

SAL 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 | E-mail : info@shahalloys.com

30.05.2018

To,

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

BSE Scrip Code: 513436

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

Sub: Outcome of Board Meeting

Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, we are pleased to inform you that the Board of Directors of the company in its meeting held today have considered and taken on record the Audited Financial Results for the quarter and year ended on 31.03.2018 duly reviewed by the Audit Committee. We enclose the same in the prescribed form duly signed alongwith the audit report and Statement of Impact of Audit Qualification (for audit report with modified opinion).

In compliance of Regulation 30 of SEBI (LODR) Regulations, 2015 we also wish to state that the following business item inter alia have been transacted by the Board at today's meeting:

1. Approval of Directors' Report for the year ended 31st March 2018.
2. Audited Annual Accounts of the Company for the financial year ended March 31, 2018 subject to the adoption of shareholders in ensuing Annual General Meeting.
3. Notice for 28th Annual General Meeting (AGM), which is scheduled to be held on Monday, September 24, 2018.

[The aforesaid Board Meeting commenced at 05:30 p.m. and concluded at 06:15 P.M. p.m.]

Kindly take the above on your record.

Thanking you,

Yours faithfully,

for Shah Alloys Ltd


Jt. Managing Director
Encl: a/a

CIN - L27100GJ1990PLC014698

SAL SHAH ALLOYS LIMITED

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

CIN : L27100GJ1990PLC014698 WWW.SHAHALLOYS.COM

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

Amount (Rs In Crores)

	Particulars	QUARTER ENDED			YEAR ENDED	
		31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
		(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)
I	Revenue from Operations	136.96	197.09	87.22	563.42	348.97
II	Other Operating Income	0.22	0.06	0.30	0.74	0.90
III	Total Revenue (I + II)	137.18	197.15	87.52	564.16	349.87
IV	Expenses					
	(a) Cost of materials consumed	95.19	77.00	55.71	312.23	212.64
	(b) Changes in inventories of finished goods, work-in-progress	(19.69)	50.27	(14.10)	33.49	(35.72)
	(c) Employee benefits expense	5.13	4.73	3.25	18.04	12.18
	(d) Excise Duty on Sales	0.00	0.00	9.38	12.30	37.59
	(e) Finance costs	0.06	0.05	3.28	0.13	14.33
	(f) Depreciation and amortisation expense	3.41	3.41	3.31	13.64	13.74
	(g) Consumption of Stores & Spares	16.72	12.42	9.01	46.97	35.64
	(h) Power cost	14.48	16.31	14.19	64.16	60.58
	(i) Other Expenditure	22.93	33.81	7.02	76.95	26.65
	Total Expenses (a) to (i)	138.23	198.00	91.05	577.91	377.63
V	Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	(1.05)	(0.85)	(3.53)	(13.75)	(27.76)
VI	Exceptional Item	99.10	35.30	74.38	134.40	74.38
VII	Profit / (Loss) after exceptional and before extraordinary items and tax (V+VII)	98.05	34.45	70.85	120.65	46.62
VIII	Deferred Tax	46.27	11.59	17.72	85.04	10.14
IX	Net Profit / (Loss) for the period from continuing operations (VII -VIII)	51.78	22.86	53.13	35.61	36.48
X	Profit / (Loss) From discontinuing operations	0.00	0.00	0.00	0.00	0.00
XI	Tax Expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00
XII	Profit / (Loss) From discontinuing operations (after tax) (X-XI)	0.00	0.00	0.00	0.00	0.00
XIII	Net (Loss) profit for the period (IX - X)	51.78	22.86	53.13	35.61	36.48
XIV	Items not reclassified to Profit and loss					
	Remesurement gain / loss on defined benefit plan	0.20	0.00	0.07	0.20	0.07
	Release of Deferred Tax	0.07	0.00	0.02	0.07	0.02
	Other comprehensive income Net of Tax	0.27	0.00	0.09	0.27	0.09
XV	Other Comprehensive income that will be reclassified in P & L	1.79	4.82	6.67	6.47	6.60
	Total comprehensive income Net of Tax	2.06	4.82	6.76	6.74	6.69
XVI	Total Income after Comprehensive income	53.84	27.68	59.89	42.35	43.17
	Earnings per equity share:					
XVII	Paid-up equity share capital	19.80	19.80	19.80	19.80	19.80
XVIII	(Equity shares having face value of Rs. 10/- each)					
XVII	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(279.68)
XIX	Earnings per share (of Rs. 10/- each) (not annualised)					
	(1) Basic	26.15	11.55	26.84	17.99	18.43
	(2) Diluted	26.15	11.55	26.84	17.99	18.43

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**SHAH ALLOYS LIMITED**

Registered Office: 5/1, Shreeji House, Behind M.J. Library, Ashram Road, Ahmedabad - 380 006

Standalone Statement of Assets and Liabilities

(Rs. In Crore)

