

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

30th May, 2016

To,
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

Sub: Board Meeting for considering Audited Financial Results for the Quarter and Year Ended on 31.03.2016

With reference to above, kindly be informed that the Board in its meeting held today has inter-alia, considered and taken on record the Audited Financial Results for the quarter and year ended on 31.03.2016 and which were duly reviewed by the Audit Committee.
[The aforesaid Board Meeting commenced at 03:30 p.m. and concluded at 06:00 p.m.]

A copy of approved Annual Financial Results along with Statement of Impact of Audit Qualification (for audit report with modified opinion) and Audit Report issued by Statutory Auditor of the Company for the Quarter and Year ended on 31.03.2016 is enclosed for ready reference pursuant to Regulation 33(3)(d) read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
for Shah Alloys Ltd

Company Secretary

SHAH ALLOYS LIMITED

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

CIN : L27100GJ1990PLC014698 WWW.SHAHALLOYS.COM

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2016

(Rs. in crore except per share data)

	Particulars	QUARTER ENDED			YEAR ENDED	
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations <i>(Net of excise duty)</i>	73.99	62.12	62.45	261.00	261.37
	(b) Other Operating Income	0.05	0.05	6.31	0.31	4.35
	Total Income from Operations (a)+(b)	74.04	62.17	68.76	261.31	265.72
2	Expenditure					
	(a) Cost of materials consumed	47.48	43.75	40.04	192.66	177.69
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.07)	1.36	10.40	(2.17)	8.74
	(c) Employee benefits expense	3.05	2.94	3.62	12.10	15.39
	(d) Depreciation and amortisation expense	4.54	4.54	6.51	18.16	39.38
	(e) Consumption of Stores & Spares	5.28	5.99	5.58	20.65	40.47
	(f) Power cost	13.62	11.29	8.37	42.57	43.91
	(g) Other Expenditure	8.62	4.57	2.80	13.24	14.73
	Total Expenditure (a) to (g)	79.52	74.44	77.32	297.21	340.31
3	Profit / (Loss) from operations before other income, finance costs and exceptional item (1-2)	(5.48)	(12.27)	(8.56)	(35.90)	(74.59)
4	Other income	0.07	0.02	0.01	1.06	0.10
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	(5.41)	(12.25)	(8.55)	(34.84)	(74.49)
6	Finance costs	5.70	5.66	14.04	23.14	69.47
7	Profit / (Loss) from ordinary activities after finance costs (5-6)	(11.11)	(17.91)	(22.59)	(57.98)	(143.96)
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(11.11)	(17.91)	(22.59)	(57.98)	(143.96)
10	Deferred Tax	(3.42)	(6.12)	(6.48)	64.76	(49.17)
11	Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (9-10)	(7.69)	(11.79)	(16.11)	(122.74)	(94.79)
12	Extraordinary items (Refer Note No.6)	1.30	(4.63)	40.39	(247.12)	40.39
13	Net Profit / (Loss) for the period after extra ordinary item (11-12)	(8.99)	(7.16)	(56.50)	124.38	(135.18)
14	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(729.26)
16	Earnings per share (of Rs. 10/- each) (not annualised)					
	Basic & Diluted before extra ordinary item	(3.88)	(5.96)	(8.14)	(61.99)	(47.87)
	Basic & Diluted after extra ordinary item	(4.54)	(3.62)	(28.54)	62.82	(68.28)

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SHAH ALLOYS LIMITED

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

Audited Statement of Assets and Liabilities

(Rs. In Crore)

Sr. No.	PARTICULAR	As at 31/03/2016	As at 31/03/2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(390.93)	(729.26)
	Sub-total - Shareholders' funds	(371.13)	(709.46)
2	Non-current liabilities		
	(a) Long-term borrowings	240.06	254.37
	(b) Other long-term liabilities	0.35	9.64
	(c) Long-term provisions	1.17	1.30
	Sub-total - Non-current liabilities	241.58	265.31
3	Current liabilities		
	(a) Short-term borrowings	130.61	316.98
	(b) Trade payables	73.16	59.98
	(c) Other current liabilities	556.42	806.79
	(d) Short-term provisions	4.51	4.14
	Sub-total - Current liabilities	764.70	1,187.89
	TOTAL - EQUITY AND LIABILITIES	635.15	743.74
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	165.95	187.69
	(b) Non-current investments	8.74	5.29
	(c) Long-term loans and advances	2.27	2.27
	(d) Deferred tax assets (net)	348.16	412.91
	Sub-total - Non-current assets	525.12	608.16
2	Current assets		
	(a) Inventories	82.43	81.78
	(b) Trade receivables	9.94	15.19
	(c) Cash and Bank Balances	3.05	1.00
	(d) Short-term loans and advances	14.61	37.60
	(e) Other current assets	0.00	0.01
	Sub-total - Current assets	110.03	135.58
	TOTAL - ASSETS	635.15	743.74

