL College of Engineering	0	22 734	0	22 734
		SAL Hospital & Medical Institute	1 72 921	0	0	13 686
4	Manpower Recoverd	SAL Institute of Technical & Engineering Research	1 42 80 000	0	11 66 200	0
		SAL Institute of Pharmacy	25 20 000	0	2 05 800	0
		SAL Institute of Management	25 20 000	0	2 05 800	0
		SAL College of Engineering	1 06 80 000	0	8 72 200	0
5	Rent paid	SAL Steel Ltd	9 60 000	9 60 000	0	0
		Mr. Rajendra V Shah	0	9 600	0	0
		Mr. Rajendra V Shah HUF	0	10 000	0	0
6	Remuneration to Key Management Personnel	Mr. K S Kamath	12 92 400	12 92 400	0	0
		Mr. Ashok Sharma	12 00 000	12 00 000	0	0
		Mr. Yashpal Mehta	9 75 840	9 75 840	0	0
		Mr. Vinod Shah	10 20 000	10 20 000	0	0
7	Loan Availed	SAL Care Pvt Ltd.	4 30 00 000	15 20 00 000	7 52 00 000	8 97 00 000
		SAL Hospital & Medical Institute	0	40 00 000	0	0
		Mr. Rajendra V Shah	0	48 51 000	5 84 72 787	5 84 72 787
8	Loan Repaid	SAL Care Pvt Ltd.	5 75 00 000	6 48 00 000	0	0
		SAL Hospital & Medical Institute	0	40 00 000	0	0
		SAL Corporation Pvt. Ltd.	0	1 00 00 000	0	0
9	Intercorporate Loan Recoved	SAL Steel Ltd	73 96 21 741	0	6 03 78 259	80 00 00 000

32. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

33 Corporate Debt Restructuring (CDR) Cell through their lead bank, Union Bank of India had sanctioned a comprehensive debt restructuring scheme vide their letter No. BY.CDR (ABP) No. 1084 dated 22.1.2008. As per scheme company was supposed to make monthly payment of interest & installment by 1st October 2009. Looking to prevailing condition and reciprocal obligation not fulfilled by the CDR lenders & consequential losses incurred by the company in the year 2008, company had again approached CDR Cell for extension

of moratorium period and CDR Cell had approved the rework proposal of the company vide their letter dated BY.CDR (ABP) NO.380/ 2009-10 dated 03-07-2009. The principal terms of the 2nd CDR Scheme and its compliances are as under:

(a) Deferring repayment of Term loan ₹ 1,56,05,13,132/- Working capital term loan ₹ 1,77,82,65,205/- and Non Convertible Debentures ₹ 1,00,00,00,000/- for another 20 months, (from original due date for repayment of 01.10.2009) i.e. up to 31.05.2011. Repayment shall start from June 2011 and end on May 2019.

(b) Interest for the moratorium period i.e. up to May 2011 shall be converted into Funded interest term loan (FITL) carrying interest rate of 6% p.a. repayable in 20 equal quarterly installments commencing from December 2013 quarter. Interest on FITL shall be serviced as and when due.

Consequent upon the sanction of the restructuring package, the company had to start repaying the aforesaid loans sanctioned by banks/institutions and debenture holders from June 2011 onwards however the company has made default in repaying the dues as per the terms stipulated in the CDR rework proposal. The Amount and the period of default in respect of Term Loan, WCTL , Non convertible Debentures and FITL are as under:

Particulars	*Period to which the default relates*	*Default (Amount in ₹)*	*Period for which the default subsists*
Term Loan	2011-12	17,37,96,292	1095-1370 days
	2012-13	19,60,41,787	730-1005 days
	2013-14	19,60,41,790	365-640 days
	2014-15	20,90,51,013	1-270 days
Working Capital Term Loan	2011-12	18,64,03,089	1095-1370 days
	2012-13	22,36,83,707	730-1005 days
	2013-14	22,36,83,707	365-640 days
	2014-15	22,36,83,706	1-270 days
Non Convertible Debenture	2011-12	10,41,66,667	1095-1370 days
	2012-13	12,50,00,000	730-1005 days
	2013-14	12,50,00,000	365-640 days
	2014-15	12,50,00,000	1-270 days
Funded Interest Term Loan (FITL)	2013-14	13,37,23,870	365-455 days
	2014-15	26,74,47,740	1-270 days

As per CDR Terms, Interest on Term Loan, Working capital term loan (WCTL) and Non convertible debentures (NCD) had to be parked up to May 2011 into a separate account called Funded Interest Term loan (FITL). However, from June 2011 onwards , the interest on Term Loan, Working capital term loan (WCTL) and Non convertible debentures(NCD) has to be serviced as and when due.

