

# *R. Kothari & Company*

CHARTERED ACCOUNTANTS

KOLKATA, NEW DELHI

**Limited Review Report on Unaudited Quarterly and year to date Financial Results of Rohit Ferro-Tech Limited pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

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

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of M/S Rohit Ferro-Tech Limited ('the Company') for the quarter ended 31<sup>st</sup> December, 2018 and year-to-date results for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> December, 2018 together with the notes thereon (" the Statement") attached herewith. The statement is being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, and has been initialed by us for identification purpose.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on 13<sup>th</sup> February, 2019 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.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" specified under Section 143(10) of the Companies Act, 2013. This 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.

## **Basis of Qualified Conclusion**

4. We draw your attention to Note No. 5 of the unaudited Standalone Financial Results regarding non provision of interest expenses on the borrowing of the Company amounting to ₹ 7,450 Lacs for the quarter ended December 31, 2018 and ₹ 22,350 Lacs for the nine months ended December 31, 2018 which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS
5. 109: Financial Instruments. Had the aforesaid interest expense been recognized, the finance cost for the quarter ended December 31, 2018 would have been ₹ 8,544 Lacs instead of reported amount of ₹ 1094 Lacs and finance cost for the nine months ended December 31, 2018 would have been ₹ 26,416 Lacs instead of reported amount of ₹ 4,066 Lacs. Total expenses for the quarter and nine



months ended December 31, 2018 would have been ₹ 34,741 Lacs and ₹ 1,11,894 Lacs instead of reported amount of ₹ 27,291 Lacs and ₹ 89,544 Lacs. Net loss after tax for the quarter and nine months ended December 31, 2018 would have been ₹ 11,360 Lacs and ₹ 44,809 Lacs instead of reported amount of ₹ 3,910 Lacs and ₹ 22,459 Lacs. Total comprehensive loss for the quarter and nine months ended December 31, 2018 would have been ₹ 11,362 Lacs and ₹ 44,815 Lacs instead of reported amount of ₹ 3,912 Lacs and ₹ 22,465 Lacs.

### Qualified Conclusion

6. Based on our review conducted as stated 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 unaudited financial year results prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by the Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw your attention to the following matter:
- (a) We draw your attention to Note No. 4 of the Standalone Financial Results which indicate that as at 31<sup>st</sup> December, 2018, the accumulated losses amounting to ₹ 1,70,291 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 ₹ 4,200 Lacs has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.

Our report is not modified in these matter.

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



*Manoj Kumar Sethia*

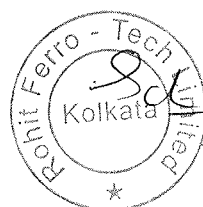
C.A. Manoj Kumar Sethia  
Partner  
Membership No.:- 064308

Date: 13.02.2019  
Place: Kolkata

**Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2018**

( ₹ in Lacs, Except EPS)

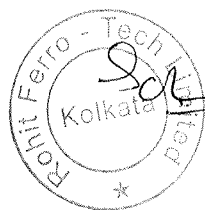
Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31st December, 2018	30th September, 2018	31st December, 2017	31st December, 2018	31st December, 2017	31st March, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	23,338	23,115	18,604	66,952	53,069	73,139
II	Other Income	43	45	226	133	320	442
III	<b>Total Income (I+II)</b>	<b>23,381</b>	<b>23,160</b>	<b>18,830</b>	<b>67,085</b>	<b>53,389</b>	<b>73,581</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	18,346	16,664	11,720	50,051	36,623	66,884
	Purchase of Stock-in-Trade	-	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in Trade & Work-in-Progress	(1,027)	158	(354)	(785)	1,019	1,432
	Excise Duty	-	-	-	-	1,790	1,790
	Employee Benefit Expenses	452	466	390	1,294	1,100	1,507
	Finance Cost	1,094	1,057	741	4,066	4,063	5,323
	Depreciation and Amortization Expenses	841	845	850	2,523	2,543	3,374
	Power	4,872	4,617	4,273	14,263	12,196	16,375
	Other Expenses	2,713	3,186	2,175	8,823	8,286	10,783
	<b>Total Expenses (IV)</b>	<b>27,291</b>	<b>26,993</b>	<b>19,795</b>	<b>80,235</b>	<b>67,620</b>	<b>1,07,468</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(3,910)</b>	<b>(3,833)</b>	<b>(965)</b>	<b>(13,150)</b>	<b>(14,231)</b>	<b>(33,887)</b>
VI	Exceptional items	-	-	-	9,309	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(3,910)</b>	<b>(3,833)</b>	<b>(965)</b>	<b>(22,459)</b>	<b>(14,231)</b>	<b>(33,887)</b>
VIII	Tax Expenses	-	-	-	-	-	-
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>(3,910)</b>	<b>(3,833)</b>	<b>(965)</b>	<b>(22,459)</b>	<b>(14,231)</b>	<b>(33,887)</b>
X	Other Comprehensive Income/(Loss) (net of tax)						
	A (i) Items that will not be reclassified to Profit or Loss	(2)	(2)	(14)	(6)	(41)	(7)
	(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	-	-	-	-	-	-
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>(3,912)</b>	<b>(3,835)</b>	<b>(979)</b>	<b>(22,465)</b>	<b>(14,272)</b>	<b>(33,894)</b>
XII	Paid up equity share capital (Face Value ₹ 10 each)	11,378	11,378	11,378	11,378	11,378	11,378
XIII	Other Equity						(1,04,845)
XIV	<b>Earnings per Equity Shares (of ₹ 10 each)</b>						
	1) Basic	(3.44)	(3.37)	(0.86)	(19.74)	(12.54)	(29.78)
	2) Diluted	(3.44)	(3.37)	(0.86)	(19.74)	(12.54)	(29.78)



