

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

28.05.2014

Department of Corporate Service
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy 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

Sub: Out come of Board meeting held on 28th May, 2014 of the Company.

With reference to above, Board has approved the following items in the Board meeting held on 28th May, 2014.

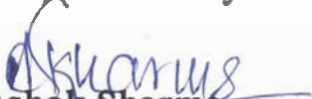
1. The Board has approved the audited financial results for the year ended on 31st March, 2014 and copy of the same is attached herewith.
2. The 24th Annual General Meeting of the Company will be held on Wednesday, 24th September, 2014 at 9.30 A.M. at SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060.
3. The Register of Members and Share Transfer of the Company will remain closed from Wednesday, 17.09.2014 to Wednesday, 24.09.2014 (both days inclusive).

We request you to take note of the same and take on records.

Thanking you,

Yours faithfully,

For, Shah Alloys Ltd


Ashok Sharma

Director

Encl: A.a

**SHAH ALLOYS LIMITED**

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2014**PART-I****(Rs. in Crores)**

	Particulars	QUARTER ENDED			YEAR ENDED	
		31-03-2014 (Audited)	31-12-2013 (Un Audited)	31-03-2013 (Audited)	31-03-2014 (Audited)	31-03-2013 (Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations (Net of excise duty)	103.00	78.62	137.49	419.13	584.53
	(b) Other Operating Income	1.76	0.54	1.31	3.85	3.81
	Total Income from Operations (a)+(b)	104.76	79.16	138.80	422.98	588.34
2	Expenditure					
	(a) Cost of materials consumed	77.21	56.69	107.90	299.86	408.49
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.39	11.10	(7.43)	20.61	(5.18)
	(c) Employee benefits expense	4.64	5.05	6.24	20.96	25.08
	(d) Depreciation and amortisation expense	7.48	7.49	7.66	29.93	30.64
	(e) Consumption of Stores & Spares	14.25	11.21	22.80	60.58	99.40
	(f) Power cost	17.05	13.83	15.02	59.58	72.89
	(g) Other Expenditure	6.60	4.93	8.53	24.85	33.94
	Total Expenditure (a) to (g)	131.62	110.30	160.72	516.37	665.26
3	Profit / (Loss) from operations before other income, finance costs and exceptional item (1-2)	(26.86)	(31.14)	(21.92)	(93.39)	(76.92)
4	Other income	0.23	0.05	0.06	0.31	0.31
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(26.63)	(31.09)	(21.86)	(93.08)	(76.61)
6	Finance costs	20.96	26.37	22.48	93.47	92.36
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(47.59)	(57.46)	(44.34)	(186.55)	(168.97)
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(47.59)	(57.46)	(44.34)	(186.55)	(168.97)
10	Tax expense	(14.39)	(15.91)	(28.14)	(57.98)	(68.30)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(33.20)	(41.55)	(16.20)	(128.57)	(100.67)
12	Extraordinary items	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 - 12)	(33.20)	(41.55)	(16.20)	(128.57)	(100.67)
14	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(464.42)
16	Earnings per share (of Rs. 10/- each) (not annualised)					
	Basic & Diluted	(16.78)	(20.99)	(8.19)	(64.95)	(50.85)

PART-II

A	Particulars of Shareholding	QUARTER ENDED			YEAR ENDED	
		31-03-2014	31-12-2013	31-03-2013	31-03-2014	31-03-2013
1	Public Shareholding					
	- Number of shares	9068294	9068294	9068294	9068294	9068294
	- Percentage of shareholding	45.81%	45.81%	45.81%	45.81%	45.81%
2	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of shares	10590370	10590370	10590370	10590370	10590370
	- Percentage of Total Promotor and Promoters Group Shareholding	98.71%	98.71%	98.71%	98.71%	98.71%
	- Percentage of Total Share Capital	53.49%	53.49%	53.49%	53.49%	53.49%
	b) Non - encumbered					
	- Number of shares	138876	138876	138876	138876	138876
	- Percentage of Total Promotor and Promoters Group Shareholding	1.29%	1.29%	1.29%	1.29%	1.29%
	- Percentage of Total Share Capital	0.70%	0.70%	0.70%	0.70%	0.70%