However, the company has defaulted in payment of interest on Term Loan, Working capital term loan (WCTL) and Non convertible debentures (NCD) . The Amount and the period of default are as listed under:

Particulars	*Period to which the default relates*	*Default (Amount in ₹)*	*Period for which the default subsists*
Interest on Term Loan	2011-12	12,04,69,127	1095-1431 days
	2012-13	15,73,65,814	730-1066 days
	2013-14	13,33,73,691	365-700 days
	2014-15	9,47,04,719	1-335 days
Interest on Working Capital Term Loan	2011-12	14,95,31,027	1095-1431 days
	2012-13	17,89,46,966	730-1066 days
	2013-14	17,89,46,953	365-700 days
	2014.15	13,53,05,256	1-335 days
Interest on Non Convertible Debenture	2011-12	8,18,90,411	1095-1431 days
	2012-13	9,80,00,000	730-1066 days
	2013-14	9,80,00,000	365-700 days
	2014-15	8,90,00,000	1-335 days

As per the terms of the CDR, Interest on funded interest term loan (FITL) was required to be paid as and when it was due. The company has made the default in payment of interest on FITL. The amount and the period of default are as mentioned below:

Particulars	*Period to which the default relates*	*Default (Amount in ₹)*	*Period for which the default subsists*
Interest on Funded Interest Term Loan(FITL)	2010-11	4,31,63,185	1461-1704 days
	2011-12	7,98,16,025	1096-1339 days
	2012-13	8,25,18,348	730-1066 days
	2013-14	7,71,66,458	365-700 days
	2014-15	6,13,23,453	1-335 days

As per the terms of the CDR, Interest on working capital facilities was required to be paid as and when it was due. The company has made the default in payment of interest on the working capital facilities. The amount and the period of default are as mentioned below:

Particulars	*Period to which the default relates*	*Default (Amount in ₹)*	*Period for which the default subsists*
Interest on working capital facilities	2010-11	22,69,93,827	1461-1734 days
	2011-12	37,17,47,750	1096-1369 days
	2012-13	39,44,65,648	730-1066 days
	2013-14	44,18,08,307	365-700 days
	2014-15	31,15,15,625	1-335 days

c) Rate of interest on Term Loan, Non Convertible Debenture and WCTL will be 10% p.a. for the term lenders who are presently charging more than 10% p.a. payable monthly. Existing rates will continue for those lenders who are charging less than 10% p.a. payable monthly and FITL will carry interest at the rate of 6 % per annum.

As per the terms of the CDR, the company has brought in Promoters' contribution during the year 2009-10.

34 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) Ltd
IDBI Bank	28/03/2014	Asset Reconstruction Company (India) Ltd
Bank of Baroda	26/03/2014	Edelweiss Assets Reconstruction Company Ltd.
Oriental Bank of Commerce	04/08/2014	Asset Reconstruction Company (India) Ltd
State Bank of India	28/01/2015	Invent Assets Securitization & Reconstruction Pvt. Ltd.
Union Bank of India	31/03/2015	Invent Assets Securitization & Reconstruction Pvt. Ltd.

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.

35 The company had filed a reference with BIFR u/s 15(1) of the Sick Industrial Companies (Special Provision) Act, 1985. The Honorable BIFR vide its order number 13/2010 dated 31st August, 2010 has declared that the company has become sick industrial company u/s 3(1)(o) of SICA. [Sick Industrial Companies (Special Provision) Act, 1985].

36 Balances of Secured Loan, Unsecured Loans, Bank balances, Sundry debtors, Creditors and Loans and advances are subject to confirmation from respective parties.

37 Certain balance of Debtors, Loans and Advances and Creditors are non moving/ slow moving since long, however in view of the management the same is recoverable / payable and hence no provision for the same is made in the books of accounts.

38 The Company has long term investment in the shares of SAL Steel Limited total amount of ₹ 39,94,96,276/-. Based on the audited financial statement of SAL Steel Limited as at 31st March, 2015, the Company has accumulated losses and its net worth has been fully eroded. The Financial results of SAL Steel Limited also indicates that the Company has a net 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. Also there is no movement in the prices of stock in share market. As per AS 13, all such circumstances indicate that there is decline, other than temporary, in the value of a long term investment. And as a result, we have provided investment at market rate of shares @ ₹ 1.75 per share total amount of ₹ 5,29,49,731/- and provided ₹ 34,65,46,545/- as diminution other than temporary in the value of investment in books of accounts.

