

# *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 unaudited financial results of Rohit Ferro-Tech Limited (the "Company") for the quarter ended September 30,2016 which are included in accompanying "Statement of Unaudited Standalone Financial Results for Quarter and Six Months Ended 30th September 2016" and the statement of assets and liabilities on that date together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations,2015") and SEBI Circular dated July 5,2016, which has been initialed by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies. 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.
- 3) 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.



- 4) We draw your attention to Note No.9 of the unaudited financial results regarding non provision of interest expense amounting to Rs.7920 Lacs on the borrowings of the company for the quarter ended September 30, 2016 which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. The Company has also reversed the interest provided in the earlier periods from the date the accounts been categorized as Non Performing Asset by the respective lenders amounting to Rs 10,416 Lacs. This has consequential impact on the reported figures of this quarter as well as earlier periods. Had the aforesaid interest expense been recognized the total comprehensive Income/ (loss) for the quarter ended 30<sup>th</sup> September, 2016 would have been Rs (11,804) Lacs instead of Rs 6532 Lacs and for half year ended 30<sup>th</sup> September, 2016 would have been Rs (20,366) Lacs instead of Rs (2030) Lacs.
- 5) Based on our review conducted as above, except for the matter referred in Paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited financial results prepared in accordance with the applicable 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.
- 6) We draw your attention to the following matters:
- Note 2 of the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
  - We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended September, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended September 30, 2016. As set out in Note 2 to the Statement, these figures have been furnished by the Management.
- 7) (a) We draw your attention to Note No. 8 of the financial results which indicate that as at 30<sup>th</sup> September, 2016, the accumulated losses amounting to



Rs.82,308 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 **Rs. 2369.12 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. 10 , 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 conclusion is not qualified in respect of these matters.



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

*Manoj Kumar Sethia*

Date: 14.12.2016  
Place: Kolkata

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

**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

**Statement of Standalone Unaudited Financial Results for the quarter and six months ended 30th September, 2016** (₹ in Lacs)

Sr No.	Particulars	Three months ended 30.09.2016	Three months ended 30.06.2016	Three months ended 30.09.2015	Six months ended 30.09.2016	Six months ended 30.09.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited) #
<b>1</b>	<b>Income from Operations</b>					
	(a) Net Sales/Income from Operations (Net of excise duty)	13,866	9,207	47,997	23,073	1,01,155
	(b) Other Operating Income	13	13	166	26	288
	<b>Total Income from Operations (net)</b>	<b>13,879</b>	<b>9,220</b>	<b>48,163</b>	<b>23,099</b>	<b>1,01,443</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of Materials consumed	13,177	5,042	27,073	18,219	48,482
	(b) Purchase of Stock-in-Trade	-	288	14,387	288	33,682
	(c) Changes in inventories of finished goods and work-in-progress	(2,984)	(726)	2,150	(3,710)	3,004
	(d) Employee benefits expense	300	293	460	593	1,055
	(e) Depreciation and amortisation expense	860	879	626	1,739	1,254
	(f) Power	3,998	2,910	5,660	6,908	13,225
	(g) Other expenses	1,977	2,512	2,586	4,489	6,496
	<b>Total Expenses</b>	<b>17,328</b>	<b>11,198</b>	<b>52,942</b>	<b>28,526</b>	<b>1,07,198</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(3,449)</b>	<b>(1,978)</b>	<b>(4,779)</b>	<b>(5,427)</b>	<b>(5,755)</b>
<b>4</b>	<b>Other Income</b>	<b>40</b>	<b>241</b>	<b>499</b>	<b>281</b>	<b>561</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)</b>	<b>(3,409)</b>	<b>(1,737)</b>	<b>(4,280)</b>	<b>(5,146)</b>	<b>(5,194)</b>
<b>6</b>	<b>Finance Costs</b>	<b>(9,953)</b>	<b>6,813</b>	<b>5,355</b>	<b>(3,140)</b>	<b>10,515</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>6,544</b>	<b>(8,550)</b>	<b>(9,636)</b>	<b>(2,006)</b>	<b>(15,709)</b>
<b>8</b>	<b>Exceptional Items</b>	-	-	-	-	-
<b>9</b>	<b>Profit/(Loss) from ordinary activities before tax (7+8)</b>	<b>6,544</b>	<b>(8,550)</b>	<b>(9,636)</b>	<b>(2,006)</b>	<b>(15,709)</b>
<b>10</b>	<b>Tax expense</b>	-	-	-	-	-
<b>11</b>	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>6,544</b>	<b>(8,550)</b>	<b>(9,636)</b>	<b>(2,006)</b>	<b>(15,709)</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>6,544</b>	<b>(8,550)</b>	<b>(9,636)</b>	<b>(2,006)</b>	<b>(15,709)</b>
<b>14</b>	<b>Other Comprehensive Income/ (Loss) (net of tax)</b>	<b>(12)</b>	<b>(12)</b>	<b>(12)</b>	<b>(24)</b>	<b>(24)</b>
<b>15</b>	<b>Total Comprehensive Income/ (Loss) for the period (13+14)</b>	<b>6,532</b>	<b>(8,562)</b>	<b>(9,648)</b>	<b>(2,030)</b>	<b>(15,733)</b>
<b>16</b>	<b>Paid-up equity share capital (Face Value ₹ 10 each)</b>	<b>11,378</b>	<b>11,378</b>	<b>11,378</b>	<b>11,378</b>	<b>11,378</b>
<b>17</b>	<b>Earnings Per Share (before and after extraordinary items) (of ₹ 10 each) (not annualised):</b>					
	a) Basic (₹)	5.74	(7.51)	(8.47)	(1.78)	(13.81)
	b) Diluted (₹)	5.74	(7.51)	(8.47)	(1.78)	(13.81)
	See accompanying notes to the Standalone Unaudited Financial Results					
	# Refer Note 2					



