

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

September 14, 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 Ended on 30.06.2017

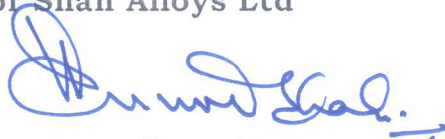
With reference to above, kindly be informed that the Board of Directors of the company in its meeting held today have considered the Unaudited Quarterly Results along with Limited Review Report for the quarter ended on 30.06.2017. A copy of approved results along with Limited Review Report is enclosed for ready reference. *[The aforesaid Board Meeting commenced at 04:00 p.m. and concluded at 04:30 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 & CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

Particulars		Amount (Rs In Crores)			
		STANDALONE QUARTER ENDED		CONSOLIDATED QUARTER ENDED	
		6/30/2017	6/30/2016	6/30/2017	6/30/2016
		(Un Audited)	(Un Audited)	(UnAudited)	(UnAudited)
I	Revenue from Operations	113.62	92.81	113.62	92.81
II	Other Operating Income	0.17	0.28	0.17	0.28
	Other Non Operating Income	4.81	0.00	4.81	0.00
III	Total Revenue (I + II)	118.60	93.09	118.60	93.09
IV	Expenses				
	(a) Cost of materials consumed	65.23	54.86	65.23	54.86
	(b) Changes in inventories of finished goods, work-in-progress	12.32	(0.33)	12.32	(0.33)
	(c) Employee benefits expense	3.91	3.08	3.91	3.08
	(d) Excise Duty on Sales	12.30	10.01	12.30	10.01
	(e) Finance costs	3.28	3.85	3.28	3.85
	(f) Depreciation and amortisation expense	3.41	3.48	3.41	3.48
	(g) Consumption of Stores & Spares	9.32	7.69	9.32	7.69
	(h) Power cost	16.12	15.93	16.12	15.93
	(i) Other Expenditure	6.16	5.31	6.16	5.31
	Total Expenses (a) to (i)	132.05	103.88	132.05	103.88
V	Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	(13.45)	(10.79)	(13.45)	(10.79)
VI	Deferred Tax	(23.72)	3.94	(23.72)	3.94
VII	Net Profit / (Loss) for the period from continuing operations (V - VI)	(37.17)	(6.85)	(37.17)	(6.85)
VIII	Profit / (Loss) From discontinuing operations	0.00	0.00	0.00	0.00
IX	Tax Expense of discontinuing operations	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
XI	Net (Loss) profit for the period (VII + X)	(37.17)	(6.85)	(37.17)	(6.85)
XIII	Share of Loss of Associate Concern	0.00	0.00	4.81	0.00
	Other Comprehensive income	0.02	0.07	0.02	0.07
XIV	Total Comprehensive income	(37.15)	(6.78)	(41.96)	(6.78)
	Earnings per equity share:				
	(1) Basic	(18.78)	(3.46)	(21.20)	(3.46)
	(2) Diluted	(18.78)	(3.46)	(21.20)	(3.46)

KSanuti

Notes:

- 1 The above Unaudited results were reviewed by the Audit Committee in its meeting held on 9th September, 2017 and approved by Board of Directors in the meeting held on 14th Sept, 2017
- 2 Results for the quarter ended June 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 June 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	12/31/2012	Asset Reconstruction Company (India) Limited.
IDBI Bank	3/28/2014	Asset Reconstruction Company (India) Limited.
Punjab National Bank	3/31/2016	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 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 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 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 The Holding Company's accumulated share of losses in the Associate 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 quarter ended June 30, 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 Ind AS 28 " Investments in Associates and Joint Ventures" .Therefore, in the current quarter ended June 30 , 2017, the holding company has recognized Rs.4.81 Crs share of Proportionate loss of the Associate company
- 7 Reconciliation of results (Standalone & Consolidated) between previously reported (referred to as "Previous GAAP" and IND AS for the quarters are presented as under :

Particulars	Quarter ended 30th June, 2016
Net Profit under Previous GAAP	(6.85)
Employee benefits - Actuarial Gain / (loss) recognized in OCI	0.07
Total comprehensive income under IND AS	(6.78)

- 8 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
- 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 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 quarter ended June 30, 2017 and hence, the Management has not given effect of the same in the 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 quarter ended June 30, 2017 and hence, the Management has not given effect of the same in the financial results .
- 13 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

For, Shah Alloys Limited

Place : Santej

Date : 14-09-2017

K S Kamath
K S Kamath (DIN: 00261544)
Joint Managing Director



talati & talati
Chartered Accountants

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 June 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.



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 June 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.

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



A handwritten signature in black ink, appearing to read 'Umesh Talati', written over a horizontal line.

Umesh Talati
(Partner)
Mem. No. 034834

Place: Ahmedabad
Date: 14th Sep 2017



talati & talati
Chartered Accountants

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 Holding Company) and its Associate (together, "the group") for the quarter ended June 30, 2017 being submitted by the holding 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 Holding 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 holding 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 Holding 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 holding 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 6 to the Consolidated Financial results regarding the recognition of the share of loss in its Associate by the Holding Company.

Other Matter

We report that the accompanying unaudited consolidated financial results for the corresponding period ended 30th June 2016 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 Consolidated 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 June 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 June 30, 2017. The Holding Company's record indicate that had management done the provision, the Foreign Exchange gains for the quarter ended 30th June 2017 would have been higher by Rs. 14,92,928/- . Accordingly, Loss for quarter ended 30th June 2017 have been over-stated by Rs. 14,92,928/- and negative balance of reserves and surplus and current liabilities –both have been understated by Rs. 23,59,83,414/- as at 30th June 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 June 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 June 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.

Place: Ahmedabad
Date: 14th Sep 2017



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

Umesh Talati
(Partner)
Mem. No. 034834