**Standalone Segment Wise Revenue, Results, Assets and Liabilities**

(₹ in Lacs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31st December, 2018	30th September, 2018	31st December, 2017	31st December, 2018	31st December, 2017	31st March, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1)	<b>Segment Revenue</b>						
	a) Ferro Alloys	15,604	16,041	11,437	44,099	34,760	47,118
	b) Iron & Steel	9,832	8,085	9,077	28,898	23,594	33,846
	<b>Total</b>	<b>25,436</b>	<b>24,846</b>	<b>20,514</b>	<b>72,997</b>	<b>58,354</b>	<b>80,964</b>
	Less: Inter-Segment Revenue	2,098	1,731	1,910	6,045	5,285	(7,825)
	<b>Net Sales/Income from Operations</b>	<b>23,338</b>	<b>23,115</b>	<b>18,604</b>	<b>66,952</b>	<b>53,069</b>	<b>73,139</b>
2)	<b>Segment Results</b>						
	Profit/(Loss) before tax and interest from each segment						
	a) Ferro Alloys	(1,971)	(1,339)	(2,644)	(5,859)	(7,262)	(22,896)
	b) Iron & Steel	(844)	(1,437)	2,407	(3,225)	(2,935)	(5,879)
	<b>Total</b>	<b>(2,815)</b>	<b>(2,776)</b>	<b>(237)</b>	<b>(9,084)</b>	<b>(10,197)</b>	<b>(28,775)</b>
	Less: i) Finance cost	1,094	1,057	741	4,066	4,063	5,323
	ii) Other Un-allocable Expenditure (Net off Un-allocable Income)	1	(1)	(13)	9,309	(29)	(211)
	<b>Total Profit/(Loss) before Tax</b>	<b>(3,910)</b>	<b>(3,833)</b>	<b>(965)</b>	<b>(22,459)</b>	<b>(14,231)</b>	<b>(33,887)</b>
3)	<b>Segment Assets</b>						
	a) Ferro Alloys	89,551	92,668	1,70,366	89,551	1,70,366	1,59,955
	b) Iron & Steel	96,968	97,677	63,749	96,968	63,749	37,249
	c) Unallocated	492	489	7,550	492	7,550	8,206
	<b>Total Assets</b>	<b>1,87,011</b>	<b>1,90,834</b>	<b>2,41,665</b>	<b>1,87,011</b>	<b>2,41,665</b>	<b>2,05,410</b>
4)	<b>Segment Liabilities</b>						
	a) Ferro Alloys	21,178	19,651	40,961	21,178	40,961	38,467
	b) Iron & Steel	13,125	14,411	8,185	13,125	8,185	(7,712)
	c) Unallocated	871	871	871	871	871	871
	<b>Total Liabilities</b>	<b>35,174</b>	<b>34,933</b>	<b>50,017</b>	<b>35,174</b>	<b>50,017</b>	<b>31,625</b>



ROHIT FERRO-TECH LIMITED

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CIN: L27104WB2000PLC091629

Website : www.rohitferrotech.com

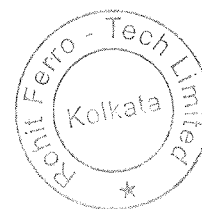
Notes :

- 1 The above standalone unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13th February, 2019. The statutory auditors have conducted the limited review of the above standalone unaudited financial results.
- 2 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 have invited bids from prospective investors by way of sale of equity stake held by the promoters of the Company and the same is in process. The matter is subjudice in the Kolkata High Court.
- 3 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 in the year 2016-17 and the Company had filed an insurance claim of ₹ 2,603 Lacs which is under process and additionally the Company has also filed an application in the consumer forum for expediting the insurance claim process. Pending claim settlement, the financial impact of such insurance claim (Buglary/Robbery) on the reported financial year remains unascertained and unquantified.
- 4 The operation of the Company was severely impacted by weak steel industry scenario and lack of demand for Company's finished products. The Company has incurred loss of ₹ 3,912 Lacs for the quarter ended 31st December, 2018 and accumulated loss as on 31st December, 2018 is ₹ 1,70,291 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 initiative of the Company and given the emerging scenario of steel industry in India, the management is of the view of foreseeable future about the operations of the Company and accordingly the financial statements have been prepared under 'Going Concern' 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 as the account has been declared NPA by the respective lenders. The amount of interest not so provided for the quarter and nine months ended 31st December, 2018 stands at ₹ 7,450 Lacs and ₹ 22,350 Lacs respectively. 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, 2018 amounted to ₹ 85,563 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 The investments and advances of SKP Overseas PTE Limited (Singapore), a wholly owned subsidiary of the Company, in the step down subsidiary namely PT Bara Prima Mandiri (Indonesia) was written off in the last available audited financial statements. Accordingly, the Company had diminished in the value of its investments, receivables, loans & advances etc. in the wholly owned subsidiary totalling to ₹ 9,309 Lacs and was shown as exceptional items in the quarterly financial results of 30th June, 2018.
- 8 Revenue from Operations for the current nine months ended 31st December, 2018 is not comparable with nine months ended 31st December, 2017 since sales in current nine months ended is net of GST whereas sales in corresponding nine months ended in previous year was gross of excise duty.
- 9 This Financial Statements has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.
- 10 The figures of the previous period has been regrouped/reclassified, wherever necessary.

Date: 13th February, 2019

Place: Kolkata

On behalf of the Board of Directors



*Sd*

Suresh Kumar Patni  
(Chairman)