38A 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 one time settlement (OTS) and expecting the waiver of interest with the banks. As a result, not only the Company's net worth will improve but also improve productivity on account of morale booster of the employees. Further, post OTS, Company will reduce the interest burden drastically and will be optimistic about vanishing of accumulated losses gradually.

39 Since last many years the company does not have internal accruals from the operations and as a result, management do not anticipate execution of its ongoing project of Cold Rolling Mill (CRM) Plant. Fund of ₹18,31,84,363/- is blocked in the said ongoing projects. Since the capital project is not anticipate to complete in future, we have charged back expense of pre-operative expense, trial run expense and borrowing cost elements for ₹ 5,72,84,008/- to the statement of profit and loss during the current year which was earlier capitalized and carried in Capital work In Progress of our ongoing projects. For the remaining balance carried as Capital work In Progress, the company has not carried out any Techno-economic assessment during the year ended 31st March 2015 for the valuations of such Capital Projects and hence identification of impairment loss and provision thereof, if any, has not been made. Considering the emphasis of the matter, company agreed to appoint an approved valuer to access the impairment of the assets. We are expecting a report from the valuer and decision will be taken with regard to impairment, if any, on such assets.

40 Foreign currency exposure at the year end not hedged by derivative instruments:

Particulars	As at 31st March 2015	As at 31st March 2014
Payable against Import of Goods		
Rupees	0	6,37,53,868
US Dollar	0	10,60,800
Advance payment to suppliers		
Rupees	1,58,16,969	55,48,414
US Dollar	2,20,857	92,320
AED	1,17,233	0
Receivables against export of goods		
Rupees	27,80,784	36,74,362
US Dollar	44,428	61,138
Advance received from customers		
Rupees	6,41,366	25,89,558
US Dollar	9,804	39,285
Euro	410	2,767
FCCB Payable (Including Interest)		
Rupees	72,37,88,323	72,37,88,323
US Dollar	1,48,25,500	1,48,25,500

41 The Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-arranged and re-grouped, wherever necessary to make them comparable with those of current year as per revised Schedule-VI.

As per our report attached to the Balance Sheet

Signatures to Notes 1-41

The accompanying notes are an integral part of these financial statements.

As per our Report of even date

For Talati & Talati
Chartered Accountants
FRNo: 110758W

Umesh Talati
Partner
M.No. 034834

Place : Ahmedabad
Date : May 22, 2015

For and on behalf of the Board
Shah Alloys Limited

Rajendra V. Shah	Chairman
K.S. Kamath	Jt. Managing Director
Ashok Sharma	Whole Time Director
Yashpal Mehta	V.P. & CFO
Vinod Kumar Shah	Company Secretary

Place : Santej
Date : May 22, 2015

SHAH ALLLOYS LIMITED

CIN: L27100GJ1990PLC014698
5/1 Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad: 380 006

ATTENDANCE SLIP

DP ID*	**Folio**
Client ID*	**No. of Shares**

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 25TH **ANNUAL GENERAL MEETING** of the Company held on Thursday, 24th September, 2015 at 05:00 P.M. at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380 060.

Signature of the Shareholder | Proxy

* Applicable for investors holding shares in electronic form.

SHAH ALLLOYS LIMITED

CIN: L27100GJ1990PLC014698
5/1 Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad: 380 006

Form No. MGT- 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Members : _____
Registered Address : _____
E-mail Address : _____
Folio No. | Client ID : _____
DP Id : _____

I/we, being the member(s) of _____ shares of S.A.L. Steel Ltd, hereby appoint:

1) _____ of _____
having e-mail id _____ or failing him

2) _____ of _____
having e-mail id _____ or failing him

3) _____ of _____
having e-mail id _____

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th **ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, 24th September, 2015 at at 05:00 P.M. at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad – 380060 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO	Resolutions
	Ordinary Business
1	Adoption of financial statements for the year ended on March 31, 2015
2	Reappointment of Shri Rajendra V. Shah (DIN: 00020904) as Director
3	Appointment of Talati & Talati as Statutory Auditor and fix their remuneration
4	Reappointment of Shri Kandodi Srinivas Kamath as Joint Managing Director
5	Reappointment of Shri Ashok A Sharma as Whole Time Director
6	Fixation of Remuneration of Cost Auditors
7	Appointment of Woman Director

Affix Revenue Stamp

Signed this _____ day of _____ 2015.

Signature of first proxyholder | Signature of Second proxyholder | Signature of Third proxyholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

www.shahalloys.com

Shah Alloys Limited.

If undelivered please return to:

Corporate Office

Corporate House, Sola-kalol Road,
Santej - 382721, Ta.Kalol, Dist. Gandhinagar