

J. B. S. & Company

Phone : 22 82 6809

CHARTERED ACCOUNTANTS

60, BENTINCK STREET, 4TH FLOOR

KOLKATA - 700 069

Independent Auditor's Review Report on Unaudited Financial Results of Ankit Metal & Power Limited

To

The Board of Directors

M/S. Ankit Metal & Power Limited

Qualified Conclusion

1. We have reviewed the accompanying statement of Financial Results of Ankit Metal & Power Limited ("the Company") for the quarter ended **30th June, 2022**, ("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended.
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS) for Interim Financial Reporting ("IND AS- 34"), prescribed under section 133 of the Companies Act, 2013 as amended, ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulations. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the statement 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 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 provides less assurance than an audit, we have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, except for the possible effects of the matter described in the paragraph 5 below "Basis for Qualified Conclusion" and read with our comments in paragraph 6 & 7 below, nothing has come to our attention that causes us to believe that the statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Ind AS as prescribed under section



133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting practices and policies 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, as amended, including the manner in which it is to be disclosed or that it contains any material misstatement.

Basis for Qualified Conclusion

5. *We draw your attention to Note No.3 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to Rs. 3,659.96 Lakhs for the quarter ended 30th June, 2022 (Cumulative Non-Provisioning of Rs. 83,018.98 Lakhs till 30th June, 2022) and penal interest and charges thereof (amount remaining unascertained) which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.*

Had the aforesaid interest expense been recognized, the finance cost for the quarter ended 30th June, 2022 would have been Rs. 3,661.60 Lakhs instead of Rs. 1.64 Lakhs. The total expenses for the quarter ended 30th June, 2022 would have been Rs. 25,723.92 Lakhs instead of Rs. 22,063.96 Lakhs. The Net Loss after tax for the quarter ended 30th June, 2022 would have been Rs. 5,010.64 Lakhs instead of reported amount of Rs. 1,350.68 Lakhs. Total comprehensive Loss for the quarter ended 30th June, 2022 would have been Rs. 4,994.86 Lakhs instead of reported amount of Rs. 1,334.90 Lakhs.

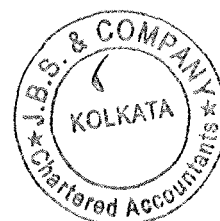
The above reported interest has been calculated by using Simple Interest rate.

6. Emphasis of Matters

i) Substantial amount of statutory dues amounting to Rs.1,516.79 Lakhs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

ii) As referred in Note No. 5 of the Financial Results, Certain balances of "Trade Receivables", "Trade Payables", "Borrowings", "Advances from Customers", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties", "Current Accounts and Cash Credit Accounts in Banks" etc includes balances remaining outstanding for a substantial period. The balances are subject to confirmation/reconciliation. The reported Financials might have consequential impact which remains unascertained.

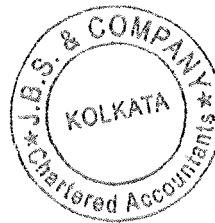
Our opinion is not modified in these matters.



7. Material Uncertainty Relating to Going Concern

We draw your attention to **Note No. 4** of the financial statements regarding preparation of the financial statements on going concern basis, for the reason mentioned therein. The company has accumulated losses during the quarter ended 30th June 2022. As on date the company's current liabilities are substantially higher than its current assets and net worth has also been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. The appropriateness of assumption of going concern is critically dependent upon the debt resolution of the company which is under process, the company's ability to raise requisite finance, generation of cash flows in future to meet its obligation and to earn profit in future.

Our opinion is not modified in these matters.



For J.B.S& Company
Chartered Accountants
Firm Reg. No: 323734E

A handwritten signature in cursive script, appearing to read "Paul".

CA. Gouranga Paul
Partner
Membership No: 063711

Date: 10th August, 2022

Place: Kolkata

UDIN: 22063711AOTDUY1020

ANKIT METAL & POWER LIMITED

Registered Office : 35, Chittaranjan Avenue, Kolkata - 700 012

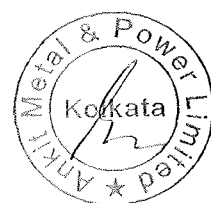
Phone: 033 4016 8000, E-mail Id: cs@ankitmetal.com

CIN: L27101WB2002PLC094979

Statement of Unaudited Financial Results for the Quarter ended 30th June 2022

(₹ In Lacs except EPS)

