

# *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 accompanying statement of Standalone Unaudited Financial results of M/S Rohit Ferro-Tech Limited ("the Company"), for the Quarter ended December 31, 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 5<sup>th</sup> 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 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 ₹ 7,450 on the borrowings of the company for the quarter ended December 31, 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 31<sup>st</sup> December, 2017 would have been ₹ 8,191 Lacs instead of ₹ 741 Lacs and the total comprehensive loss for the quarter ended 31<sup>st</sup> December, 2017 would have been ₹ 8,429 Lacs instead of ₹ 979 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 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.
5. (a) We draw your attention to Note No. 3 of the financial results which indicate that as at 31<sup>st</sup> December, 2017, the accumulated losses amounting to ₹ **1,28,203 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 ₹ **2,542 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 report is not qualified in respect of these matters.

*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**  
**M. No.:- 064308**

**Date: 13.02.2018**  
**Place: Kolkata**

(₹ in Lacs, except EPS)

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2017							
Sr No.	Particulars	Three months ended 31.12.2017	Three months ended 31.12.2016	Three months ended 30.09.2017	Nine months ended 31.12.2017	Nine months ended 31.12.2016	Twelve months ended 31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Revenue from Operations	18,604	16,807	15,690	53,069	39,879	72,414
	(b) Other Operating Income	226	257	42	320	564	649
	<b>Total Income from Operations</b>	<b>18,830</b>	<b>17,064</b>	<b>15,732</b>	<b>53,389</b>	<b>40,443</b>	<b>73,063</b>
2	<b>Expenses</b>						
	(a) Cost of Materials consumed	11,720	12,978	11,320	36,623	31,197	67,657
	(b) Purchase of Stock-in-Trade	-	-	-	-	288	288
	(c) Changes in inventories of finished goods and work-in-progress	(354)	(372)	(144)	1,019	(4,082)	983
	(d) Excise Duty	-	-	-	1,790	-	6,399
	(e) Employee benefits expense	390	319	373	1,100	911	1,342
	(f) Finance Cost	741	516	2,290	4,063	(2,624)	(1,866)
	(g) Depreciation and amortisation expense	850	825	851	2,543	2,564	3,418
	(h) Power	4,273	4,409	3,834	12,196	11,317	16,184
	(i) Other expenses	2,175	1,619	2,919	8,286	6,108	12,257
	<b>Total Expenses</b>	<b>19,795</b>	<b>20,294</b>	<b>21,443</b>	<b>67,620</b>	<b>45,679</b>	<b>1,06,662</b>
3	<b>Profit from operations before exceptional items (1-2)</b>	<b>(965)</b>	<b>(3,230)</b>	<b>(5,711)</b>	<b>(14,231)</b>	<b>(5,236)</b>	<b>(33,599)</b>
4	Exceptional items	-	-	-	-	-	-
5	<b>Profit/(Loss) before tax (3+4)</b>	<b>(965)</b>	<b>(3,230)</b>	<b>(5,711)</b>	<b>(14,231)</b>	<b>(5,236)</b>	<b>(33,599)</b>
6	Tax Expense	-	-	-	-	-	-
7	<b>Net Profit/(Loss) after tax (5-6)</b>	<b>(965)</b>	<b>(3,230)</b>	<b>(5,711)</b>	<b>(14,231)</b>	<b>(5,236)</b>	<b>(33,599)</b>
8	Extraordinary items (net of tax expense)	-	-	-	-	-	-
9	<b>Net Profit/(Loss) for the period (7-8)</b>	<b>(965)</b>	<b>(3,230)</b>	<b>(5,711)</b>	<b>(14,231)</b>	<b>(5,236)</b>	<b>(33,599)</b>
10	<b>Other Comprehensive Income/ (Loss) (net of tax)</b>						
	A (i) Items that will not be reclassified to profit or loss	(14)	(12)	(14)	(41)	(36)	(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	<b>Total Comprehensive Income/ (Loss) for the period (9+10)</b>	<b>(979)</b>	<b>(3,242)</b>	<b>(5,725)</b>	<b>(14,272)</b>	<b>(5,272)</b>	<b>(33,654)</b>
12	Paid-up equity share capital (Face Value ₹ 10 each)	11,378	11,378	11,378	11,378	11,378	11,378
13	<b>Earnings Per Share (before and after extraordinary items) (of ₹ 10 each) (not annualised):</b>						
	a) Basic (₹)	(0.86)	(2.84)	(5.03)	(12.54)	(4.60)	(29.53)
	b) Diluted (₹)	(0.86)	(2.84)	(5.03)	(12.54)	(4.60)	(29.53)
	See accompanying notes to the Standalone Unaudited Financial Results						



(₹ in Lacs)