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(₹ in Lacs)

Segment wise Revenue, Results and Capital Employed						
Sr No.	Particulars	Three months ended 30.09.2016	Three months ended 30.06.2016	Three months ended 30.09.2015	Six months ended 30.09.2016	Six months ended 30.09.2015
		(Unaudited)	(Unaudited)	(Unaudited) #	(Unaudited)	(Unaudited) #
1	<b>Segment Revenue</b>					
	a) Ferro Alloys	7,654	5,658	26,497	13,312	51,283
	b) Iron & Steel	6,225	4,449	25,310	10,674	57,917
	<b>Total</b>	<b>13,879</b>	<b>10,107</b>	<b>51,807</b>	<b>23,986</b>	<b>1,09,200</b>
	Less: Inter Segment Revenue	-	887	3,644	887	7,757
	<b>Total income from operations (net)</b>	<b>13,879</b>	<b>9,220</b>	<b>48,163</b>	<b>23,099</b>	<b>1,01,443</b>
2	<b>Segment Results</b>					
	Profit before Finance Costs & Tax					
	a) Ferro Alloys	(8,387)	177	(3,610)	(8,210)	(4,997)
	b) Iron & Steel	4,977	(1,915)	(692)	3,062	(239)
	c) Un-allocated	1	1	22	2	42
	<b>Total Segment Profit before Finance Costs and Tax</b>	<b>(3,409)</b>	<b>(1,737)</b>	<b>(4,280)</b>	<b>(5,146)</b>	<b>(5,194)</b>
	Less : i) Finance Costs	(9,953)	6,813	5,355	(3,140)	10,515
	ii) Exceptional Items	-	-	-	-	-
	<b>Total profit/(loss) before tax</b>	<b>6,544</b>	<b>(8,550)</b>	<b>(9,636)</b>	<b>(2,006)</b>	<b>(15,708)</b>
3	<b>Segment Assets</b>					
	a) Ferro Alloys	1,95,367	1,95,528	2,15,548	1,95,367	2,15,548
	b) Iron & Steel	84,539	92,829	87,140	84,539	87,140
	c) Unallocated	8,417	8,414	8,386	8,417	8,386
	<b>Total Capital employed</b>	<b>2,88,323</b>	<b>2,96,771</b>	<b>3,11,074</b>	<b>2,88,323</b>	<b>3,11,074</b>
4	<b>Segment Liabilities</b>					
	a) Ferro Alloys	20,771	11,583	36,325	20,771	36,325
	b) Iron & Steel	30,026	37,792	31,676	30,026	31,676
	c) Unallocated	871	871	871	871	871
	<b>Total Capital employed</b>	<b>51,668</b>	<b>50,246</b>	<b>68,871</b>	<b>51,668</b>	<b>68,871</b>
5	<b>Capital employed (Segment assets - Segment liabilities)</b>					
	a) Ferro Alloys	1,74,596	1,83,945	1,79,224	1,74,596	1,79,224
	b) Iron & Steel	54,513	55,037	55,464	54,513	55,464
	c) Unallocated	7,546	7,543	7,515	7,546	7,515
	<b>Total Capital Employed</b>	<b>2,36,656</b>	<b>2,46,525</b>	<b>2,42,203</b>	<b>2,36,656</b>	<b>2,42,203</b>
	See accompanying notes to the Standalone Unaudited Financial Results					
	# Refer Note 2					

