

# *R. Kothari & Company*

CHARTERED ACCOUNTANTS  
MUMBAI, KOLKATA, NEW DELHI

**Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI ( Listing Obligations and Disclosure Requirements) regulations,2015**

To  
Board of Directors of  
M/S Rohit Ferro Tech Limited

We have audited the consolidated financial results of Rohit Ferro Tech Limited ('the Company' or 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31st March, 2016, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These financial results, which are the responsibility of the Holding Company's management and approved by the Board of Directors, have been prepared on the basis of related consolidated financial statements which are in accordance with the recognition and measurement principle laid down in Accounting Standards 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 express an opinion on these consolidated financial results.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred in the "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## **Basis for Disclaimer of Opinion**

In the case of the Company's subsidiary SKP Overseas Pte Ltd., their auditor has included the following observation:

- (a) They have not sited any audit evidence relating to the investments in PT Pacific Samudra Perkasa amounting to USD 60.00 lacs (INR 3979.97 lacs) and they are not in a position to determine whether the company needs to provide for any possible impairment loss relating to the investments.
- (b) They are not in a position to determine whether any provision is required for doubtful debts for other receivable amounting to USD 126.24 lacs (INR 8373.85 lacs)



- (c) The company has not provided for impairment loss on investment in the subsidiary amounting to USD 59 lacs (INR 3913.64 lacs), due to loss in the subsidiary resulting in negative net worth.
- (d) They are of opinion that the deferred expenditure amounting to USD 37.78 lacs (INR 2506.26 lacs) should be written off as the directors are unable to provide audit evidence to confirm the reasonableness of the amount stated in the financial statement.

### Disclaimer of Opinion

In the case of the Company's subsidiary SKP Overseas Pte Ltd., their auditor is of opinion that because of the significance of the matters referred in the Basis for Disclaimer of Opinion paragraph above they are not in a position to, and do not express an opinion on whether the balance sheet and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the results, changes in equity and cash flows of the Company for the year ended on that date.

### Emphasis of Matter

1. We draw your attention to **Note No. 6** 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.
2. Pending confirmations of certain secured loans and advances, trade receivables, trade payables and other liabilities as referred in **Note No. 9** of accompanying statements, are subject to confirmations and reconciliation.
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 remained unascertained and unaccounted for.

Our report is not qualified in this matter.

### Other Matters

- a) We did not audit the financial statements and other financial information of one subsidiary incorporated outside India whose financial statements reflect total assets of Rs. 8597.05 Lacs as at 31<sup>st</sup> March, 2016 and total revenues of Rs. 5614.86 Lacs for the year ended on that date, as considered in the consolidated financial statements.

This financial statement have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.



- b) We did not audit the financial statements and other financial information of one subsidiary incorporated outside India whose financial statements reflect total assets of Rs. 6748.68 Lacs as at 31st March, 2016 and total revenues of Rs. NIL for the year ended on that date, as considered in the consolidated financial statements.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us **except for the possible effects of the matters stated in Basis for Disclaimer of Opinion paragraph above**, these consolidated results:

- (i) include the audited results of SKP Overseas Pte Limited, Singapore and unaudited results of PT Bara Mandiri, Indonesia
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in this regard and
- (iii) give a true and fair view of the consolidated net loss and other financial information for the year ended 31st March 2016.

Date: 29.08.2016  
Place: Kolkata



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

*Manoj Kumar Sethia*

C.A. Manoj Kumar Sethia  
Partner  
Membership No.:- 064308

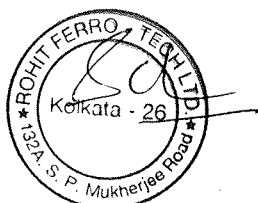
**ROHIT FERRO-TECH LIMITED**  
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CIN: L27104WB2000PLC091629  
Website : www.rohitferrotech.com

(₹ In Lacs)

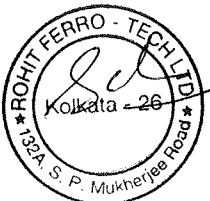
**PART I**

**Statement of Audited Consolidated Financial Results for the Year Ended March 31, 2016**

	Particulars	Year ended	Year ended
		31.03.2016	31.03.2015
		(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>		
	a) Net Sales/Income from Operations (Net of excise duty)	1,48,158	1,93,217
	b) Other Operating Income	481	1,875
	<b>Total Income from Operations (net)</b>	<b>1,48,639</b>	<b>1,95,092</b>
<b>2</b>	<b>Expenses</b>		
	a) Cost of materials consumed	78,813	96,990
	b) Purchase of Stock-in-Trade	50,780	54,806
	c) Changes in inventories of finished goods, work-in-progress and stock -in-trade	10,371	(4,964)
	d) Employee benefits expense	2,166	2,712
	e) Depreciation and amortisation expense	3,058	2,575
	f) Power	18,124	36,880
	g) Other Expenses	11,932	23,051
	<b>Total Expenses</b>	<b>1,75,244</b>	<b>2,12,050</b>
<b>3</b>	<b>Profit/(Loss) from operations before other income, finance costs &amp; exceptional items (1-2)</b>	<b>(26,605)</b>	<b>(16,958)</b>
<b>4</b>	<b>Other Income</b>	<b>875</b>	<b>1,089</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)</b>	<b>(25,730)</b>	<b>(15,869)</b>
<b>6</b>	<b>Finance costs</b>	<b>23,417</b>	<b>19,958</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(49,147)</b>	<b>(35,827)</b>
<b>8</b>	<b>Less: Exceptional items</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Profit/(Loss) from Ordinary Activities before tax (7-8)</b>	<b>(49,147)</b>	<b>(35,827)</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>11</b>	<b>Net Profit/(Loss) from Ordinary Activities after tax (9-10)</b>	<b>(49,147)</b>	<b>(35,827)</b>
<b>12</b>	<b>Extraordinary items</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(49,147)</b>	<b>(35,827)</b>
<b>14</b>	<b>Minority Interest</b>	<b>(286)</b>	<b>(168)</b>
	<b>Net Profit/(Loss) for the period after Minority Interest (13+14)</b>	<b>(48,861)</b>	<b>(35,995)</b>
<b>15</b>	<b>Paid-up equity share capital (Face Value of ₹10/- per Share)</b>	<b>11,378</b>	<b>11,378</b>
<b>16</b>	<b>Reserves excluding Revaluation Reserves</b>	<b>(36,976)</b>	<b>11,387</b>
<b>17</b>	<b>Earnings per share of ₹10 per share (Not Annualised)</b>		
	Basic:	(42.94)	(31.64)
	Diluted:	(42.94)	(31.64)