	PARTICULAR	As at 31/03/2018	As at 31/03/2017
		(Audited)	(Audited)
	ASSETS		
1) Non-current assets			
a) Property, Plant and Equipment		130.56	143.17
b) Capital work-in-progress		9.01	9.01
c) Financial Assets			
(i) Investments		21.81	15.34
(ii) Trade receivables		0.00	0.34
(iii) Loans		0.95	0.95
d) Deferred tax assets (net)		211.81	338.04
e) Other non current assets		5.60	5.14
2) Current assets			
a) Inventories		84.43	116.75
b) Financial Assets			
(i) Trade receivables		3.65	6.99
(ii) Cash and cash equivalents		1.02	1.93
(iii) Loans		0.00	0.00
c) Other current assets		10.04	5.93
	TOTAL ASSETS	478.88	643.59
	EQUITY & LIABILITIES :		
	EQUITY:		
a) Equity Share capital		19.80	19.80
b) Other Equity		(171.35)	(279.69)
	LIABILITIES :		
1) Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings		238.21	223.97
(ii) Trade payables		17.09	21.38
b) Provisions		1.21	1.27
c) Other non-current liabilities		0.78	1.34
2) Current liabilities			
a) Financial Liabilities			
(i) Borrowings		0.00	71.78
(ii) Trade payables		50.27	79.54
(iii) Other Financial liabilities		309.78	483.45
b) Other current liabilities		7.79	15.97
c) Provisions		5.30	4.78
	Total Equity and Liabilities	478.88	643.59

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Notes:

- 1 The above Audited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 30th May, 2018
- 2 Results for the quarter ended March 31, 2018 have been prepared in accordance with The Companies (Indian Accounting Standards) Rules, 2015 (IND AS) notified by the Ministry of Corporate Affairs. The results for the quarter ended March 31, 2018 have been restated as per IND AS and are comparable on like to like basis.
- 3 Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on Dt.22-09-2011, have been frozen on maturity and accordingly exchange rate fluctuation has not been considered thereafter.
- 4 During the year under review the Company had entered into settlement agreements with Asset Reconstruction Company (India) Ltd. (ARCIL) and Invent Assets Securitization & Reconstruction Pvt. Ltd. (INVENT) for the dues of various banks assigned to Assets Reconstruction Companies. As per settlement terms the entire dues of Rs. 28090 lacs were settled for Rs. 66.00 Crores which has resulted waiver of liability (Principal and Interest) of Rs. 214.90 Crores. Out of the amount waiver Rs. 109.23 Crores have been shown as Capital Reserve in the Statement of Assets and Liabilities whereas an amount of Rs. 105.67 Crores has been shown as income in the statement of Profit & Loss as exceptional item
Income of Rs. 28.74 Crores shown in exceptional Item is on account of refund of Electricity Duty based on the order of the authority.
- 5 The format for above results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's Circular dated July 5, 2016, IND AS and Schedule III [Division II] to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- 6 The Ind-AS compliant financial results, pertaining to the relevant periods of the previous year as applicable, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 7 The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough in the year ended March 31, 2018 and hence, the Management has not given effect of the same in the financial results .
- 8 The management expects that the impact of "Effective Interest Method" to the Finance cost as per the Requirement of IND AS 109 on the financial Results will not be material enough in the year ended 31st March, 2018 and hence, the Management has not given effect of the same in the financial results .
- 9 Consequent to the introduction of GST w.e.f July 1, 2017 the Excise duty is subsumed under GST. There is NIL amount in Excise Duty for the quarter ended March 2018.
- 10 With reference to above, we submit that regarding segment reporting as per Indian Accounting Standard 108 applies to business segments or geographical segments. In case of our company, we are manufacturing Steel products only and further our manufacturing is limited to locally only, as such Indian Accounting Standard 108 is not applicable to us.
- 11 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

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- 12 The reconciliation of net profit or loss for the quarter and year ended on 31st March, 2017 as prepared under Indian GAAP with net profit or loss as restated in accordance with Ind AS is given below:

(Rs in Crores)

Particulars	Quarter ended 31.03.2017	Year ended 31.03.2017
Net Profit after Tax as per previous Indian GAAP	52.07	35.48
Add:		
Adjustment of Prior Period Expenses	0.82	0.82
Reclassification of Actuarial loss on Defined Benefit plans to Other Comprehensive Income	0.28	0.21
Sub Total	1.10	1.03
Less:		
Deferred Tax impact of Ind AS adjustments	0.03	0.03
Sub Total	0.03	0.03
Net Profit after Tax before OCI as per Ind AS	53.14	36.48
Other Comprehensive Income	6.76	6.69
Net Profit after Tax as per Ind AS	59.90	43.17

- 13 The reconciliation of Equity as at year ended 31st March, 2017 as prepared under Indian GAAP with Equity restated in accordance with Ind AS is given below:

(Rs. in Crores)

SN	Particulars	As at 1st April, 2017	As at 1st April, 2016
1	Total Equity(Shareholders' Fund) as per	(279.69)	(390.92)
2	Deferred Tax impact of Ind AS adjustments	0.09	-
3	Prior Period Expenses	-	(0.82)
4	Remeasurements of Defined Benefit Plans	(0.09)	
5	Total Equity as per Ind AS	(279.69)	(391.74)

Place : Santej
Date : 30-05-2018



for Shah Alloys Limited

K. S. Kamath

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



**Independent Auditor's Report On Financial Results of SHAH ALLOYS LIMITED
pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To
Board of Directors of
SHAH ALLOYS LIMITED,
Ahmedabad.