B	INVESTOR COMPLAINTS	Quarter ended 31-03-2014
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

SHAH ALLOYS LIMITED			
Registered Office: 5/1, Shreeji House, Behind M.J. Library, Ashram Road, Ahmedabad - 380 006			
Statement of Assets and Liabilities			
(Rs. In Crore)			
	PARTICULAR	As at 31-03-2014 (Audited)	As at 31-03-2013 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(593.01)	(464.42)
	Sub-total - Shareholders' funds	(573.21)	(444.62)
2	Share application money pending allotment	-	-
3	Non-current liabilities		
	(a) Long-term borrowings	340.03	415.41
	(b) Other long-term liabilities	11.56	17.05
	(c) Long-term provisions	1.22	1.47
	Sub-total - Non-current liabilities	352.81	433.93
4	Current liabilities		
	(a) Short-term borrowings	317.24	318.42
	(b) Trade payables	118.51	114.95
	(c) Other current liabilities	662.53	489.63
	(d) Short-term provisions	3.95	3.75
	Sub-total - Current liabilities	1,102.23	926.75
	TOTAL - EQUITY AND LIABILITIES	881.83	916.06
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	233.90	263.82
	(b) Non-current investments	39.95	39.95
	(c) Long-term loans and advances	10.25	30.25
	(d) Deferred tax assets (net)	363.73	305.76
	Sub-total - Non-current assets	647.83	639.78
2	Current assets		
	(a) Inventories	105.51	124.80
	(b) Trade receivables	31.08	67.84
	(c) Cash and cash equivalents	0.64	0.85
	(d) Short-term loans and advances	96.75	82.78
	(e) Other current assets	0.02	0.01
	Sub-total - Current assets	234.00	276.28
	TOTAL - ASSETS	881.83	916.06
Notes:			
1 The above results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 28 th May, 2014			
2 Company has identified two segments as per Accounting Standard 17.			
3 Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on Dt.22-09-2011, have been frozen on maturity and accordingly exchange rate fluctuation has not been considered thereafter. Payment of FCCB shall be considered as per the scheme that may be considered by Hon'ble BIFR.			
4 Financial figures of previous year have been regrouped / re-classified, wherever necessary, to make them comparable.			
5 The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date upto 3rd Quarter.			
For, Shah Alloys Limited			
K S Kamath			
Jt. Managing Director			
Place : Santaj			
Date : 28-05-2014			



SHAH ALLOYS LIMITED

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

SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED

(Rs. in Crores)

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31/03/2014 (Audited)	31/12/2013 (Unaudited)	31/03/2013 (Audited)	31/03/2014 (Audited)	31/03/2013 (Audited)
1. Segment Revenue <i>(Net Sales/Income from Operation)</i>					
a) Stainless Steel Plant	103.00	78.62	137.49	419.13	584.53
b) Medical Store & Laboratory	0.00	0.00	0.00	0.00	0.00
Total	103.00	78.62	137.49	419.13	584.53
Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00
Total Sales/Income from Operation	103.00	78.62	137.49	419.13	584.53
2. Segment Results <i>[Profit / (Loss) before Tax & Interest]</i>					
a) Stainless Steel plant	(26.63)	(31.09)	(21.86)	(93.08)	(76.61)
b) Medical Store & Laboratory	0.00	0.00	0.00	0.00	0.00
Total	(26.63)	(31.09)	(21.86)	(93.08)	(76.61)
Less: Interest & Finance Charges	20.96	26.37	22.48	93.47	92.36
Total Profit / (Loss) before Tax	(47.59)	(57.46)	(44.34)	(186.55)	(168.97)
3. Capital Employed <i>(Segment assets - Segment liabilities)</i>					
a) Stainless Steel Plant	(572.89)	(540.06)	(455.58)	(572.89)	(455.58)
b) Medical Store & Laboratory	0.00	0.00	10.54	0.00	10.54
Total	(572.89)	(540.06)	(445.04)	(572.89)	(445.04)

Place: Santej

Date: 28th May, 2014

For, Shah Alloys Ltd.

