

# *R. Kothari & Company*

**CHARTERED ACCOUNTANTS  
MUMBAI, KOLKATA, NEW DELHI**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

To

The Board of Directors

**M/S. Rohit Ferro Tech Limited**

1. We have audited the accompanying Standalone financial Results ("Results") of M/S. Rohit Ferro Tech 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 approved by the board of directors, have been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards 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 requires 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 included in the 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. 5** of the financial results which indicate that as at 31<sup>st</sup> March, 2016, the accumulated losses amounting to **Rs. 80,405 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 Pending confirmations of certain secured loans and advances, trade receivables, trade payables and other liabilities as referred in **Note No. 8** of accompanying statements, are subject to confirmations and reconciliation.

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. 2,531.07 lacs** has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remain unascertained and unaccounted for.

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 31<sup>st</sup> March, 2016.



5. The Statements includes the results for the Quarter ended 31<sup>st</sup> 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.

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



*Manoj Kumar Sethia*

C.A. Manoj Kumar Sethia

Date: 30.05.2016

Place: Kolkata

Partner  
Membership No.:- 064308

**ROHIT FERRO-TECH LIMITED**

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CIN: L27104WB2000PLC091629

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(In Lacs)

**PART I**

**Statement of Standalone Audited Financial Results for the Quarter and Year Ended March 31, 2016**

	Particulars	Three months ended	Preceding Three months ended	Corresponding Three months ended	Year ended	Previous year ended
		31.03.2016	31.12.2015	31.03.2015 in the Previous Year	31.03.2016	31.03.2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>					
	a) Net Sales/Income from Operations (Net of excise duty)	9,283	32,105	38,766	1,42,543	1,85,667
	b) Other Operating Income	86	107	317	481	1,875
	<b>Total Income from Operations (net)</b>	<b>9,369</b>	<b>32,212</b>	<b>39,083</b>	<b>1,43,024</b>	<b>1,87,542</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of materials consumed	12,946	17,385	18,564	78,813	97,056
	b) Purchase of Stock-in-Trade	755	12,110	6,909	46,548	47,115
	c) Changes in inventories of finished goods, work-in-progress and stock -in-trade	2,382	4,572	939	9,958	(3,171)
	d) Employee benefits expense	489	415	663	1,960	2,533
	e) Depreciation and amortisation expense	867	882	625	3,004	2,575
	f) Power	2,194	2,616	8,306	18,034	36,880
	g) Other Expenses	2,121	2,119	5,464	10,736	21,071
	<b>Total Expenses</b>	<b>21,754</b>	<b>40,099</b>	<b>41,470</b>	<b>1,69,053</b>	<b>2,04,059</b>
<b>3</b>	<b>Profit/(Loss) from operations before other income, finance costs &amp; exceptional items (1-2)</b>	<b>(12,385)</b>	<b>(7,887)</b>	<b>(2,387)</b>	<b>(26,029)</b>	<b>(16,517)</b>
<b>4</b>	<b>Other Income</b>	<b>58</b>	<b>55</b>	<b>112</b>	<b>664</b>	<b>759</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)</b>	<b>(12,327)</b>	<b>(7,832)</b>	<b>(2,275)</b>	<b>(25,365)</b>	<b>(15,758)</b>
<b>6</b>	<b>Finance costs</b>	<b>6,508</b>	<b>6,021</b>	<b>4,551</b>	<b>23,043</b>	<b>19,524</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(18,835)</b>	<b>(13,853)</b>	<b>(6,826)</b>	<b>(48,408)</b>	<b>(35,282)</b>
<b>8</b>	<b>Less: Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Profit/(Loss) from Ordinary Activities before tax (7-8)</b>	<b>(18,835)</b>	<b>(13,853)</b>	<b>(6,826)</b>	<b>(48,408)</b>	<b>(35,282)</b>
<b>10</b>	<b>Tax expense</b>					
	- Current Tax	-	-	-	-	-
	- Mat Credit Entitlement	-	-	-	-	-
	- Deferred Tax	-	-	-	-	-
	- Earlier Years' Tax	-	-	-	-	-
	<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Net Profit/(Loss) from Ordinary Activities after tax (9-10)</b>	<b>(18,835)</b>	<b>(13,853)</b>	<b>(6,826)</b>	<b>(48,408)</b>	<b>(35,282)</b>
<b>12</b>	<b>Extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(18,835)</b>	<b>(13,853)</b>	<b>(6,826)</b>	<b>(48,408)</b>	<b>(35,282)</b>
<b>14</b>	<b>Minority Interest</b>					
	<b>Net Profit/(Loss) for the period after Minority Interest (13+14)</b>	<b>11,378</b>	<b>11,378</b>	<b>11,378</b>	<b>11,378</b>	<b>11,378</b>
<b>15</b>	<b>Paid-up equity share capital (Face Value of Rs. 10/- per Share)</b>					<b>11,082</b>
<b>16</b>	<b>Reserves excluding Revaluation Reserves</b>					
<b>17</b>	<b>Earnings per share of Re 10 per share (Not Annualised)</b>					
	Basic:	(16.55)	(12.18)	(6.00)	(42.55)	(31.01)
	Diluted:	(16.55)	(12.18)	(6.00)	(42.55)	(31.01)



## PART II

## Segment wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement.

(in lacs)