We have audited the accompanying Standalone financial results of **SHAH ALLOYS LIMITED** (the Company) for the year ended 31st March, 2018, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05TH July, 2016.

This Standalone financial Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the year ended March 31, 2018, has been compiled from the related annual financial statements prepared in accordance with Indian Accounting Standards, (INDAS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Standalone Financial Statement based on our audits of annual financial statements .

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



Basis for Qualified Opinion

1. *The Company has not provided for foreign exchange loss in the financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds (FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at March 31, 2018, which constitutes a departure from the Indian Accounting Standard- 21. "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, 2018. Had the company followed the Accounting Standard and made the provision for foreign exchange on the above FCCB for the Year ending on 31st March,2018, then the profit of the company for the Year ending on 31st March,2018 would have been lower by Rs. 30.46 lacs and to that extent the liability would have been higher. However, the company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total net loss on foreign exchange works out to Rs. 2405.23 lacs which has not been provided by the company. Thus, balance of Reserve and surplus and the current liabilities have been understated by Rs. 2405.23 lacs as on 31st March,2018.*
2. *For the year ending on 31st March,2018, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs). Had the company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March2018 the profit of the year would have been lower by Rs 1305.63 lacs and current liabilities would have been higher to that extent.*
3. *The Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Financial results for the year ended March 31, 2018.*



4. The Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2018

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph these standalone Financial Results;

- (i) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05th July, 2016.
- (ii) give a true and fair view of the net Profit (including other comprehensive income) and other financial information for the year ended on 31st March, 2018.

EMPHASIS MATTER:

- 1) Note 42 to the standalone financial statements which states that the Company's current liabilities exceeded its current assets as at the 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, considering the profit earned by the company for the year ended on 31st March, 2018 and considering the view of the management, the financial results of the Company have been prepared on a "going concern basis".
- 2) During the year under review, the Company has received Refund of Electricity Duty from Uttar Gujarat Vij Company limited (UGVL) vide their letter dated 27th November, 2017 amounting to Rs 2874 lacs for the period from February 2008 to December 2016 and the same is shown under the Head "Exceptional Items" in the standalone financial statements for the year ending on 31st March, 2018.



- 3) Attention is invited to Note 41 of the Standalone Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties
- 4) Note no 40 to the Standalone Financial statements about the settlement agreement entered in to by the company with effect from 19th Januray 2018, for the entire dues in respect of various facilities and assistance provided by Karur Vysya Bank and IDBI Bank which is now assigned to Asset Reconstruction Company (India) Ltd. Further settlement agreement entered in to by the company on 23rd February, 2018, for the entire dues in respect of various facilities and assistance provided by Bank of Maharashtra and Punjab National Bank which is now assigned to Invent Assets Securitization & Reconstruction Pvt. Ltd. The company has accounted for the Waiver of Principal portion of Loan facilities under Capital Reserve Account and Waiver of Interest portion (as per books of the company) as Income in the statement of Profit and loss. The said agreements provide for the settlement of entire dues in respect of financial assistance and facilities with the underlying Securities for the payment of Rs 6600 lacs towards full and final settlement against the total liability (Principal and Interest as per the books of the company) of Rs 28090 lacs resulting in to the waiver of liability (Principal and Interest) amounting to Rs 21490 lacs. Out of the said waiver of liability (Principal and Interest) of Rs 21490 lacs, the waiver of Principal portion of Rs 10923 lacs has been accounted under capital reserve account in the Statement of Assets and Liabilities as at 31st March 2018 and waiver of Interest Liability of Rs 10567 lacs has been shown as income in the Statement of Profit and loss and has been reflected as an Exceptional Item in the Statement of Profit and loss for the year ended on 31st March 2018.



- 5) Attention is invited to Note No 43 of the Standalone financial statements which states about the Provision for taxation particularly provision for tax liability u/s 115JB (2)(vii) of Income Tax Act, 1961 has been considered after taking into account the fact that the company was registered and declared "SICK" by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) and accordingly the same has been computed and reflected in the books of accounts.

Our opinion is not modified in respect of the above matters.

