



*Das & Prasad*

Chartered Accountants

**INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF ADHUNIK METALIKS LIMITED**

1. We have audited the accompanying 'Statement of Standalone Financial Results' for the year ended 31<sup>st</sup> March, 2017 of **ADHUNIK METALIKS LIMITED** ("the Company") (hereinafter referred to as "the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, read with Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Standalone Financial which has been prepared in accordance with the Indian Accounting Standards ('Ind AS') Statements 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 express an opinion on the Statement based on our audit of such standalone financial statements.

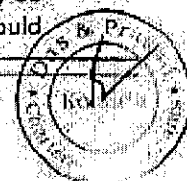
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. We did not review total revenue of Rs.NIL for the quarter ended 31<sup>st</sup> March, 2017 and Rs NIL year to date and total assets of Rs.68.02lacs as on that date, included in the accompanying financial results relating to the foreign branch of the company. The financial information for the branch has been audited by other auditor and our conclusion is based solely on the report of such auditor.

4. Attention is drawn to following:

- a) Attention is drawn to note no 8 of the accompanying results, stating thereto the matter of the Company incurring losses continuously and consequently the net-worth being eroded completely, the current liabilities exceeding the current assets, due compliance of CDR package not being met with and the lenders having since invoked the Strategic Debt Restructuring (SDR) pursuant to RBI Circulars dated 8<sup>th</sup> June, 2015 and 24<sup>th</sup> Sep, 2015 the implementation thereof being under progress. Further the management expect improvement in raw material availability, likely improvement in market scenario, cost synergies from merger, conversion of debts into equity and debt restructuring as may be agreed with lenders; it is expected that the overall financial health of the Company would



improve considerably. Considering the above developments and favourable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of going concern basis.

b) We draw attention the fact that the Company has made long term investments in Adhunik Power and Natural Resources Limited amounting to Rs. 1,000.02 lacs. The said investments continue to be valued at cost. As per the latest management certified financial statement for the year ended 31<sup>st</sup> March 2017, the book value of said investment is significantly lower than cost. However, the company has not made any provision for diminution in value of its investments, as it considers such investment was as long term strategic investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the standalone financials is currently not ascertainable.

c) We draw attention the fact that the Company has made long term investments in Orissa Manganese & Minerals Limited amounting to Rs. 6,309.60 lacs. The said investments continue to be valued at cost. As per the latest audited financial statement for the year ended 31<sup>st</sup> March 2017, the book value of said investment is fully eroded. However, the company has not made any provision for diminution in value of its investments, as it considers such investment was as long term strategic investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the standalone financials is currently not ascertainable.

Our opinion is not modified in respect of these matters.

d) Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, the Statement;

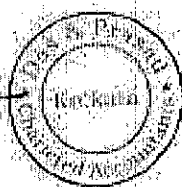
a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

b. gives a true and fair view in conformity with the said Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended 31<sup>st</sup> March, 2017.

e). The statement includes the results for the quarter ended 31<sup>st</sup> March, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Das & Prasad  
Chartered Accountants  
(Registration No. 303054E)

A K Agarwal  
Partner  
Membership No. 062368



Place: Kolkata  
Date: 26<sup>th</sup> May 2017

**Adhunik Metaliks Limited**

Regd. Office : Chadrihariharpur, P.O. Kuarmunda, Sundargarh, Odisha-770039

CIN: L28110OR2001PLC017271

(₹ in Lacs)

