

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

May 27, 2017

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 31.03.2017 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:

Re-appointment of Independent Director

The Board reappointed Shri G M Shiakh (DIN: 00367186) as an Independent Director of the Company to hold office for further 5 consecutive years for a term up to the conclusion of 31st Annual General Meeting of the Company in the calendar year 2022, subject to the approval of shareholders in the ensuing Annual General Meeting.

[The aforesaid Board Meeting commenced at 05:30 p.m. and concluded at 07:30 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

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2017

(Rs. in crore except per share data)

	Particulars	QUARTER ENDED			YEAR ENDED	
		31/03/2017	31/12/2016	31/03/2016	31/03/2017	31/03/2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations (<i>Net of excise duty</i>)	77.84	80.08	73.99	311.38	261.00
	(b) Other Operating Income	0.26	0.06	0.05	0.41	0.31
	Total Income from Operations (a)+(b)	78.10	80.14	74.04	311.79	261.31
2	Expenditure					
	(a) Cost of materials consumed	55.71	54.65	47.48	212.64	192.66
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14.11)	(13.27)	(3.07)	(35.72)	(2.17)
	(c) Employee benefits expense	3.46	2.97	3.05	12.11	12.10
	(d) Finance costs	3.28	3.32	5.70	14.33	23.14
	(e) Depreciation and amortisation expense	3.31	3.47	4.54	13.74	18.16
	(f) Consumption of Stores & Spares	9.01	9.18	5.28	35.64	20.65
	(g) Power cost	14.19	15.60	13.62	60.58	42.57
	(h) Other Expenditure	7.84	7.84	8.62	27.47	13.24
	Total Expenditure (a) to (h)	82.69	83.76	85.22	340.79	320.35
3	Profit / (Loss) from operations before other income (1-2)	(4.59)	(3.62)	(11.18)	(29.00)	(59.04)
4	Other income	0.04	0.11	0.07	0.49	1.06
5	Profit / (Loss) from ordinary activities (3+4)	(4.55)	(3.51)	(11.11)	(28.51)	(57.98)
6	Deferred Tax	17.69	(0.63)	(3.42)	10.11	64.76
7	Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (5-6)	(22.24)	(2.88)	(7.69)	(38.62)	(122.74)
8	Extraordinary items (Refer Note No.6)	(80.98)	-	1.30	(80.98)	(247.12)
9	Net Profit / (Loss) for the period after extra ordinary item (7-8)	58.74	(2.88)	(8.99)	42.36	124.38
10	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(390.93)
12	Earnings per share (of Rs. 10/- each) (not annualised)					
	Basic & Diluted before extra ordinary item	(11.23)	(1.46)	(3.88)	(19.51)	(61.99)
	Basic & Diluted after extra ordinary item	29.67	(1.46)	(4.54)	21.39	62.82

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SHAH ALLOYS LIMITED

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

Standalone Audited Statement of Assets and Liabilities

(Rs. In Crore)

Sr	PARTICULAR	As at 31/03/2017	As at 31/03/2016
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(279.69)	(390.93)
	Sub-total - Shareholders' funds	(259.89)	(371.13)
2	Non-current liabilities		
	(a) Long-term borrowings	223.97	239.80
	(b) Other long-term liabilities	0.35	0.35
	(c) Long-term provisions	1.27	1.17
	Sub-total - Non-current liabilities	225.59	241.32
3	Current liabilities		
	(a) Short-term borrowings	71.78	130.87
	(b) Trade payables	100.92	73.16
	(c) Other current liabilities	500.41	556.42
	(d) Short-term provisions	4.78	4.51
	Sub-total - Current liabilities	677.89	764.96
	TOTAL - EQUITY AND LIABILITIES	643.59	635.15
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	152.17	165.95
	(b) Non-current investments	15.34	8.74
	(c) Long-term loans and advances	2.27	2.27
	(d) Deferred tax assets (net)	338.04	348.16
	Sub-total - Non-current assets	507.82	525.12
2	Current assets		
	(a) Inventories	116.75	82.43
	(b) Trade receivables	7.34	9.94
	(c) Cash and Bank Balances	1.93	3.05
	(d) Short-term loans and advances	9.75	14.61
	Sub-total - Current assets	135.77	110.03
	TOTAL - ASSETS	643.59	635.15

