

R. Kothari & Company

CHARTERED ACCOUNTANTS

KOLKATA, NEW DELHI

LIMITED REVIEW REPORT

To
The Board of Directors
M/S. **Rohit Ferro -Tech Limited**

1. We have reviewed the accompanying statement of Standalone Unaudited Financial results of M/S Rohit Ferro-Tech Limited ("the Company"), for the Quarter ended June 30,2017("the statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015,read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

The Statement, which 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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review 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. The Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We draw your attention to Note No. 6 of the unaudited Standalone financial results regarding non provision of interest expense amounting to ₹ 7,450 Lacs on the borrowings of the company for the quarter ended June 30, 2017 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 June, 2017 would have been ₹ 8,483 Lacs.



instead of ₹ 1,033 Lacs and the total comprehensive loss for the quarter ended 30th June, 2017 would have been ₹ 15,019 Lacs instead of ₹ 7,569 Lacs.

4. Based on our review conducted as above, except for the matter referred in Paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. (a) We draw your attention to Note No. 4 of the financial results which indicate that as at 30th June, 2017, the accumulated losses amounting to ₹ 1,21,481 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.
- (b) Substantial amount of statutory dues amounting to ₹ 2,867 Lacs has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.
- (c) As referred in Note No. 3, the balance of sundry debtors, advances, creditors etc. includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliation. The reported financials might have consequential impact which remains unascertained.

Our report is not qualified in respect of these matters.

Date: 11.08.2017
Place: Kolkata



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

A handwritten signature in black ink, appearing to read "Manoj Kumar Sethia".

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

(₹ in Laacs)

Statement of Standalone Unaudited Financial Results for the quarter ended 30th June, 2017					
Sr No.	Particulars	Three months ended 30.06.2017	Three months ended 31.03.2017	Three months ended 30.06.2016	Twelve months ended 31.03.2017
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	(a) Revenue from Operations	18,775	28,223	10,217	72,414
	(b) Other Operating Income	52	141	241	649
	Total Income from Operations	18,827	28,364	10,458	73,063
2	Expenses				
	(a) Cost of Materials consumed	13,583	30,137	5,042	61,334
	(b) Purchase of Stock-in-Trade	-	-	288	288
	(c) Changes in inventories of finished goods and work-in-progress	1,517	5,034	(726)	952
	(d) Excise Duty	1,790	2,143	997	6,399
	(e) Employee benefits expense	337	430	293	1,342
	(f) Finance Cost	1,033	758	6,813	(1,866)
	(g) Depreciation and amortisation expense	842	854	879	3,418
	(h) Power	4,088	4,867	2,910	16,184
	(i) Other expenses	3,192	12,503	2,512	18,611
	Total Expenses	26,382	56,726	19,008	1,06,662
3	Profit from operations before exceptional items (1-2)	(7,555)	(28,362)	(8,550)	(33,599)
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before tax (3+4)	(7,555)	(28,362)	(8,550)	(33,599)
6	Tax expense	-	-	-	-
7	Net Profit/(Loss) after tax (5-6)	(7,555)	(28,362)	(8,550)	(33,599)
8	Extraordinary items (net of tax expense)	-	-	-	-
9	Net Profit/(Loss) for the period (7-8)	(7,555)	(28,362)	(8,550)	(33,599)
10	Other Comprehensive Income/ (Loss) (net of tax)				
	A (i) Items that will not be reclassified to profit or loss	(14)	(18.76)	(12)	(55)
	(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 not be reclassified to profit or loss	-	-	-	-
11	Total Comprehensive Income/ (Loss) for the period (9+10)	(7,569)	(28,381)	(8,562)	(33,654)
12	Paid-up equity share capital (Face Value ₹ 10 each)	11,378	11,378	11,378	11,378
13	Earnings Per Share (before and after extraordinary items) (of ₹ 10 each) (not annualised):				
	a) Basic (₹)	(6.64)	(24.93)	(7.51)	(29.53)
	b) Diluted (₹)	(6.64)	(24.93)	(7.51)	(29.53)



(₹ in Lacs)