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2017**

Particulars	Quarter Ended			Year Ended	
	31st Mar 2017 (Audited)	31st Dec 2016 (Unaudited)	31st Mar 2016 (Unaudited)	31st Mar 2017 (Twelve Months) (Refer Note 3) (Audited)	31st Mar 2016 (Nine Months) (Refer Note 3) (Audited)
<b>Revenue from operations</b>					
a) Gross sales / income from operations	16,989.24	19,880.24	18,668.46	71,993.28	50,962.44
b) Other Operating Income	62.58	22.80	60.99	210.40	104.22
<b>Total revenue from operations</b>	<b>17,051.82</b>	<b>19,903.04</b>	<b>18,729.45</b>	<b>72,203.68</b>	<b>51,066.66</b>
Other Income	250.14	133.41	405.10	920.84	755.12
<b>Total Income</b>	<b>17,301.96</b>	<b>20,036.45</b>	<b>19,134.55</b>	<b>73,124.52</b>	<b>51,821.78</b>
<b>Expenses</b>					
a) Cost of materials consumed	11,743.77	7,255.32	12,481.50	47,653.30	38,369.27
b) Purchase of stock-in-trade	107.01	7,351.99	827.58	7,838.42	1,181.63
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,783.56)	2,125.04	1,917.99	905.62	(277.87)
d) Employee benefits expense	953.75	1,049.08	874.40	4,013.85	2,887.07
e) Finance Costs	8,301.69	7,684.31	7,229.63	30,223.18	19,776.25
f) Depreciation and amortisation expense	2,855.25	2,932.19	3,355.92	12,472.97	10,149.71
g) Consumption of Stores and Spares	1,864.70	1,203.73	783.51	5,460.20	3,217.03
h) Excise Duty on Sales	1,669.35	1,189.27	1,784.95	6,049.69	5,030.89
i) Other Expenses	3,329.32	1,888.26	1,213.24	12,668.48	8,898.23
<b>Total Expenses</b>	<b>29,041.28</b>	<b>32,679.19</b>	<b>30,468.72</b>	<b>1,27,285.71</b>	<b>89,232.21</b>
<b>Profit / (Loss) before exceptional Items (1-2)</b>	<b>(11,739.32)</b>	<b>(12,642.74)</b>	<b>(11,334.17)</b>	<b>(54,161.19)</b>	<b>(37,410.43)</b>
Exceptional Items (Refer Note 11)	5,632.79	-	5,113.45	21,766.28	5,113.45
<b>Profit / (Loss) before tax (3-4)</b>	<b>(17,372.11)</b>	<b>(12,642.74)</b>	<b>(16,447.62)</b>	<b>(75,927.47)</b>	<b>(42,523.88)</b>
<b>Tax Expenses :</b>					
a) Current Tax	-	-	-	-	-
b) Deferred Tax Charge/ (Credit)	30,146.01	(3,737.32)	5,591.83	11,158.14	(2,530.21)
<b>Net Profit / (Loss) after tax (5-6)</b>	<b>(47,518.12)</b>	<b>(8,905.42)</b>	<b>(22,039.45)</b>	<b>(87,085.61)</b>	<b>(39,993.67)</b>
Other comprehensive income (net of taxes)	(151.41)	(1.95)	(1.90)	(153.25)	(3.17)
<b>Total comprehensive Income after tax (7+8)</b>	<b>(47,669.53)</b>	<b>(8,907.37)</b>	<b>(22,041.35)</b>	<b>(87,238.86)</b>	<b>(39,996.84)</b>
Paid up Equity Share Capital (Face Value ₹10 per share)	12,349.95	12,349.95	12,349.95	12,349.95	12,349.95
<b>Reserves excluding Revaluation reserves</b>				<b>(1,12,475.80)</b>	<b>(25,201.49)</b>
<b>Earning per share :</b>					
-Basic (not annualised) (in ₹)	(38.48)	(7.21)	(17.85)	(70.51)	(32.38)
-Diluted (not annualised) (in ₹)	(38.48)	(7.21)	(17.85)	(70.51)	(32.38)