K. Somesh

Notes:

- 1 The above audited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 27th May, 2017
- 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 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 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 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 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 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.80,97,67,335/- for the year ended 31st March 2017 is as follows:
(I) During the year the company has entered settlement agreement with effect from 16th March 2017 for the entire dues in respect of the various facilities and assistance provided respectively by Bank of Baroda , Oriental Bank of Commerce and Axis Bank which is now assigned to Edelweiss Assets Reconstruction Company 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. 50,00,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 193,26,37,042/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-, the waiver of liability of Principal portion of Rs. 68,88,29,943/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 31st March 2017 and waiver of interest liability for Rs. 74,38,07,099/- 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 2017.

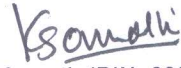
(II) Rs.6,59,60,236/- for reversal of provision for diminution in value of Investments in shares of SAL Steel Ltd , an associate company

- 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 : 27-05-2017


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

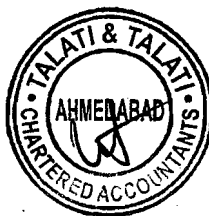
We have audited the Quarterly Financial Results of **Shah Alloys Limited** ('the Company') for the Quarter ended 31st March 2017 and the year to date financial results for the period 1st April 2016 to 31st March 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 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, 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.



Basis for Qualified opinion

- 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, 2017, 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, 2017. The Company's record indicate that had management done the provision, the Foreign Exchange gains for the quarter ended 31st March 2017 and for the Year ended 31st March 2017 would have been higher respectively by Rs. 4,61,97,741/- and Rs. 2,21,53,745/-. Accordingly, profits for quarter ended 31st March 2017 and for the Year ended 31st March 2017 have been under-stated respectively by Rs. 4,61,97,741/- and Rs. 2,21,53,745/- and negative balance of reserves and surplus and current liabilities – both have been understated by Rs. 23,74,76,342/- as at 31st March 2017.*
- 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:*

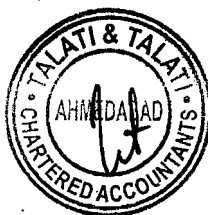


Name of Bank/Financial Institution	Nature/Type of Facility	Default as at 31-03-2017 (Amount in Rs.)	Period Of Default
IDBI BANK	<i>Working Capital</i>	26 10 45 535	1-2496 days
	<i>Non Convertible Debenture</i>	7 29 16 667	1 -2101 days
	<i>Term Loan</i>	14 58 33 333	1 -2101 days
	<i>Funded Interest Term Loan</i>	10 62 25 832	1 -1186 days
	<i>Interest payable</i>	10 92 66 519	1-2435 days
KARUR VYSSA BANK	<i>Term Loan</i>	18 22 91 667	1 -2101 days
	<i>Funded Interest Term Loan</i>	6 40 88 746	1 -1186 days
	<i>Interest payable</i>	6 09 36 463	1-2156 days
HDFC BANK	<i>Term Loan</i>	8 72 42 168	1 -2101 days
	<i>Funded Interest Term Loan</i>	3 14 58 813	1 -1186 days
	<i>Interest payable</i>	8 77 89 296	1-2192 days
INDIAN OVERSEAS BANK	<i>Non Convertible Debenture</i>	7 29 16 667	1 -2101 days
	<i>Funded Interest Term Loan</i>	4 78 90 251	1 -1186 days
	<i>Interest payable</i>	3 11 33 345	1-2435 days



