

J. B. S. & Company

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on Unaudited Financial Results of Ankit Metal & Power Limited pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

M/s. Ankit Metal & Power Limited

1. We have reviewed the accompanying statement of Unaudited Financial Results of Ankit Metal & Power Limited ("the Company") for the quarter ended 30th June, 2019, ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended.
2. This statement 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, Interim Financial Reporting (Ind AS 34) as prescribed under section 133 of the Companies Act, 2013 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.
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.



Basis for qualified conclusion

4. 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 ₹3,380.84 lacs for the quarter ended 30th June, 2019 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. During the period the company has also reversed interest amounting to ₹574.82 Lacs relating to earlier period.

Had the aforesaid interest expense been recognized, the finance cost for the quarter ended 30th June, 2019 would have been ₹3,641.81 Lacs instead of ₹(313.86) lacs. The total expenses for the quarter ended 30th June, 2019 would have been ₹21,495.87 lacs instead of ₹17,540.21 Lacs. The Net Loss after tax for the quarter ended 30th June, 2019 would have been ₹6,892.53 Lacs instead of reported amount of ₹2,936.87 lacs. Total comprehensive Loss for the quarter ended 30th June, 2019 would have been ₹6896.04 Lacs instead of reported amount of ₹2,940.37 Lacs. Other equity as on 30th June, 2019 would have been ₹(1,16,296.74) Lacs instead of reported amount of ₹(72,403.18) Lacs and Other Current Financial Liability as on 30th June, 2019 would have been ₹89407.61 Lacs instead of reported amount of ₹45,514.05 Lacs.

5. Emphasis of Matters

Substantial amount of statutory dues amounting to ₹1,583.05 Lacs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

Our opinion is not modified in these matters.

6. 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 30.06.2019. 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.



7. Based on our review conducted as above, except for the possible effects of the matter described in the paragraph 4 above "Basis for qualified conclusion" and read with our comments in paragraph 5 & 6 above, 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 Indian Accounting Standards 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

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



Paul
CA. Gouranga Paul
Partner

Membership No: 063711

Date: 14th August, 2019

Place: Kolkata

UDIN: 19063711AAAACH7348

ANKIT METAL & POWER LIMITED

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

Corporate Office: SKP house, 132A, S.P. Mukherjee Road, Kolkata - 700 026

Phone: 033 4016 8000, Fax: 033 4016 8189/8107, E-mail Id: cs@ankitmetal.com

CIN: L27101WB2002PLC094979

Statement of Unaudited Financial Results for the quarter ended 30th June, 2019

(₹ In Lacs except EPS)

Sl. No.	Particulars	Quarter ended			Year ended
		30th June, 2019	31st March, 2019	30th June, 2018	31st March, 2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue				
	(a) Revenue from Operations	14,596.88	13,798.43	4,895.41	39,308.78
	(b) Other Operating Revenue	5.00	1,580.53	2.00	1,604.63
	Total Revenue from Operations (a+b)	14,601.88	15,378.96	4,897.41	40,913.41
	(c) Other Income	1.46	5.74	-	5.79
	Total Revenue(a+b+c)	14,603.34	15,384.70	4,897.41	40,919.20
2	Expenses				
	(a) Cost of raw materials consumed	13,224.18	21,788.88	6,681.12	45,490.09
	(b) Changes in inventories of finished goods and work-in-progress	835.02	(7,559.10)	(2,116.18)	(9,119.91)
	(c) Employee Benefits Expense	604.08	524.14	58.43	1,239.91
	(d) Finance Cost	(313.86)	(1,714.80)	843.25	265.60
	(e) Depreciation and amortisation expense	1,215.87	1,324.09	987.59	4,490.80
	(f) Power	131.82	146.07	204.37	728.42
	(g) Other expenses	1,843.10	1,813.46	1,301.55	7,050.79
	Total Expenses	17,540.21	16,322.74	7,960.13	50,145.70
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	(2,936.87)	(938.04)	(3,062.72)	(9,226.50)
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	(2,936.87)	(938.04)	(3,062.72)	(9,226.50)
6	Tax Expenses	-	-	-	-
7	Profit for the period/year (5-6)	(2,936.87)	(938.04)	(3,062.72)	(9,226.50)
8	Other Comprehensive Income/(Loss) (net of tax)				
	(A) (i) Items that will not be reclassified to profit or loss	(3.50)	(8.01)	0.34	(6.99)
	(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)	(2,940.37)	(946.05)	(3,062.38)	(9,233.49)
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 (₹)	(2.08)	(0.67)	(2.17)	(6.54)
	(b) Diluted (₹)	(2.08)	(0.67)	(2.17)	(6.54)



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NOTES:-

1) The above results for the quarter ended ended 30th June, 2019 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, 2019.

2) The Company has adopted Ind AS 116- "Leases" with effect from 1st April, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of this standard did not have any impact on the profit for this quarter.

3) The lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non Performing Asset. The Company is in active discussion/negotiation with its 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 as the account was declared NPA by the respective lenders. The Company has reversed interest amounting to ₹ 574.82 Lacs during the quarter ended 30th June, 2019 relating to interest provided for earlier periods. The amount of interest has been recognised in the books of accounts to the extent amount charged/realised by the banks only. The amount of interest not so provided stands at ₹ 3,380.84 Lacs for the quarter ended 30th June, 2019 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, 2019 amounted to ₹ 43,893.56 Lacs. The same have consequential impact on the reported figures.

4) The Company has incurred loss of ₹ 2,940.37 Lacs for the quarter ended 30th June, 2019. The accumulated loss as on 30th June, 2019 is ₹ 1,05,863.62 Lacs which is in excess of the entire net worth of the Company. With the substantial improvement in raw material availability, improvement in market scenario with notification of Minimum Import Price on steel, it is expected that the overall financial health would improve considerably. Considering the above developments and favorable 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 the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmations and reconciliation.

6) Various credit facilities availed from SBI, Allahabad Bank, IOB, UBI and IDBI have been assigned by the respective banks in favour of 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.

On the basis of settlement agreement with Alchemist Assets Reconstruction Company Limited in respect of credit facilities availed from Andhra Bank, other operating revenue of quarter ended March, 19 includes an amount of Rs. 1,572.99 lakhs being waiver of outstanding balances (CC, WCTI, FTTI) including interest thereof.

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, 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2019 and the unaudited published figures upto third quarter ended 31st December, 2018.

9) The Figures of the previous period has been regrouped/rearranged, whenever necessary.

Place: Kolkata

Date: 14th August, 2019



On behalf of the Board of Directors

Sch
Suresh Kumar Patni
Chairman