Date: 30/05/18

Place: Ahmedabad



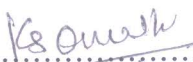
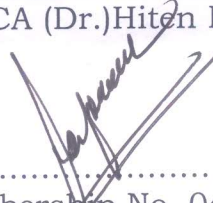
For Parikh & Majmudar
Chartered Accountants
FRNNO 107525W

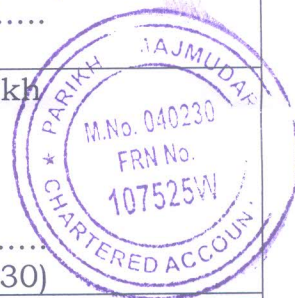
C.A Dr Hiten Parikh
PARTNER
M.No. 40230

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results – Shah Alloys Limited (Standalone)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ In Cr.	Adjusted Figures (audited figures after adjusting for qualifications) ₹ In Cr.
	1.	Turnover / Total income	564.16	564.16
	2.	Total Expenditure	521.81	535.17
	3.	Net Profit/(Loss)	42.35	28.99
	4.	Earnings Per Share before extraordinary items	-6.95	-13.68
		Earnings Per Share after extra ordinary items	21.39	14.64
	5.	Total Assets	478.88	478.88
	6.	Total Liabilities	630.43	667.53
	7.	Net Worth	-151.55	-188.65
	8.	Any other financial item(s) (as felt appropriate by the management)	--	--
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:	PL. refer to Para No. 1 of Qualifications of Auditors' Report		
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion		
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Para 1 of Qualification : Since FY: 2011-12 Para 2 of Qualification : First time Para 3 of Qualification : Since FY: 2017-18 Para 4 of Qualification : Since FY 2017-18		
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Para no. 1 – On account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011, dues have been frozen. On 13.09.2010 the company was declared as Sick by Hon'ble BIFR under section 3(1)(o) of SICA. It was taken a conscious decision that the principal amount be frozen on the date of maturity and no further exchange gain/loss and interest to be provided on the FCCB. Thus liability was frozen on the maturity. In view of the insufficient accruals, the cash flow is not sufficient to pay to the FCCB holders.		

		<p>Para no. 2 – On account of non-payment of principle and interest to the Banks, debts were declared NPA by the Banks. Since company wants to settle the dues amicably with the Banks, it did not provide for interest.</p>
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Refer Para 3 & 4 of Qualifications of Auditors' Report
	(i) Management's estimation on the impact of audit qualification:	Not quantifiable
	(ii) If management is unable to estimate the impact, reasons for the same:	<p>Para no. 3 – The management expects that the impact of "Effective Interest Method" to the Finance cost as per the Requirement of IND AS 109 on the financial Results will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.</p> <p>Para no. 4 – The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.</p>
	(iii) Auditors' Comments on (i) or (ii)	Nothing further to add

Signatories	
- Joint Managing Director	Shri K S Kamath  (DIN 00261544)
- Chief Financial Officer (CFO)	Shri Ashok Sharma  (PAN ACMPS6399G)
- Auditor of the company Parikh & Majmudar, Chartered Accountants (FRN: 107525W)	Shri CA (Dr.) Hiten Parikh  (Membership No. 040230)
- Audit Committee Chairman	Shri G. M. Shaikh  (DIN 00367186)



SAL SHAH ALLOYS LIMITED

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

CIN : L27100GJ1990PLC014698 WWW.SHAHALLOYS.COM

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

Amount (Rs In Crores)

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II	Other Operating Income	0.22	0.06	0.30	0.74	0.90
III	Total Revenue (I + II)	137.18	197.15	87.52	564.16	349.87
IV	Expenses					
	(a) Cost of materials consumed	95.19	77.00	55.71	312.23	212.64
	(b) Changes in inventories of finished goods, work-in-progress	(19.69)	50.27	(14.10)	33.49	(35.72)
	(c) Employee benefits expense	5.13	4.73	3.25	18.04	12.18
	(d) Excise Duty on Sales	0.00	0.00	9.38	12.30	37.59
	(e) Finance costs	0.06	0.05	3.28	0.13	14.33
	(f) Depreciation and amortisation expense	3.41	3.41	3.31	13.64	13.74
	(g) Consumption of Stores & Spares	16.72	12.42	9.01	46.97	35.64
	(h) Power cost	14.48	16.31	14.19	64.16	60.58
	(i) Other Expenditure	22.93	33.81	7.02	76.95	26.65
	Total Expenses (a) to (i)	138.23	198.00	91.05	577.91	377.63
V	Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	(1.05)	(0.85)	(3.53)	(13.75)	(27.76)
VI	Exceptional Item	99.10	35.30	74.38	134.40	74.38
VII	Profit / (Loss) after exceptional and before extraordinary items and tax (V+VII)	98.05	34.45	70.85	120.65	46.62
VIII	Deferred Tax	46.27	11.59	17.72	85.04	10.14
IX	Net Profit / (Loss) for the period from continuing operations (VII - VIII)	51.78	22.86	53.13	35.61	36.48
X	Profit / (Loss) From discontinuing operations	0.00	0.00	0.00	0.00	0.00
XI	Tax Expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00
XII	Profit / (Loss) From discontinuing operations (after tax) (X-XI)	0.00	0.00	0.00	0.00	0.00
XIII	Net (Loss) profit for the period (IX - X)	51.78	22.86	53.13	35.61	36.48
	Share of Profit / (Loss) of Associate Concern	1.84	4.81	6.60	6.47	6.60
XIV	Items not reclassified to Profit and loss					
	Remesurement gain / loss on defined benefit plan	0.20	0.00	0.07	0.20	0.07
	Release of Deferred Tax	0.07	0.00	0.02	0.07	0.02
	Other comprehensive income Net of Tax	0.27	0.00	0.09	0.27	0.09
XV	Other Comprehensive income that will be reclassified in P & L	1.79	4.82	6.67	6.47	6.88
	Total comprehensive income Net of Tax	2.06	4.82	6.76	6.74	6.97
XVI	Total Income after Comprehensive income Earnings per equity share:	52.00	22.87	53.29	35.88	36.85
XVII	Paid-up equity share capital	19.80	19.80	19.80	19.80	19.80
XVIII	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(279.68)
XIX	Earnings per share (of Rs. 10/- each) (not annualised)					
	(1) Basic	26.15	11.55	26.84	17.99	18.43
	(2) Diluted	26.15	11.55	26.84	18.13	21.40