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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, 2016
- 2 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.
- 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 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) Limited.
IDBI Bank	28/03/2014	Asset Reconstruction Company (India) Limited.
Bank of Baroda	26/03/2014	Edelweiss Assets Reconstruction Company Limited.
Oriental Bank of Commerce	04/08/2014	Edelweiss Assets Reconstruction Company Limited.
Punjab National Bank	31/03/2016	Invent Assets Securitization & Reconstruction Private Limited.

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

- 5 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 settlement.
- 6 Extraordinary item of Rs.247,11,85,076/- for the year ended 31st March 2016 includes as follows:
 - 1) Rs.3,44,92,967/- for reversal of provision for diminution in value of Investments in shares of SAL Steel Ltd , an associate company.
 - 2) During the year the company has entered settlement agreement with effect from 15th June 2015 and 11th August 2015 for the entire dues in respect of the various facilities and assistance provided respectively by Union Bank of India and State bank of India which is now assigned to Invent Assets Securitization & Reconstruction Private Limited.

The Company has accounted for the Principal Portion of Waiver of loan facilities as Capital Reserve and Waiver of interest as Income which has been offered 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. 146,15,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 607,34,85,227/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 461,19,85,227/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 461,19,85,227/-, the waiver of liability of Principal portion of Rs. 213,94,42,763/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 31st March 2016 and waiver of interest liability for Rs. 247,25,42,464/- has been offered as Income in the Statement of profit and Loss and has been shown as an Exceptional item in the Results for the period ended 31st March 2016.

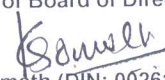
3) During the year, the Company has obtained technical valuation of their Capital work In Progress from the approved valuer and booked impairment loss of Rs. 3,58,50,355/- to the statement of Profit and Loss.

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

For and on behalf of Board of Directors

Place : Santej

Date : 30-05-2016


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



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Chartered Accountants

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors of Shah Alloys Limited

We have audited the Quarterly Financial Results of **Shah Alloys Limited** ('the Company') for the Quarter ended 31st March 2016 and the year to date financial results for the period 1st April 2015 to 31st March 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. 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 for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India¹, as applicable and other accounting principles generally accepted in India.

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.

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:

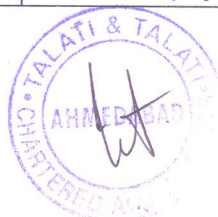


Subject to

1. The Company has not 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, 2016, 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, 2016. The Company's record indicate that had management done the provision, the Exchange loss for the quarter ended 31st March 2016 and for the Year ended 31st March 2016 would have been higher respectively by Rs. 1,02,296/- and Rs. 5,54,78,504/-. Accordingly, profits for quarter ended 31st March 2016 and for the Year ended 31st March 2016 have been over-stated respectively by Rs. Rs. 1,02,296/- and 5,54,78,504/- and negative balance of reserves and surplus has been understated by Rs. 25,96,30,086/- as at 31st March 2016.
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 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 Working Capital facilities, Term Loan(TL), Working capital term loan(WCTL), Non-convertible Debentures(NCD), Funded Interest Term Loans(FITL), Interest payable on the said facilities are as under:



