

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

December 11, 2017

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 Unaudited Financial Results
for the Quarter & Half Year Ended on 30.09.2017**

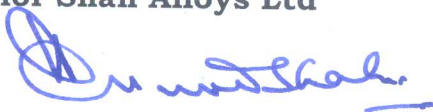
With reference to above, kindly be informed that the Board of Directors of the company in its meeting held today have considered the Unaudited Quarterly Results along with Limited Review Report for the quarter & half year ended on 30.09.2017. A copy of approved results along with Limited Review Report is enclosed for ready reference. *[The aforesaid Board Meeting commenced at 04:30 p.m. and concluded at 05:30 p.m.]*

Kindly take the above on your record.

Thanking you,

Yours faithfully,

for Shah Alloys Ltd



Company Secretary

Encl: a/a

CIN - L27100GJ1990PLC014698

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

Amount (Rs In Crores)

Particulars	QUARTER ENDED			SIX MONTH ENDED		YEAR ENDED
	30/09/2017	30/06/2017	30/09/2016	30/09/2017	30/09/2016	31-03-2017
	(Un Audited)	(Audited)	(Un Audited)	(Un Audited)	(Audited)	(Audited)
I Revenue from Operations	115.75	113.62	78.54	229.37	171.97	348.97
II Other Operating Income	0.29	0.17	0.15	0.46	0.43	0.90
Other Non Operating Income	0.00	0.00	0.00	0.00	0.00	80.98
III Total Revenue (I + II)	116.04	113.79	78.69	229.83	172.40	430.85
IV Expenses						
(a) Cost of materials consumed	74.81	65.23	47.42	140.04	102.28	212.64
(b) Changes in inventories of finished goods, work-in-progress	(9.41)	12.32	(8.01)	2.91	(8.34)	(35.72)
(c) Employee benefits expense	4.25	3.93	2.74	8.18	5.68	12.11
(d) Excise Duty on Sales	0.00	12.30	8.49	12.30	18.51	37.59
(e) Finance costs	3.30	3.28	3.88	6.58	7.73	14.33
(f) Depreciation and amortisation expense	3.41	3.41	3.48	6.82	6.96	13.74
(g) Consumption of Stores & Spares	8.51	9.32	9.76	17.83	17.45	35.64
(h) Power cost	17.25	16.12	14.86	33.37	30.79	60.58
(i) Other Expenditure	14.05	6.16	5.87	20.21	11.79	27.47
Total Expenses (a) to (i)	116.17	132.07	88.49	248.24	192.85	378.38
V Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	(0.13)	(18.28)	(9.80)	(18.41)	(20.45)	52.47
VI Deferred Tax	3.46	23.72	(3.01)	27.18	(6.95)	10.11
VII Net Profit / (Loss) for the period from continuing operations (V - VI)	(3.59)	(42.00)	(6.79)	(45.59)	(13.50)	42.36
VIII Profit / (Loss) From discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
IX Tax Expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
X Profit / (Loss) From discontinuing operations (after tax) (VIII - IX)	0.00	0.00	0.00	0.00	0.00	0.00
XI Net (Loss) profit for the period (VII - VIII)	(3.59)	(42.00)	(6.79)	(45.59)	(13.50)	42.36
XII Share of Loss of Associate Concern	0.00	0.00	0.00	0.00	0.00	0.00
Other Comprehensive income	(4.97)	4.83	0.07	(0.14)	0.13	0.00
XIII Total Comprehensive income	(8.56)	(37.17)	(6.72)	(45.73)	(13.37)	42.36
Earnings per equity share:						
XIV 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
XV Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(279.68)
XVI Earnings per share (of Rs. 10/- each) (not annualised)						
(1) Basic	(4.32)	(18.78)	(3.39)	(23.10)	(6.75)	21.39
(2) Diluted	(4.32)	(18.78)	(3.39)	(23.10)	(6.75)	21.39

[Handwritten signature]

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 30/09/2017
		(Unaudited)
	ASSETS	
1)	Non-current assets	
a)	Property, Plant and Equipment	136.34
b)	Capital work-in-progress	9.01
c)	Financial Assets	
(i)	Investments	15.16
(ii)	Trade receivables	0.09
(iii)	Loans	3.97
d)	Deferred tax assets (net)	269.60
2)	Current assets	
a)	Inventories	119.37
b)	Financial Assets	
(i)	Investments	0.00
(ii)	Trade receivables	5.45
(iii)	Cash and cash equivalents	0.30
(iv)	Loans	1.59
c)	Current Tax Assets (Net)	0.00
d)	Other current assets	5.12
	TOTAL ASSETS	566.00
	EQUITY & LIABILITIES :	
	EQUITY:	
a)	Equity Share capital	19.80
b)	Other Equity	(366.70)
	LIABILITIES :	
1)	Non-Current Liabilities	
a)	Financial Liabilities	
(i)	Borrowings	202.09
(ii)	Trade payables	17.06
b)	Provisions	1.31
c)	Other non-current liabilities	0.35
2)	Current liabilities	
a)	Financial Liabilities	
(i)	Borrowings	73.74
(ii)	Trade payables	93.81
b)	Other current liabilities	519.62
c)	Provisions	4.92
	Total Equity and Liabilities	566.00

