

J. B. S. & Company

Phone: 2282 6809

CHARTERED ACCOUNTANTS

60, BENTINCK STREET, 4TH FLOOR
KOLKATA - 700 069

Independent Auditor's 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 and half year ended 30th September 2021, ("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 thereunder 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.5 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to Rs. 3,400.37 Lacs for the quarter ended 30th September, 2021 (Cumulative Non Provisioning of Rs. 72,584.46 Lacs till 30.09.2021) 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, 2021 would have been Rs. 3,570.25 Lacs instead of Rs. 169.88 Lacs. The total expenses for the quarter ended 30th September, 2021 would have been Rs. 25,775.20 Lacs instead of Rs. 22,374.83 Lacs. The Net Loss after tax for the quarter ended 30th September, 2021 would have been Rs. 4,573.94 Lacs instead of reported amount of Rs. 1,173.57 Lacs. Total comprehensive Loss for the quarter ended 30th September, 2021 would have been Rs. 4,568.70 Lacs instead of reported amount of Rs. 1,168.33 Lacs. Other equity as on 30th September, 2021 would have been Rs. (1,65,194.69) Lacs instead of reported amount of Rs. (92,610.23) Lacs and Other Current Financial Liability as on 30th September, 2021 would have been Rs. 1,56,626.23 Lacs instead of reported amount of Rs. 84,041.77 Lacs.

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

6. Emphasis of Matters

- i) We draw your attention to Note No. 4 to the financial result which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

- ii) As referred in Note No. 7 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.



iii) Substantial amount of statutory dues amounting to Rs. 1,795.78 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.

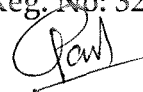
7. Material Uncertainty Relating to Going Concern

We draw your attention to **Note No. 6** 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 30.09.2021. 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 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: 13th November, 2021
Place: Kolkata
UDIN: 21063711AAAAFW7143

ANKIT METAL & POWER LIMITED
Registered Office : 35, Chitranjan Avenue, Kolkata - 700012
Phone: 03340168000, Email Id: cs@ankitmetal.com
CIN: L27101WB2002PLC094979

Statement of Unaudited Financial Results for the quarter and half year ended 30th September, 2021

(₹ In Lacs except EPS)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue						
(a) Revenue from Operations	19,857.07	13,109.95	6,973.19	32,967.02	14,072.38	34,481.51
(b) Other Operating Income	773.47	954.89	137.25	1,728.36	216.28	7,304.99
Revenue from Operations (a+b)	20,630.54	14,064.84	7,110.44	34,695.38	14,288.66	41,786.50
(c) Other Income	570.72	1,608.86	1.73	2,179.58	3.45	5.18
Total Income (a+b+c)	21,201.26	15,673.70	7,112.17	36,874.96	14,292.11	41,791.68
2 Expenses						
(a) Cost of Material consumed	16,777.11	10,851.54	9,236.26	27,628.65	16,298.32	48,872.83
(b) Purchase of Stock-in-Trade	1,677.85	946.73	615.47	2,624.58	1,128.47	3,253.04
(c) Changes in Inventories of finished goods and work-in-progress	(112.97)	2,195.18	(4,630.42)	2,082.21	(6,262.06)	(19,284.76)
(d) Employee benefit expense	346.14	302.36	237.58	648.50	313.15	977.40
(e) Finance cost	169.88	167.34	637.48	337.22	1,334.76	1,864.67
(f) Depreciation and amortization expense	1,088.81	1,250.16	1,167.84	2,338.97	2,127.84	4,431.05
(g) Power	417.09	972.23	588.13	1,389.32	931.86	2,463.35
(h) Other expenses	2,010.92	2,905.38	1,359.50	4,916.30	2,643.71	6,784.64
Total Expenses	22,374.83	19,590.92	9,211.84	41,965.75	18,516.85	49,362.22
3 Profit/(Loss) before exceptional items and Tax (1-2)	(1,173.57)	(3,917.22)	(2,099.67)	(5,090.79)	(4,223.94)	(7,570.54)
4 Exceptional items	-	-	-	-	-	-
5 Profit/(Loss) Before Tax (3-4)	(1,173.57)	(3,917.22)	(2,099.67)	(5,090.79)	(4,223.94)	(7,570.54)
6 Tax Expense	-	-	-	-	-	-
7 Profit/(Loss) for the period (5-6)	(1,173.57)	(3,917.22)	(2,099.67)	(5,090.79)	(4,223.94)	(7,570.54)
8 Other Comprehensive Income/(Loss)						
(a) (i) Items that will not be reclassified to Profit or Loss	5.24	5.24	5.51	10.49	14.58	24.53
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	-
(b) (i) Items that will be reclassified to Profit/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)	(1,168.33)	(3,911.98)	(2,094.16)	(5,080.30)	(4,209.36)	(7,546.01)
10 Paid-Up Equity Share Capital (Face value of Rs 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 Rs 10/- each)						
(a) Basic (₹)	(0.83)	(2.78)	(1.49)	(3.61)	(2.99)	(5.36)
(b) Diluted (₹)	(0.83)	(2.78)	(1.49)	(3.61)	(2.99)	(5.36)



