

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 and half year ended 30th September, 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMDI/80/2019 dated 19 July 2019 ("the Circular"). Attention is drawn to the fact that the figures for cash flow for the half year ended on 30th September, 2018, as reported in these unaudited financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
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 ("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 applicable Ind AS as prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, read with the Circular, 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 ₹ 3,290.42 Lacs for the quarter ended 30th September, 2019 (Cumulative Non Provisioning of ₹ 47,183.98 lacs till 30.09.2019) 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.

Had the aforesaid interest expense been recognized, the finance cost for the quarter ended 30th September, 2019 would have been ₹ 3,557.63 Lacs instead of ₹ 267.21 Lacs. The total expenses for the quarter ended 30th September, 2019 would have been ₹ 18,471.38 Lacs instead of ₹ 15,180.96 Lacs. The Net Loss after tax for the quarter ended 30th September, 2019 would have been ₹ 4,596.30 Lacs instead of reported amount of ₹ 1,305.88 Lacs. Total comprehensive Loss for the quarter ended 30th September, 2019 would have been ₹ 4,595.17 Lacs instead of reported amount of ₹ 1,304.75 Lacs. Other equity as on 30th September, 2019 would have been (₹ 1,23,832.27) Lacs instead of reported amount of (₹ 76,648.29) Lacs and Other Current Financial Liability as on 30th September, 2019 would have been ₹ 98,194.41 Lacs instead of reported amount of ₹ 51,010.43 Lacs.

6. Emphasis of Matters

Substantial amount of statutory dues amounting to Rs. 1,556.01 Lacs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

Our conclusion 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 and half year ended 30.09.2019. As on date the company's current liabilities are substantially higher than its current

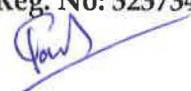


assets and net worth of the company has also been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. The appropriateness of assumption of going concern is critically dependent upon the 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 conclusion 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: 13th November, 2019
Place: Kolkata
UDIN: 19063711AAAAFD6925



ANKIT METAL & POWER LIMITED
Registered Office: 35, Chittranjan Avenue, Kolkata - 700012; Phone: 033 2211 0225
Corp. Office: SKP House, 132A, S.P. Mukherjee Road, Kolkata - 700 026; Phone: 033 4016 8000
Email Id: cs@ankitmetal.com; Website: www.ankitmetal.com
CIN: L27101WB2002PLC094979

Statement of Unaudited Financial Results for the quarter and half year ended 30th September, 2019

(₹ in Lacs except EPS)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)			(Unaudited)		(Audited)
1	Income from Operations						
	(a) Revenue from Operations	12,967.78	14,596.88	8,670.23	27,564.66	13,565.64	39,308.78
	(b) Other Operating Income	905.84	5.00	12.00	910.84	14.00	1,604.63
	Revenue from Operations (a+b)	13,873.62	14,601.88	8,682.23	28,475.50	13,579.64	40,913.41
	(c) Other Income	1.46	1.46	0.02	2.92	0.02	5.79
	Total Income from Operations (a+b+c)	13,875.08	14,603.34	8,682.24	28,478.42	13,579.66	40,919.20
2	Expenses						
	(a) Cost of Material consumed	9,036.51	13,224.18	7,520.85	22,260.69	14,201.97	45,490.09
	(b) Changes in Inventories of finished goods and work-in-progress	2,258.68	835.02	(211.11)	3,093.70	(2,327.29)	(9,119.91)
	(c) Employee Benefit Expenses	607.17	604.08	142.60	1,211.25	201.03	1,239.91
	(d) Finance Cost	267.21	(313.86)	508.14	(46.65)	1,351.39	265.60
	(e) Depreciation and Amortization Expenses	1,219.18	1,215.87	997.69	2,435.05	1,985.28	4,490.80
	(f) Power	176.20	131.82	172.89	308.02	377.26	728.42
	(g) Other Expenses	1,616.01	1,843.10	1,927.80	3,459.11	3,229.35	7,050.79
	Total Expenses	15,180.96	17,540.21	11,058.86	32,721.17	19,018.99	50,145.70
3	Profit/(Loss) before exceptional items and Tax (1-2)	(1,305.88)	(2,936.87)	(2,376.62)	(4,242.75)	(5,439.33)	(9,226.50)
4	Exceptional Items	-	-	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	(1,305.88)	(2,936.87)	(2,376.62)	(4,242.75)	(5,439.33)	(9,226.50)
6	Tax Expenses	-	-	-	-	-	-
7	Profit/(Loss) for the period/year (5-6)	(1,305.88)	(2,936.87)	(2,376.62)	(4,242.75)	(5,439.33)	(9,226.50)
8	Other Comprehensive Income/(Loss) (net of tax)						
	(a) (I) Items that will not be reclassified to Profit or Loss	1.13	(3.50)	0.34	(2.37)	0.68	(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/(Loss) for the period/year (7+8)	(1,304.75)	(2,940.37)	(2,376.28)	(4,245.12)	(5,438.65)	(9,233.49)
10	Paid-Up Equity Share Capital (Face value of ₹ 10/- each)	14,111.05	14,111.05	14,111.05	14,111.05	14,111.05	14,111.05
11	Earnings Per Share (Face Value of ₹ 10/- each)						
	(a) Basic (₹)	(0.92)	(2.08)	(1.68)	(3.01)	(3.85)	(6.54)
	(b) Diluted (₹)	(0.92)	(2.08)	(1.68)	(3.01)	(3.85)	(6.54)