K. Shah



**SHAH ALLOYS LIMITED**

Registered Office: 5/1, Shreeji House, Behind M.J. Library, Ashram Road, Ahmedabad - 380 006

Consolidated Statement of Assets and Liabilities

(Rs. In Crore)

	PARTICULAR	As at 31/03/2018	As at 31/03/2017
		(Audited)	(Audited)
	ASSETS		
1) Non-current assets			
a) Property, Plant and Equipment		130.56	143.17
b) Capital work-in-progress		9.01	9.01
c) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables		0.00	0.34
(iii) Loans		0.95	0.95
d) Deferred tax assets (net)		211.81	338.04
e) Other non current assets		5.60	5.14
2) Current assets			
a) Inventories		84.43	116.75
b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables		3.65	6.99
(iii) Cash and cash equivalents		1.02	1.93
(iv) Loans		0.00	0.00
c) Other current assets		10.04	5.93
	TOTAL ASSETS	457.07	628.25
	EQUITY & LIABILITIES :		
	EQUITY:		
a) Equity Share capital		19.80	19.80
b) Other Equity		(193.16)	(295.03)
	LIABILITIES :		
1) Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings		238.21	223.97
(ii) Trade payables		17.09	21.38
b) Provisions		1.21	1.27
c) Other non-current liabilities		0.78	1.34
2) Current liabilities			
a) Financial Liabilities			
(i) Borrowings		0.00	71.78
(ii) Trade payables		50.27	79.54
(iii) Other Financial liabilities		309.78	483.45
b) Other current liabilities		7.79	15.97
c) Provisions		5.30	4.78
	Total Equity and Liabilities	457.07	628.25

K. S. K.



Notes:

- 1 The above Audited consolidated results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 30th May, 2018
- 2 Consolidated Results for the quarter ended March 31, 2018 have been prepared in accordance with The Companies (Indian Accounting Standards) Rules, 2015 (IND AS) notified by the Ministry of Corporate Affairs. The consolidated results for the quarter ended March 31, 2018 have been restated as per IND AS and are comparable on like to like basis
- 3 Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on Dt.22-09-2011, have been frozen on maturity and accordingly exchange rate fluctuation has not been considered thereafter
- 4 During the year under review the Holding Company had entered into settlement agreements with Asset Reconstruction Company (India) Ltd. (ARCIL) and Invent Assets Securitization & Reconstruction Pvt. Ltd. (INVENT) for the dues of various banks assigned to Assets Reconstruction Companies. As per settlement terms the entire dues of Rs. 28090 lacs were settled for Rs. 66.00 Crores which has resulted waiver of liability (Principal and Interest) of Rs. 214.90 Crores. Out of the amount waiver Rs. 109.23 Crores have been shown as Capital Reserve in the Statement of Assets and Liabilities whereas an amount of Rs. 105.67 Crores has been shown as income in the statement of Profit & Loss as exceptional item
Income of Rs. 28.74 Crores shown in exceptional Item is on account of refund of Electricity Duty based on the order of the authority.
- 5 The format for above consolidated results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's Circular dated July 5, 2016, IND AS and Schedule III [Division II] to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- 6 The Ind-AS compliant consolidated financial results, pertaining to the relevant periods of the previous year as applicable, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 7 The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough in the year ended March 31, 2018 and hence, the Management has not given effect of the same in the consolidated financial results .
- 8 The management expects that the impact of "Effective Interest Method" to the Finance cost as per the Requirement of IND AS 109 on the financial Results will not be material enough in the year ended 31st March 2018 and hence, the Management has not given effect of the same in the consolidated financial results .
- 9 Consequent to the introduction of GST w.e.f July 1, 2017 the Excise duty is subsumed under GST. There is NIL amount in Excise Duty for the quarter ended December 2017.
- 10 With reference to above, we submit that regarding segment reporting as per Indian Accounting Standard 108 applies to business segments or geographical segments. In case of our company, we are manufacturing Steel products only and further our manufacturing is limited to locally only, as such Indian Accounting Standard 108 is not applicable to us.
- 11 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

