

R. Kothari & Company

CHARTERED ACCOUNTANTS

KOLKATA, NEW DELHI

REVIEW REPORT

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

1. We have reviewed the Unaudited Standalone Financial results of M/S Rohit Ferro-Tech Limited ("the Company"), for the Quarter ended September 30, 2017 which are included in the accompanying Statement of Standalone Unaudited Financial Results for the Quarter and Six months ended September 30, 2017 and the statement of Standalone Assets and Liabilities as on that date together with 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 Obligation and Disclosure Requirement) Regulations, 2015 (the "Listing regulation 2015") which has been initialed by us for identification purposes.

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 there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement 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 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. 5 of the unaudited Standalone financial results regarding non provision of interest expense amounting to ₹ 7,447 Lacs on the borrowings of the company for the quarter ended September 30, 2017 and penal interest and charges thereof (amount remaining unascertained) 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 September, 2017 would have been ₹ 9,737 Lacs instead of



₹ 2,290 Lacs and the total comprehensive loss for the quarter ended 30th September, 2017 would have been ₹ 13,171 Lacs instead of ₹ 5,724 Lacs. The unprovided liability in respect of interest on long term and short term borrowings as on 30th September, 2017 amounted to ₹ 42,296 Lacs. Had it been provided, Other Equity and Other Current Financial Liability as at September 30, 2017 would have been ₹ (1,28,078) Lacs and ₹ 94,152 Lacs instead of the reported amount of ₹ (85,782) Lacs and ₹ 51,856 Lacs respectively.

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 recognized 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.

(a) We draw your attention to Note No. 3 of the financial results which indicate that as at 30th September, 2017, the accumulated losses amounting to ₹ 1,27,192 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 ₹ 3,091 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. 6, 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.

Date: 14.11.2017
Place: Kolkata



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

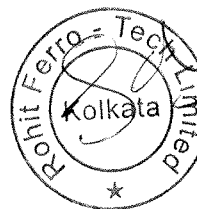
M. Manoj Kumar Sethia

C.A. Manoj Kumar Sethia
Partner

M. No.:- 064308

Statement of Standalone Unaudited Financial Results for the quarter and half year ended 30th September, 2017

| Sr. No. | Particulars | Three months ended 30.09.2017 | Three months ended 30.06.2017 | Three months ended 30.09.2016 | Six months ended 30.09.2017 | Six months ended 30.09.2016 | Twelve months ended 31.03.2017 |
|---------|---|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------------|
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | (a) Revenue from Operations | 15,690 | 18,775 | 15,406 | 34,465 | 25,610 | 72,414 |
| | (b) Other Operating Income | 42 | 52 | 53 | 94 | 306 | 649 |
| | Total Income from Operations (net) | 15,732 | 18,827 | 15,459 | 34,559 | 25,917 | 73,063 |
| 2 | Expenses | | | | | | |
| | (a) Cost of Materials consumed | 11,320 | 13,583 | 13,177 | 24,903 | 18,219 | 61,334 |
| | (b) Purchase of Stock-in-Trade | - | - | - | - | 288 | 288 |
| | (c) Changes in inventories of finished goods and work-in-progress | (144) | 1,517 | (2,984) | 1,373 | (3,710) | 952 |
| | (d) Excise Duty | - | 1,790 | 1,540 | 1,790 | 2,538 | 6,399 |
| | (e) Employee benefits expense | 373 | 337 | 300 | 710 | 593 | 1,342 |
| | (f) Finance Cost | 2,290 | 1,033 | (9,953) | 3,323 | (3,140) | (1,866) |
| | (g) Depreciation and amortisation expense | 851 | 842 | 860 | 1,693 | 1,739 | 3,418 |
| | (h) Power | 3,834 | 4,088 | 3,998 | 7,922 | 6,908 | 16,184 |
| | (i) Other expenses | 2,919 | 3,192 | 1,977 | 6,111 | 4,489 | 18,611 |
| | Total Expenses | 21,443 | 26,382 | 8,915 | 47,825 | 27,924 | 1,06,662 |
| 3 | Profit from operations before exceptional items (1-2) | (5,711) | (7,555) | 6,544 | (13,266) | (2,006) | (33,599) |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | Profit/(Loss) before tax (3+4) | (5,711) | (7,555) | 6,544 | (13,266) | (2,006) | (33,599) |
| 6 | Tax expense | - | - | - | - | - | - |
| 7 | Net Profit/(Loss) after tax (5-6) | (5,711) | (7,555) | 6,544 | (13,266) | (2,006) | (33,599) |
| 8 | Extraordinary items (net of tax expense) | - | - | - | - | - | - |
| 9 | Net Profit/(Loss) for the period (7-8) | (5,711) | (7,555) | 6,544 | (13,266) | (2,006) | (33,599) |
| 10 | Other Comprehensive Income/ (Loss) (net of tax) | | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | (14) | (14) | (12) | (27) | (24) | (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) | (5,725) | (7,569) | 6,532 | (13,293) | (2,030) | (33,654) |
| 12 | Paid-up equity share capital (Face Value ₹ 10 each) | 11,378 | 11,378 | 11,378 | 11,378 | 11,378 | 11,378 |
| 13 | Earnings Per Share (before and after extraordinary items) (of ₹ 10 each) (not annualised): | | | | | | |
| | a) Basic (₹) | (5.03) | (6.64) | 5.74 | (11.68) | (1.78) | (29.53) |
| | b) Diluted (₹) | (5.03) | (6.64) | 5.74 | (11.68) | (1.78) | (29.53) |
| | See accompanying notes to the Standalone Unaudited Financial Results | | | | | | |