**NOTES:-**

- 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 14th December, 2016.
- The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016. The figures for the quarter ended 30th September 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. The Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2016, the Company for the first time Adopted Ind AS with a transition date of 1st April 2015.
- The format for Un-audited Quarterly and Half yearly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, IND AS and Schedule III (division II) to the Companies Act, 2013 applicable to Companies that are required to comply with IND AS.
- The Statement does not include Results for the previous year ended 31st March, 2016 and Statement of Assets & Liabilities as on date as the same is not mandatory as per SEBI's circular dated 5th July, 2016.
- 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 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 have occurred and the Company has filed insurance claim for ₹ 2603 Lacs. The corresponding WDV amounting to ₹ 1898 Lacs against the above said claim amount of ₹ 2603 Lacs has been duly reduced from the fixed assets. Further, insurance claim receivable under the heading "Other Current Financial Assets" has been accounted for ₹ 1898 Lacs. The financial impact of such Insurance Claim / Burglary/ robbery on the reported financials, if any, remains unascertained and unquantified.
- The Company has made a reference to the Board for Financial and Industrial Reconstruction (BIFR) as per provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 on November 25, 2016 in terms of Resolution passed by Circulation on November 24, 2016. The Company's net worth has been fully eroded as at the end of the financial year 2015-16 and hence the reference under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 has been made.
- 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's accumulated losses as on 30th September, 2016 is ₹ 82,308 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.



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- 9 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 its 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 and reversed interest provided in earlier quarters pertaining to the period the account was declared NPA by the respective lenders. The amount of interest not so provided for the quarter stands at ₹ 7,920 Lacs and reversed ₹10,416 Lacs for earlier periods. The same have consequential impact on the reported figures of this quarter as well as earlier periods
- 10 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.
- 11 Pursuant to CDR Package, the Company has received unsecured loans amounting to ₹ 7,280 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 ₹ 7,280 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.
- 12 Reconciliation of Net Loss reported in accordance with Indian GAAP to Total Comprehensive Income in accordance with Ind-AS for the quarter and six months ended 30th September 2015 is given below:

Sr.No.	Particulars	₹ in Lacs)	
		Three months ended 30.09.2015	Six months ended 30.09.2015
		<b>Unaudited</b>	
	Net Profit/ (Loss) for the period under Previous Indian GAAP	(9,640)	(15,718)
	Add/Less Adjustments on account of:		
(a)	Measurement of investment at Fair value through Profit & Loss	2	5
(b)	Amortisation of Deferred Government Grant	2	4
(c)	Impact of deferred tax on (a) to (b) above		-
	Net Profit/ (Loss) for the period under Ind AS	(9,636)	(15,709)
	Actuarial gain/ (loss) reclassified through Other Comprehensive Income	(12)	(24)
	Total Comprehensive Income for the period under consideration	(9,648)	(15,733)

- 13 The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30 September 2016.
- 14 This Financial Statement has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015.

On behalf of the Board of Directors



**Suresh Kumar Patni**  
Chairman

Place: Kolkata

Date: 14th December, 2016



<b>ROHIT FERRO-TECH LIMITED</b>	
<b>BALANCE SHEET AS AT 30TH SEPTEMBER, 2016</b>	
<b>PARTICULARS</b>	<b>(₹ In Lacs)</b>
	<b>30-09-2016</b>
<b>I ASSETS</b>	
<b>(1) Non-Current Assets</b>	
(a) Property, Plant and Equipment	70,823
(b) Capital work-in-progress	44,688
(c) Financial Assets	
(i) Investments	8,001
(ii) Loans	
OTHER NON CURRENT FINANCIAL ASSETS	3,207
(d) Other non-current assets	515
	<b>1,27,234</b>
<b>(2) Current Assets</b>	
(a) Inventories	61,105
(b) Financial Assets	
(i) Trade Receivables	69,669
(ii) Cash and Cash equivalents	590
(iii) Other Bank Balances	1,383
(iv) Loans	1,172
(v) Other Current Financial Assets	12,596
(c) Other Current Assets	14,574
	<b>1,61,089</b>
<b>TOTAL</b>	<b>2,88,323</b>
<b>II EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
(a) Equity Share capital	11,378
(b) Other Equity	(39,327)
	<b>(27,949)</b>
<b>Liabilities</b>	
<b>(1) Non-Current Liabilities</b>	
(a) Financial Liabilities	
(i) Borrowings	1,24,540
(ii) Other Non-Current Financial Liabilities	-
(b) Deferred Tax Liabilities (Net)	-
(c) Other Non-Current Liabilities	110
	<b>1,24,650</b>
<b>(2) Current Liabilities</b>	
(a) Financial Liabilities	
(i) Borrowings	1,13,838
(ii) Trade Payables	40,947
(iii) Other Current Financial Liabilities	30,034
(b) Current Tax Liabilities (Net)	428
(c) Other Current Liabilities	6,375
	<b>1,91,622</b>
<b>TOTAL</b>	<b>2,88,323</b>