18

es:

- 1 The above Unaudited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 11th December, 2017
- 2 Results for the quarter ended September 30, 2017 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, 2016 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. Payment of FCCB shall be considered as per the settlement that may be agreed upon.
- 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.
Punjab National Bank	31/03/2016	Invent Assets Securitization & Reconstruction Pvt. Ltd.

Further the company has stopped making provision for interest on such borrowing from the date of transfer due to non execution of agreement with Asset Reconstruction Companies (ARC) and hence due to non availability of agreement with Asset Reconstruction Companies (ARC) , the company has taken the CDR – 2 orders and Settlement agreement already entered into by the company as base for classification of current / non-current liability and default of total borrowing.

- 5 As at the Quarter 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 previous year and the Company's current liabilities exceed its current assets as at the current quater 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 Reconciliation of results (Stand alone) between previously reported (referred to as "Previous GAAP" and IND AS for the quarters are presented as under :

Particulars	Half Year 30th Sept, 2016
Net Profit under Previous GAAP	(13.50)
Employee benefits - Actuarial Gain / (Loss) recognized in OCI	0.13
Total comprehensive income under IND AS	(13.37)

- 7 The above result does not include IND As compliance results for the preceding quarter and previous year ended March 31, 2017 as it is not mandatory as per SEBI circular dated July 5,2016
- 8 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.
- 9 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.
- 10 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 Half year ended September 30, 2017 and hence, the Management has not given effect of the same in the financial results .
- 11 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 Half year ended September 30, 2017 and hence, the Management has not given effect of the same in the financial results .
- 12 Consequent to the introduction of GST w.e.f July 1, 2017 the Excise duty is subsumed unsder GST. There is NIL amount in Excise Duty for the quarter ended September 2017.
- 13 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

Place : Santej

Date : 11-12-2017

K S Kamath (DIN: 00261544)

Ks Kamath
Jt. Managing Director

CHARTERED ACCOUNTANTS

CA. (DR). HITEN PARIKH

M.Com., LL.B., FCA., Phd

CA. SANJAY MAJMUDAR

B.Com., LL.B., FCA

LIMITED REVIEW REPORT

Review Report to
The Board of Directors.
Shah Alloys Limited

We have reviewed the accompanying statement of Unaudited Financial Results of Shah Alloys Limited (the Company) for the quarter ended September 30, 2017 being submitted by the company pursuant to the requirement of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results 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 of the Entity" 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 results 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.

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 during the current quarter and previous quarter(s) and, 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 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) Attention is drawn to the fact that figures for the quarter ended on June 30, 2017 are based on the previously issued results that were audited by predecessor auditors vide their report dated 14th September 2017. Further, we have not audited or reviewed the accompanying results and other financial information for the quarter and half year ended September 30, 2016 which has been prepared solely based on the information compiled by the Management.

Other Matter

We report that the accompanying unaudited financial results for the corresponding period ended 30th September 2017 are based on the Management certified information and have not been subject to any review by us.

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, 2017, 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 , 2017. The Company's record indicate that had management done the provision, the Foreign Exchange loss for the quarter ended 30th September 2017 would have been higher by Rs. 9151782/- Accordingly Loss for quarter ended 30th September 2017 have been under-stated by Rs9151782/- and negative*



balance of reserves and surplus and current liabilities -both have been understated by Rs.24,51,35,196/- as at 30th September 2017.

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 period ended September 30, 2017.
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 comment upon its impact on the Quarterly results for the period ended September 30, 2017

Qualified Conclusion

Except for the adjustment as stated above to the financial results that we might have become aware of had it not been for the situation described above, based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards and other recognized accounting practices and principles generally accepted in India has 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 SEBI Circular No. CIR/CFD/CMD 15/2015 dated November 30, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 11-12-17

Place: Ahmedabad



For Parikh & Majmudar
Chartered Accountants
FRNNQ107525W

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

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

Amount (Rs In Crores)

