

J. B. S. & Company

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CHARTERED ACCOUNTANTS

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KOLKATA - 700 069

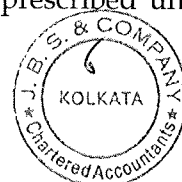
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Independent Auditor's Limited Review Report on Unaudited Financial Results of Ankit Metal & Power Limited

To
The Board of Directors
M/s. Ankit Metal & Power Limited

Qualified Opinion

1. We have reviewed the accompanying statement of unaudited Financial Results of **ANKIT METAL & POWER LIMITED** ("the Company") for the quarter ended 30th June 2023, ("the statement"), together with notes thereon attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulation") as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 these Financial Statements 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 accompanying 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 revocation of the Restructuring Package in respect of credit facilities availed from Andhra Bank assigned to Alchemist Asset Reconstruction Company. As per the agreement, the restructuring package stands revoked without any notice if payment is not made till 12th December, 2022. The company has defaulted in making repayment of loan as per the Restructuring Package and the company has not recognized liability amounting to **Rs. 991.85 Lacs** in respect of principal amount of loan and **Rs. 1,433.81 Lacs** in respect of Interest accrued till 30th June, 2023 in respect of failure of Restructuring Package.

Further as mentioned in **Note.3** of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to **Rs. 3,531.72 Lacs** for the quarter ended 30th June, 2023 (Cumulative Non-Provisioning of **Rs. 99,445.61 Lacs** till 30.06.2023) 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 and liability in respect of principal amount of loan been recognized, the finance cost for the quarter ended 30th June, 2023 would have been **Rs. 3,533.36 Lacs** instead of **Rs. 1.64 Lacs**. The total expenses for the quarter ended 30th June, 2023 would have been **Rs. 29,141.55 Lacs** instead of **Rs. 25,609.83 Lacs**. The Net Loss after tax for the quarter ended 30th June, 2023 would have been **Rs. 8,849.00 Lacs** instead of reported amount of **Rs. 5,317.28 Lacs**. Total comprehensive Loss for the quarter ended 30th June, 2023 would have been **Rs. 8,816.87 Lacs** instead of reported amount of **Rs. 5,285.15 Lacs**.

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

6. Emphasis of Matters

- i) 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.



ii) There is delay in deposit of undisputed statutory dues to appropriate authority and an amount of Rs. 616.17 lacs is unpaid for a period of more than six months. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

iii) With reference to Note 3 to the financial result, UCO Bank and Asset Care and Reconstruction Enterprise Limited, financial creditors have filed an application under section 7 of the Insolvency and Bankruptcy Code (IBC) before National Company Law Tribunal (NCLT) Kolkata Bench for initiating Corporate Insolvency Resolution Process (CIRP) against the company (Ankit Metal & Power Limited) and currently the matter is sub-judice and not yet admitted.

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 and has also incurred losses during the quarter ended 30.06.2023 and net worth of the company 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

CA. Gouranga Paul
Partner
Membership No: 063711

Date: 14th August, 2023
Place: Kolkata
UDIN: 23063711BGWNMZ6322

ANKIT METAL & POWER LIMITED

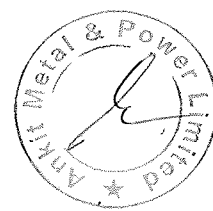
Registered Office: 35, Chittaranjan Avenue, Kolkata - 700 012
Corporate Office: 132A, S. P. Mukherjee Road Kolkata Kolkata-700026
Phone: 033 4016 8000, E-mail Id: cs@ankitmetal.com

CIN: L27101WB2002PLC094979

Statement of Unaudited Financial Results for the Quarter ended 30th June 2023

(₹ In Lacs except EPS)