## Notes:

## (1) Standalone Statement of Assets and Liabilities

		(₹ in Lacs)	
Particulars		As at 31st March 2017	As at 31st March 2016
<b>I</b>	<b>ASSETS</b>		
(1)	<b>Non-Current Assets</b>		
	(a) Property, plant and equipment	1,56,441.38	1,69,781.57
	(b) Capital work-in-progress	12.29	2,513.47
	(c) Other Intangible assets	-	36,335.76
	(d) Financial assets:		
	(i) Investments	7,325.12	7,325.65
	(ii) Other Financial assets	1,404.91	1,413.82
	(e) Other Non Current Assets	12,776.08	16,904.99
	<b>Total Non-Current Assets</b>	<b>1,77,959.78</b>	<b>2,34,275.26</b>
(2)	<b>Current Assets</b>		
	(a) Inventories	50,818.57	59,314.98
	(b) Financial assets:		
	(i) Trade receivables	5,789.88	11,962.98
	(ii) Cash and cash equivalents	318.87	824.26
	(iii) Bank balance other than (ii) above	839.18	786.30
	(iii) Loans	73.55	57.50
	(iv) Other Financial assets	382.93	482.53
	(c) Other Current Assets	4,800.10	7,880.09
	<b>Total Current Assets</b>	<b>63,023.08</b>	<b>81,308.64</b>
	<b>Total Assets</b>	<b>2,40,982.86</b>	<b>3,15,583.90</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Equity</b>		
	(a) Equity Share capital	12,349.95	12,349.95
	(b) Other Equity	(1,02,814.34)	7,692.86
	<b>Total Equity</b>	<b>(90,464.39)</b>	<b>20,042.81</b>
(2)	<b>Non-Current Liabilities</b>		
	(a) Financial liabilities:		
	(i) Borrowings	1,53,626.01	1,60,843.28
	(ii) Other financial Liabilities	38,189.66	36,506.29
	(b) Provisions	940.20	710.10
	<b>Total Non-Current Liabilities</b>	<b>1,92,755.87</b>	<b>1,98,059.67</b>
(3)	<b>Current liabilities</b>		
	(a) Financial liabilities:		
	(i) Borrowings	65,458.23	46,508.73
	(ii) Trade payables	31,806.93	34,975.39
	(iii) Other financial Liabilities	36,614.03	11,572.25
	(b) Other current liabilities	4,774.53	4,227.50
	(c) Provisions	37.66	197.55
	<b>Total Current Liabilities</b>	<b>1,38,691.38</b>	<b>97,481.42</b>
	<b>Total Equity and Liabilities</b>	<b>2,40,982.86</b>	<b>3,15,583.90</b>

- (2) The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26th May 2017 and have been audited by the statutory auditors.
- (3) Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31st March. The Company has adopted this change from the previous financial year and accordingly, the previous financial year of the company was for nine month period from 1st July 2015 to 31st March 2016 (herein after referred as "Previous year ended 31st March 2016"). Since the previous year was from 1st July 2015, the comparative amounts presented for the previous year ended 31st March 2016 are for nine months and are not comparable.
- (4) The figure of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31st March 2017 and the unaudited published year to date figures up to 31st December 2016 being the date of the end of the third quarter of the financial year which were subjected to a limited review.
- (5) The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per IND AS 108- Operating Segment.
- (6) The Board of Directors of the Company in its meeting held on July 22, 2013 has approved to amalgamate Zion Steel Limited (ZSL) with the Company and to amalgamate the Company (post amalgamation of ZSL) with the wholly owned subsidiary, Orissa Manganese & Minerals Limited (OMML), through a composite scheme of amalgamation between ZSL, OMML and the Company (the Scheme) as per the provision of Section 391 to 394 of the Companies Act, 1956. The appointed date of the amalgamation is 1st July 2012. The scheme has been approved by the Shareholders and Creditors of the above Companies in there meeting held on 19th and 20th April 2014 respectively and the Official Liquidator, Orissa High Court, Cuttack has submitted its report dated 17th July 2014 that the affairs of the Company appears to have not been conducted in a manner prejudicial to the interest of its members or to public interest and the Hon'ble High Court may consider to pass order as deemed fit and proper in that manner. With coming into effect certain provisions of the Companies Act, 2013 w.e.f 15th December 2016, merger/acquisition cases are to be dealt by the National Company Law Tribunal. Accordingly the Hon'ble High Court of Orissa has taken steps to transfer the case to National Company Law Tribunal, Eastern Regional Bench. Further matter pertaining to merger/acquisition should be heard by National Company Law Tribunal, Eastern Regional Bench.