SL	Particulars	Three months ended	Preceding Three months ended	Corresponding Three months ended	Year ended	Previous Year ended
		31.03.2016	31.12.2015	31.03.2015 in the Previous Year	31.03.2016	31.03.2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Revenue</b>					
	a) Ferro Alloys	4,864	15,562	21,031	71,709	1,00,979
	b) Iron & Steel	5,668	17,987	22,780	81,572	1,04,607
	Total	10,532	33,549	43,811	1,53,282	2,05,586
	Less: Inter Segment Revenue	1,163	1,337	4,728	10,258	18,044
	<b>Total Income From Operations (net)</b>	<b>9,369</b>	<b>32,212</b>	<b>39,083</b>	<b>1,43,024</b>	<b>1,87,542</b>
2	<b>Segment Results</b>					
	Profit before Finance Costs & Tax					
	a) Ferro Alloys	(10,644)	(4,961)	(96)	(20,608)	(10,699)
	b) Iron & Steel	(1,704)	(2,893)	(2,199)	(4,843)	(5,136)
	c) Un-allocated	21	22	19	86	76
	Total Segment Profit before Finance Costs and Tax	(12,327)	(7,832)	(2,275)	(25,365)	(15,759)
	Less: Finance Costs	6,508	6,021	4,551	23,043	19,524
	Less: Exceptional Items	-	-	-	-	-
	<b>Profit/(Loss) before tax</b>	<b>(18,835)</b>	<b>(13,854)</b>	<b>(6,826)</b>	<b>(48,408)</b>	<b>(35,283)</b>
3	<b>Capital employed</b> (Segment assets-Segment liabilities)					
	a) Ferro Alloys	1,79,364	1,74,455	1,98,194	1,79,364	1,98,194
	b) Iron & Steel	59,653	59,794	41,036	59,653	41,036
	c) Un-allocated	7,523	7,517	7,485	7,523	7,485
	<b>Total Capital Employed</b>	<b>2,46,540</b>	<b>2,41,766</b>	<b>2,46,716</b>	<b>2,46,540</b>	<b>2,46,715</b>

(in lacs)

STATEMENT OF ASSETS AND LIABILITIES		
PARTICULARS	Standalone	
	As at 31.03.2016	As at 31.03.2015
	(Audited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
(a) Share Capital	11,378	11,378
(b) Reserves & Surplus	(37,184)	11,082
	(25,806)	22,459
<b>Minority Interest</b>		
	-	-
<b>Non-Current Liabilities</b>		
(a) Long-Term Borrowings	1,37,624	1,40,222
(b) Deferred Tax Liability	-	-
(c) Other Long Term Liabilities	202	952
	1,37,826	1,41,174
<b>Current Liabilities</b>		
(a) Short-Term Borrowings	1,12,777	78,264
(b) Trade Payables	36,641	42,538
(c) Other Current Liabilities	33,051	17,229
(d) Short Term Provisions	871	871
	1,83,339	1,38,902
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,95,359</b>	<b>3,02,536</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets	1,18,510	1,17,185
(b) Non Current Investments	7,974	7,974
(c) Long-Term Loans & Advances	3,730	6,128
(d) Other Non-Current Assets	-	-
	1,30,213	1,31,287
<b>Current Assets</b>		
(a) Inventories	64,491	84,595
(b) Trade Receivables	75,122	60,771
(c) Cash And Bank Balances	1,657	1,745
(d) Short- Term Loans & Advances	18,378	19,207
(e) Other Current Assets	5,497	4,930
	1,65,145	1,71,248
<b>TOTAL- ASSETS</b>	<b>2,95,359</b>	<b>3,02,536</b>



**Notes:**

- 1 The audited Financial Results and Segment Results for the period ended 31st March, 2016 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 30th May, 2016
- 2 The long stop date in terms of the BTA with M/s Balasore Alloys Ltd., for the sale, transfer or otherwise disposal of Company's Manufacturing Unit at Jajpur, Odisha as a going concern was upto 31st March,2016 which has not been renewed.
- 3 The Joint Lender Forum (JLF) of consortium bankers has since approved "in principle" the decision for the invocation of Strategic Debt Restructuring (SDR) in terms of RBI Guidelines and among other things is exploring the investment proposals in the company.
- 4 The company's Factory at Haldia (West Bengal) is temporarily suspended since 1st July, 2015 on account of depressed domestic and global market conditions in steel industry, and excess procurement cost of Electricity.
- 5 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 18835 Lacs for the quarter ended 31st March,2016 and Rs 48408 Lacs for year ended 31.03.2016. The accumulated loss as on 31st March, 2016 is Rs 80405 Lacs which is in excess of the entire net worth of the company. 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.
- 6 Pursuant to CDR Package, the Company has received unsecured loans amounting to Rs.7280 lacs from promoters & promoter group companies as promoter's contribution, to be converted into equity. Subsequently, with the invocation of SDR, the said amount of Rs. 7280 lacs was allowed to be converted into equity at par. The company has since applied for in-principal approval from Stock Exchanges and the same is awaited.
- 7 Cost of material consumed includes Rs 7287.98 lacs in respect of written down in carrying cost of raw materials in Haldia and Bisnupur( Ferro Alloy division) to net realisable value on account of shut down of plant and depressed market conditions.
- 8 The current and non-current assets, in the opinion of the management, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities. Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmation and reconciliation. The reported financials might have consequential impact once the reconciliation is completed, the quantum where of remains unascertained.
- 9 During the year the company has capitalised 33MVA furnace at the Jajpur Plant in Odissa.
- 10 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.
- 11 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  
Dated: 30th May, 2016

