

# *R. Kothari & Company*

CHARTERED ACCOUNTANTS  
MUMBAI, KOLKATA, NEW DELHI

## REVIEW REPORT

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

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of M/S. Rohit Ferro Tech Limited ('the Company') for the quarter ended 30<sup>th</sup> June, 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, review of Interim Financial Information performed by the Independent Auditors 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 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. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards i.e. Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI ( Listing Obligation & Global requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. Emphasis of Matter

4.1 We draw your attention to Note No. 5 of the financial results which indicate that as at 30<sup>th</sup> June, 2016, the accumulated losses amounting to Rs. 88,967 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.

4.2 Certain secured loans and advances, trade receivables, trade payables and other liabilities are subject to confirmations and reconciliation.

4.3 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. 3,553.40 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.

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



*Manoj Kumar Sethia*

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

Date: 20.09.2016  
Place: Kolkata

**ROHIT FERRO-TECH LIMITED**

Registered Office : 35, Chittaranjan Avenue, Kolkata - 700 012

Phone: 033 4016 8000, E-mail Id: cs@rohitferrotech.com

CIN: L27104WB2000PLC091629

Website : www.rohitferrotech.com

(₹ in Laacs)

Statement of Standalone Unaudited Financial Results for the quarter ended 30 June 2016			
Sr No.	Particulars	Three months ended 30.06.2016	Three months ended 30.06.2015
		(Unaudited)	(Unaudited) #
<b>1</b>	<b>Income from Operations</b>		
	(a) Net Sales/Income from Operations (Net of excise duty)	9,207	53,158
	(b) Other Operating Income	13	122
	<b>Total Income from Operations (net)</b>	<b>9,220</b>	<b>53,280</b>
<b>2</b>	<b>Expenses</b>		
	(a) Cost of Materials consumed	5,042	21,408
	(b) Purchase of Stock-in-Trade	288	19,296
	(c) Changes in inventories of finished goods and work-in-progress	(726)	854
	(c) Employee benefits expense	293	595
	(d) Depreciation and amortisation expense	879	628
	(e) Power	2,910	7,565
	(f) Other expenses	2,512	3,910
	<b>Total Expenses</b>	<b>11,198</b>	<b>54,256</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(1,978)</b>	<b>(976)</b>
<b>4</b>	<b>Other Income</b>	<b>241</b>	<b>62</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)</b>	<b>(1,737)</b>	<b>(914)</b>
<b>6</b>	<b>Finance Costs</b>	<b>6,813</b>	<b>5,159</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(8,550)</b>	<b>(6,073)</b>
<b>8</b>	<b>Exceptional Items</b>	-	-
<b>9</b>	<b>Profit/(Loss) from ordinary activities before tax (7+8)</b>	<b>(8,550)</b>	<b>(6,073)</b>
<b>10</b>	<b>Tax expense</b>	-	-
<b>11</b>	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(8,550)</b>	<b>(6,073)</b>
<b>12</b>	<b>Extraordinary items (net of tax expense)</b>	-	-
<b>13</b>	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(8,550)</b>	<b>(6,073)</b>
<b>14</b>	<b>Other Comprehensive Income/ (Loss) (net of tax)</b>	<b>(12)</b>	<b>(12)</b>
<b>15</b>	<b>Total Comprehensive Income/ (Loss) for the period (13+14)</b>	<b>(8,562)</b>	<b>(6,085)</b>
<b>16</b>	<b>Paid-up equity share capital (Face Value ₹ 1 each)</b>	<b>11,378</b>	<b>11,378</b>
<b>17</b>	<b>Earnings Per Share (before and after extraordinary items) (of ₹ 1 each) (not annualised):</b>		
	a) Basic (₹)	(7.51)	(5.34)
	b) Diluted (₹)	(7.51)	(5.34)
	See accompanying notes to the Standalone Unaudited Financial Results		
	# Refer Note 2		



(₹ in Laacs)

Segment wise Revenue, Results and Capital Employed			
Sr No.	Particulars	Three months ended 30.06.2016	Three months ended 30.06.2015
		(Unaudited)	(Unaudited) #
1	<b>Segment Revenue</b>		
	a) Ferro Alloys	5,658	24,786
	b) Iron & Steel	4,449	32,607
	<b>Total</b>	10,107	57,393
	Less: Inter Segment Revenue	887	4,113
	<b>Total income from operations (net)</b>	9,220	53,280
		-	-
2	<b>Segment Results</b>		
	Profit before Finance Costs & Tax		
	a) Ferro Alloys	177	(1,388)
	b) Iron & Steel	(1,915)	454
	c) Un-allocated	1	20
	<b>Total Segment Profit before Finance Costs and Tax</b>	(1,737)	(914)
	Less : i) Finance Costs	6,813	5,159
ii) Exceptional Items	-	-	
	<b>Total profit/(loss) before tax</b>	(8,550)	(6,073)
		-	-
3	<b>Segment Assets</b>		
	a) Ferro Alloys	1,95,528	2,22,352
	b) Iron & Steel	92,829	96,656
	c.) Unallocated	8,414	8,357
	<b>Total Capital employed</b>	2,96,771	3,27,365
4	<b>Segment Liabilities</b>		
	a) Ferro Alloys	11,583	29,993
	b) Iron & Steel	37,792	47,628
	c.) Unallocated	871	871
	<b>Total Capital employed</b>	50,246	78,492
3	<b>Capital employed</b> (Segment assets - Segment liabilities)		
	a) Ferro Alloys	1,83,945	1,92,359
	b) Iron & Steel	55,037	49,028
	c.) Unallocated	7,543	7,486
	<b>Total Capital employed</b>	2,46,525	2,48,873
	See accompanying notes to the Standalone Unaudited Financial Results		
	# Refer Note 2		



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**NOTES:-**

- 1 The above 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 20th September, 2016.
- 2 The Company has adopted Indian Accounting Standards (Ind AS) from 1 April 2016. The figures for the quarter ended 30 June 2015 are also Ind AS compliant. They have not been subject to limited review or audit. However, the management has exercised necessary diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
- 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. The SDR has been kept in abeyance for the time being.
- 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 ₹ 8,562 Lacs for the quarter ended 30th June, 2016 and accumulated loss as on 30th June, 2016 is ₹ 88,967 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 ₹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 ₹7280 lacs was allowed to be converted into equity at par. The Company has been advised by the lenders to convert a part of the unsecured loan by issuing 1,36,57,001 shares at par on preferential basis to the promoters and promoters group pending implementation of SDR and the same is under process.
- 7 Reconciliation of Net profit as previously reported on account of transition from the previous Indian GAAP to Ind-AS for the quarter ended 30 June 2015:

(₹ in Lacs)

Sr.No.	Particulars	Unaudited (Refer note 2)
	<b>Net Profit/ (Loss) for the period under Previous Indian GAAP</b>	<b>(6,078)</b>
	<b>Adjustments on account of:</b>	
(a)	Measurement of investment at Fair value through Profit & Loss	3
(b)	Amortisation of Deferred Government Grant	2
(c)	Actuarial gain/ (loss) reclassified through Other Comprehensive Income	(12)
(d)	Impact of deferred tax on (a) to (c) above	-
	<b>Net Profit/ (Loss) for the period under Ind AS</b>	<b>(6,085)</b>

- 8 The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30 June 2016.
- 9 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: 20th Sept, 2016

