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 I E-mail : info@shahalloys.com

through mail / online submission

03.12.2018

To
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400051
NSE Symbol – SALSTEEL

Subject: Compliance as per Regulation 33 of the SEBI (LODR), Regulation 2015

Dear Sir,

In continuation to our disclosure dated 16.11.2018 and clarification letter dated 27.11.2018, we would like to submit herewith comparative figure for the balance sheet alongwith full quarterly result. We assure due diligence in future.

In view of above submissions, we request to drop the letter.

Thanking you.
Yours faithfully,

for **Shah Alloys Limited**

Authorised Signatory

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER, 2018

Amount (Rs In Crores)

SR NO	Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
		(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Audited)
I	Revenue from Operations	148.55	111.67	115.75	260.22	217.07	479.79
II	Other Operating Income	0.33	0.26	0.29	0.59	0.46	0.74
	Other Non Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
III	**Total Revenue (I + II)**	148.88	111.93	116.04	260.81	217.53	480.53
IV	**Expenses**						
	(a) Cost of materials consumed	105.35	85.96	74.81	191.31	140.04	312.23
	(b) Changes in inventories of finished goods,work-in-progress	(5.25)	(13.80)	(9.41)	(19.05)	2.91	33.49
	(c) Employee benefits expense	4.76	4.65	4.25	9.41	8.18	18.04
	(d) Finance costs	0.00	0.01	3.30	0.01	6.58	0.13
	(e) Depreciation and amortisation expense	3.25	3.25	3.41	6.50	6.82	13.64
	(f) Consumption of Stores & Spares	15.84	10.76	8.51	26.60	17.83	46.97
	(g) Power cost	20.97	16.78	17.25	37.75	33.37	64.16
	(h) Other Expenditure	3.26	3.05	14.05	6.31	20.21	5.62
	Total Expenses (a) to (h)	148.18	110.66	116.17	258.84	235.94	494.28
V	Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	**0.70**	**1.27**	**(0.13)**	**1.97**	**(18.41)**	**(13.75)**
VI	Exceptional Item	0.00	0.00	0.00	0.00	0.00	134.40
VII	Profit / (Loss) after exceptional and before extraordinary items and tax (V+VI)	**0.70**	**1.27**	**(0.13)**	**1.97**	**(18.41)**	**120.65**
VIII	Deferred Tax	(19.40)	0.48	3.46	(18.92)	27.18	85.04
IX	Net Profit / (Loss) for the period from continuing operations (VII -VIII)	**20.10**	**0.79**	**(3.59)**	**20.89**	**(45.59)**	**35.61**
X	Profit / (Loss) From discontinuing operations	0.00	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	0.00
XII	Profit / (Loss) From discontinuing operations (after tax) (X-XI)	0.00	0.00	0.00	0.00	0.00	0.00
XIII	Net (Loss) profit for the period (IX - X)	**20.10**	**0.79**	**(3.59)**	**20.89**	**(45.59)**	**35.61**
XIV	Items not reclassifed to Profit and loss						
	Remesurement gain / loss on defined benefit plan	0.05	0.05	0.00	0.10	0.00	0.20
	Release of Deferred Tax	0.02	0.02	0.00	0.04	0.00	0.07
	Other comprehensive income Net of Tax	**0.07**	**0.07**	**0.00**	**0.14**	**0.00**	**0.27**
XV	Other Comprehensive income that will be reclassifed in P & L	(3.48)	(0.76)	(4.97)	(4.24)	(0.14)	6.47
	Total comprehensive income Net of Tax	(3.41)	(0.69)	(4.97)	(4.10)	(0.14)	6.74
XVI	Total Income after Comprehensive income	**16.69**	**0.10**	**(8.56)**	**16.79**	**(45.73)**	**42.35**
	Earnings per equity share:						
XVII	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80	19.80
XVIII	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(171.35)
XIX	Earnings per share (of Rs. 10/- each) (not annualised)						
	(1) Basic	10.15	0.40	(1.81)	10.55	(23.03)	17.99
	(2) Diluted	10.15	0.40	(1.81)	10.55	(23.03)	17.99

Notes:

1 The above Un audited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 16th November, 2018. The Statutory Auditors have carried out a Limited Review of the Financial Results for the quarter ended September 30, 2018.

2 Results for the Quarter and Half Year ended September 30, 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 September 30, 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 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.

5 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.

6 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 Quarter ended September 30, 2018 and hence, the Management has not given effect of the same in the financial results .

7 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.