- (7) Milestones under the CDR Scheme could not be achieved and therefore lenders invoked Strategic Debt Restructuring (SDR) at its meeting held on 26th July, 2016, pursuant to RBI circular dated 8th June 2015 and 24th September 2015. In accordance with the said regulation of SDR, lenders are compulsory required to acquire at least 51% equity shares in the Company by conversion of debt/acquisition from the existing promoter. The last date for such conversion/acquisition expired on 22nd January 2017 without the lenders initiating any action for such conversion/acquisition. Therefore the Company's assets classification is being determined as per such guidelines and Income Recognition and Asset Classification (IRAC).
- (8) In view of the Company incurring losses continuously and current liabilities exceeding the current assets, there has been an erosion of net worth. The Company's financial performance has been adversely affected due to non-availability of raw materials at viable prices, non-availability of working capital for operations, continued stress in steel sector with weak demand and prices, and other external factors beyond the Company's control. With the improvement in raw material availability, likely improvement in market scenario, cost synergies from merger, conversion of debts into equity and debt restructuring as may be agreed with lenders, it is expected that the overall financial health of the Company would improve considerably. Considering the above developments and favorable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of going concern assumption to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.
- (9) The Company has investment of ₹ 1,000.02 lacs in Adhunik Power and Natural Resources Limited ('APNRL'), an associate company, as at 31st March 2017. APNRL has been incurring losses since the commencement of its commercial operation and performance has been adversely affected due to non-availability of raw materials at viable prices, non-availability of working capital for operations, continued stress in power sector and other external factors beyond the management control. The management is confident that with the improvement in raw material availability, likely improvement in market scenario and debt restructuring, it is expected that the overall financial health of the Company would improve considerably and accordingly, the investments in APNRL has been carried at cost and no provision for diminution in the value of investments has been made as at 31st March 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (10) The Company has investment of ₹ 6,309.60 lacs in Orissa Manganese & Minerals Limited ('OMML'), an wholly owned subsidiary, as at 31st March 2017. OMML has incurred losses and accumulated losses as on 31st March 2017 is ₹ 47,404.21 lacs. The performance of OMML has been adversely affected due to non operational of mines, non-availability of raw materials at viable prices for pellet plant, non-availability of working capital for operations, continued stress in power sector and other external factors beyond the management control. The management is confident that with the improvement in market scenario and debt restructuring, it is expected that the overall financial health of OMML would improve considerably and accordingly, the investments in OMML has been carried at cost and no provision for diminution in the value of investments has been made as at 31st March 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (11) Exceptional Items for the nine months period ended 31st December 2016 includes (i) The Company has filed an application with Department of Steel & Mines, Government of Odisha for surrender of Kulum Mines resulting in impairment of ₹ 7,838.84 lacs in assets relating to Kulum Mines. Further the revaluation reserves has been devalued to the extent of ₹ 34,390.93 lacs with respect to above mines. (ii) The Company has made provision for doubtful capital advances amounting to ₹ 6,484.97 lacs with respect to Kulum Mines and Other Project of Phase III. (iii) The Company has made provision for doubtful trade receivable amounting to ₹ 4,239.66 lacs and (iv) Quality claims receivable from vendors written off amounting to ₹ 3,202.81 lacs.
- (12) The Board of Orissa Manganese & Minerals Limited (OMML) at its meeting held on May 12, 2017 has issued and allotted 132,110,000 fully paid-up equity shares pursuant to conversion of 132,110,000, 0.01% Cumulative Compulsorily Convertible Non-Cumulative Preference shares and consequent to the said allotment the holding of Adhunik Metaliks Limited in OMML has reduced from 100% to 13.15%. In view of the aforesaid allotment Orissa Manganese & Minerals Limited ceased to be a subsidiary of Adhunik Metaliks Limited w.e.f. May 12, 2017.
- (13) There are no extraordinary items during the periods reported above.
- (14) The figures of previous period's/year have been rearrange to confirm to current period/year classification and presentation.
- (15) Statement of Reconciliation of net profit under Ind AS and Indian GAAP for the quarter and period ended 31st March 2016

PARTICULARS	(₹ In Lacs)	
	Quarter Ended 31st March 2016 (Audited)	Year To Date Nine months ended 31st March 2016 (Refer Note 3) (Audited)
Net Profit after tax for the period as per Indian GAAP	(11,130.30)	(28,905.47)
Provision for Expected Credit Loss	(100.89)	(156.16)
Reclassification of net actuarial loss on employee defined benefits to OCI	4.44	3.17
Borrowing Cost charged based on effective interest method	(180.71)	(389.30)
Reversal of Deferred Tax Assets recognised earlier	(10,547.14)	(10,547.14)
Other Adjustments	1.14	1.23
Deferred Tax Impact of Ind AS adjustments	(85.99)	-
Net Profit after tax for the period as per Ind AS	(22,039.45)	(39,993.67)

By order of the Board of Directors  
For Adhunik Metaliks Limited



Rajmal Kumar Agarwal  
Managing Director  
DIN: 00605669





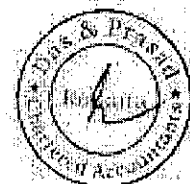
**INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF ADHUNIK METALIKS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **ADHUNIK METALIKS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its jointly controlled entities, for the year ended March 31, 2017 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards ("Ind AS") 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 express an opinion on the Statement based on our audit of such consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding company's internal control. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