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NOTES:-

- 1) The above results for the quarter and half year ended 30th September, 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 13th November, 2019.
- 2) The Cash Flow Statement for the half year ended 30th September, 2018 is approved by the Board of Directors of the company but the same has not been subjected to review by the Statutory Auditor.
- 3) 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 Standards) Amendment Rules, 2019. The adoption of this standard did not have any impact on the financial results of this quarter and half year ended 30th September, 2019.
- 4) 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 amount of interest has been recognized in the books of accounts to the extent amount charged/realized by the banks only. The amount of interest not so provided stands at ₹ 3,290.42 Lacs for the quarter ended 30th September, 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 September, 2019 amounted to ₹ 47,183.98 Lacs. The same have consequential impact on the reported figures.
- 5) The Company has incurred loss of ₹ 1,304.75 Lacs for the quarter ended 30th September, 2019. The accumulated loss as on 30th September, 2019 is ₹ 1,07,168.37 Lacs which is in excess of the entire net worth of the Company. With the substantial improvement in raw materials 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 favourable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of 'Going Concern' assumption.
- 6) In the opinion of the management, current and non current assets have a value of realization in the ordinary course of business at least equal to the amount at which they are stated in accounts. Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmation and reconciliation.
- 7) Various credit facilities availed from SBI, Allahbad Bank, IOB, UBI and IDBI have been assigned by the respective banks and 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.
- 8) 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.
- 9) The Figures of the previous period has been regrouped/ rearranged, whenever necessary.

On behalf of the Board of Directors

Place : Kolkata

Date: 13th November, 2019




Suresh Kumar Patni
Chairman



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Balance Sheet as at 30th September, 2019

(₹ in Lacs)

Particulars	As at 30.09.2019	As at 31.03.2019
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	57,498.32	59,933.81
Financial Assets		
(i) Investments	12.19	12.19
(ii) Other Non-Current Financial Assets	253.57	309.01
Other Non-Current Assets	58.34	60.07
Total Non-Current Assets	57,822.42	60,315.08
Current Assets		
Inventories	52,383.17	53,077.49
Financial Assets		
(i) Trade Receivables	22,601.54	14,703.07
(ii) Cash & Cash Equivalents	76.95	62.36
(iii) Other Bank Balances (Other than ii)	2.15	2.08
(iv) Other Current Financial Assets	5,049.70	5,049.70
Current Tax Assets (Net)	274.27	273.96
Other Current Assets	11,127.00	9,528.88
Total Current Assets	91,514.78	82,697.54
Total Assets	1,49,337.20	1,43,012.62
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	14,111.05	14,111.05
Other Equity	(76,648.29)	(72,403.18)
Total Equity	(62,537.24)	(58,292.13)
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	38,575.42	44,713.90
Deferred Tax Liability	-	-
Total Non- Current Liabilities	38,575.42	44,713.90
Current Liabilities		
Financial Liabilities		
(i) Borrowings	40,618.19	43,162.67
(ii) Trade Payables		
Total Outstanding dues of micro enterprises and small enterprises	36.54	19.04
Total Outstanding dues of creditors other than micro enterprises and small enterprises	64,610.59	54,617.84
(iii) Other Financial Liabilities	51,010.43	45,513.55
Other Current Liabilities	15,222.68	11,738.87
Provisions	1,800.59	1,538.88
Total Current Liabilities	1,73,299.02	1,56,590.85
Total Liabilities	2,11,874.44	2,01,304.75
Total Equity and Liabilities	1,49,337.20	1,43,012.62





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Unaudited Cash Flow Statement for the half year ended 30th September, 2019

(₹ in Lacs)

Particulars	Half year ended 30.09.2019		Half year ended 30.09.2018	
Cash Flow from Operating Activities				
Profit for the year		(4,242.75)		(5,439.33)
Adjustments for:				
Depreciation	2,435.05		1,985.28	
Interest Income	(2.92)		(0.02)	
Finance cost	(46.65)		1,351.39	
Provision/(reversal) for supplement payments on retirement	(2.37)		0.68	
Exchange Fluctuation Loss/(Gian)	(7.43)	2,375.68	89.22	3,426.55
Operating Profit before Working Capital Changes		(1,867.07)		(2,012.78)
Adjustments for:				
(Increase)/Decrease in Trade Receivables	(7,898.46)		(3,142.06)	
(Increase)/Decrease in Inventories	694.32		(748.19)	
(Increase)/Decrease in Non Current and Current Financial Assets	55.44		-	
(Increase)/Decrease in Other Non current and Current Assets	(1,596.70)		(1,808.51)	
(Increase)/Decrease in Trade Payables	10,010.26		4,435.29	
(Increase)/Decrease in Non Current and Current Financial Assets	6,693.56		6,122.55	
(Increase)/Decrease in Other current liabilities and provisions	3,745.52	11,703.94	3,327.34	8,186.42
Cash Generated from Operations		9,836.87		6,173.64
Income Taxes Paid		-		-
Exchange Fluctuation (Loss)/Gain		7.43		(89.22)
Net Cash from Operating Activities		9,844.30		6,084.42
Cash Flow from Investing Activities				
Sale/Purchase of Fixed Assets & Capital W.I.P	0.44		(5.94)	
Interest Received	2.92		0.02	
Investment in Shares & others			-	
Fixed Deposits	(0.07)		(2.01)	
Net Cash from Investing Activities		3.29		(7.93)
Net Cash from Financing Activities				
Proceeds from long-term borrowings	(6,138.48)		(6,044.50)	
Proceeds from short-term borrowings	(2,544.48)		(13.06)	
Finanace Cost	(1,150.04)	(9,833.00)	(171.67)	(6,229.23)
Net increase in Cash and Cash Equivalents		14.59		(152.74)
Cash and Cash Equivalents at the beginning of the year/period		62.36		219.84
Cash and Cash Equivalents at the end of the year/period		76.95		67.10