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

for Shah Alloys Limited

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

Place : Santej
Date : 16-11-2018

9 The Statement of Assets & Liabilities as at 30th September 2018

Amount Rs. In Crores

S.No	Particulars	As at 30.09.18 (Un Audited)	As at 31.03.18 (Audited)
	ASSETS		
1)	**Non-current assets**		
a)	Property, Plant and Equipment	124.59	130.56
b)	Capital work-in-progress	9.01	9.01
c)	Financial Assets		
(i)	Investments	17.58	21.81
(ii)	Trade receivables	0.01	0.00
(iii)	Loans	0.00	0.95
d)	Deferred tax Assets (net)	230.73	211.81
e)	Other non-current assets	7.03	5.60
2)	**Current assets**		
a)	Inventories	116.43	84.43
b)	Financial Assets		
(i)	Trade receivables	17.28	3.65
(ii)	Cash and cash equivalents	0.34	1.02
c)	Other current assets	4.18	10.04
	TOTAL ASSETS	**527.18**	**478.88**
	EQUITY & LIABILITIES :		
	EQUITY:		
a)	Equity Share capital	19.80	19.80
b)	Other Equity	-154.70	-171.35
	LIABILITIES :		
1)	**Non-Current Liabilities**		
(a)	Financial Liabilities		
(i)	Borrowings	229.61	238.21
(ii)	Trade payables	22.13	17.09
(b)	Provisions	1.21	1.21
(c)	Non-current liabilities	0.78	0.78
(d)	Other non-current liabilities	0.00	0.00
2)	**Current liabilities**		
(a)	Borrowings	0.00	0.00
(b)	Trade payables	81.99	50.27
(c)	Other financial liabilities	314.18	309.78
(d)	Other current liabilities	6.76	7.79
(e)	Provision for Employee Benefits	5.42	5.30
	TOTAL EQUITY AND LIABILITIES	**527.18**	**478.88**

for Shah Alloys Limited

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

Place : Santej
Date : 16-11-2018

PARIKH & MAJMUDAR

CHARTERED ACCOUNTANTS

CA. (DR). HITEN PARIKH
B.Com., LL.B., FCA., Phd

CA. SANJAY MAJMUDAR
B.Com., LL.B., FCA

Limited Review Report on the Unaudited Financial Results for the quarter ended and Half year ended on September 30, 2018 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of **SHAH ALLOYS LIMITED**

We have reviewed the accompanying statement of unaudited financial results ("the statement") of **SHAH ALLOYS LIMITED** "the company" for the Quarter ended and Half year ended on 30th September ,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 Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

PARIKH & MAJMUDAR * CHARTERED ACCOUNTANTS * M.No. 040230 FRN No. 107525W

303, "B" Wing, GCP Business Center, Opp. Memnagar Fire Station, Nr. Vijay Cross Roads, Navrangpura, Ahmedabad - 380 009 Phones :- +9179 26401701/02/03 Fax:- + 9179 40092628

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 September 30, 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 September 30 2018. Had the company followed the Accounting Standard and made the provision for foreign exchange on the above FCCB for the quarter ending on 30.09.2018, then the profit of the company for the quarter ending on 30.09.2018 would have been lower by Rs. 5,84,08,022 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. 5,84,08,022 which has not been provided by the company. Thus, balance of Reserve and surplus and the current liabilities have been understated by Rs. 35,12,82,810/- as on 30.09.2018.

2. 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 Quarterly results for the Quarter ended September 30, 2018.

3. 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

PARIKH & MAJMUDAR * CHARTERED ACCOUNTANTS * M.No. 040230 FRN No. 107525W

comment upon its impact on the Quarterly results for the period ended September 30, 2018

4. ***For the Quarter ending on 30th September,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 quarter ended on 30th September 2018 the profit of the quarter would have been lower by Rs 329.09 lacs and current liabilities would have been higher to that extent.***

Qualified Conclusion

Based on our review conducted as above, *except as mentioned in qualified opinion* nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

EMPHASIS OF MATTER

1) **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 in the quarter ended on 30th September 2018 and considering the management view,the financial results of the Company have been prepared on a going concern basis.**

2) **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**

PARIKH & MAJMUDAR CHARTERED ACCOUNTANTS
M.No. 040230
FRN No. 107525W

Financial Reconstruction (BIFR) and accordingly the same has been computed and reflected in the books of accounts.

Our report is not modified in respect of this matter of Emphasis

OTHER MATTERS

I) Balance of Trade receivables, Loans & Advances & Trade payables are subject to confirmation from respective parties.

II) The closing stock as at 30.09.2018 is as taken, valued and certified by the Management.

Our Conclusion is not modified in respect of other matters.

Date: 16-11-2018

Place: Ahmedabad

PARIKH & MAJMUDAR CHARTERED ACCOUNTANTS M.No 040230 FRN No. 107525W

For Parikh & Majmudar
Chartered Accountants
FRNNO 107525W

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