

Adhunik Metaliks Limited
Regd. Office : Chadrihariharpur, P.O. Kuarmunda, Sundargarh, Odisha-770039
CIN: L28110OR2001PLC017271

(₹ In Lakhs)

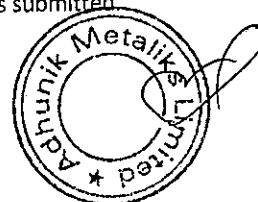
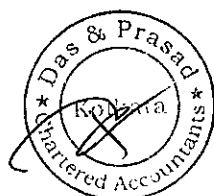
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER 2017

	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		31st Dec 2017 (Unaudited)	30th Sept 2017 (Unaudited)	31st Dec 2016 (Unaudited)	31st Dec 2017 (Unaudited)	31st Dec 2016 (Unaudited)	31st Mar 2017 (Audited)
1	Revenue from operations						
	a) Gross sales / income from operations	15,450.65	17,935.51	19,880.24	55,835.70	55,004.04	71,993.28
	b) Other Operating Income	490.53	86.40	22.80	693.69	147.82	210.40
	Total revenue from operations	15,941.18	18,021.91	19,903.04	56,529.39	55,151.86	72,203.68
	Other Income	274.43	335.95	133.41	735.03	670.70	920.84
	Total Income	16,215.61	18,357.86	20,036.45	57,264.42	55,822.56	73,124.52
2	Expenses						
	a) Cost of materials consumed	11,007.38	12,928.78	6,921.68	40,095.84	33,751.71	47,653.30
	b) Purchase of stock-in-trade	-	1.38	7,351.99	58.67	7,731.41	7,838.42
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,219.37	2,553.75	2,125.04	5,768.49	2,689.18	905.62
	d) Employee benefits expense	1,083.93	1,129.71	1,049.08	3,329.16	3,060.10	4,013.85
	e) Finance Costs	7,978.68	12,395.94	7,684.31	22,967.28	21,921.49	30,223.18
	f) Depreciation and amortisation expense	2,612.43	2,406.63	2,932.19	7,865.76	9,617.72	12,472.97
	g) Excise Duty on Sales	-	-	1,189.27	2,004.47	4,380.34	6,049.69
	h) Other Expenses	3,698.76	6,030.90	3,425.63	15,550.61	15,092.48	18,128.68
	Total Expenses	28,600.55	37,447.09	32,679.19	97,640.28	98,244.43	1,27,285.71
3	Profit / (Loss) before exceptional items (1-2)	(12,384.94)	(19,089.23)	(12,642.74)	(40,375.86)	(42,421.87)	(54,161.19)
4	Exceptional Items net (Refer Note 7)	-	10,163.81	-	29,741.63	16,133.49	21,766.28
5	Profit / (Loss) before tax (3-4)	(12,384.94)	(29,253.04)	(12,642.74)	(70,117.49)	(58,555.36)	(75,927.47)
6	Tax Expenses :						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax Charge/ (Credit)	-	-	(3,737.32)	-	(18,987.87)	11,158.14
	c) Income Tax Related to earlier years (MAT Credit Reversal)	-	534.86	-	534.86	-	-
7	Net Profit / (Loss) after tax (5-6)	(12,384.94)	(29,787.90)	(8,905.42)	(70,652.35)	(39,567.49)	(87,085.61)
8	Other comprehensive income (net of taxes)	(38.29)	(38.32)	(1.95)	(114.92)	(1.84)	(153.25)
9	Total comprehensive income after tax (7+8)	(12,423.23)	(29,826.22)	(8,907.37)	(70,767.27)	(39,569.33)	(87,238.86)
10	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	12,349.95
11	Reserves excluding Revaluation reserves	-	-	-	-	-	(1,11,653.48)
12	Earning per share :						
	-Basic (not annualised) (in ₹)	(10.03)	(24.12)	(7.21)	(57.21)	(32.04)	(70.51)
	-Diluted (not annualised) (in ₹)	(10.03)	(24.12)	(7.21)	(57.21)	(32.04)	(70.51)



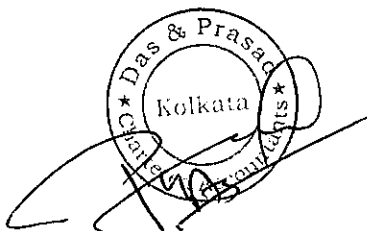
Notes:

- (1) The financial results of the Company for the quarter and nine month ended 31st December 2017 has been approved by the Resolution Professional (RP) while discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC). The said results have been reviewed by the statutory auditors. While approving the aforesaid financial results, the Resolution Professional (RP) has relied on the certifications, representations and statements made by Chief Financial Officer and the existing management including the key managerial personnel of the Company.
- (2) Revenue from operations for the period up to 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 the aforesaid change in indirect taxes, Revenue from operations for the quarter and nine month ended 31st December 2017 is not comparable to the previous year.
- (3) 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.
- (4) The Company has incurred significant amount of losses leading to erosion of net worth and the current liabilities exceeds the current assets. Since due compliance of the sanctioned CDR package could not be met with, the lenders have since invoked the "Strategic Debt Restructuring" (SDR) pursuant to RBI Circulars dated June 08, 2015 and Sept 24, 2015. Further, due to SDR also having not been implemented, the State Bank of India, in its capacity as financial creditor has filed a petition under the Insolvency and Bankruptcy Code, 2016 (IBC) with The Hon'ble National company Law Tribunal, Kolkata Bench (NCLT). On 3rd August 2017, the NCLT vide its order of even date, has admitted the Corporate Insolvency Resolution Process (CIRP) in respect of the Company and appointed Mr. Sumit Binani, as the Interim Resolution Professional (IRP) in terms of the IBC. Further the Committee of Creditors (COC) in its meeting held on 4th September 2017 have approved the appointment of Mr. Sumit Binani as Resolution Professional (RP).
The time allowed for resolution process is 180 days from the date of admission, which can be further extended for a period of not more than 90 days. Further, the NCLT, on the basis of the resolution passed by the COC and on the application made by the RP, has granted further extension of period of CIRP by 90 days w.e.f. 30th January, 2018.
Under a CIRP, a resolution plan needs to be prepared and approved by the Committee of Creditors (COC). The resolution plan which would be approved by the COC will need to be further approved by NCLT to keep the Company as going concern. Currently the resolution process is on, hence the financial statement of the Company are continued to be prepared on the going concern basis and no impairment loss have been recognised.
- (5) The Company has investment of ₹ 1,000.02 lakhs in Adhunik Power and Natural Resources Limited ('APNRL'), as at 31st December 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. It is expected that with the improvement in raw material availability, likely improvement in market scenario and debt restructuring, the overall financial health of the Company would improve and accordingly, the investments in APNRL has been carried at cost and no impairment in the value of investments has been made as at 31st December 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (6) The Company has investment of ₹ 6,309.60 lakhs in Orissa Manganese & Minerals Limited ('OMML') as at 31st December 2017. OMML has incurred losses and accumulated losses as at 31st March 2017 is ₹ 47,404.21 lakhs. 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 steel sector and other external factors beyond the management control. OMML is also currently undergoing insolvency resolution process under the provision of the Insolvency and Bankruptcy Code, 2016 (IBC). It is a possibility that OMML may revive during the aforesaid process. Accordingly, the investments in OMML has been carried at cost and no impairment in the value of investments has been made as at 31st December 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (7) During the period the Company completed a detailed technical, commercial and market evaluation of all its inventories owing to decline in effective operations due to working capital stress with an objective to identify, inter-alia, inventory that are not usable in the reduced production capacity and also to determine the cost of carrying such inventories. Based on the results of such assessments, the management took corrective action, and has accordingly recorded loss amounting to ₹ 29,741.63 lakhs arising therefrom under the head exceptional item. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (8) Advances, Trade Payable and Trade Receivables are subject to confirmation from respective parties and consequential reconciliation / adjustment arising there from, if any. The management, however, does not expect any material variation.
- (9) As part of the CIRP, creditors of the Company were called upon to submit their claims to the Interim Resolution Professional as on 3rd August 2017. Claims submitted by financial and operational creditors, exceeded the amount as appearing in the books of accounts. Pending final outcome of the CIRP, no provision has been made for the excess claims submitted.

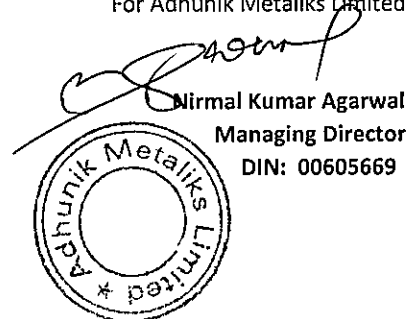


- (10) The Board of Directors of the Company in its meeting held on July 22, 2013 has approved to amalgamate Zion Steel Limited (ZSL) with the Company and to amalgamate the Company (post amalgamation of ZSL) with Orissa Manganese & Minerals Limited (OMML), through a composite scheme of amalgamation between 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 meetings 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. However, with effect from 3rd August, 2017, the Company along with ZSL and OMML are all currently undergoing insolvency resolution process under the applicable provisions of the Insolvency and Bankruptcy Code, 2016 and the fate of the aforesaid composite scheme of amalgamation shall depend upon the decision of the Committee of Creditors of the respective companies during the said process.
- (11) The figures of previous period's/year have been rearrange to confirm to current period/year classification and presentation.