3. Attention is drawn to note no 7 of the accompanying results, stating thereto the matter of the Company incurring losses continuously and consequently the net-worth being eroded completely, the current liabilities exceeding the current assets, due compliance of CDR package not being met with and the lenders having since invoked the Strategic Debt Restructuring (SDR) pursuant to RBI Circulars dated 8<sup>th</sup> June, 2015 and 24<sup>th</sup> Sep, 2015 the implementation thereof being under progress. Further the management expect improvement in raw material availability, likely improvement in market scenario, cost synergies from merger, conversion of debts into equity and debt restructuring as may be agreed with lenders. It is expected that the overall financial health of the Company would improve considerably. Considering the above developments and favourable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of going concern basis.
4. We did not review total revenue of Rs.NIL for the quarter ended 31<sup>st</sup> March, 2017 and Rs NIL year to date and total assets of Rs.68.02 lacs as on that date, included in the accompanying financial results relating to the foreign branch of the parent company. The financial information for the branch has been audited by other auditor and our conclusion is based solely on the report of such auditor.
5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) include financial results of the following entities;

Name of the Entity	Relationship
Orissa Manganese & Minerals Limited	Subsidiary
Orchid Global Resources Pte. Limited	Subsidiary
Global Commodity & Resources Pte. Limited	Subsidiary
Vasundhra Resources Limited	Subsidiary
Kolkata Glass Ceramic Limited	Subsidiary
Neepaz B.C. Dagra Steels Private Limited	Joint Venture
United Minerals	Partnership

- (ii) is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- iii) gives a true and fair view in conformity with the aforesaid Ind - AS and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Group for the year ended March 31, 2017.
6. We did not audit the financial statements of 4 (four) subsidiaries and 1 (one) joint venture, whose financial statements reflect total assets of Rs. 681.46 lacs as at 31<sup>st</sup> March, 2017, total revenues of Rs. 43.52 lacs, total net loss after tax of Rs.4.55 lacs and total comprehensive loss of Rs. 4.55 lacs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated





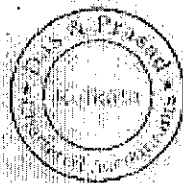
financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

7. We did not audit the financial statements of an associate in which the Group's share of net loss is Rs. NIL lacs for the year ended 31<sup>st</sup> March, 2017, as considered in the consolidated financial results. These financial statements are unaudited and has been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of associate, is based solely on such unaudited financial statements.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

For Das & Prasad  
Chartered Accountants  
(Registration No. 303054E)

  
A K Agarwal  
Partner  
Membership No. 062368



Place: Kolkata  
Date: 26<sup>th</sup> May, 2017



# Adhunik Metaliks Limited

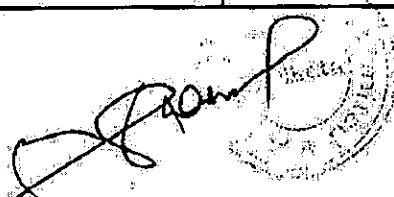
Regd. Office : Chadrihariharpur, P.O. Kuarmunda, Sundargarh, Odisha-770039

CIN: L28110OR2001PLC017271

(₹ in Lacs)

## AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2017

	Particulars	Year Ended	
		31st Mar 2017 (Twelve Months) (Refer Note 4) (Audited)	31st Mar 2016 (Nine Months) (Refer Note 4) (Audited)
1	<b>Revenue from operations</b>		
	a) Gross sales / Income from operations	1,21,904.08	72,216.29
	b) Other Operating Income	210.40	104.22
	<b>Total revenue from operations</b>	<b>1,22,114.48</b>	<b>72,320.51</b>
	Other Income	3,854.95	2,673.95
	<b>Total Income</b>	<b>1,25,969.43</b>	<b>74,994.46</b>
2	<b>Expenses</b>		
	a) Cost of materials consumed	59,655.24	45,636.45
	b) Purchase of stock-in-trade	29,387.77	1,181.63
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,971.04	2,149.05
	d) Employee benefits expense	5,783.98	4,403.50
	e) Finance Costs	58,539.34	39,050.19
	f) Depreciation and amortisation expense	18,911.03	14,673.08
	g) Consumption of Stores and Spares	6,934.54	3,673.54
	h) Excise Duty on Sales	8,226.28	6,398.98
	i) Other Expenses	23,071.29	16,682.51
	<b>Total Expenses</b>	<b>2,12,480.51</b>	<b>1,33,848.93</b>
3	<b>Profit / (Loss) before Share of Profit &amp; Loss of Associates and joint venture accounted for using the equity method and exceptional items (1-2)</b>	<b>(86,511.08)</b>	<b>(58,854.47)</b>
4	Share of Profit & Loss of Associates and joint venture accounted for using the equity method	-	(6,824.91)
5	<b>Profit / (Loss) before exceptional items (3-4)</b>	<b>(86,511.08)</b>	<b>(65,679.38)</b>
6	Exceptional Items (Refer Note 8)	52,874.95	6,812.43
7	<b>Profit / (Loss) before tax (5-6)</b>	<b>(1,39,386.03)</b>	<b>(72,491.81)</b>
8	<b>Tax Expenses :</b>		
	a) Current Tax	0.55	-
	b) Income Tax relating to Earlier Years	(2,107.28)	(771.98)
	c) Deferred Tax Charge/ (Credit)	10,730.58	(6,995.66)
9	<b>Net Profit / (Loss) after tax (7-8)</b>	<b>(1,48,009.88)</b>	<b>(64,724.17)</b>
10	Other comprehensive income (net of taxes)	(131.11)	0.84
11	<b>Total comprehensive income/(loss) after tax (9+10)</b>	<b>(1,48,140.99)</b>	<b>(64,723.33)</b>
12	<b>Total Income/ (Loss) for the year</b>		
	Attributable to:		
	Equity holders of the parent	(1,48,010.37)	(64,712.08)
	Non-controlling interests	0.49	(12.09)
13	<b>Total Comprehensive Income /(Loss) for the year</b>		
	Attributable to:		
	Equity holders of the parent	(1,48,141.48)	(64,711.24)
	Non-controlling interests	0.49	(12.09)
14	<b>Paid up Equity Share Capital (Face Value ₹10 per share)</b>	<b>12,349.95</b>	<b>12,349.95</b>
15	<b>Reserves excluding Revaluation reserves</b>	<b>(2,09,720.36)</b>	<b>(61,529.06)</b>
16	<b>Earning per share :</b>		
	-Basic (not annualised) (In ₹)	(119.85)	(52.41)
	-Diluted (not annualised) (In ₹)	(119.85)	(52.41)




## Notes:

## (1) Segment-wise Revenue, Results and Capital Employed

(₹ in Lacs)

	Year Ended	
	As at 31st March 2017 (Audited)	As at 31st March 2016 (Audited)
<b>Segment Revenue</b>		
a. Iron & Steel	1,11,988.10	62,110.09
b. Mining	10,221.09	10,547.57
<b>Total</b>	<b>1,22,209.19</b>	<b>72,657.65</b>
Less : Inter segment revenue	94.71	337.14
<b>Total revenue from operations</b>	<b>1,22,114.48</b>	<b>72,320.51</b>
<b>Segment Results before Finance costs and Tax</b>		
a. Iron & Steel	(84,694.25)	(28,984.16)
b. Mining	3,337.92	2,011.10
c. Power	-	(6,824.91)
<b>Total</b>	<b>(81,356.34)</b>	<b>(33,797.97)</b>
Less : Unallocable items		
i. Finance Costs (Net of Interest Income)	58,004.39	38,670.84
ii. Unallocable expense net off unallocable income.	25.30	23.00
<b>Profit/(loss) before tax</b>	<b>(1,39,386.03)</b>	<b>(72,491.81)</b>
<b>Capital Employed</b> (Segment assets- Segment Liabilities).		
a. Iron & Steel	2,69,652.92	3,50,929.91
b. Mining	3,126.63	34,796.67
c. Unallocated	(4,47,276.41)	(4,02,010.84)
<b>Total</b>	<b>(1,74,496.87)</b>	<b>(16,284.26)</b>

Business Segment : The Group is primarily engaged in the business of manufacturing and sale of Iron and steel products. However, besides Iron & Steel, the Group has also identified Mining and Power as reportable segment as per IND AS 108- Operating Segment.