	Particulars	QUARTER ENDED			SIX MONTH ENDED		YEAR ENDED
		30/09/2017	30/06/2017	30/09/2016	30/09/2017	30/09/2016	31-03-2017
		(Un Audited)	(Audited)	(Un Audited)	(Un Audited)	(Audited)	(Audited)
I	Revenue from Operations	115.75	113.62	78.54	229.37	171.97	348.97
II	Other Operating Income	0.29	0.17	0.15	0.46	0.43	0.90
	Other Non Operating Income	0.00	0.00	0.00	0.00	0.00	80.98
III	Total Revenue (I + II)	116.04	113.79	78.69	229.83	172.40	430.85
IV	Expenses						
	(a) Cost of materials consumed	74.81	65.23	47.42	140.04	102.28	212.64
	(b) Changes in inventories of finished goods, work-in-progress	(9.41)	12.32	(8.01)	2.91	(8.34)	(35.72)
	(c) Employee benefits expense	4.27	3.91	2.74	8.18	5.68	12.11
	(d) Excise Duty on Sales	0.00	12.30	8.49	12.30	18.51	37.59
	(e) Finance costs	3.30	3.28	3.88	6.58	7.73	14.33
	(f) Depreciation and amortisation expense	3.41	3.41	3.48	6.82	6.96	13.74
	(g) Consumption of Stores & Spares	8.51	9.32	9.76	17.83	17.45	35.64
	(h) Power cost	17.25	16.12	14.86	33.37	30.79	60.58
	(i) Other Expenditure	14.05	6.16	5.87	20.21	11.79	27.47
	Total Expenses (a) to (i)	116.19	132.05	88.49	248.24	192.85	378.38
V	Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	(0.15)	(18.26)	(9.80)	(18.41)	(20.45)	52.47
VI	Deferred Tax	3.46	23.72	(3.01)	27.18	(6.95)	10.11
VII	Net Profit / (Loss) for the period from continuing operations (V -VI)	(3.61)	(41.98)	(6.79)	(45.59)	(13.50)	42.36
VIII	Profit / (Loss) From discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
IX	Tax Expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
X	Profit / (Loss) From discontinuing operations (after tax) (VIII -IX)	0.00	0.00	0.00	0.00	0.00	0.00
XI	Net (Loss) profit for the period (VII - VIII)	(3.61)	(41.98)	(6.79)	(45.59)	(13.50)	42.36
XII	Share of Loss of Associate Concern	(4.99)	4.81	0.00	(0.18)	0.00	6.60
	Other Comprehensive income	(4.96)	4.83	0.07	(0.14)	0.13	0.00
XIII	Total Comprehensive income	(3.59)	(41.96)	(6.72)	(45.55)	(13.37)	35.76
	Earnings per equity share:						
XIV	(Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80	19.80
XV	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(279.68)
XVI	Earnings per share (of Rs. 10/- each) (not annualised)						
	(1) Basic	(1.81)	(21.20)	(3.39)	(23.01)	(6.75)	21.39
	(2) Diluted	(1.81)	(21.20)	(3.39)	(23.01)	(6.75)	21.39

DA

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 Crores)

	PARTICULAR	As at 30/09/2017
		(Unaudited)
	ASSETS	
1)	Non-current assets	
a)	Property, Plant and Equipment	136.34
b)	Capital work-in-progress	9.01
c)	Financial Assets	
(i)	Investments	0.00
(ii)	Trade receivables	0.09
(iii)	Loans	3.97
d)	Deferred tax assets (net)	269.60
2)	Current assets	
a)	Inventories	119.37
b)	Financial Assets	
(i)	Investments	0.00
(ii)	Trade receivables	5.45
(iii)	Cash and cash equivalents	0.30
(iv)	Loans	1.59
c)	Current Tax Assets (Net)	0.00
d)	Other current assets	5.12
	TOTAL ASSETS	550.84
	EQUITY & LIABILITIES :	
	EQUITY:	
a)	Equity Share capital	19.80
b)	Other Equity	(381.86)
	LIABILITIES :	
1)	Non-Current Liabilities	
a)	Financial Liabilities	
(i)	Borrowings	202.09
(ii)	Trade payables	17.06
b)	Provisions	1.31
c)	Other non-current liabilities	0.35
2)	Current liabilities	
a)	Financial Liabilities	
(i)	Borrowings	73.74
(ii)	Trade payables	93.81
b)	Other current liabilities	519.62
c)	Provisions	4.92
	Total Equity and Liabilities	550.84

Notes:

- The above Unaudited consolidated results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 11th December, 2017
- Consolidated Results for the quarter ended September 30, 2017 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 September 30, 2016 have been restated as per IND AS and are comparable on like to like basis
- 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 settlement that may be agreed upon.

18

- 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.
Punjab National Bank	31/03/2016	Invent Assets Securitization & Reconstruction Pvt. Ltd.

Further the company has stopped making provision for interest on such borrowing from the date of transfer due to non execution of agreement with Asset Reconstruction Companies (ARC) and hence due to non availability of agreement with Asset Reconstruction Companies (ARC) , the company has taken the CDR – 2 orders and Settlement agreement already entered into by the company as base for classification of current / non-current liability and default of total borrowing.

