



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

November 16, 2018

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 30.09.2018**

With reference to above, this is to inform that the Board of Directors of the company in its meeting held today has considered the Unaudited Quarterly Results along with Limited Review Report for the quarter & half year ended on 30.09.2018. A copy of approved results along with Limited Review Report is enclosed for ready reference.

[The aforesaid Board Meeting commenced at 03:00 p.m. and concluded at 03:30 p.m.]

Kindly take the above on your record.

Thanking you,

Yours faithfully,

for Shah Alloys Ltd


K. S. Kamath
Jt. Managing Director
Encl: a/a

CIN - L27100GJ1990PLC014698

SAL 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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER, 2018

Amount (Rs In Crores)

SR NO	Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
		(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Un audited)	(Audited)
I	Revenue from Operations	148.55	111.67	115.75	260.22	217.07	479.79
II	Other Operating Income	0.33	0.26	0.29	0.59	0.46	0.74
	Other Non Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
III	Total Revenue (I + II)	148.88	111.93	116.04	260.81	217.53	480.53
IV	Expenses						
	(a) Cost of materials consumed	105.35	85.96	74.81	191.31	140.04	312.23
	(b) Changes in inventories of finished goods, work-in-progress	(5.25)	(13.80)	(9.41)	(19.05)	2.91	33.49
	(c) Employee benefits expense	4.76	4.65	4.25	9.41	8.18	18.04
	(d) Finance costs	0.00	0.01	3.30	0.01	6.58	0.13
	(e) Depreciation and amortisation expense	3.25	3.25	3.41	6.50	6.82	13.64
	(f) Consumption of Stores & Spares	15.84	10.76	8.51	26.60	17.83	46.97
	(g) Power cost	20.97	16.78	17.25	37.75	33.37	64.16
	(h) Other Expenditure	3.26	3.05	14.05	6.31	20.21	5.62
	Total Expenses (a) to (h)	148.18	110.66	116.17	258.84	235.94	494.28
V	Profit / (Loss) Before exceptional and extraordinary items and tax (III - IV)	0.70	1.27	(0.13)	1.97	(18.41)	(13.75)
VI	Exceptional Item	0.00	0.00	0.00	0.00	0.00	134.40
VII	Profit / (Loss) after exceptional and before extraordinary items and tax (V+VI)	0.70	1.27	(0.13)	1.97	(18.41)	120.65
VIII	Deferred Tax	(19.40)	0.48	3.46	(18.92)	27.18	85.04
IX	Net Profit / (Loss) for the period from continuing operations (VII -VIII)	20.10	0.79	(3.59)	20.89	(45.59)	35.61
X	Profit / (Loss) From discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
XI	Tax Expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
XII	Profit / (Loss) From discontinuing operations (after tax) (X-XI)	0.00	0.00	0.00	0.00	0.00	0.00
XIII	Net (Loss) profit for the period (IX - X)	20.10	0.79	(3.59)	20.89	(45.59)	35.61
XIV	Items not reclassified to Profit and loss						
	Remesurement gain / loss on defined benefit plan	0.05	0.05	0.00	0.10	0.00	0.20
	Release of Deferred Tax	0.02	0.02	0.00	0.04	0.00	0.07
	Other comprehensive income Net of Tax	0.07	0.07	0.00	0.14	0.00	0.27
XV	Other Comprehensive income that will be reclassified in P & L	(3.48)	(0.76)	(4.97)	(4.24)	(0.14)	6.47
	Total comprehensive income Net of Tax	(3.41)	(0.69)	(4.97)	(4.10)	(0.14)	6.74
XVI	Total Income after Comprehensive income	16.69	0.10	(8.56)	16.79	(45.73)	42.35
	Earnings per equity share:						
XVII	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
XVIII	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(171.35)
XIX	Earnings per share (of Rs. 10/- each) (not annualised)						
	(1) Basic	10.15	0.40	(1.81)	10.55	(23.03)	17.99
	(2) Diluted	10.15	0.40	(1.81)	10.55	(23.03)	17.99

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Notes:

- 1 The above Un audited results were reviewed by the Audit Committee and approved by Board of Directors in the meeting held on 16th November, 2018. The Statutory Auditors have carried out a Limited Review of the Financial Results for the quarter ended September 30, 2018.
- 2 Results for the Quarter and Half Year ended September 30, 2018 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, 2018 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.
- 4 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.
- 5 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.
- 6 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 September 30, 2018 and hence, the Management has not given effect of the same in the financial results .
- 7 With reference to above, we submit that regarding segment reporting as per Indian Accounting Standard 108 applies to business segments or geographical segments. In case of our company, we are manufacturing Steel products only and further our manufacturing is limited to locally only, as such Indian Accounting Standard 108 is not applicable to us.
- 8 Previous period figures have been regrouped and / or rearranged wherever necessary to make their classification comparable with the current period.