Place : Kolkata
Date: 14th February 2018



For Adhunik Metaliks Limited

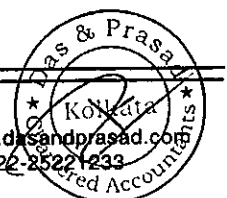




Limited Review Report -Standalone Financial Results

To
The Resolution Professional
Adhunik Metaliks Limited

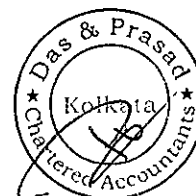
1. We have reviewed the accompanying statement of unaudited standalone financial results of Adhunik Metaliks Limited (the 'Company') for the quarter ended December 31, 2017 and year to date from April 1, 2017 to December 31, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant 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 July 5, 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We did not review total revenue of Rs 0.34 Lakhs for the quarter ended December 31, 2017 and total assets of Rs.6.84 Lakhs as on that date, included in the accompanying financial results relating to the foreign branch of the company. The financial information for the branch are unaudited and are furnished to us by the management and our conclusion is based solely on the on the basis of such unaudited results.
5. Attention is drawn to following:
 - a) Note no 4 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 'Strategic Debt Restructuring' (SDR) also having not been implemented. Consequent thereto, on July 11, 2017 State Bank of India, in its capacity as financial creditor had filed a petition under Insolvency and Bankruptcy Code, 2016 (IBC) with Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT). On August 3, 2017, The NCLT vide its order of even date, had admitted the Corporate Insolvency Resolution Process(CIRP) in respect of the Company and appointed an Interim Resolution Professional (IRP) in terms of IBC. Further the Committee of Creditors (COC) in its meeting held on September 4, 2017 have approved the appointment of Resolution Professional (RP). The time allowed for resolution process is 180 days from the date of admission, which can be further extended for a period of not



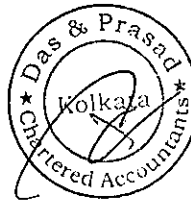
more than 90 days. Further, the NCLT, on the basis of the resolution passed by the COC and on the application made by the RP, has granted further extension of period of CIRP by 90 days w.e.f. 30th January, 2018. Considering these, the Company has presented these statements on going concern basis and no impairment loss has been recognised. There is however, material uncertainty in this respect as on this date, since the same is dependent upon the resolution plan to be formulated and approved by NCLT.

- b) We draw attention to 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 March 31, 2017, the book value of said investment is significantly lower than cost. However, the company has not done impairment in value of its investments, as it considers such investment 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 to 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 March 31, 2017, the book value of said investment is fully eroded. However, the company has not done impairment in value of its investments, as it considers such investment 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.
- d) We draw attention to note 7 of the financial result with regard to devaluation of inventory amounting to Rs.29,741.64 Lacs done in previous quarters shown under Exceptional Item, being valued after completion of detailed technical, commercial and market evaluation of all its inventories owing to decline in effective operations due to working capital stress with an objective to identify, inter-alia, inventory that are not usable in the reduced production capacity and also to determine the cost of carrying such inventories.
- e) We draw attention to note no 9 of the financial results, where as part of the CIRP, creditors of the Company were called upon to submit their claims to the Interim Resolution Professional as on August 3, 2017. Claims submitted by financial and operational creditors, exceeded the amount as appearing in the books of accounts. Pending final outcome of the CIRP, no provision has been made for the excess claims submitted. Hence consequential impact if any, on the financial results is not currently ascertainable.
- f) We draw attention the fact the company has outstanding payable and receivable from related parties. The total payable and receivable from such related parties as at December 31, 2017 is Rs.42,579 Lacs and Rs.10,539 Lacs respectively. No resolution plan has been given by the management. In the absence of any resolution plan, the financial impact if any, on the financial results is not ascertainable.
- g) Advances, trade payable, and trade receivable, are subject to confirmation from respective parties and consequential effect upon reconciliation/adjustment arising there from, if any. Hence, financial impact if any is not ascertainable.

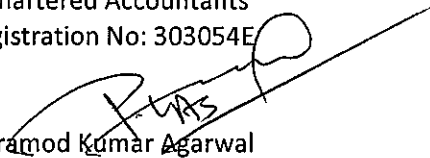
Our review conclusion is not modified in respect of these matters.



6. Based on our review conducted as above, subject to the observations in paragraph 5 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. C.IR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



For Das & Prasad
Chartered Accountants
Firm Registration No: 303054E


Pramod Kumar Agarwal
Partner
Membership No.: 056921

Place: Kolkata
Date: February 14, 2018