Name of Bank/Financial Institution.	Nature/Type of Facility	Default as at 31-03-2017(Amount in Rs.)	Period Of Default
BANK OF MAHARASHTRA	<i>Working capital term loan</i>	6 05 20 819	1 -2101 days
	<i>Working Capital</i>	20 10 09 696	1-2586 days
	<i>Term Loan</i>	1 99 27 412	1 -2101 days
	<i>Funded Interest Term Loan</i>	2 28 02 459	1 -1186 days
	<i>Interest payable</i>	20 65 56 584	1-2435 days
PUNJAB NATIONAL BANK	<i>Working Capital</i>	25 07 36 016	1-2496 days
	<i>Working capital term loan</i>	5 57 76 039	1 -2101 days
	<i>Term Loan</i>	16 59 04 744	1 -2101 days
	<i>Funded Interest Term Loan</i>	6 04 18 448	1 -1186 days
	<i>Interest payable</i>	39 27 03 456	1-2435 days
L.I.C. OF INDIA	<i>Term Loan</i>	4 68 69 375	1 -2101 days
	<i>Funded Interest Term Loan</i>	1 81 96 794	1 -1186 days
	<i>Interest payable</i>	3 63 42 792	1-2466 days
L.I.C. MUTUAL FUND	<i>Non Convertible Debenture(NCD)</i>	58 33 33 333	1 -2101 days
	<i>Funded Interest Term Loan</i>	77 04 004	1 -1186 days
	<i>Interest payable</i>	90 88 14 937	1-2435 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 and settlement Agreements already entered into by the Company 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 2017, 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 2017 days.*

Emphasis of Matter

- 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(i) to the financial results which states about the settlement agreement entered into by the company with effect from 16th March 2017 for the entire dues in respect of the various facilities and assistance provided respectively by Bank of Baroda, Oriental Bank of Commerce and Axis Bank which is now assigned to Edelweiss Assets Reconstruction Company 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. 50,00,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 193,26,37,042/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-, the waiver of liability of Principal portion of Rs. 68,88,29,943/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 31st March 2017 and waiver of interest liability for Rs. 74,38,07,099/- 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 2017.

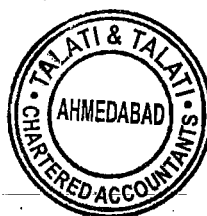
- 4) Note 6(ii) to the financial results which narrates about reduction in provision for diminution in value of Investment in Shares of SAL Steel Limited which has been shown as an Extraordinary item in the financial results.

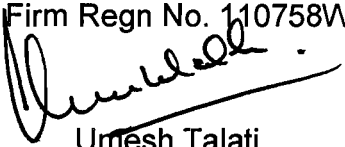
Our opinion is not modified with respect to the above matters as listed under Emphasis of Matter.

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 quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (ii) give a true and fair view of the net profits for the Quarter ended 31st March 2017 and for the year ended 31st March 2017 and other financial information for the Quarter ended 31st March 2017 as well as the year to date results for the period from 1st April 2016 to 31st March 2017.

Place: Ahmedabad
Date: 27th May 2017



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

Umesh Talati
(Partner)
Mem. No. 034834

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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2017

(Rs. in crore except per share data)