Place : Santej
Date : 16-11-2018

for Shah Alloys Limited


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

9 The Statement of Assets & Liabilities as at 30th September 2018

Amount Rs. In Crores

S.No	Particulars	As at
		30.09.18 (Un Audited)
	ASSETS	
1)	Non-current assets	
a)	Property, Plant and Equipment	124.59
b)	Capital work-in-progress	9.01
c)	Financial Assets	
(i)	Investments	17.58
(ii)	Trade receivables	0.01
(iii)	Loans	0.00
d)	Deferred tax Assets (net)	230.73
e)	Other non-current assets	7.03
2)	Current assets	
a)	Inventories	116.43
b)	Financial Assets	
(i)	Trade receivables	17.28
(ii)	Cash and cash equivalents	0.34
c)	Other current assets	4.18
	TOTAL ASSETS	527.18
	EQUITY & LIABILITIES :	
	EQUITY:	
a)	Equity Share capital	19.80
b)	Other Equity	-154.70
	LIABILITIES :	
1)	Non-Current Liabilities	
(a)	Financial Liabilities	
(i)	Borrowings	229.61
(ii)	Trade payables	22.13
(b)	Provisions	1.21
(c)	Non-current liabilities	0.78
(d)	Other non-current liabilities	0.00
2)	Current liabilities	
(a)	Borrowings	0.00
(b)	Trade payables	81.99
(c)	Other financial liabilities	314.18
(d)	Other current liabilities	6.76
(e)	Provision for Employee Benefits	5.42
	TOTAL EQUITY AND LIABILITIES	527.18

for Shah Alloys Limited

K. S. Kamath

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

Place : Santej
Date : 16-11-2018

**CHARTERED ACCOUNTANTS****A. (DR). HITEN PARIKH**

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

A. SANJAY MAJMUDAR

Com., LL.B., FCA

Limited Review Report on the Unaudited Financial Results for the quarter ended and Half year ended on September 30, 2018 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have reviewed the accompanying statement of unaudited financial results ("the statement") of **SHAH ALLOYS LIMITED** "the company" for the Quarter ended and Half year ended on 30th September, 2018. being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015, read with SEBI circular No.CIR/CFD/FAC/62/2016 dated 05TH July, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement 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" 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 statements 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.



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, 2018, 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 30 2018. Had the company followed the Accounting Standard and made the provision for foreign exchange on the above FCCB for the quarter ending on 30.09.2018, then the profit of the company for the quarter ending on 30.09.2018 would have been lower by Rs. 5,84,08,022 and to that extent the liability would have been higher. However, the company has not provided for foreign exchange fluctuation on the above FCCB since September 2011 and accordingly the total net loss on foreign exchange works out to Rs. 5,84,08,022 which has not been provided by the company. Thus, balance of Reserve and surplus and the current liabilities have been understated by Rs. 35,12,82,810/- as on 30.09.2018.*
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 Quarter ended September 30, 2018.
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, 2018

4. *For the Quarter ending on 30th September,2018, the company has discontinued to make the provision of interest on loans from banks and financial institutions (excluding loans assigned to various ARCs). Had the company continued the said practice of making provision of interest on loans from banks and financial institutions for the quarter ended on 30th September 2018 the profit of the quarter would have been lower by Rs 329.09 lacs and current liabilities would have been higher to that extent.*

Qualified Conclusion

Based on our review conducted as above, *except as mentioned in qualified opinion* nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognized accounting practices and policies have 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 Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

EMPHASIS OF MATTER

- 1) **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, considering the profit earned by the company in the quarter ended on 30th September 2018 and considering the management view, the financial results of the Company have been prepared on a going concern basis.**
- 2) **Provision for tax liability u/s 115JB (2)(vii) of Income Tax Act, 1961 has been considered after taking into account the fact that the company was registered and declared "SICK" by the Hon'ble Board for Industrial and**



Financial Reconstruction (BIFR) and accordingly the same has been computed and reflected in the books of accounts.

Our report is not modified in respect of this matter of Emphasis

OTHER MATTERS

- I) Balance of Trade receivables, Loans & Advances & Trade payables are subject to confirmation from respective parties.
- II) The closing stock as at 30.09.2018 is as taken, valued and certified by the Management.

Our Conclusion is not modified in respect of other matters.

Date: 16-11-2018

Place: Ahmedabad



For Parikh & Majmudar
Chartered Accountants
FRNNO 107525W

C.A Dr Hiten Parikh
PARTNER
M.No 40230