Name of Bank/Financial Institution.	Nature/Type of Facility	Default as at 31-03-2016 (Amount in Rs.)	Period Of Default
IDBI BANK	Working Capital	26 10 45 535	1-2131 days
	Non Convertible Debenture	6 04 16 667	1 -1736 days
	Term Loan	12 08 33 333	1 -1736 days
	Funded Interest Term Loan	7 58 75 594	1 -821 days
	Interest payable	10 92 66 519	1-2070 days
KARUR VYSSA BANK	Term Loan	15 10 41 667	1 -1736 days
	Funded Interest Term Loan	4 57 77 676	1 -821 days
	Interest payable	6 09 36 463	1-1791 days
AXIS BANK	Working Capital	9 46 34 923	1-2101 days
	Working capital term loan	5 41 33 333	1 -1736 days
	Funded Interest Term Loan	1 22 17 104	1 -821 days
	Interest payable	13 07 04 984	1-2101 days
HDFC BANK	Term Loan	7 22 86 368	1 -1736 days
	Funded Interest Term Loan	2 24 70 581	1 -821 days
	Interest payable	7 31 28 186	1-1827 days
BANK OF BARODA	Working Capital	49 87 22 365	1-2162 days
	Working capital term loan	19 99 79 166	1 -1736 days
	Term Loan	2 06 32 292	1 -1736 days
	Funded Interest Term Loan	5 00 73 649	1 -821 days
	Interest payable	41 30 86 393	1-2131 days
ORIENTAL BANK OF COMMERCE	Term Loan	9 45 15 553	1 -1736 days
	Funded Interest Term Loan	2 07 86 890	1 -821 days
	Interest payable	2 22 40 214	1-1096 days
INDIAN OVERSEAS BANK	Non Convertible Debenture	6 04 16 667	1 -1736 days
	Funded Interest Term Loan	3 42 07 322	1 -821 days
	Interest payable	2 01 09 516	1-2070 days



Name of Bank/Financial Institution.	Nature/Type of Facility	Default as at 31-03-2016 (Amount in Rs.)	Period Of Default
BANK OF MAHARASHTRA	<i>Working capital term loan</i>	5 01 45 821	1 -1736 days
	<i>Working Capital</i>	20 10 09 696	1-2221 days
	<i>Term Loan</i>	1 64 16 732	1 -1736 days
	<i>Funded Interest Term Loan</i>	1 62 87 471	1 -821 days
	<i>Interest payable</i>	20 65 56 584	1-2070 days
PUNJAB NATIONAL BANK	<i>Working Capital</i>	25 07 36 016	1-2131 days
	<i>Working capital term loan</i>	4 62 14 433	1 -1736 days
	<i>Term Loan</i>	13 74 63 931	1 -1736 days
	<i>Funded Interest Term Loan</i>	4 31 56 034	1 -821 days
	<i>Interest payable</i>	39 27 03 456	1-2070 days
L.I.C. OF INDIA	<i>Term Loan</i>	3 88 34 625	1 -1736 days
	<i>Funded Interest Term Loan</i>	1 29 97 710	1 -821 days
	<i>Interest payable</i>	2 94 53 726	1-2101 days
L.I.C. MUTUAL FUND	<i>Non Convertible Debenture(NCD)</i>	48 33 33 333	1 -1736 days
	<i>Funded Interest Term Loan</i>	55 02 860	1 -821 days
	<i>Interest payable</i>	81 08 25 351	1-2070 days

The company has stopped making provision for interest on the borrowing from the date of transfer of dues to Asset Reconstruction Companies(ARC) due to non execution of agreement with such Asset Reconstruction Companies (ARC) and hence due to non availability of agreement with Asset Reconstruction Companies (ARC) , defaults have been considered towards banks as mentioned above till the date of dues of respective banks being assigned to ARC. Moreover, the company has taken the CDR – 2 orders as base for classification of current / non-current liability and default of total borrowings and interest repayment.



3. The Company, in September 2006, has raised US \$ 10 million through Unsecured Zero Coupon Foreign Currency Convertible Bonds (FCCB), due on 22nd September, 2011. The bonds were convertible into equity shares at the option of Bond holders at any time on or after 20th Sep 2006 and upto and including 8th Sep 2011. And hence, as on 31st March 2016, this conversion option with the bondholders is not being in effect. The company has provided the premium till 2nd 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 1652 days.

Without qualifying our opinion, we draw your attention to

- 1) Note 5 to the financial results which states that the Company has accumulated losses and its net worth has been fully eroded. The Financial results indicate that the Company has incurred a net loss/net cash loss during the 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 results of the Company have been prepared on a going concern basis.
- 2) Note 4 to the financial results which states about 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 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.
- 3) Note 6 to the financial results which states that during the year ended 31st March 2016, the company has carried out a techno-economic assessment for the valuations of its Capital Projects to identify the impairment loss and provision thereof, if any. Based on the said techno-economic assessment of the Capital Projects, the Company has provided for impairment loss for Rs. 3,58,50,355/- .The same is in accordance with the notified Accounting Standard 28 on Impairment of asset which states that impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.