1. No.	Particulars	Quarter ended			Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue				
	(a) Revenue from Operations	19,407.32	23,935.02	17,448.88	75,750.32
	(b) Other Operating Revenue	884.06	2,297.28	3,264.23	9,648.85
	Total Revenue from Operations (a+b)	20,291.38	26,232.30	20,713.11	85,399.17
	(c) Other Income	1.17	3.46	0.17	8.68
	Total Income (a + b + c)	20,292.55	26,235.76	20,713.28	85,407.85
2	Expenses				
	(a) Cost of Raw Materials consumed	14,869.19	18,679.13	12,063.02	53,001.03
	(b) Purchases of Stock-in-Trade	1,754.69	3,575.52	2,796.07	11,306.71
	(c) Changes in inventories of finished goods and work-in-progress	1,353.13	(2,710.99)	3,209.84	7,102.55
	(d) Employee Benefits Expense	359.14	318.18	325.56	1,258.67
	(e) Finance Cost	1.64	1.62	1.64	7.55
	(f) Depreciation and Amortisation expense	838.91	819.66	901.01	3,528.39
	(g) Power	3,734.92	4,493.75	1,091.71	8,478.33
	(h) Other Expenses	2,698.21	4,115.22	1,675.11	10,599.35
	Total Expenses	25,609.83	29,292.09	22,063.96	95,282.58
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	(5,317.28)	(3,056.33)	(1,350.68)	(9,874.73)
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	(5,317.28)	(3,056.33)	(1,350.68)	(9,874.73)
6	Tax Expenses	-	-	-	-
7	Profit for the period/year (5-6)	(5,317.28)	(3,056.33)	(1,350.68)	(9,874.73)
8	Other Comprehensive Income/(Loss) (net of tax)				
	(A) (i) Items that will not be reclassified to profit or loss	32.13	112.75	15.78	128.4855
	(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/(Loss) (7+8)	(5,285.15)	(2,943.58)	(1,334.90)	(9,746.24)
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 (₹)	(3.77)	(2.17)	(0.96)	(7.00)
	(b) Diluted (₹)	(3.77)	(2.17)	(0.96)	(7.00)



ANKIT METAL & POWER LIMITED

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NOTES:-

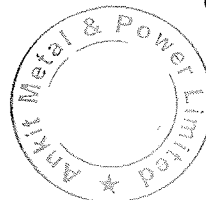
- 1) The above results for the quarter ended 30 June, 2023 have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on **14th August 2023**.
- 2) The Company has planned to increase its Pellet production capacity from the existing capacity of 6,00,000 MT p.a to 12,00,000 MT p.a at an overall CAPEX outlay of ₹12,500 Lacs approx. These investments, efficiently executed, would have given the company higher productivity, superior cost profile- to serve a growing domestic and global market. However the project has been temporarily suspended due to implementation of export tax on pellets. The project shall be recommenced after reviewing the markets conditions in future. The cost incurred till date in respect of the aforesaid project made till quarter ended 30th June, 2023 amounting to ₹ 4,719.95 Lacs (shown under the head "Capital Work-in-Progress").
- 3) Various credit facilities availed from SBI, Allahabad Bank, IOB, UBI and IDBI have been assigned by the respective banks to Asset Reconstruction Companies (Asset Care & Reconstruction Enterprise Limited) 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 respect of credit facility availed from Andhra Bank assigned to Alchemist Asset Reconstruction Company Ltd (AARC), the company has defaulted in making repayment of loan as per the Restructuring Package. The company has written back ₹1,572.99 Lacs in earlier years on account of Restructuring Package. As per the terms of the agreement, the restructuring package stands revoked without any notice if payment is not made till 12th December, 2022. However, the company is in active discussion with the respective party regarding revival of the Restructuring Package. Accordingly, the company has not recognised liability in respect of principal amounting to ₹ 991.85 Lacs and in respect of Interest accrued till 30th June, 2023 amounting to ₹ 1433.81 Lacs including ₹43.86 lacs for the quarter ended 30th June, 2023.

During the year UCO bank and Asset Care & Reconstruction Enterprise Limited has filed application to National Company Law Tribunal (NCLT), Kolkata Bench under Section 7 of IBC Act, 2016 and currently the matter is sub-judice and not yet admitted. The company is in active negotiations with them to withdraw the applications and arrive at a mutual settlement.

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 ₹ 3,531.72 Lacs for the quarter ended 30th June, 2023 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, 2023, amounted to ₹ 99,445.61 Lacs. The same have consequential impact on the reported figures.
- 4) The company has incurred loss of ₹ 5,285.15 Lacs for the quarter ended 30th June, 2023. The total accumulated loss as on 30th June, 2023 is ₹ 1,38,148.99 Lacs which is in excess of the entire net worth of the company. With the substantial improvement in raw material availability it is expected 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 ₹ 698.59 Lacs written back during the quarter ended 30th June 2023.
- 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 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: 14th August, 2023