Segment wise Revenue, Results and Capital Employed					
Sr No.	Particulars	Three months ended 30.06.2017	Three months ended 31.03.2017	Three months ended 30.06.2016	Twelve months ended 31.03.2017
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment Revenue				
	a) Ferro Alloys	14,427	23,603	5,658	56,293
	b) Iron & Steel	6,099	6,364	4,449	21,757
	Total	20,526	29,967	10,107	78,050
	Less: Inter Segment Revenue	1,751	1,744	887	5,636
	Total income from operations (net)	18,775	28,223	9,220	72,414
2	Segment Results				
	Profit before Finance Costs & Tax				
	a) Ferro Alloys	(2,978)	(20,436)	177	(16,016)
	b) Iron & Steel	(3,555)	(7,256)	(1,915)	(19,796)
	c) Un-allocated	11	88	1	347
	Total Segment Profit before Finance Costs and Tax	(6,522)	(27,604)	(1,737)	(35,465)
	Less : i) Finance Costs	1,033	758	6,813	(1,866)
	ii) Exceptional Items	-	-	-	-
	Total profit/(loss) before tax	(7,555)	(28,362)	(8,550)	(33,599)
	Segment Assets				
a) Ferro Alloys	1,76,543	1,81,915	1,95,528	1,81,915	
b) Iron & Steel	55,594	63,114	92,829	63,114	
c) Unallocated	8,480	8,473	8,414	8,473	
Total Capital employed	2,40,617	2,53,502	2,96,771	2,53,502	
Segment Liabilities					
a) Ferro Alloys	42,681	26,261	11,583	26,261	
b) Iron & Steel	484	24,550	37,792	24,550	
c) Unallocated	871	871	871	871	
Total Capital employed	44,036	51,682	50,246	51,682	
3	Capital employed (Segment assets - Segment liabilities)				
	a) Ferro Alloys	1,33,862	1,55,654	1,83,945	1,55,654
	b) Iron & Steel	55,110	38,564	55,037	38,564
	c.) Unallocated	7,609	7,602	7,543	7,602
	Total Capital employed	1,96,581	2,01,820	2,46,525	2,01,820



ROHIT FERRO-TECH LIMITED

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NOTES:-

- 1 The above standalone unaudited financial results have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 11th August, 2017.
- 2 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. The SDR has been kept in abeyance for the time being. The lenders have communicated to go for change in management by indentifying an investor who will acquire the shares held by the promoters in RFTL. A Deed of Undertaking has been executed by RFTL and its promoters in this regard. On Execution of the Deed of Undertaking, the Lenders has invited bids from prospective investors for a change in management of the Company by way of sale of equity stake held by the promoters of the Company. The process is currently on.
- 3 In the opinion of the management, current and non current asset have a value of realisation 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.
- 4 The operations of the company was 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 had impacted the topline as well as bottom line of the company. The company has incurred loss of ₹ 7,569 Lacs for the quarter ended 30th June, 2017 and accumulated loss as on 30th June, 2017 is ₹ 1,21,481 Lacs which is in excess of the entire net worth of the company. Hence, the company has made refernce under section 15(1) of Sick Industrial Companies(Special Provisions) Act, 1985 to the Board for Financial and Industrial Reconstruction(BIFR), now vested as National Company Law Tribunal(NCLT), on November 25, 2016, in terms of Resolution passed by Circulation on November 24,2016. The company has continuous support from the promoters and has put in place measures for revival and cost reduction. Considering the 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.
- 5 The Company's Factory at Haldia (West Bengal) is suspended since 1st July, 2015 on account of depressed domestic and global market conditions in steel industry and excess procurement cost of Electricity. Robbery/Damages to certain properties had occurred and the Company had filed insurance claim which is under process. Provision has been made on inventory at Haldia for ₹ 1,264 Lacs on due of plant shut down on a prudent basis.
- 6 The lenders have stopped charging interest on debts, since the dues from the company have been categorised as Non Performing Asset. The company is in active discussion/negotiation with it 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 has been declared NPA by the respective lenders. The amount of interest not so provided for the quarter ended 30th June, 2017 stands at ₹ 7,450 Lacs. The unprovided interest liability as on 30th June, 2017 is ₹ 36,563 Lacs. The same have consequential impact on the reported financials.
- 7 The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30th June 2017.
- 8 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

Date: 11th August, 2017