## (2) Standalone Statement of Assets and Liabilities

(₹ in Lacs)

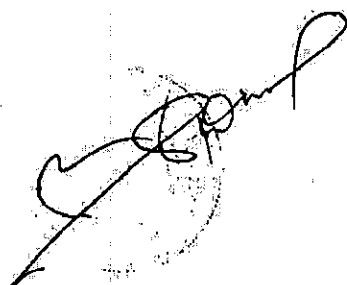
Particulars		As at 31st March 2017	As at 31st March 2016
<b>I</b>	<b>ASSETS</b>		
(1)	Non-Current Assets		
	(a) Property, plant and equipment	2,27,053.48	2,46,029.42
	(b) Capital work-in-progress	394.13	3,122.20
	(c) Other Intangible assets	4,092.20	41,849.13
	(c) Investment in an associate	-	-
	(d) Financial assets :		
	(i) Investments	8.40	8.40
	(ii) Other Financial assets	3,338.00	3,346.76
	(e) Goodwill on Consolidation	5,972.29	5,972.29
	(f) Other Non Current Assets	18,023.71	37,409.03
	<b>Total Non-Current Assets</b>	<b>2,58,882.21</b>	<b>3,37,737.23</b>
(2)	Current Assets		
	(a) Inventories	70,378.12	81,895.64
	(b) Financial assets:		
	(i) Trade receivables	53,877.10	37,791.00
	(ii) Cash and cash equivalents	624.09	1,120.52
	(iii) Bank balance other than (ii) above	1,489.04	2,503.80
	(iii) Loans	143.14	135.77
	(iv) Other Financial assets	1,760.12	1,380.96
	(c) Other Current Assets	15,925.74	51,916.75
	<b>Total Current Assets</b>	<b>1,44,197.35</b>	<b>1,76,744.44</b>
	<b>Total Assets</b>	<b>4,03,079.56</b>	<b>5,14,481.67</b>



(₹ In Lacs)

Particulars		As at 31st March 2017	As at 31st March 2016
<b>II</b>	<b>EQUITY AND LIABILITIES</b>		
(1)	Equity		
	(a) Equity Share capital	12,349.95	12,349.95
	(b) Other Equity	(2,00,058.91)	(28,634.78)
	Equity attributable to owners of the Company	(1,87,708.96)	(16,284.83)
	Non Controlling Interest	13,212.07	0.58
	Total Equity	(1,74,496.89)	(16,284.25)
(2)	Non-Current Liabilities		
	(a) Financial liabilities:		
	(i) Borrowings	3,72,194.79	3,79,342.51
	(ii) Other financial liabilities	1,252.85	1,196.06
	(b) Deferred Government Grants	475.00	-
	(c) Provisions	1,296.89	974.32
	(d) Deferred tax liabilities (net)	(0.16)	432.87
	Total Non-Current Liabilities	3,75,219.37	3,81,945.76
(3)	Current Liabilities		
	(a) Financial liabilities:		
	(i) Borrowings	96,052.32	65,078.14
	(ii) Trade payables	37,412.05	50,524.68
	(iii) Other financial liabilities	57,877.47	24,161.21
	(b) Other current liabilities	10,945.33	8,784.01
	(c) Provisions	69.91	272.12
	Total Current Liabilities	2,02,357.08	1,48,820.16
	Total Equity and Liabilities	4,03,079.56	5,14,481.67

