

R. Kothari & Company

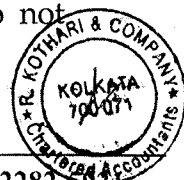
CHARTERED ACCOUNTANTS

MUMBAI, KOLKATA, NEW DELHI

REVIEW REPORT

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

- 1) We have reviewed the unaudited financial results of Ankit Metal & Power Limited (the "Company") for the quarter ended September 30, 2016 which are included in accompanying "Statement of Unaudited Financial Results for Quarter and Six Months Ended 30th September 2016" and the statement of assets and liabilities on that date together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
- 2) 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. The Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material misstatement.
- 3) A review is limited primarily to inquiries of the 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.



- 4) We draw your attention to Note No.7 of the unaudited financial results regarding non provision of interest expense amounting to Rs.3045.98 Lacs on the borrowings of the company for the quarter ended September 30, 2016 which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. The Company has also reversed the interest provided in the earlier periods from the date the accounts been categorized as Non Performing Asset by the respective lenders amounting to Rs 4769.49 Lacs. This has resulted in reduction of net loss for the quarter ended 30th September, 2016 by Rs 7815.47 Lacs and has consequential impact on the earlier periods. Had the aforesaid interest expense been recognized the total comprehensive loss for the quarter ended 30th September, 2016 would have been Rs 13,653.59 Lacs instead of Rs 5838.12 Lacs and for half year ended 30th September, 2016 would have been Rs 20,812.22 Lacs instead of Rs 12,996.75 Lacs.
- 5) Based on our review conducted as above, except for the matter referred in Paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited financial results prepared in accordance with the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 6) We draw your attention to the following matters:
- a. Note 2 of the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
 - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended September, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended September 30, 2016. As set out in Note 2 to the Statement, these figures have been furnished by the Management.



- 7) (a) We draw your attention to Note No. 10 of the financial results which indicate that as at 30th September, 2016, the accumulated losses amounting to Rs.58636.43 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.
- (b) Substantial amount of statutory dues amounting to **Rs. 1721.43 Lacs** has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.
- (c) As referred in Note No.11 , 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 conclusion is not qualified in respect of these matters.



Date: 14.12.2016

Place: Kolkata

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

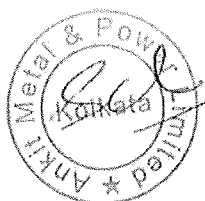
C.A. Manoj Kumar Sethia

Partner
Membership No.:- 064308

Statement of Unaudited Financial Results for the quarter and six months ended 30th September 2016

(₹ in Lacs)

	Particulars	Quarter Ended			Six months ended	
		Three months ended 30.09.2016	Three months ended 30.06.2016	Three months ended 30.09.2015	Six months ended 30.09.2016	Six months ended 30.09.2015
		(Unaudited) #	(Unaudited) #	(Not subject to review/ audit) #	(Unaudited) #	(Not subject to review/ audit) #
1	Income from Operations					
	(a) Revenue from Operations (Net of Excise Duty)	-	-	29,084.61	-	54,881.85
	(b) Other Operating Income	75.04	204.47	57.66	279.51	92.58
	Total Income from Operations (a+b)	75.04	204.47	29,142.27	279.51	54,974.43
2	Expenses					
	(a) Cost of Materials consumed	6,763.90	-	18,892.58	6,763.90	32,878.20
	(b) Purchase of Stock-in-Trade	-	-	12,575.01	-	21,724.46
	(c) Changes in inventories of finished goods and work-in-progress	1,806.40	2,394.80	(2,737.66)	4,201.21	(3,348.71)
	(c) Employee benefits expense	6.22	3.92	417.50	10.14	859.22
	(d) Depreciation and amortisation expense	1,009.20	1,021.66	1,740.07	2,030.86	3,461.84
	(e) Power	2.83	3.81	1,236.17	6.64	2,487.26
	(f) Other expenses	(33.58)	200.91	1,042.77	(234.49)	2,238.46
	Total Expenses	9,554.97	3,625.10	33,166.44	12,778.26	60,300.73
3	Profit from operations before other income, finance costs and exceptional items (1-2)	(9,479.93)	(3,420.62)	(4,024.17)	(12,498.75)	(5,326.30)
4	Other Income	13.93	15.48	36.79	29.41	77.20
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)	(9,466.00)	(3,405.14)	(3,987.38)	(12,469.34)	(5,249.10)
6	Finance Costs	(3,632.88)	4,150.28	3,208.77	517.41	6,377.03
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(5,833.12)	(7,555.43)	(7,196.15)	(12,986.75)	(11,626.13)
8	Exceptional Items	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7+8)	(5,833.12)	(7,555.43)	(7,196.15)	(12,986.75)	(11,626.13)
10	Tax expense	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(5,833.12)	(7,555.43)	(7,196.15)	(12,986.75)	(11,626.13)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(5,833.12)	(7,555.43)	(7,196.15)	(12,986.75)	(11,626.13)
14	Other Comprehensive Income/ (Loss) (net of tax)	(5.00)	(5.00)	(5.04)	(10.00)	(10.08)
15	Total Comprehensive Income/ (Loss) for the period (13+14)	(5,838.12)	(7,560.43)	(7,201.19)	(12,996.75)	(11,636.21)
16	Paid-up equity share capital (Face Value Re. 10 each)	14,111.05	14,111.05	14,111.05	14,111.05	14,111.05
17	Earnings Per Share (after extraordinary items) (of ₹ 10 each) (not annualised):					
	a) Basic (₹)	(4.14)	(5.36)	(5.10)	(9.21)	(8.25)
	b) Diluted (₹)	(4.14)	(5.36)	(5.10)	(9.21)	(8.25)
	See accompanying notes to the Unaudited Financial Results					
	#Refer Note No 2					