	Particulars	Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue				
	(a) Revenue from Operations	17,448.88	19,850.27	14,718.79	67,614.43
	(b) Other Operating Revenue	3,264.23	4,015.50	954.89	8,057.69
	Total Revenue from Operations (a+b)	20,713.11	23,865.77	15,673.68	75,672.12
	(c) Other Income	0.17	73.45	0.02	76.69
	Total Revenue (a + b + c)	20,713.28	23,939.22	15,673.70	75,748.81
2	Expenses				
	(a) Cost of Raw Materials consumed	12,063.02	12,541.42	8,175.91	45,987.52
	(b) Purchases of Stock-in-Trade	2,796.07	3,390.07	946.73	7,657.36
	(c) Changes in inventories of finished goods and work-in-progress	3,209.84	1,090.11	2,195.18	2,642.37
	(d) Employee Benefits Expense	325.56	300.86	302.36	1,170.44
	(e) Finance Cost	1.64	1.62	166.80	476.93
	(f) Depreciation and Amortisation expense	901.01	942.51	1,250.16	4,239.58
	(g) Power	1,091.71	2,269.90	3,647.86	9,321.17
	(h) Other Expenses	1,675.11	2,842.87	2,905.92	9,415.75
	Total Expenses	22,063.96	23,379.36	19,590.92	80,911.12
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	(1,350.68)	559.86	(3,917.22)	(5,162.31)
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	(1,350.68)	559.86	(3,917.22)	(5,162.31)
6	Tax Expenses	-	-	-	-
7	Profit for the period/year (5-6)	(1,350.68)	559.86	(3,917.22)	(5,162.31)
8	Other Comprehensive Income/(Loss) (net of tax)				
	(A) (i) Items that will not be reclassified to profit or loss	15.78	47.38	5.24	63.12
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss	-	-	-	-
	(B)(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income Tax relating to Items that will be reclassified to profit or loss	-	-	-	-
9	Total Comprehensive Income (7+8)	(1,334.90)	607.24	(3,911.98)	(5,099.19)
10	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	14,111.05	14,111.05	14,111.05	14,111.05
11	Earnings Per Share (Face value of ₹10 each):				
	(a) Basic (₹)	(0.96)	0.40	(2.78)	(3.66)
	(b) Diluted (₹)	(0.96)	0.40	(2.78)	(3.66)



ANKIT METAL & POWER LIMITED

Registered Office : 35, Chittaranjan Avenue, Kolkata - 700 012

Phone: 033 4016 8000, E-mail Id: cs@ankitmetal.com

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Statement of Unaudited Financial Results for the Quarter ended 30th June 2022

NOTES:-

1) The above results for the quarter ended 30 June, 2022 have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th August 2022.

2) The COVID-19 pandemic has adversely impacted the economy and business. Following relaxation in COVID pandemic related restrictions from time to time improved overall performance for the quarter ended on 30th June, 2022 and improvement in overall operating performance is likely to continue. Considering the current internal and external factors, the Company has made detailed assessment of its liquidity positions/ cash flows for the next one year and concluded that there are no material adjustments required in financial results.

3) Various credit facilities availed from SBI, Allahabad Bank, IOB, UBI and IDBI have been assigned by the respective banks to Asset Reconstruction Companies under various assignment agreements between the respective banks and Asset Reconstruction Companies. In absence of information about the terms of assignments, the company is carrying the various credit facilities as appearing in the books as per the previous terms with the respective banks.

In view of the above, pending finalization of the restructuring plan, the company has not provided accrued interest in its books during the quarter as the account was declared NPA by the banks. The amount of interest has been recognised in the books of accounts to the extent amount charged/realised by the banks as reflected in the Bank Statements. The amount of interest not so provided stands at ₹ 3,659.96 Lacs for the quarter ended 30th June, 2022 and penal interest and charges thereof (amount remaining unascertained). The unprovided liability in respect of interest on Long Term and Short Term Borrowings as on 30th June, 2022 amounted to ₹ 83,018.98 Lacs. The same have consequential impact on the reported figures.

4) The company has incurred loss of ₹ 1,334.90 Lacs for the quarter ended 30th June, 2022. The total accumulated loss as on 30th June, 2022 is ₹ 1,24,484.09 Lacs which is in excess of the entire net worth of the company. With the substantial improvement in raw material availability and improvement in market scenario with notification of Minimum Import Price on steel and expects that the overall financial health would improve considerably. Considering the above developments and favourable impact thereof on the Company's operations and financials, the company has prepared the financial results on the basis of "Going Concern" assumption.

5) In the opinion of the management, current and non current asset have a value of realization in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Certain balances of "Trade Receivables", "Trade Payables", "Borrowings", "Advances from Customers", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties", "Current Accounts and Cash Credit Accounts in Banks", etc includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliations. The Balance with revenue authorities are subject to final assessment order and/or submission of returns. The reported financials might have consequential impact once the confirmations are received and reconciliation if any is made.

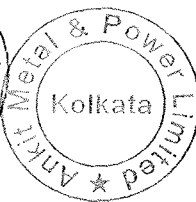
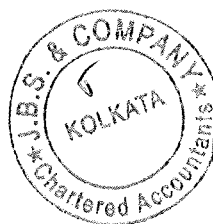
6) Other Operating Revenue includes Net of Liabilities no longer required amounting to ₹ 2,296.86 Lacs written back during the quarter ended 30th June 2022.

7) The Company operates in one reportable segment only viz. Iron & Steel. However, the Company also generates power which is entirely used for the captive consumption. Hence, Segment Reporting is not applicable.

8) The figures for the quarter ended 31st March, 2022 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2022 and the unaudited published figures upto third quarter ended 31st December, 2021.

9) The figures for the previous period/year have been regrouped and /or reclassified to conform to the classification of current period/year wherever necessary.

On behalf of the Board of Directors



Subham Bhagat

Subham Bhagat
Director

Place: Kolkata

Date: 10th August, 2022