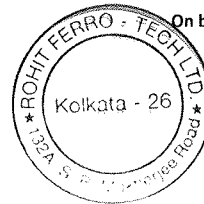
PART II			
Segment wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement.			
(₹ In Lacs)			
SL	Particulars	Consolidated	
		Year ended 31.03.2016	Year ended 31.03.2015
		(Audited)	(Audited)
1	<b>Segment Revenue</b>		
	a) Ferro Alloys	77,325	1,04,229
	b) Iron & Steel	81,572	1,08,906
	Total	1,58,897	2,13,136
	Less: Inter Segment Revenue	10,258	18,044
	<b>Total Income From Operations (net)</b>	<b>1,48,639</b>	<b>1,95,092</b>
2	<b>Segment Results</b>		
	Profit before Finance Costs & Tax		
	a) Ferro Alloys	(20,998)	(10,887)
	b) Iron & Steel	(4,818)	(5,021)
	c) Un-allocated	86	39
	Total Segment Profit before Finance Costs and Tax	(25,730)	(15,869)
	Less: Finance Costs	23,417	19,958
	Less: Exceptional Items	-	-
	<b>Profit/(Loss) before tax</b>	<b>(49,147)</b>	<b>(35,827)</b>
3	<b>Capital employed</b> (Segment assets-Segment liabilities)		
	a) Ferro Alloys	2,35,137	2,04,195
	b) Iron & Steel	59,653	41,036
	c) Un-allocated	7,523	7,485
	<b>Total Capital Employed</b>	<b>3,02,313</b>	<b>2,52,716</b>
<b>STATEMENT OF ASSETS AND LIABILITIES</b>			
		Consolidated	
		As at 31.03.2016	As at 31.03.2015
		(Audited)	(Audited)
<b>PARTICULARS</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
	(a) Share Capital	11,378	11,378
	(b) Reserves & Surplus	(36,976)	11,387
		(25,598)	22,765
<b>Minority Interest</b>			
		-	286
<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	1,33,052	1,41,631
	(b) Deferred Tax Liability	-	-
	(c) Other Long Term Liabilities	597	1,309
		1,33,649	1,42,939
<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	1,15,518	80,834
	(b) Trade Payables	37,373	43,853
	(c) Other Current Liabilities	42,471	19,769
	(d) Short Term Provisions	871	871
		1,96,233	1,45,327
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>3,04,284</b>	<b>3,11,317</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
	(a) Fixed Assets	1,26,247	1,24,722
	(b) Non Current Investments	4,230	3,943
	(c) Long-Term Loans & Advances	3,703	6,140
	(d) Other Non-Current Assets	2,506	2,365
		1,36,686	1,37,170
<b>Current Assets</b>			
	(a) Inventories	65,872	86,389
	(b) Trade Receivables	75,025	60,663
	(c) Cash And Bank Balances	1,933	2,159
	(d) Short- Term Loans & Advances	19,271	20,006
	(e) Other Current Assets	5,497	4,930
		1,67,598	1,74,147
<b>TOTAL- ASSETS</b>		<b>3,04,284</b>	<b>3,11,317</b>



**Notes:**

- 1 The audited Consolidated Financial Results for the year 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 29th August, 2016.
- 2 The Consolidated Financial Results of Rohit Ferro Tech Limited ('the Company') includes audited figures of its subsidiary, SKP Overseas Pte Limited, Singapore, and unaudited figures of its sub subsidiary, PT Bara Mandiri, Indonesia, in accordance with the provisions of Accounting Standard (AS 21) "Consolidated Financial Statements" specified under section 133 of the Companies Act, 2013 and the rules framed thereunder.
- 3 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.
- 4 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.
- 5 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.
- 6 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 ₹48408 Lacs for year ended 31.03.2016. The accumulated loss as on 31st March, 2016 is ₹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.
- 7 Pursuant to CDR Package, the Company has received unsecured loans amounting to ₹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 ₹ 728 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.
- 8 Cost of material consumed includes ₹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.
- 9 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.
- 10 During the year the company has capitalised 33MVA furnace at the Jajpur Plant in Odissa.
- 11 The figures of the previous year have been regrouped/reclassified, wherever necessary to conform to the classification for the year ended 31st March, 2016.

Place: Kolkata  
Dated: 29th Aug, 2016



On behalf of the Board of Directors

Suresh Kumar Patni  
Chairman