NOTES:-

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 14th December, 2016
- 2) The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016. The figures for the quarter ended 30th September 2015 are also Ind AS compliant. They have not been subject to limited review or audit. However, the management has exercised necessary diligence to ensure that the financial results provide a true and fair view of the Company's affairs. The Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2016, the Company for the first time Adopted Ind AS with a transition date of 1st April 2015.
- 3) The format for Un-audited Quarterly and Half Yearly Results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division-II) to the Companies Act, 2013 applicable to Companies that are required to comply with Ind AS.
- 4) This statement does not include Results for the previous year ended 31st March 2016 and Statement of Assets & Liabilities as on that date as the same is not mandatory as per SEBI's circular dated 5th July 2016.
- 5) Cost of Material Consumed amounting to ₹6763.90 Lacs for the quarter ended 30th September 2016 and half year ended 30th September 2016 is on account of write down in value of Raw Material to its Net Realisable Value.
- 6) The company has made a reference to the Board for Financial and Industrial Reconstruction (BIFR) as per provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 has been made on November 24, 2016 in terms of Resolution passed by Circulation on November 23, 2016. The Company's net worth has been fully eroded as at the end of the financial year 2015-16 and hence the reference under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 has been made.
- 7) The lenders have stopped charging interest on debts, since the dues from the company have been categorised as Non Performing Asset. The company is in active discussion/negotiation with it lenders to restructure its debt at a sustainable level. In view of the above, pending finalization of the restructuring plan, the company has not provided accrued interest in its books during the quarter and reversed interest provided in earlier quarters pertaining to the period the account was declared NPA by the respective lenders. The amount of interest not so provided stands at ₹ 3045.98 Lacs for the quarter ended 30th September 2016 & reversed ₹ 4769.49 lacs for earlier periods. The same have consequential impact on the reported figures of this quarter as well as earlier periods.
- 8) The company's Factory at Jorehira, Chattna, Bankura (West Bengal) is temporarily suspended since 17th February, 2016 on account of depressed domestic and global market condition in steel industry, exhaustion of water supply sources, labour unrest, excess manpower cost etc.
- 9) Other Expenses includes differential Excise Duty on Opening & Closing Stock of Finished Goods amounting to ₹ 522.66 Lacs For the Quarter Ended 30th September 2016.
- 10) The company has incurred loss of ₹ 5838.12 Lacs for the quarter ended 30th September, 2016 and accumulated loss as on 30th September, 2016 is ₹ 58636.43 Lacs which is in excess of the entire net worth of the company. The lenders of the Company are in the process of approving Strategic Debt Restructuring (SDR) as a part of financial revival process. The steel industry scenario has since improved, the management, as understood, is taking initiative to resume operations in the very near future. Considering the above initiative of the Company, the management is of the view of foreseeable future about the operations of the Company and accordingly the financial statements have been prepared under Going Concern basis.
- 11) In the opinion of the management, current and non current asset have a value of realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmations and reconciliation.
- 12) 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.
- 13) Reconciliation of Net profit as previously reported on account of transition from the previous Indian GAAP to Ind-AS is given below:

		(₹ in Lacs)	
	Particulars	Quarter Ended 30.09.2015 (₹ In Lakhs) (Not subject to review/ audit)	Six Months Ended 30.09.2015 (₹ In Lakhs) (Not subject to review/ audit)
	Net Profit/ (Loss) for the period under Previous Indian GAAP	(7,196.15)	(11,626.13)
(a)	Adjustments on account of:		
	Actuarial gain/ (loss) reclassified through Other Comprehensive	(5.04)	(10.08)
	Net Profit/ (Loss) for the period under Ind AS	(7,201.19)	(11,636.21)

- 14) The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30 September 2016.
- 15) This Financial Statement has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation Requirements) Regulation 2015.

On behalf of the Board of Directors

Suresh Kumar Patni
Chairman

Place: Kolkata
Date: 14th December, 2016



ANKIT METAL & POWER LIMITED

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

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

CIN: L27104WB2000PLC091629

Statement of Assets and Liabilities

(₹ In Laacs)

Particulars	As at 30th September 2016
	Unaudited
ASSETS	
Non-current Assets	
Property, Plant & Equipment	69,444.43
Capital Work in Progress	140.96
Intangible Assets	2.50
Financial Assets	
(i) Investments	11.94
(ii) Loans	-
(iii) Other Financial Assets	228.67
Other Non Current Assets	1.08
Total Non-current Assets	69,829.58
Current Assets	
Inventory	61,631.18
Financial Assets	
(i) Investments	
(ii) Trade Receivables	30,177.93
(iii) Cash & Cash Equivalents	884.48
(iv) Loans	-
(v) Other Financial Assets	0.30
Other current assets	13,152.89
Income Tax Assets (Net)	268.50
Total Current Assets	1,06,115.28
Total Assets	1,75,944.86
EQUITY AND LIABILITIES	
Equity	
Equity Share Capital	14,111.05
Other Equity	(28,116.36)
Total Equity	(14,005.31)
Liabilities	
Non-current Liabilities	
Financial Liabilities	
(i) Borrowings	69,368.97
Provisions	-
Total Non-current Liabilities	69,368.97
Current Liabilities	
Financial Liabilities	
(i) Borrowings	45,900.21
(ii) Trade Payables	53,544.06
(iii) Other Financial Liabilities	15,238.94
Other current Liabilities	3,776.50
Provisions	2,121.49
Total Current Liabilities	1,20,581.20
Total Liabilities	1,89,950.17
Total Equity and Liabilities	1,75,944.86