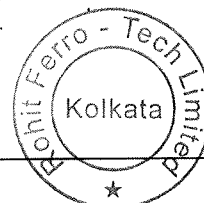
(₹ in Lacs)

| Segment wise Revenue, Results and Capital Employed | | | | | | | |
|--|---|------------------|------------------|------------------|------------------|------------------|---------------------|
| Sr No. | Particulars | Three months | Three months | Three months | Six months ended | Six months ended | Twelve months ended |
| | | ended 30.09.2017 | ended 30.06.2017 | ended 30.09.2016 | 30.09.2017 | 30.09.2016 | 31.03.2017 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Segment Revenue | | | | | | |
| | a) Ferro Alloys | 8,895 | 14,427 | 7,654 | 23,322 | 13,312 | 56,293 |
| | b) Iron & Steel | 8,419 | 6,099 | 6,225 | 14,518 | 10,674 | 21,757 |
| | Total | 17,314 | 20,526 | 13,879 | 37,840 | 23,986 | 78,050 |
| | Less: Inter Segment Revenue | 1,624 | 1,751 | 0 | 3,375 | 887 | 5,636 |
| | Total Income from Operations (net) | 15,690 | 18,775 | 13,879 | 34,465 | 23,099 | 72,414 |
| 2 | Segment Results | | | | | | |
| | Profit before Finance Costs & Tax | | | | | | |
| | a) Ferro Alloys | (1,640) | (2,978) | (8,387) | (4,618) | (8,210) | (16,016) |
| | b) Iron & Steel | (1,787) | (3,555) | 4,977 | (5,342) | 3,062 | (19,796) |
| | c) Un-allocated | 6 | 11 | 1 | 17 | 2 | 347 |
| | Total Segment Profit before Finance Costs and Tax | (3,421) | (6,522) | (3,409) | (9,943) | (5,146) | (35,465) |
| | Less : i) Finance Costs | 2,290 | 1,033 | (9,953) | 3,323 | (3,140) | (1,866) |
| | ii) Exceptional Items | - | - | - | - | - | - |
| | Total profit/(loss) before tax | (5,711) | (7,555) | 6,544 | (13,266) | (2,006) | (33,599) |
| | Segment Assets | | | | | | |
| | a) Ferro Alloys | 1,75,212 | 1,76,543 | 1,95,367 | 1,75,212 | 1,95,367 | 1,81,915 |
| | b) Iron & Steel | 56,387 | 55,594 | 84,539 | 56,387 | 84,539 | 63,114 |
| | c) Un-allocated | 7,548 | 8,480 | 8,417 | 7,548 | 8,417 | 8,473 |
| | Total Segment Assets | 2,39,147 | 2,40,617 | 2,88,323 | 2,39,147 | 2,88,323 | 2,53,502 |
| | Segment Liabilities | | | | | | |
| | a) Ferro Alloys | 43,142 | 42,681 | 20,771 | 43,142 | 20,771 | 26,261 |
| | b) Iron & Steel | 3,354 | 484 | 30,026 | 3,354 | 30,026 | 24,550 |
| | c) Un-allocated | 871 | 871 | 871 | 871 | 871 | 871 |
| | Total Segment Liabilities | 47,367 | 44,036 | 51,668 | 47,367 | 51,668 | 51,682 |
| 3 | Capital Employed (Segment Assets - Segment Liabilities) | | | | | | |
| | a) Ferro Alloys | 1,32,070 | 1,33,862 | 1,74,596 | 1,32,070 | 1,74,596 | 1,55,654 |
| | b) Iron & Steel | 53,033 | 55,110 | 54,513 | 53,033 | 54,513 | 38,564 |
| | c.) Un-allocated | 6,677 | 7,609 | 7,546 | 6,677 | 7,546 | 7,602 |
| | Total Capital Employed | 1,91,780 | 1,96,581 | 2,36,656 | 1,91,780 | 2,36,656 | 2,01,820 |