K S Kamath

K S Kamath

Jt. Managing Director



talati & talati

Chartered Accountants

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

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

1. We have audited the Quarterly Financial Results of **Shah Alloys Limited** ('the Company') for the Quarter ended 31st March 2014 and the year to date results for the period 1st April 2013 to 31st March 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31st March 2014 and the published year to date figures up to 31st December 2013, being the date of the end of the 3rd quarter of the current financial year, which were subject to limited review. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors/ Committee of Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.
2. 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(s). 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.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

Subject to

1. *The company has not recognized foreign exchange gain of Rs 2,66,44,389/- for the current quarter on Foreign Currency Convertible Bonds(FCCB) outstanding as at 31st March 2014 as required under AS 11 "The Effects of Changes in Foreign Exchange Rates" due to which loss for the current quarter has been over-stated by Rs 2,66,44,389/- and negative balance of reserves and surplus has been overstated to the extent of Rs 16,72,21,262/-,*
2. *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 continuing default in repaying the dues of term loans including Interest, working capital term loans, Funded Interest Term Loan and Non convertible debentures including Interest for Rs 237,66,39,952/- as per the terms stipulated in the CDR rework proposal as at March 31,2014 and Rs 24,14,01,048 for the quarter ended on March 31,2014. The period of default on repayment of principal is ranging for a period from 1 to 270 days (for NCD, WCTL from Banks and TL), from 0-1 days for WCTL from Financial Institution, from 1-90 days for FITL and the period of default in interest is ranging from 1-270 days for interest on NCD and 1 to 335 days for Term Loan interest.*



Moreover the company has made a continuing default in payment of interest on Funded Interest Term Loan and Working capital facilities to the tune of Rs 28,26,64,016/- and 194,24,40,478/- respectively as at March 31, 2014 and Rs 1,48,88,542 and Rs 15,49,41,861 for the quarter ended on March 31, 2014. The period of default in interest is ranging for a period from 1-335 days for interest on FITL and period from 1-335 days for WCTL.

3. On the basis of information and explanation given to us and on the basis of records produced before us in respect of loans granted by the company in the earlier years to a party covered under the register maintained under section 301 of the Companies Act, 1956, recovery of the said loan has been fixed by the Corporate Debt Restructuring (CDR) Cell. As per the terms of CDR, the company has to recover 10,00,00,000/- in the financial year 2011-12, Rs 20,00,00,000/- in the financial year 2012-13 and Rs 20,00,00,000/- in the financial year 2013-14, totaling to Rs 50,00,00,000 as at March 31, 2014. However till date, the company has not recovered the same.
4. 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 10 each at a premium of Rs. 165 per share, at the option of the Bondholders at any time before the maturity of the bonds. On Conversion, Capital will increase by Rs 2,64,11,430 and Share Premium by Rs 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 78 of the Companies Act, 1956.

However, the company has defaulted in repayment of the foreign currency convertible bond (FCCB) dues on its maturity. The default is subsisting since 921 days.

- I. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - II. give a true and fair view of the net loss and other financial information for the Quarter ended 31st March 2014 as well as the year to date results for the period from 1st April 2013 to 31st March 2014.
4. We draw your attention, 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, against which 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.
 5. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

PLACE : AHMEDABAD
DATE : 28th May, 2014



For TALATI & TALATI
Chartered Accountants
FR No : 110758W

(Umesh Talati)
Partner

Mem.No. 034834