

R. Kothari & Company

CHARTERED ACCOUNTANTS

MUMBAI, KOLKATA, NEW DELHI

INDEPENDENT AUDITORS' REVIEW REPORT

To

The Board of Directors

M/S. Ankit Metal & Power Limited

1. We have audited the accompanying financial Results ("Results") of M/S. Ankit Metal & Power Limited ("the Company") for the year ended 31st March, 2016 initialled by us for identification purposes only, being submitted by the company pursuant to requirements of regulation 33 of SEBI(Listing Obligations & Disclosure Requirements) Regulation, 2015. The results included in the statements, which are the responsibility of Company's management and approval by the board of directors have been prepared on the basis of the related financial statements which is in accordance with the accounting prescribed under section 133 of the Companies Act, 2013 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Results included in the Statements.
2. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Results included in the Statement are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Results in statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the results included in the statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the results included in the statements.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



3. Emphasis of Matter

- 3.1 We draw your attention to Note No. 3 of the Results which indicate that as at 31st March, 2016, the accumulated losses amounting to **Rs. 45,639.72 lacs** has eroded the entire net worth of the company, indicating the existence of a material uncertainty about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis for the reasons stated in the said note.
- 3.2 During the year ended review, the company has realized debit notes of **Rs. 1,432 Lacs** on various suppliers which are yet to be acknowledged by the respective suppliers. Pending such acknowledgement, the company has recognized the same in the books. If these debit notes are not acknowledged, it would have resulted in increase of purchases, creditor's balances, material consumption and loss for the year by the said amount.
- 3.3 In general, it was noticed that applicable statutory dues were not deposited within due dates to the respective authorities. Substantial amount of statutory dues amounting to **Rs. 1,736.37 Lacs** has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remains unascertained and unaccounted for.
- 3.4 As referred in **Note No. 7**, the balance of sundry debtors, advances, creditors etc. includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliation. The reported financials might have consequential impact which remains unascertained.

Our report is not qualified in this matter.

4. In our opinion and to the best of our information and according to the explanations given to us Results included in the statement:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and
 - (ii) give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March, 2016.



5. The Statements includes the results for the Quarter ended 31st March, 2016, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

R.Kothari & Company
Chartered Accountants
Firm Reg. No.:-307069E



Manoj Kumar Sethia

Date: 30.05.2016

Place: Kolkata

C.A. Manoj Kumar Sethia

Partner
Membership No.:- 064308

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2016

(Rs in Lacs)

RESULTS						
SL	PARTICULARS	AUDITED	UNAUDITED	AUDITED	AUDITED	
		QUARTER ENDED			YEAR ENDED	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
1	Income from operations					
	a) Net sales/income from operations (Net of excise duty)	22,102.14	19,020.77	28,069.98	96,004.76	114,450.29
	b) Other operating income	59.97	51.26	51.13	203.81	318.92
	Total income from operations (net)	22,162.11	19,072.03	28,121.11	96,208.57	114,769.21
2	Expenses					
	a) Cost of materials consumed	5,445.01	13,873.90	16,593.08	52,197.11	74,505.37
	b) Purchases of stock-in-trade	21,236.69	6,837.16	10,101.97	49,798.31	41,804.03
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,872.21	(1,441.29)	(927.09)	1,082.21	(13,129.88)
	d) Employees benefits expense	192.37	420.29	448.70	1,471.88	1,693.73
	e) Depreciation and amortisation expense	911.14	1,738.83	1,769.24	6,111.81	7,366.14
	f) Power expense	341.16	1,371.99	1,073.19	4,200.41	5,442.04
	g) Other expenses	265.26	1,214.58	1,216.03	3,718.30	6,132.36
	Total expenses	34,263.84	24,015.46	30,275.12	118,580.03	123,813.79
3	Profit/(Loss) from operations before other income, finance costs & exceptional items (1-2)	(12,101.73)	(4,943.43)	(2,154.01)	(22,371.46)	(9,044.58)
4	Other income	24.22	35.94	747.87	137.36	1,026.09
5	Profit/(Loss) from ordinary activities before finance costs & exceptional items (3+4)	(12,077.51)	(4,907.49)	(1,406.14)	(22,234.10)	(8,018.49)
6	Finance costs	3,735.40	3,373.82	2,271.38	13,486.25	11,309.92
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(15,812.91)	(8,281.31)	(3,677.52)	(35,720.35)	(19,328.41)
8	Exceptional items	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	(15,812.91)	(8,281.31)	(3,677.52)	(35,720.35)	(19,328.41)
10	Tax expense	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(15,812.91)	(8,281.31)	(3,677.52)	(35,720.35)	(19,328.41)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(15,812.91)	(8,281.31)	(3,677.52)	(35,720.35)	(19,328.41)
14	Paid-up equity share capital (Face Value of Rs 10/-per share)]	14,111.05	14,111.05	12,207.55	12,207.55	12,207.55
15	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	(15,119.64)	18,697.23
16.i	Earnings per share (before extraordinary items)					
	(of Rs10/-each) (not annualised)					
	(a) Basic	(11.21)	(6.78)	(3.01)	(29.26)	(15.83)
	(b) Diluted	(11.21)	(6.78)	(3.01)	(29.26)	(15.83)
16.ii	Earnings per share (after extraordinary items)					
	(of Rs10/-each) (not annualised)					
	(a) Basic	(11.21)	(6.78)	(3.01)	(29.26)	(15.83)
	(b) Diluted	(11.21)	(6.78)	(3.01)	(29.26)	(15.83)