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 14th November, 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 Rohit Ferro-Tech Limited (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 and the same is in process.
- 3 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 ₹ 5,711 Lacs for the quarter ended 30th September, 2017 and accumulated loss as on 30th September 2017 is ₹ 127,192 Lacs which is in excess of the entire net worth of the Company. The Company has made already made a reference 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.
- 4 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.
- 5 The lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset. 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 September, 2017 stands at ₹ 7,447 Lacs and penal interest and charges thereof (amount remaining unascertained) has not been provided for. The unprovided liability in respect of interest on long term and short term borrowings as on 30th September, 2017 amounted to ₹ 42,296 Lacs. The same have consequential impact on the reported figures.
- 6 In the opinion of the management, current and non current assets 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.
- 7 Revenue from operations for the current quarter is not comparable with previous periods, since sales are net of GST whereas in previous periods sales were gross of excise duty.
- 8 The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30th September, 2017.
- 9 This Financial Statement has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation Requirements) Regulation 2015.

Place: Kolkata
Date: 14th November, 2017



On behalf of the Board
Suresh Kumar Patni
Chairman

ROHIT FERRO-TECH LIMITED
BALANCE SHEET AS AT 30TH SEPTEMBER, 2017

| <u>PARTICULARS</u> | (₹ in Lacs) | | |
|--|-----------------|-----------------|-----------------|
| | 30-09-2017 | 30-09-2016 | 31-03-2017 |
| I ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 67,439 | 70,823 | 69,137 |
| (b) Capital work-in-progress | 44,787 | 44,688 | 44,728 |
| (c) Financial Assets | | | |
| (i) Investments | 8,021 | 8,001 | 8,009 |
| (ii) Loans | 3,047 | 3,207 | 3,214 |
| (ii) Other Non-Current Financial Assets | - | - | - |
| (d) Other non-current assets | 715 | 515 | 723 |
| | 1,24,009 | 1,27,234 | 1,25,810 |
| (2) Current Assets | | | |
| (a) Inventories | 30,602 | 61,105 | 36,610 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 58,995 | 69,669 | 62,169 |
| (ii) Cash and Cash equivalents | 321 | 590 | 684 |
| (iii) Other Bank Balances | 19 | 1,383 | 1,029 |
| (iv) Loans | 1,256 | 1,172 | 1,256 |
| (v) Other Current Financial Assets | 12,071 | 12,596 | 12,048 |
| (c) Other Current Assets | 11,874 | 14,574 | 13,896 |
| | 1,15,138 | 1,61,089 | 1,27,691 |
| TOTAL | 2,39,147 | 2,88,323 | 2,53,502 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 11,378 | 11,378 | 11,378 |
| (b) Other Equity | (84,242) | (39,327) | (70,950) |
| | (72,864) | (27,949) | (59,572) |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 1,04,317 | 1,24,540 | 1,11,856 |
| (ii) Other Non-Current Financial Liabilities | - | - | - |
| (b) Deferred Tax Liabilities (Net) | - | - | - |
| (c) Other Non-Current Liabilities | 104 | 110 | 106 |
| | 1,04,421 | 1,24,650 | 1,11,962 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 1,12,990 | 1,13,838 | 1,09,645 |
| (ii) Trade Payables | 35,131 | 40,947 | 37,684 |
| (iii) Other Current Financial Liabilities | 51,856 | 30,034 | 43,836 |
| (b) Current Tax Liabilities (Net) | 398 | 428 | 407 |
| (c) Other Current Liabilities | 7,214 | 6,375 | 9,540 |
| | 2,07,590 | 1,91,622 | 2,01,112 |
| TOTAL | 2,39,147 | 2,88,323 | 2,53,502 |