- 4) Note 6 to the financial results which states about the settlement agreement entered into by the company with effect from 15th June 2015 and 11th August 2015 for the entire dues in respect of the various facilities and assistance provided respectively by Union Bank of India and State bank of India which is now assigned to Invent Assets Securitization & Reconstruction Private Limited.

The Company has accounted for the Principal Portion of Waiver of loan facilities as Capital Reserve and Waiver of interest as Income which has been offered 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. 146,15,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 607,34,85,227/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 461,19,85,227/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 461,19,85,227/-, the waiver of liability of Principal portion of Rs. 213,94,42,763/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 31st March 2016 and waiver of interest liability for Rs. 247,25,42,464/- has been offered as an Income in the Statement of profit and Loss and has been shown as an Extra ordinary item in the Results for the period ended 31st March 2016.

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net loss and net profits respectively for the Quarter ended 31st March 2016 and for the year ended 31st March 2016 and other financial information for the Quarter ended 31st March 2016 as well as the year to date results for the period from 1st April 2015 to 31st March 2016.

Place: Ahmedabad
Date: 30th May 2016



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

Umesh Talati
Umesh Talati
(Partner)
Mem. No. 034834

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [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 (Net)	262.37	262.37
	2.	Total Expenditure	385.10	390.65
	3.	Net Profit / loss before Extra Ordinary Items	(122.73)	(128.28)
		Net Profit / loss after Extra Ordinary Items	124.38	118.83
	4.	Earnings Per Share	(61.99)	(64.79)
		Earnings Per Share after Extra Ordinary Items	62.83	60.02
	5.	Total Assets	635.15	635.15
	6.	Total Liabilities	1006.28	1032.46
	7.	Net Worth	(371.13)	(397.31)
	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: Since FY: 2010-11 Para 3 of Qualification: Since FY: 2011-12	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		Para no. 1 - Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011 have been frozen on maturity due to sick company declared by Hon'ble BIFR u/s 3(1)(o) of SICA 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.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		Refer Para 2 2 3 of Qualifications of Auditors' Report	
	(i)		Not quantifiable.	



(ii)

Para - 2

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., September 2011. On account of sick status of the company, payments will be made as per the scheme as may be approved by the Hon'ble BIFR.

Most of the banks assigned the debts to various Asset Reconstruction Companies (ARCs). Company has entered into Settlement Agreements with INVENT in connection with dues of Union Bank of India and State Bank of India. Company has made proposal for settlement with other banks, financial institution and ARCs. Company is actively negotiating with these ARCs' for settlement of debts and expecting a settlement soon. Since the matter is pending before Hon'ble BIFR and settlement proposals are under consideration, amount cannot be quantified.

Para - 3

Dues on account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011, have been frozen on maturity and accordingly exchange rate fluctuations has not been considered thereafter. payment of FCCB shall be considered as per the scheme that may be considered by Hon'ble BIFR. Since the matter is pending before Hon'ble BIFR, matter will be decided as per directions of the Hon'ble BIFR. Thus,



		amount cannot be quantified.
	(iii)	Nothing further to add



To be signed by-

- Jt. Managing Director

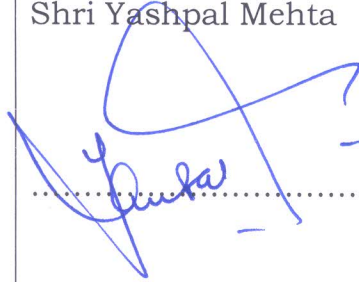
Shri K S Kamath



(DIN 00261544)

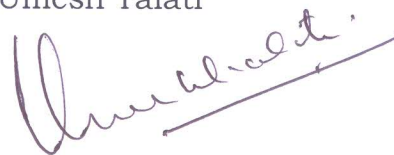
- CFO

Shri Yashpal Mehta



- Auditor of the company

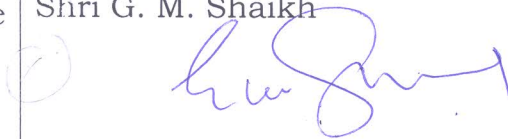
Shri Umesh Talati



(ICAI Membership No. 034834)

- Audit Committee Chairman

Shri G. M. Shaikh



(DIN 00367186)