- (3) The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26th May 2017 and have been audited by the statutory auditors.
- (4) Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31st March. The Company has adopted this change from the previous financial year and accordingly, the previous financial year of the company was for nine month period from 1st July 2015 to 31st March 2016 (herein after referred as "Previous year ended 31st March 2016"). Since the previous year was from 1st July 2015, the comparative amounts presented for the previous year ended 31st March 2016 are for nine months and are not comparable.
- (5) The Board of Directors of the Company in its meeting held on July 22, 2013 has approved to amalgamate Zion Steel Limited (ZSL) with the Company and to amalgamate the Company (post amalgamation of ZSL) with the wholly owned subsidiary, Orissa Manganese & Minerals Limited (OMML), through a composite scheme of amalgamation between ZSL, OMML and the Company (the Scheme) as per the provision of Section 391 to 394 of the Companies Act, 1956. The appointed date of the amalgamation is 1st July 2012. The scheme has been approved by the Shareholders and Creditors of the above Companies in their meeting held on 19th and 20th April 2014 respectively and the Official Liquidator, Orissa High Court, Cuttack has submitted its report dated 17th July 2014 that the affairs of the Company appears to have not been conducted in a manner prejudicial to the interest of its members or to public interest and the Hon'ble High Court may consider to pass order as deemed fit and proper in that manner. With coming into effect certain provisions of the Companies Act, 2013 w.e.f 15th December 2016, merger/acquisition cases are to be dealt by the National Company Law Tribunal. Accordingly the Hon'ble High Court of Orissa has taken steps to transfer the case to National Company Law Tribunal, Eastern Regional Bench. Further matter pertaining to merger/acquisition should be heard by National Company Law Tribunal, Eastern Regional Bench.
- (6) Milestones under the CDR Scheme could not be achieved and therefore lenders invoked Strategic Debt Restructuring (SDR) at its meeting held on 26th July, 2016, pursuant to RBI circular dated 8th June 2015 and 24th September 2015. In accordance with the said regulation of SDR, lenders are compulsory required to acquire at least 51% equity shares in the Company by conversion of debt/acquisition from the existing promoter. The last date for such conversion/acquisition expired on 22nd January 2017 without the lenders initiating any action for such conversion/acquisition. Therefor the Company's assets classification is being determined as per such guidelines and Income Recognition and Asset Classification (IRAC).
- (7) In view of the Company incurring losses continuously and current liabilities exceeding the current assets, there has been an erosion of net worth. The Company's financial performance has been adversely affected due to non-availability of raw materials at viable prices, non-availability of working capital for operations, continued stress in steel sector with weak demand and prices, and other external factors beyond the Company's control. With the improvement in raw material availability, likely improvement in market scenario, cost synergies from merger, conversion of debts into equity and debt restructuring as may be agreed with lenders, it is expected that the overall financial health of the Company would improve considerably. Considering the above developments and favorable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of going concern assumption to which the Statutory Auditors have also drawn attention without qualifying their opinion in their Audit Report.
- (8) Exceptional items for the year ended 31st March 2017 includes (i) The Company has filed an application with Department of Steel & Mines, Government of Odisha for surrender of Kulum Mines resulting in impairment of ₹ 7,838.84 lacs in assets relating to Kulum Mines. Further the revaluation reserves has been devalued to the extent of ₹ 34,390.93 lacs with respect to above mines. (ii) The Company has made provision for doubtful capital advances amounting to ₹ 35,985.13 lacs with respect to Kulum Mines and Other Project of Phase III. (iii) The Company has made provision for doubtful trade receivable amounting to ₹ 5,848.17 lacs and (iv) Quality claims receivable from vendors written off amounting to ₹ 3,202.81 lacs.
- (9) The Board of Orissa Manganese & Minerals Limited (OMML) at its meeting held on May 12, 2017 has issued and allotted 132,110,000 fully paid-up equity shares pursuant to conversion of 132,110,000, 0.01% Cumulative Compulsorily Convertible Non-Cumulative Preference shares and consequent to the said allotment the holding of Adhunik Metaliks Limited in OMML has reduced from 100% to 13.15%. In view of the aforesaid allotment Orissa Manganese & Minerals Limited ceased to be a subsidiary of Adhunik Metaliks Limited w.e.f. May 12, 2017.




- (10) There are no extraordinary items during the periods reported above.
- (11) The figures of previous period's/year have been rearrange to confirm to current period/year classification and presentation.
- (12) Statement of Reconciliation of net profit under Ind AS and Indian GAAP for the quarter and period ended 31st March 2016.

PARTICULARS	(₹ in Lacs)
	Year To Date Nine months ended 31st March 2016 (Refer Note 4) (Audited)
Net Profit after tax for the period as per Indian GAAP	(46,379.70)
Provision for Expected Credit Loss	(156.16)
Reclassification of net actuarial loss on employee defined benefits to OCI	7.19
Borrowing Cost charged based on effective Interest method	(1,031.91)
Share of Profit & Loss of Associates	(6,824.91)
Reversal of Deferred Tax Assets recognised earlier	(10,344.41)
Other Adjustments	5.74
Deferred Tax impact of Ind AS adjustments	-
Net Profit after tax for the period as per Ind AS	(64,724.16)

By order of the Board of Directors  
For Adhunik Metals Limited

Nirmal Kumar Agarwal  
Managing Director  
DIN: 00605669

Place : Kolkata  
Date: 26th May 2017

