



**Das & Prasad**

Chartered Accountants

**Limited Review Report -Standalone Financial Results**

To  
The Monitoring Committee of  
Adhunik Metaliks Limited

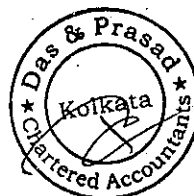
1. We have reviewed the accompanying statement of unaudited standalone financial results of Adhunik Metaliks Limited (the 'Company') for the quarter ended June 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing 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. Attention is drawn to:
  - 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 3rd August 2017, the NCLT vide its order of even date, has admitted the Corporate Insolvency Resolution Process (CIRP) in respect of the Company. The NCLT had by its order dated 17th July 2018 approved the Resolution Plan submitted by Liberty House Group Pte Ltd ("Resolution Applicant"). As per the terms of Resolution Plan approved by NCLT, 90 days are allowed to the Resolution Applicant for implementation of the Resolution Plan. Further as per the Resolution Plan, the Monitoring Committee, consisting of representatives of banks and Resolution Applicant, has been constituted for supervising the operation of the Company and monitoring the implementation of the Resolution Plan. Since there is a possibility of implementation of resolution as stated above, the financial statements of the Company have been prepared on a going concern basis and no impairment loss on Company's tangible and intangible assets have been recognized.

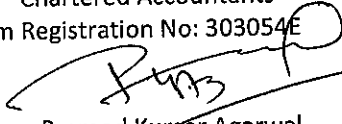


- b) We draw attention to the fact that the Company has made long term investments in Adhunik Power and Natural Resources Limited amounting to Rs.1,000.02 Lakhs. The said investments continue to be valued at cost. As per the latest certified financial statement, the book value of said investment is significantly 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 then, such diminution are temporary in nature. Accordingly, impact, if any, on the standalone financials is currently not ascertainable.
- c) Note no.6 of the financial results, relating to advances, trade payable, and trade receivable, are subject to confirmation from respective parties as at June 30, 2018 and consequential effect upon reconciliation/adjustment arising there from, if any. Hence, financial impact if any is not currently ascertainable.
- d) Note no. 7 of the financial results, where as part of the CIRP, creditors of the Company were called upon to submit their claims to the Resolution Professional in terms of the applicable provisions of the Insolvency and Bankruptcy Code, 2016. Claims submitted by financial and operational creditors have been verified and admitted by the Resolution Professional. In some instances, the amount of claim admitted by the Resolution Professional is different than the amount reflecting in the books of accounts of the Company. Pending implementation of the resolution plan, no adjustments has been made in the books for the differential amount in the claims admitted. Hence consequential impact on such differences on claim submitted/admitted if any, on the financial results is not currently ascertainable.
- e) We draw attention to the fact that the company has outstanding payable and receivable from related parties. The total payable and receivable from such related parties as at June 30, 2018 is Rs.44,038 Lakhs and Rs.10,042 Lakhs respectively. Pending implementation of the resolution plan, the financial impact if any, on the financial results is not ascertainable.

Our opinion is not modified in respect of these matters.

5. Based on our review conducted as above, subject to the observations in paragraph 4 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: August 14, 2018

# Adhunik Metaliks Limited

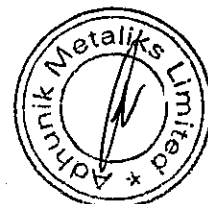
Regd. Office : Chadrihariharpur, P.O. Kuarmunda, Sundargarh, Odisha-770039

CIN: L28110OR2001PLC017271

(₹ in Lakhs)

## UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2018

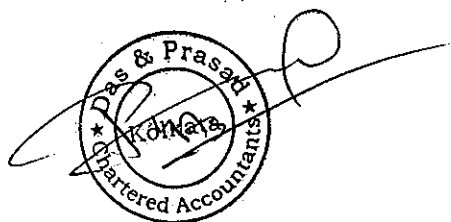
	Particulars	Quarter Ended			Year Ended
		30th Jun 2018 (Unaudited)	31st Mar 2018 (Audited)	30th Jun 2017 (Unaudited)	31st Mar 2018 (Audited)
1	<b>Revenue from operations</b>				
	a) Gross sales / income from operations	7,578.85	17,075.77	22,449.54	72,911.47
	b) Other Operating Income	107.22	437.00	116.76	1,130.69
	<b>Total revenue from operations</b>	<b>7,686.07</b>	<b>17,512.77</b>	<b>22,566.30</b>	<b>74,042.16</b>
	Other Income	146.58	245.56	124.65	980.59
	<b>Total Income</b>	<b>7,832.65</b>	<b>17,758.33</b>	<b>22,690.95</b>	<b>75,022.75</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	3,987.45	12,393.21	15,367.26	52,489.05
	b) Purchase of stock-in-trade	-	-	57.29	58.67
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,226.96	3,250.87	995.37	10,151.47
	d) Employee benefits expense	923.95	847.34	1,115.52	4,176.50
	e) Finance Costs	8,076.65	7,973.94	2,592.66	30,941.22
	f) Depreciation and amortisation expense	2,573.70	2,545.32	2,846.70	10,411.08
	g) Excise Duty on Sales	-	-	2,004.47	2,004.47
	h) Other Expenses	3,006.44	4,300.77	6,613.37	18,719.27
	<b>Total Expenses</b>	<b>19,795.15</b>	<b>31,311.45</b>	<b>31,592.64</b>	<b>1,28,951.73</b>
3	<b>Profit / (Loss) before exceptional items (1-2)</b>	<b>(11,962.50)</b>	<b>(13,553.12)</b>	<b>(8,901.69)</b>	<b>(53,928.98)</b>
4	Exceptional Items net	-	6,309.60	19,577.82	36,051.23
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>(11,962.50)</b>	<b>(19,862.72)</b>	<b>(28,479.51)</b>	<b>(89,980.21)</b>
6	<b>Tax Expenses :</b>				
	a) Current Tax	-	-	-	-
	b) Deferred Tax Charge/ (Credit)	-	-	-	-
	c) Income Tax Related to earlier years (MAT Credit)	-	-	-	534.86
7	<b>Net Profit / (Loss) after tax (5-6)</b>	<b>(11,962.50)</b>	<b>(19,862.72)</b>	<b>(28,479.51)</b>	<b>(90,515.07)</b>
8	Other comprehensive income (net of taxes)	24.49	273.75	(38.31)	158.83
9	<b>Total comprehensive income after tax (7+8)</b>	<b>(11,938.01)</b>	<b>(19,588.97)</b>	<b>(28,517.82)</b>	<b>(90,356.24)</b>
10	Paid up Equity Share Capital (Face Value ₹10 per share)	12,349.95	12,349.95	12,349.95	12,349.95
11	<b>Other Equity excluding Revaluation reserves</b>	-	-	-	<b>(2,01,700.04)</b>
12	<b>Earning per share :</b>				
	-Basic (not annualised) (in ₹)	(9.69)	(16.08)	(23.06)	(73.29)
	-Diluted (not annualised) (in ₹)	(9.69)	(16.08)	(23.06)	(73.29)



**Notes:**

- (1) The financial results of the Company for the quarter ended 30th June 2018 has been approved and signed by the Monitoring Committee only to the limited extent of discharging the powers of Board of Directors which have been conferred upon it in terms of the applicable provisions of the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) on dated 17th July 2018. The aforesaid financial results for the said quarter under Corporate Insolvency Resolution Period (CIRP) were prepared and reviewed by the statutory auditors on behalf of the Managing Agency and Resolution Applicant. While approving the financial results, the Monitoring Committee has also relied on the certifications, representations and statements made by the Chief Financial Officer and/or Key Managerial Personnel (KMP) of the Company.
- (2) The figure of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31st March 2018 and the unaudited published year to date figures up to 31st December 2017 being the date of the end of the third quarter of the financial year which were subjected to a limited review.
- (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 had 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 had 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. The NCLT had by its order dated 17th July 2018 approved the Resolution Plan submitted by Liberty House Group Pte Ltd ("Resolution Applicant"). As per the terms of Resolution Plan approved by NCLT, 90 days are allowed to the Resolution Applicant for implementation of the Resolution Plan. Further as per the Resolution Plan, the Monitoring Committee, consisting of representatives of banks and Resolution Applicant, has been constituted for supervising the operation of the Company and monitoring the implementation of the Resolution Plan. The financial statements of the Company have been prepared on a going concern basis and no impairment loss have been recognized.
- (5) The Company has investment of ₹ 1,000.02 lakhs in Adhunik Power and Natural Resources Limited ('APNRL'), as at 30th June 2018. 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 30th June 2018. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (6) Advances, Trade Payable and Trade Receivables are subject to confirmation from respective parties and consequential reconciliation / adjustment arising there from, if any. No material variation, however is expected.
- (7) As part of the CIRP, creditors of the Company were called upon to submit their claims to the Resolution Professional (RP) in terms of the applicable provisions of the Insolvency and Bankruptcy Code, 2016. Claims submitted by financial and operational creditors have been verified and admitted by the RP and the Resolution Plan has been submitted by the Resolution Applicant on the basis of the admitted claims. In some instances, the amount of claim admitted by the RP is different than the amount reflecting in the books of accounts of the Company. Pending implementation of the resolution plan, no adjustments have been made in the books for the differential amount in the claims admitted.
- (8) The figures of previous period's/year have been rearrange to confirm to current period/year classification and presentation.

Place : Kolkata  
Date : 14th August 2018



For Adhunik Metaliks Limited

  
Ashish Chhawchharia  
Member  
Monitoring Committee