	Particulars	QUARTER ENDED			YEAR ENDED	
		31/03/2017	31/12/2016	31/03/2016	31/03/2017	31/03/2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from Operations					
	(a) Net Sales/Income from Operations <i>(Net of excise duty)</i>	77.84	80.08	73.99	311.38	261.00
	(b) Other Operating Income	0.26	0.06	0.05	0.41	0.31
	Total Income from Operations (a)+(b)	78.10	80.14	74.04	311.79	261.31
2	Expenditure					
	(a) Cost of materials consumed	55.71	54.65	47.48	212.64	192.66
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14.11)	(13.27)	(3.07)	(35.72)	(2.17)
	(c) Employee benefits expense	3.46	2.97	3.05	12.11	12.10
	(d) Finance costs	3.28	3.32	5.70	14.33	23.14
	(e) Depreciation and amortisation expense	3.31	3.47	4.54	13.74	18.16
	(f) Consumption of Stores & Spares	9.01	9.18	5.28	35.64	20.65
	(g) Power cost	14.19	15.60	13.62	60.58	42.57
	(h) Other Expenditure	7.84	7.84	8.62	27.47	13.24
	Total Expenditure (a) to (h)	82.69	83.76	85.22	340.79	320.35
3	Profit / (Loss) from operations before other income (1-2)	(4.59)	(3.62)	(11.18)	(29.00)	(59.04)
4	Other income	0.04	0.11	0.07	0.49	1.06
5	Profit / (Loss) from ordinary activities (3+4)	(4.55)	(3.51)	(11.11)	(28.51)	(57.98)
6	Deferred Tax	17.69	(0.63)	(3.42)	10.11	64.76
7	Net Profit / (Loss) from ordinary activities after tax but before extra ordinary item (5-6)	(22.24)	(2.88)	(7.69)	(38.62)	(122.74)
8	Extraordinary items (Refer Note No.6)	80.98	-	1.30	80.98	247.12
9	Net Profit / (Loss) for the period after extra ordinary item (7-8)	58.74	(2.88)	(8.99)	42.36	124.38
10	Share of Loss on Associate Concern	6.60	0.00	0.00	6.60	3.45
11	Profit / (Loss) for the period (IX-X)	52.14	(2.88)	(8.99)	35.76	120.93
12	Paid-up equity share capital (Equity shares having face value of Rs. 10/- each)	19.80	19.80	19.80	19.80	19.80
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(399.67)
14	Earnings per share (of Rs. 10/- each) (not annualised)					
	Basic & Diluted before extra ordinary item	(11.23)	(1.46)	(3.88)	(19.50)	(63.73)
	Basic & Diluted after extra ordinary item	26.34	(1.46)	(4.54)	18.06	(61.09)

18/03/17

SHAH ALLOYS LIMITED

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

Audited Consolidated Statement of Assets and Liabilities

(Rs. In Crore)

Sr. No.	PARTICULAR	As at 31/03/2017	As at 31/03/2016
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	19.80	19.80
	(b) Reserves and surplus	(295.03)	(399.67)
	Sub-total - Shareholders' funds	(275.23)	(379.87)
2	Non-current liabilities		
	(a) Long-term borrowings	223.97	239.80
	(b) Other long-term liabilities	0.35	0.35
	(c) Long-term provisions	1.27	1.17
	Sub-total - Non-current liabilities	225.59	241.32
3	Current liabilities		
	(a) Short-term borrowings	71.78	130.87
	(b) Trade payables	100.92	73.16
	(c) Other current liabilities	500.41	556.42
	(d) Short-term provisions	4.78	4.51
	Sub-total - Current liabilities	677.89	764.96
	TOTAL - EQUITY AND LIABILITIES	628.25	626.41
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	152.17	165.95
	(b) Non-current investments	-	-
	(c) Long-term loans and advances	2.27	2.27
	(d) Deferred tax assets (net)	338.04	348.16
	Sub-total - Non-current assets	492.48	516.38
2	Current assets		
	(a) Inventories	116.75	82.43
	(b) Trade receivables	7.34	9.94
	(c) Cash and Bank Balances	1.93	3.05
	(d) Short-term loans and advances	9.75	14.61
	(e) Other current assets	-	-
	Sub-total - Current assets	135.77	110.03
	TOTAL - ASSETS	628.25	626.41

Kanelli

Notes:

- 1 The above audited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 27th May, 2017
- 2 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.
- 3 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 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

- 4 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 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.
- 5 Extraordinary item of Rs.80,97,67,335/- for the year ended 31st March 2017 is as follows:
(I) During the year the company has entered settlement agreement with effect from 16th March 2017 for the entire dues in respect of the various facilities and assistance provided respectively by Bank of Baroda , Oriental Bank of Commerce and Axis Bank which is now assigned to Edelweiss Assets Reconstruction Company 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. 50,00,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 193,26,37,042/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-, the waiver of liability of Principal portion of Rs. 68,88,29,943/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 31st March 2017 and waiver of interest liability for Rs. 74,38,07,099/- 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 2017.

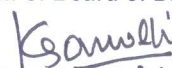
(II) Rs.6,59,60,236/- for reversal of provision for diminution in value of Investments in shares of SAL Steel Ltd , an associate company.