Statement of Assets and Liabilities			
Particulars		As at	As at
		31/03/2016	31/03/2015
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholder's Funds		
	(a) Share Capital	14,111.05	12,207.55
	(b) Reserves And Surplus	(15,119.64)	18,697.23
	(c) Money Received Against Share Warrants	-	-
	Sub-Total - Shareholders' Funds	(1,008.59)	30,904.78
2	Minority Interest	-	-
3	Non-Current Liabilities		
	(a) Long-Term Borrowings	73,116.12	77,825.14
	(b) Deferred Tax Liabilities (Net)	-	-
	(c) Other Long-Term Liabilities	-	-
	(d) Long-Term Provisions	-	20.31
	Sub-Total - Non-Current Liabilities	73,116.12	77,845.45
4	Current Liabilities		
	(a) Short-Term Borrowings	46,386.66	42,283.66
	(b) Trade Payables	54,013.28	38,079.34
	(c) Other Current Liabilities	14,708.61	4,401.71
	(d) Short-Term Provisions	2,690.71	2,218.24
	Sub-total - Current liabilities	117,799.26	86,982.95
	TOTAL - EQUITY AND LIABILITIES	189,906.80	195,733.18
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	71,595.75	77,704.08
	(b) Non-current investments	11.82	16.02
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	-	-
	(e) Other non-current assets	1.08	1.08
	Sub-total - Non-current assets	71,608.65	77,721.18
2	Current assets		
	(a) Current investments	-	-
	(b) Inventories	72,596.30	65,343.08
	(c) Trade receivables	30,653.11	33,103.46
	(d) Cash and cash equivalents	1,278.76	2,421.65
	(e) Short-term loans and advances	8,399.65	11,720.72
	(f) Other current assets	5,370.34	5,423.10
	Sub-total - Current assets	118,298.15	118,012.00
	TOTAL - ASSETS	189,906.80	195,733.18

Notes:

- The above results for the quarter and year ended 31st March, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th May, 2016.
- After the meeting of Joint Lender Forum (JLF) of Consortium Banker held on December 16, 2015, the JLF have invoked Strategic Debt Restructuring (SDR) in the company which is subject to approval from respective bankers. As per the minutes of JLF held on 28th April, 2016 the approvals have been received from all the Banker except four.
- The operations of the company are severely impacted by weak steel industry scenario and lack of demand for company's finished product. Lower utilisation of capacity and drop in finish goods price realisation has impacted the topline as well as bottom line of the company. The company has incurred loss of Rs 35,720.35 Lacs for year ended 31.03.2016. The accumulated loss as on 31st March, 2016 is Rs 4,5639.71 Lacs which is in excess of the entire net worth of the company. The lenders of the company has approved CDR package and in the process of approving Strategic Debt Restructuring (SDR) as a part of its financial revival process. The company has continuous support from the promoters and has put in place measures for revival and cost reduction. Considering the above initiative of the company and given the emerging scenario of steel industry in India, the management is of view of foreseeable future about the operations of the company and accordingly the financial statements have been prepared under Going Concern basis.
- Pursuant to CDR package, the Company has allotted 1,90,35,000 equity shares on (30th September, 2015) of Rs.10 each at a price of Rs.20 per share (including a premium of Rs.10 per share) on preferential basis to promoter group company as per SEBI (Issue of Capital and Disclosure Requirements) Regulations.



- 5 The company's Factory at Jorehira, Chhatna, Bankura (West Bengal) is temporarily suspended since 17th February, 2016 on account of depressed domestic and global market conditions in steel industry, exhaustion of water supply sources, labour unrest, excess manpower cost etc.
- 6 The current and non-current assets, in the opinion of the management, have a value on realization in the ordinary course of business is at least equal to the amount at which they are stated in the accounts.
- 7 The balance of Sundry Debtors, Advances, Creditors etc. includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliation. The reported financials might have consequential impact once the confirmations are received and reconciled if any is made. Pending such confirmations and reconciliations, the management is of the opinion, that the same are realisable and no provision for the same is required. Accordingly, the same have been carried as appeared in the books of the company
- 8 During the year under review, the company has raised debit notes of Rs. 1432 Lacs on various suppliers which are yet to be acknowledged by the respective suppliers. Pending such acknowledgement, the company has recognized the same in the books of the company
- 9 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.
- 10 The figures of the period/ previous year have been regrouped/ reclassified, wherever necessary to confirm to the classification for the quarter and year ended 31st March, 2016.
- 11 The figures for the quarter ended March 31, 2016 and for the corresponding quarter ended March 31, 2015 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the 3rd quarter of the respective financial year.



For Ankit Metal & Power Limited

Suresh Kumar Patni
Chairman