Booth



- 12 The reconciliation of net profit or loss for the quarter and year ended on 31st March, 2017 as prepared under Indian GAAP with net profit or loss as restated in accordance with Ind AS is given below:

(Rs. in Crores)

Particulars	Quarter ended 31.03.2017	Year ended 31.03.2017
Net Profit after Tax as per previous Indian GAAP	45.47	28.88
Add:		
Adjustment of Prior Period Expenses	0.82	0.82
Reclassification of Actuarial loss on Defined Benefit plans to Other Comprehensive Income	0.28	0.21
Sub Total	1.10	1.03
Less:		
Deferred Tax impact of Ind AS adjustments	0.03	0.03
Sub Total	0.03	0.03
Net Profit after Tax before OCI as per Ind AS	46.54	29.88
Other Comprehensive Income	6.76	6.97
Net Profit after Tax as per Ind AS	53.30	36.85

- 13 The reconciliation of Equity as at year ended 31st March, 2017 as prepared under Indian GAAP with Equity restated in accordance with Ind AS is given below:

(Rs. in Crores)

Particulars	As at 1st April, 2017	As at 1st April, 2016
Total Equity(Shareholders' Fund) as per	(295.03)	(399.67)
Deferred Tax impact of Ind AS adjustments	0.09	-
Prior Period Expenses	-	(0.82)
Remeasurements of Defined Benefit Plans	(0.09)	
Total Equity as per Ind AS	(295.03)	(400.49)

Place : Santej
Date : 30-05-2018



for Shah Alloys Limited

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

**Independent Auditor's Report On Financial Results of SHAH ALLOYS
LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015**

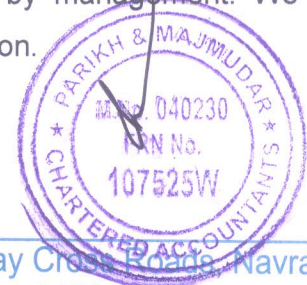
To

**Board of Directors of
SHAH ALLOYS LIMITED,
Ahmedabad.**

We have audited the accompanying Consolidated financial results of **SHAH ALLOYS LIMITED** (the Company) for the year ended 31st March, 2018, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05TH July, 2016.

This Consolidated financial Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the year ended March 31, 2018, has been compiled from the related annual financial statements prepared in accordance with Indian Accounting Standards, (INDAS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated Financial Statement based on our audits of annual financial statements .

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



Basis for Qualified Opinion

1. *The Holding Company has not provided for foreign exchange loss in the financial results on the Principal amount of 1,00,00,000 USD and on the Premium amount of 48,25,500 USD of the Foreign Currency Convertible Bonds (FCCB) which had become due for payment on September 22, 2011 and remain unpaid as at March 31, 2018, which constitutes a departure from the Indian Accounting Standard- 21. "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, 2018. Had the holding company followed the Accounting Standard and made the provision for foreign exchange on the above FCCB for the year ending on 31st March,2018, then the profit of the holding company for the year ending on 31st March,2018 would have been lower by Rs. 30.46 lacs and to that extent the liability would have been higher. However, the holding company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total net loss on foreign exchange works out to Rs. 2405.23 lacs which has not been provided by the holding company. Thus, balance of Reserve and surplus and the current liabilities have been understated by Rs. 2405.23 lacs as on 31st March,2018.*
2. *For the year ending on 31st March,2018 the holding company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs). Had the holding company continued the said practice of making provision of interest on loans from banks and financial institutions for the year ended on 31st March,2018 the profit of the year would have been lower by Rs 1305.63 lacs and current liabilities would have been higher to that extent.*



3. The Holding Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the financial results for the year ended March 31, 2018.
4. The Holding Company has not evaluated the provisioning requirement of a loss allowance on its financial assets so as to give impact of impairment if any as per the expected credit loss method as per the requirement of Ind AS 109 'Financial Instruments' and hence, the effect of the same if any on the Financial Results is not identifiable therefore. We are unable to comment upon its impact on the financial results for the year ended March 31, 2018
5. *Management of the Associate Company is of the view that they do not anticipate execution of its ongoing capital projects. However, the Associate Company has not made adequate provision towards recovery of advances for the said capital projects for the amount of Rs.912.32 lacs- which are currently shown under Long term loans and advances. The consequential impact of adjustment, if any, on the actual realization of said advances on the consolidated financial results is currently not ascertainable. Therefore, we are unable to comment on its consequential financial impact, if any, on the Consolidated financial statements.*
6. The Associate Company has not assessed the impact of Effective Interest Method to the finance cost as per the requirement of Ind AS 109 'Financial Instruments and hence, the effect of the same, if any, on the financial results is not identifiable therefore, we are unable to comment upon its impact on the Consolidated Financial statements for the year ended March 31, 2018.



7. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph these consolidated Financial Results;
- (i) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/FAC/62/2016 dated 05th July, 2016.
- (ii) give a true and fair view of the net Profit (including other comprehensive income) and other financial information of the consolidated financial results for the year ended on 31st March, 2018.

EMPHASIS MATTER

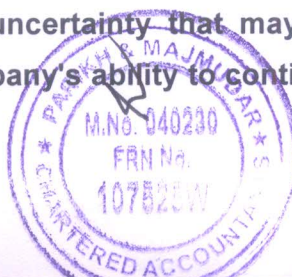
- 1) Note 41 to the Consolidated financial statements which states the holding current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the holding Company's ability to continue as a going concern. However, considering the profit earned by the holding company for the year ended on 31st March 2018 and considering the view of the management, the financial results of the holding Company have been prepared on a "going concern basis".
- 2) During the year under review, the holding Company has received Refund of Electricity Duty from Uttar Gujarat Vij Company limited (UGVL) vide their letter dated 27th November, 17 amounting to Rs 2874 lacs for the period from February 2008 to December 2016 and the same is shown under the Head "Exceptional Items" in the Consolidated financial statements for the Year ending on 31st March, 2018.
- 3) Attention is invited to Note 42 of the Consolidated Financial Statements which states that the balance confirmation from the suppliers, customers as well as to various loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the



balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties.

4) Note no 43 to the Consolidated Financial statements about the settlement agreement entered in to by the Holding company with effect from 19th Januray 2018, for the entire dues in respect of various facilities and assistance provided by Karur Vysya Bank and IDBI Bank which is now assigned to Asset Reconstruction Company (India) Ltd. Further settlement agreement entered in to by the Holding company on 23rd February 2018 for the entire dues in respect of various facilities and assistance provided by Bank of Maharashtra and Punjab National Bank which is now assigned to Invent Assets Securitization & Reconstruction Pvt. Ltd. The Holding company has accounted for the Waiver of Principal portion of Loan facilities under Capital Reserve account and Waiver of Interest portion (as per books of the Holding company) as Income in the statement of Profit and loss. The said agreements provide for the settlement of entire dues in respect of financial assistance and facilities with the underlying Securities for the payment of Rs 6600 lacs towards full and final settlement against the total liability (Principal and Interest as per the books of the Holding company) of Rs 28090 lacs resulting in to the waiver of liability (Principal and Interest) of Rs 21490 lacs. Out of the said waiver of liability (Principal and Interest) of Rs 21490 lacs, the waiver of Principal portion of Rs 10923 lacs has been accounted under capital reserve account in the Consolidated Statement of Assets and Liabilities as at 31st March 2018 and waiver of Interest Liability of Rs 10567 lacs has been shown as income in the Consolidated Statement of Profit and loss and has been reflected as an Exceptional Item in the Consolidated Statement of Profit and loss for the year ended on 31st March 2018.

5) Note 44 to the Consolidated financial statements which states that the Associate Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Associate Company's ability to continue as a going concern.



However, considering the profit earned by the Associate company for the year ended on 31st March 2018 and considering the view of the management the financial results of the Associate Company have been prepared on a going concern basis.

- 6) Note 45 to the Consolidated financial statements which describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard — 108 'Operating Segments' by the Associate Company . As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the Consolidated financial results due to non disclosure.
- 7) Note no 46 to the Consolidated Financial statements about the settlement agreement entered in to by the Associate company with effect from 22nd February 2018 for the entire dues in respect of various facilities and assistance provided by Union bank of India, State Bank of Saurashtra, State Bank of India and State Bank of Hyderabad which is now assigned to Invent Assets Securitization & Reconstruction Pvt. Ltd. The Associate company has accounted for the Waiver of Interest portion (as per the books of the associate company) as Income in the statement of Profit and loss. The said agreements provides for the settlement of entire dues in respect of financial assistance and facilities with the underlying Securities for the payment of Rs 18051.50 lacs towards full and final settlement against the total liability (Principal and Interest) of Rs 24430 lacs resulting in to the waiver of liability (Principal and Interest as per the books of the associate company) for the amount of Rs 6378.26 lacs.
- 8) Refer Note 47 to the notes forming part of Consolidated financial statements which mentions about the Order of Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench dated 6th Sep 2017 [C P (IB) no. 94/9/NCLT/AHM/2017] which had admitted the Associate company under Corporate Insolvency Resolution Process (CIRP) under section 9(5)(i) of the Insolvency and Bankruptcy Code, 2016 and accordingly appointed Interim Resolution



Professional (IRP). However, on the basis of the records produced before us, and as explained to us, the promoters of the Associate company have entered into a settlement with operational creditor who had filed application before Hon'ble NCLT, Ahmedabad and obtained no objection from other operational creditors as well as financial creditors and moved a petition under Article 142 of the constitution before the Hon'ble Supreme Court of India, New Delhi. As per the order dated 1^{0th} January 2018 of the Hon'ble Supreme court of India, the order passed by the Hon'ble NCLT, Ahmedabad dated 0^{6th} September, 2017 has been set aside and accordingly the CIRP proceedings have been effectively discontinued and powers of the Board of Directors of the Associate Company have been reinstated.