NOTES:-

- 1) The above results for the quarter and half year ended 30th September, 2021 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, 2021.
- 2) The Cash Flow Statement for the half year ended 30th September, 2021 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 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 in F.Y. 2022-23 at an overall CAPEX outlay of ₹ 12,500 Lacs approx. These investments, efficiently executed, shall give the company higher productivity, superior cost profile- to serve a growing domestic and global market.
- 4) The COVID-19 pandemic has adversely impacted the economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown to curb the spread of COVID-19. Due to this, the manufacturing operations of the company along with supply and distribution got temporarily disrupted. Accordingly, the sales volume for the quarter ended 30th September, 2021 has been impacted and therefore, the results of this period are not comparable to that of the previous corresponding period results. The Management has assessed its position and does not anticipate any challenge in the company's ability to continue as a "Going Concern" including recoverability of the carrying value of all assets. The impact of the pandemic in the subsequent periods is dependent on the situation as they evolve.
- 5) Various credit facilities availed from SBI, Allahabad 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.
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 ₹ 3,400.67 Lacs for the quarter ended 30th September, 2021 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, 2021 amounted to ₹ 72,584.46 Lacs. The same have consequential impact on the reported figures.
- 6) The Company has incurred loss of ₹ 1,168.33 Lacs for the quarter ended 30th September, 2021. The accumulated loss as on 30th September, 2021 is ₹ 1,23,130.30 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.
- 7) 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.
- 8) Other Operating Revenue includes Net of Liabilities no longer required amounting to ₹ 1,230.87 Lacs written back during the quarter ended 30th September, 2021. Power includes debit note raised amounting to ₹ 154.40 Lacs pertaining to the previous quarter ended 30th June, 2021.
- 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 for the previous period/year have been regrouped and /or reclassified to conform to the classification of current period/year wherever necessary.

Place : Kolkata
Date: 13th November, 2021



On behalf of the Board of Directors

Subham Bhagat
Subham Bhagat
(Chairman cum Managing Director)