- 5 As at the Quarter end the Company has accumulated losses and its net worth has been fully eroded. The Consolidated Financial results indicate that the Company has net loss during the previous year and the Company's current liabilities exceed its current assets as at the current quarter 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 Consolidated 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 Company's accumulated share of losses in the Associate companies SAL Steel Ltd since the date of being an Associate till March 31, 2017 exceeds its investment value in Shares of SAL Steel Limited (Associate). However, Due to reduction in Provision for Diminution in value of the Investment during the Half year ended September 30, 2017, the value of the Investment increases to that extent and hence, the company has recognised its further share of loss in Associate company . This is in accordance with Ind AS 28 " Investments in Associates and Joint Ventures" .Therefore, in the Half year ended September 30 , 2017, the company has recognized Rs.0.18 Crs share of Proportionate loss of the Associate company
- 7 Reconciliation of results (Consolidated) between previously reported (referred to as "Previous GAAP" and IND AS for the quarters are presented as under :

Particulars	Half Year 30th Sept, 2016
Net Profit under Previous GAAP	(13.50)
Employee benefits - Actuarial Gain / (Loss) recognized in OCI	0.13
Total comprehensive income under IND AS	(13.37)

- 8 The above Consolidated result does not include IND As compliance results for the preceding quarter and previous year ended March 31, 2017 as it is not mandatory as per SEBI circular dated July 5,2016
- 9 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.
- 10 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.
- 11 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 Half year ended September 30, 2017 and hence, the Management has not given effect of the same in the Consolidated financial results .
- 12 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 Half year ended September 30, 2017 and hence, the Management has not given effect of the same in the Consolidated financial results .
- 13 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 September 2017.
- 14 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

Place : Santej

Date : 11-12-2017

K S Kamath (DIN: 00261544)

Kamath
Jt. Managing Director

**LIMITED REVIEW REPORT**

Review Report to
The Board of Directors.
Shah Alloys Limited

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Shah Alloys Limited (the Company) for the quarter ended September 30, 2017 being submitted by the company pursuant to the requirement of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results 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 of the Entity" 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 results 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.

Without qualifying our opinion, we draw your attention to

- 1) **Note 5 to the Consolidated financial results which states that the Company has accumulated losses and its net worth has been fully eroded. The Consolidated Financial results Indicate that the holding Company has Incurred a net loss during the current quarter and previous quarter(s) and, the Holding 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 the financial results of the Holding Company have been prepared on a going concern basis.**



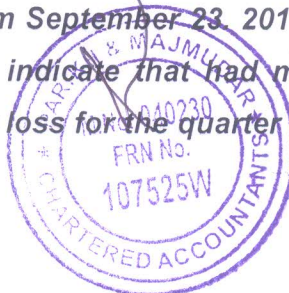
- 2) Note 4 to the Consolidated financial results which states about the transfer/ assignment of secured loans with all their rights, title and interest in the financial documents by banks to the Asset Reconstruction companies, against which the holding company has stopped making provision for interest on such borrowing from the date of transfer due to non execution of agreement with Asset Reconstruction companies.
- 3) Note No 6 to the Consolidated financial results regarding the recognition of the share of loss in its Associate by the holding company.
- 4) Attention is drawn to the fact that figures for the quarter ended on June 30, 2017 are based on the previously issued results that were audited by predecessor auditors vide their report dated 14th September 2017. Further, we have not audited or reviewed the accompanying results and other financial information for the quarter and half year ended September 30, 2016 which has been prepared solely based on the information compiled by the Management.

Other Matter

We report that the accompanying unaudited financial results for the corresponding period ended 30th September 2017 are based on the Management certified information and have not been subject to any review by us.

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 September 30, 2017, 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, 2017. The Holding Company's record indicate that had management done the provision, the Foreign Exchange loss for the quarter ended 30th September*



2017 would have been higher by Rs. 9151782/- Accordingly Loss for quarter ended 30th September 2017 have been under-stated by Rs9151782/- and negative balance of reserves and surplus and current liabilities -both have been understated by Rs.24,51,35,196/- as at 30th September 2017.

2. 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 Quarterly results for the period ended September 30, 2017.
3. 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 Quarterly results for the period ended September 30, 2017

Qualified Conclusion

Except for the adjustment as stated above to the Consolidated financial results that we might have become aware of had it not been for the situation described above, based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited Consolidated financial results prepared in accordance with applicable Indian accounting standards and other recognized accounting practices and principles generally accepted in India has 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 SEBI Circular No. CIR/CFD/CMD 15/2015 dated November 30, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 11-12-17

Place: Ahmedabad



For Parikh & Majmudar
Chartered Accountants
FRNNQ/107525W

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