- 6 The Holding Company's accumulated share of losses in the Associate since the date of being an Associate till December 31, 2016 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 quarter ended March 31, 2017, The value of the Investment increases to that extent and hence, the Holding company has recognised its further share of loss in Associate . This is in accordance with Accounting Standard 23 , " Accounting for Investment in Associates" .Therefore, in the current quarter ended March 31, 2017, the holding company has recognized Rs. 6.60 Crs Proportionate loss in the Associate company
- 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 : 27-05-2017


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



talati & talati
Chartered Accountants

**Auditor's Report on Quarterly and Year to date Consolidated Financial Results of
Shah Alloys Limited Pursuant to the Regulation 33 of the SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015**

To
The Board of Directors of Shah Alloys Limited

1. We have audited the quarterly consolidated financial results of Shah Alloys Limited ('the Company') and its Associate (collectively referred to as 'the Group') for the quarter ended 31 March 2017 and the year to date consolidated financial results for the period from 1 April 2016 to 31 March 2017, 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 consolidated quarterly as well as year to date financial results have been prepared from the consolidated interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under 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.



Basis for Qualified opinion

- 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, 2017, 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, 2017. The Company's record indicate that had management done the provision, the Foreign Exchange gains for the quarter ended 31st March 2017 and for the Year ended 31st March 2017 would have been higher respectively by Rs. 4,61,97,741/- and Rs. 2,21,53,745/-. Accordingly, profits for quarter ended 31st March 2017 and for the Year ended 31st March 2017 have been under-stated respectively by Rs. 4,61,97,741/- and Rs. 2,21,53,745/- and negative balance of reserves and surplus and current liabilities – both have been understated by Rs. 23,74,76,342/- as at 31st March 2017.*
- 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 31-03-2017 (Amount in Rs.)	Period Of Default
IDBI BANK	Working Capital	26 10 45 535	1-2496 days
	Non Convertible Debenture	7 29 16 667	1 -2101 days
	Term Loan	14 58 33 333	1 -2101 days
	Funded Interest Term Loan	10 62 25 832	1 -1186 days
	Interest payable	10 92 66 519	1-2435 days
KARUR VYSYA BANK	Term Loan	18 22 91 667	1 -2101 days
	Funded Interest Term Loan	6 40 88 746	1 -1186 days
	Interest payable	6 09 36 463	1-2156 days
HDFC BANK	Term Loan	8 72 42 168	1 -2101 days
	Funded Interest Term Loan	3 14 58 813	1 -1186 days
	Interest payable	8 77 89 296	1-2192 days
INDIAN OVERSEAS BANK	Non Convertible Debenture	7 29 16 667	1 -2101 days
	Funded Interest Term Loan	4 78 90 251	1 -1186 days
	Interest payable	3 11 33 345	1-2435 days



Name of Bank/Financial Institution.	Nature/Type of Facility	Default as at 31-03-2017(Amount in Rs.)	Period Of Default
BANK OF MAHARASHTRA	<i>Working capital term loan</i>	6 05 20 819	1 -2101 days
	<i>Working Capital</i>	20 10 09 696	1-2586 days
	<i>Term Loan</i>	1 99 27 412	1 -2101 days
	<i>Funded Interest Term Loan</i>	2 28 02 459	1 -1186 days
	<i>Interest payable</i>	20 65 56 584	1-2435 days
PUNJAB NATIONAL BANK	<i>Working Capital</i>	25 07 36 016	1-2496 days
	<i>Working capital term loan</i>	5 57 76 039	1 -2101 days
	<i>Term Loan</i>	16 59 04 744	1 -2101 days
	<i>Funded Interest Term Loan</i>	6 04 18 448	1 -1186 days
	<i>Interest payable</i>	39 27 03 456	1-2435 days
L.I.C. OF INDIA	<i>Term Loan</i>	4 68 69 375	1 -2101 days
	<i>Funded Interest Term Loan</i>	1 81 96 794	1 -1186 days
	<i>Interest payable</i>	3 63 42 792	1-2466 days
L.I.C. MUTUAL FUND	<i>Non Convertible Debenture(NCD)</i>	58 33 33 333	1 -2101 days
	<i>Funded Interest Term Loan</i>	77 04 004	1 -1186 days
	<i>Interest payable</i>	90 88 14 937	1-2435 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 and settlement Agreements already entered into by the Company 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 2017, 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 2017 days.*