ANKIT METAL & POWER LIMITED

Registered Office : 35, Chittranjan Avenue , Kolkata - 700012

Phone: 03340168000, Email Id: cs@ankitmetal.com

CIN: L27101WB2002PLC094979

Balance Sheet as at 30th September, 2021

Particulars	As at 30th September, 2021 (in lacs)	As at 31st March, 2021 (in lacs)
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	48,049.93	50,388.90
Capital Work-in-Progress	2,002.13	-
Financial Asset		
(i) Investments	12.19	12.19
(ii) Other Non Current Financial Assets	96.53	86.53
Other Non Current Assets	-	7.45
Total Non Current Assets	50,160.78	50,495.07
Current Assets		
Inventories	59,531.22	56,992.21
Financial Assets		
(i) Trade Receivables	4,298.83	5,133.39
(ii) Cash & Cash Equivalents	66.28	87.47
(iii) Other Bank Balances (Other than (ii))	14.40	3.30
(iv) Other Current Financial Assets	569.88	569.88
Current Tax Assets (Net)	353.83	292.04
Other Current Assets	9,698.53	8,074.58
Total Current Assets	74,532.97	71,152.87
Total Assets	1,24,693.75	1,21,647.94
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	14,111.05	14,111.05
Other Equity	(92,610.23)	(87,529.93)
Total Equity	(78,499.18)	(73,418.88)
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	12,262.78	17,651.84
Deferred Tax Liability	-	-
Total Non- Current Liabilities	12,262.78	17,651.84
Current Liabilities		
Financial Liabilities		
(i) Borrowings	35,415.70	37,613.79
(ii) Trade Payables		
a) Total Outstanding dues of micro enterprises and small enterprises	15.92	15.92
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	58,583.46	46,998.29
(iii) Other Financial Liabilities	84,041.77	78,565.58
Other Current Liabilities	11,045.64	12,619.78
Provisions	1,827.66	1,601.62
Total Current Liabilities	1,90,930.15	1,77,414.98
Total Liabilities	2,03,192.93	1,95,066.82
Total Equity And Liabilities	1,24,693.75	1,21,647.94

Place: Kolkata
Date: 13th November, 2021



On behalf of the Board of Directors

Subham Bhagat
(Chairman cum Managing Director)

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Cash Flow Statement for the half year ended 30th September, 2021

(₹ in Lacs)

Particulars	Half year ended 30.09.2021		Half year ended 30.09.2020	
	(Unaudited)		(Unaudited)	
Cash Flow from Operating Activities				
Profit for the year		(5,090.79)		(4,223.94)
Adjustments for:				
Depreciation	2,338.97		2,127.83	
Interest Income	(0.10)		(3.45)	
Finance cost	337.22		1,334.76	
Provision/(reversal) for supplement payments on retirement	10.49		14.58	
Exchange Fluctuation Loss/(Gain)	5.30	2,691.88	(10.97)	3,462.75
Operating Profit before Working Capital Changes		(2,398.91)		(761.19)
Adjustments for:				
(Increase)/Decrease in Trade Receivables	834.56		(3,068.82)	
(Increase)/Decrease in Inventories	(2,539.01)		(2,161.49)	
(Increase)/Decrease in Non Current and Current Financial Assets	(10.00)		(3.05)	
(Increase)/Decrease in Other Non current and Current Assets	(1,678.29)		(1,949.96)	
Increase/(Decrease) in Trade Payables	11,585.17		6,903.34	
Increase/(Decrease) in Non Current and Current Financial Liabilities	5,428.86		9,216.54	
Increase/(Decrease) in Other current liabilities and provisions	(1,348.10)	12,273.19	1,807.59	10,744.15
Cash Generated from Operations		9,874.28		9,982.96
Income Taxes Paid		-		-
Exchange Fluctuation (Loss)/Gain		(5.30)		10.97
Net Cash from Operating Activities		9,868.98		9,993.93
Cash Flow from Investing Activities				
Sale/(Purchase) of Fixed Assets	-		(11.94)	
Sale/(Purchase) of Capital W.L.P	(2,002.13)			
Interest Received	0.10		3.45	
Investment in Shares & others	-		-	
Fixed Deposits	(11.10)		(0.05)	
Net Cash from Investing Activities		(2,013.13)		(8.54)
Cash from Financing Activities				
Changes in long-term borrowings	(5,389.06)		(9,092.94)	
Changes in short-term borrowings	(2,198.09)		(899.98)	
Finance Cost	(289.89)		(3.83)	
Net Cash from Financing Activities		(7,877.04)		(9,996.75)
Net increase in Cash and Cash Equivalents		(21.19)		(11.36)
Cash and Cash Equivalents at the beginning of the year/period		87.47		59.94
Cash and Cash Equivalents at the end of the year/period		66.28		48.58