- 9). Attention is invited to Note No 48 of the Consolidated financial statements which states about the Provision for taxation particularly provision for tax liability u/s 115JB (2)(vii) of Income Tax Act, 1961 has been considered after taking into account the fact that the Holding company was registered and declared "SICK" by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) and accordingly the same has been computed and reflected in the books of accounts of the Holding Company.

Our opinion is not modified in respect of the above matters.

Date: 30-05-18

Place: Ahmedabad



For Parikh & Majmudar
Chartered Accountants
FRNNO 107525W

C.A. Dr. Riten Parikh
PARTNER
M.No. 40230

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Shah Alloys Limited (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Crores	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Crores
	1.	Turnover / Total income	564.16	564.16
	2.	Total Expenditure	528.28	541.64
	3.	Net Profit/(Loss)	35.88	22.52
	4.	Earnings Per Share before extra ordinary items	-6.95	-13.68
		Earnings Per Share after extra ordinary items	18.13	11.37
	5.	Total Assets	457.07	457.07
	6.	Total Liabilities	630.43	667.53
	7.	Net Worth	-173.36	-210.46
	8.	Any other financial item(s) (as felt appropriate by the management)	--	--
II. Audit Qualification (each audit qualification separately):				
	a. Details of Audit Qualification:		PL. refer to Para No. 1 of Qualifications of Auditors' Report	
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		Qualified opinion	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		Para 1 of Qualification : FY: 2016-17 Para 2 of Qualification : First Time Para 3 of Qualification : FY : 2017-17 Para 4 of Qualification : FY : 2017-18 Para 5 of Qualification : First Time Para 6 of Qualification : First Time	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		<u>Para no. 1 –</u> On account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011, dues have been frozen. On 13.09.2010 the company was declared as Sick by Hon'ble BIFR under section 3(1)(o) of SICA. It was taken a conscious decision that the principal amount be frozen on the date of maturity and no further exchange gain/loss and interest to be provided on the FCCB. Thus liability was frozen on the maturity. In view of the insufficient accruals, the cash flow is not sufficient to pay to the FCCB holders.	

		<p><u>Para no. 2 –</u> On account of non-payment of principle and interest to the Banks, debts were declared NPA by the Banks. Since company wants to settle the dues amicably with the Banks, it did not provide for interest.</p>
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Refer Para 3,4,5 & 6 of Qualifications of Auditors' Report
	(i) Management's estimation on the impact of audit qualification:	Not quantifiable
	(ii) If management is unable to estimate the impact, reasons for the same:	<p><u>Para – 3</u> The management expects that the impact of "Effective Interest Method" to the Finance cost as per the Requirement of IND AS 109 on the financial Results will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.</p> <p><u>Para – 4</u> The management expects that the loss of allowance if any as per Expected credit loss Method on the financial assets will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results</p> <p><u>Para -5</u> Associate Company Management has paid the capital advances in earlier years and the same stands to Rs. 9,12,32,064/- which are currently shown under long term loans and advances to the suppliers for the supply of customized equipments. However, the management of Associate Company is trying to recover such advances from the suppliers.</p> <p><u>Para – 6</u> The management of Associate Company expects that the impact of "Effective Interest Method" to the Finance cost as per the Requirement of IND AS 109 on the financial Results will not be material enough and hence, the Management has not given effect of the same in the consolidated financial results.</p>
	(iii) Auditors' Comments on (i) or (ii) above:	Nothing further to add

Signatories	
- Joint Managing Director	<p>Shri K S Kamath</p> <p><i>K S Kamath</i></p> <p>.....</p> <p>(DIN 00261544)</p>
- Chief Financial Officer (CFO)	<p>Shri Ashok Sharma</p> <p><i>Ashok Sharma</i></p> <p>.....</p> <p>(PAN ACMPS6399G)</p>
- Auditor of the company Parikh & Majmudar, Chartered Accountants (FRN: 107525W)	<p>Shri CA (Dr.) Hiten Parikh</p> <p><i>Hiten Parikh</i></p> <p>.....</p> <p>(Membership No. 040230)</p>
- Audit Committee Chairman	<p>Shri G. M. Shaikh</p> <p><i>G. M. Shaikh</i></p> <p>.....</p> <p>(DIN 00367186)</p>