Emphasis of Matter

- 1) Note 4 to the consolidated financial results which states that the Holding Company has accumulated losses and its net worth has been fully eroded. The Financial results indicate that the Holding Company has incurred net loss/net cash loss during the previous year(s) and, the Holding 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 Holding Company's ability to continue as a going concern. However, the financial results of the Group have been prepared on a going concern basis.



- 2) Note 3 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 5(i) to the consolidated financial results which states about the settlement agreement entered into by the holding company with effect from 16th March 2017 for the entire dues in respect of the various facilities and assistance provided respectively by Bank of Baroda, Oriental Bank of Commerce and Axis Bank which is now assigned to Edelweiss Assets Reconstruction Company Limited.

The Holding 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. 50,00,00,000/- towards full and final settlement against the total liability(Principal and Interest) of Rs. 193,26,37,042/- resulting into the waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-.

Out of the said waiver of liability (Principal and Interest) for the amount of Rs. 143,26,37,042/-, the waiver of liability of Principal portion of Rs. 68,88,29,943/- has been shown as a capital Reserves in the Statement of Assets and Liabilities as at 31st March 2017 and waiver of interest liability for Rs. 74,38,07,099/- 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 2017.

- 4) Note 5(ii) to the consolidated financial results which narrates about reduction in provision for diminution in value of Investment in Shares of SAL Steel Limited which has been shown as an Extraordinary item in the financial results.
- 5) Note 6 to the consolidated financial results which narrates about recognition of share of loss in the Associate company for the period ended 31st March 2017

Our opinion is not modified with respect to the above matters as listed under Emphasis of Matter.



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 quarterly and year to date consolidated financial results:

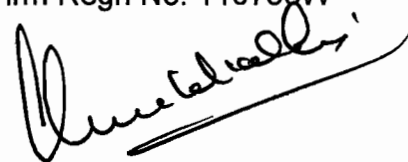
I. includes the results of following entity:

a. SAL Steel Limited

ii. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard:

.iii. give a true and fair view of the consolidated financial performance including net profits and other financial information for the quarter ended 31 March 2017 as well as the year to date results for the period from 1 April 2016 to 31 March 2017.

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



Umesh Talati
(Partner)

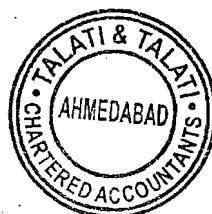
Mem. No. 034834

Place: Ahmedabad

Date: 27th May 2017

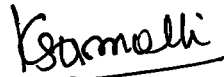
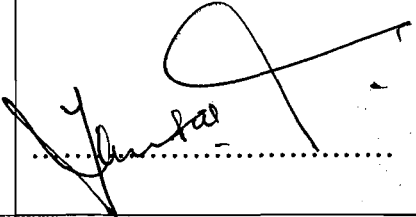
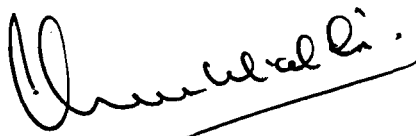
**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results – Shah Alloys Limited
(Standalone)**