Sr No.	Particulars	Segment wise Revenue, Results and Capital Employed					
		Three months ended 31.12.2017	Three months ended 31.12.2016	Three months ended 30.09.2017	Nine months ended 31.12.2017	Nine months ended 31.12.2016	Twelve months ended 31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Segment Revenue</b>						
	a) Ferro Alloys	11,437	15,140	8,895	34,760	28,453	53,632
	b) Iron & Steel	9,077	4,720	8,419	23,594	15,394	24,419
	<b>Total</b>	<b>20,514</b>	<b>19,860</b>	<b>17,314</b>	<b>58,354</b>	<b>43,847</b>	<b>78,050</b>
	Less: Inter Segment Revenue	1,910	3,023	1,624	5,285	3,912	5,636
	<b>Total income from operations (net)</b>	<b>18,604</b>	<b>16,837</b>	<b>15,690</b>	<b>53,069</b>	<b>39,935</b>	<b>72,414</b>
2	<b>Segment Results</b>						
	Profit before Finance Costs & Tax						
	a) Ferro Alloys	(2,644)	12,631	(1,640)	(7,262)	4,420	(16,016)
	b) Iron & Steel	2,407	(15,602)	(1,787)	(2,935)	(12,540)	(19,796)
	c) Un-allocated	13	257	6	29	260	347
	<b>Total Segment Profit before Finance Costs and Tax</b>	<b>(224)</b>	<b>(2,714)</b>	<b>(3,421)</b>	<b>(10,168)</b>	<b>(7,860)</b>	<b>(35,465)</b>
	Less : i) Finance Costs	741	516	2,290	4,063	(2,624)	(1,866)
	ii) Exceptional Items	-	-	-	-	-	-
	<b>Total profit/(loss) before tax</b>	<b>(965)</b>	<b>(3,230)</b>	<b>(5,711)</b>	<b>(14,231)</b>	<b>(5,236)</b>	<b>(33,599)</b>
	<b>Segment Assets</b>						
	a) Ferro Alloys	1,70,366	2,02,766	1,75,212	1,70,366	2,02,766	1,81,914
	b) Iron & Steel	63,749	64,687	56,387	63,749	64,687	63,114
	c) Unallocated	7,550	7,557	7,548	7,550	7,557	8,473
	<b>Total Segment Assets</b>	<b>2,41,665</b>	<b>2,75,010</b>	<b>2,39,147</b>	<b>2,41,665</b>	<b>2,75,010</b>	<b>2,53,502</b>
	<b>Segment Liabilities</b>						
	a) Ferro Alloys	40,961	11,926	43,142	40,961	11,926	26,261
	b) Iron & Steel	8,185	19,380	3,354	8,185	19,380	24,550
	c) Unallocated	871	871	871	871	871	871
	<b>Total Segment Liabilities</b>	<b>50,017</b>	<b>32,177</b>	<b>47,367</b>	<b>50,017</b>	<b>32,177</b>	<b>51,682</b>
3	<b>Capital employed</b> (Segment assets - Segment liabilities)						
	a) Ferro Alloys	1,29,405	1,90,840	1,32,070	1,29,405	1,90,840	1,55,654
	b) Iron & Steel	55,564	45,306	53,033	55,564	45,306	38,564
	c) Unallocated	6,679	6,685	6,677	6,679	6,685	7,602
	<b>Total Capital Employed</b>	<b>1,91,648</b>	<b>2,42,831</b>	<b>1,91,780</b>	<b>1,91,648</b>	<b>2,42,831</b>	<b>2,01,820</b>

- 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 13th February, 2018.
  - 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 identifying 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 and the same is in process.
  - The operations of the company was severely impacted by weak steel industry scenario and lack of demand for company's finished product. The company has incurred loss of ₹ 979 Lacs for the quarter ended 31st December, 2017 and accumulated loss as on 31st December 2017 is ₹ 128,203 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.
  - 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. The insurance claim settlement in respect of robbery/damage incurred for certain properties in earlier period is still under process. The financial impact of such insurance claim (Burglary/Robbery) on the reported financials, if any, remains unascertained and unquantified.
  - 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 31st December, 2017 stands at ₹ 7,450 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 31st December, 2017 amounted to ₹ 53,754 Lacs. The same have consequential impact on the reported figures.
  - 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.
  - Revenue from operations for periods upto 30th June 2017 includes excise duty, which is discontinued effectively 1st July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18-Revenue', GST is not included in Revenue from operations. In view of aforesaid change in indirect taxes, Revenue from operations for the quarter and nine months ended 31st December 2017 is not comparable to the quarter and nine months ended 31st December 2016.
  - The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 31st December 2017.
  - This Financial Statement has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation Requirements) Regulation 2015.

On behalf of the Board

Place: Kolkata  
Date: 13th February, 2018



Ankit Patni  
(Managing Director)