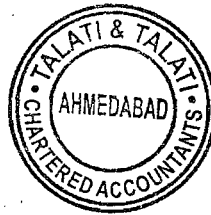
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Crores	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Crores
	1.	Turnover / Total income	393.26	393.26
	2.	Total Expenditure	350.90	353.11
	3.	Net Profit/(Loss)	42.36	40.15
	4.	Earnings Per Share before extraordinary items	(19.51)	(20.62)
		Earnings Per Share after extra ordinary items	21.39	20.28
	5.	Total Assets	643.59	643.59
	6.	Total Liabilities	903.48	927.23
	7.	Net Worth	(259.89)	(283.64)
	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 – 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.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		Refer Para 2 & 3 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:		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 Assets Securitisation And Reconstruction Private Limited (INVENT) in connection with dues of Union Bank of India and State Bank of India. Subsequently during the last quarter Company entered into Settlement Agreement with Edelweiss Asset Reconstruction Company Limited (EARC) in connection with dues of Axis Bank, Oriental Bank of Commerce, Bank of Baroda. Company has made proposal for settlement with other banks, financial institution and ARCs. Company is actively negotiating with lenders and ARCs' for settlement of debts and expecting a settlement soon. Since settlement is under process amount cannot be quantified. Para - 3 On account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011 dues have been frozen on maturity since company was declared Sick company by Hon'ble BIFR u/s 3(1)(o) of SICA. In view of the insufficient accruals of the company the cash flow is not sufficient enough to pay to the FCCB holders. The company's operations are not profitable and market conditions of steel industries are very bad. All the steel industries in India at large is facing crisis due to dumping of material from China and company is also not an exception to that.
(iii) Auditors' Comments on (i) or (ii)	Nothing further to add



III.	Signatories	
	Joint Managing Director	Shri K S Kamath  (DIN 00261544)
	CFO	Shri Yashpal Mehta 
	Auditor of the Company Talati & Talati, Chartered Accountants Statutory Auditor (FRN. 110758W)	Shri Umesh Talati  (ICAI Membership No. 034834)
	Audit Committee Chairman	Shri G.M. Shaikh  (DIN 00367186)

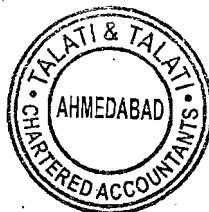


**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results – Shah Alloys Limited
(Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [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	393.26	393.26
	2.	Total Expenditure	357.50	359.71
	3.	Net Profit/(Loss)	35.76	33.55
	4.	Earnings Per Share before extra ordinary items	(19.51)	(20.62)
		Earnings Per Share after extra ordinary items	18.06	16.94
	5.	Total Assets	628.25	628.25
	6.	Total Liabilities	903.48	927.22
	7.	Net Worth	(275.23)	(298.97)
	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 : FY: 2016-17 Para 3 of Qualification : FY: 2016-17	
	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.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		Refer Para 2 & 3 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:		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 Assets Securitisation And Reconstruction Private Limited (INVENT) in connection with dues of Union Bank of India and State Bank of India. Subsequently during the last quarter Company entered into Settlement Agreement with Edelweiss Asset Reconstruction Company Limited (EARC) in connection with dues of Axis Bank, Oriental Bank of Commerce, Bank of Baroda. Company has made proposal for settlement with other banks, financial institution and ARCs. Company is actively negotiating with lenders and ARCs' for settlement of debts and expecting a settlement soon. Since settlement is under process amount cannot be quantified. Para - 3 On account of maturity of Foreign Currency Convertible Bonds (FCCB) on 22.09.2011 dues have been frozen on maturity since company was declared Sick company by Hon'ble BIFR u/s 3(1)(o) of SICA. In view of the insufficient accruals of the company the cash flow is not sufficient enough to pay to the FCCB holders. The company's operations are not profitable and market conditions of steel industries are very bad. All the steel industries in India at large is facing crisis due to dumping of material from China and company is also not an exception to that.
(iii) Auditors' Comments on (i) or (ii) above:	Nothing further to add



III.	Signatories	
	Joint Managing Director	Shri K S Kamath. <i>Kamath</i> (DIN 00261544)
	CFO	Shri Yashpal Mehta <i>Yashpal Mehta</i>
	Auditor of the Company Talati & Talati, Chartered Accountants Statutory Auditor (FRN. 110758 W)	Shri Umesh Talati <i>Umesh Talati</i> (ICAI Membership No. 034834)
	Audit Committee Chairman	Shri G.M. Shaikh <i>G.M. Shaikh</i> (DIN 00367186)

