



# ADHUNIK METALIKS LIMITED

Corporate Office : "LANSDOWNE TOWERS", 2/1A, SARAT BOSE ROAD, KOLKATA - 700 020  
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E-mail: info@adhunikgroup.com

AML/SE/251  
August 14, 2017

Listing Department BSE Limited Phiroz Jeejeebhoy Towers Dalal Street Mumbai - 400 001 Scrip Code : 532727	Listing Department National Stock Exchange of India Ltd Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai - 400 051 Scrip Code : ADHUNIK
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Dear Sirs,

**Sub: Un-audited Financial Results for the quarter ended 30<sup>th</sup> June, 2017.**

In continuation to our letter No. AML/SE/250 dated August 07, 2017 and pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, this is to inform you that the Interim Resolution Professional has considered and approved the Un-audited Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2017 and authorized the Managing Director of the Company to sign the results on behalf of the Company. A copy of the said financial results along with the Limited Review Report is enclosed herewith.

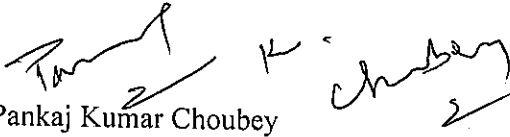
The Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2017 has been approved by the Interim Resolution Professional only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC). The said results have been prepared and authenticated by the Company and its key management personnels and have been reviewed by the statutory auditors. The Interim Resolution Professional while approving the aforesaid financial results, has relied on the certifications, representations and statements made by Mr. Vikash Jha, Chief Financial Officer and the existing management of the Company.

The meeting commenced at 1.30 P.M. and concluded at 4.25 P.M.

This is for your information and record.

Thanking you,

Yours faithfully,  
For ADHUNIK METALIKS LIMITED

  
Pankaj Kumar Choubey  
Company Secretary

Encl: As above.

**Adhunik Metaliks Limited**

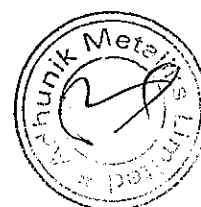
Regd. Office : Chadrihariharpur, P.O. Kuarmunda, Sundargarh, Odisha-770039

CIN: L28110OR2001PLC017271

(₹ in Lacs)

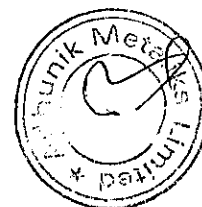
**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2017**

Particulars	Quarter Ended			Year Ended
	30th June 2017 (Unaudited)	31st Mar 2017 (Audited)	30th June 2016 (Unaudited)	31st Mar 2017 (Audited)
<b>Revenue from operations</b>				
a) Gross sales / income from operations	22,449.54	16,989.24	20,820.43	71,993.28
b) Other Operating Income	116.76	62.58	71.39	210.40
<b>Total revenue from operations</b>	<b>22,566.30</b>	<b>17,051.82</b>	<b>20,891.82</b>	<b>72,203.68</b>
Other Income	124.65	250.14	57.64	920.84
<b>Total Income</b>	<b>22,690.95</b>	<b>17,301.96</b>	<b>20,949.46</b>	<b>73,124.52</b>
<b>Expenses</b>				
a) Cost of materials consumed	15,367.26	11,743.77	14,301.76	47,653.30
b) Purchase of stock-in-trade	57.29	107.01	212.16	7,838.42
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	995.37	(1,783.56)	438.93	905.62
d) Employee benefits expense	1,115.52	953.75	998.68	4,013.85
e) Finance Costs	2,592.66	8,301.69	6,751.69	30,223.18
f) Depreciation and amortisation expense	2,846.70	2,855.25	3,311.05	12,472.97
g) Consumption of Stores and Spares	2,405.82	1,864.70	1,259.06	5,460.20
h) Excise Duty on Sales	2,004.47	1,669.35	1,873.69	6,049.69
i) Other Expenses	4,207.55	3,329.32	3,843.22	12,668.48
<b>Total Expenses</b>	<b>31,592.64</b>	<b>29,041.28</b>	<b>32,990.24</b>	<b>1,27,285.71</b>
<b>Profit / (Loss) before exceptional items (1-2)</b>	<b>(8,901.69)</b>	<b>(11,739.32)</b>	<b>(12,040.78)</b>	<b>(54,161.19)</b>
Exceptional Items net (Refer Note 7)	19,577.82	5,632.79	3,202.81	21,766.28
<b>Profit / (Loss) before tax (3-4)</b>	<b>(28,479.51)</b>	<b>(17,372.11)</b>	<b>(15,243.59)</b>	<b>(75,927.47)</b>
<b>Tax Expenses :</b>				
a) Current Tax	-	-	-	-
b) Deferred Tax Charge/ (Credit)	-	30,146.01	(4,945.83)	11,158.14
<b>Net Profit / (Loss) after tax (5-6)</b>	<b>(28,479.51)</b>	<b>(47,518.12)</b>	<b>(10,297.76)</b>	<b>(87,085.61)</b>
Other comprehensive income (net of taxes)	(38.31)	(151.41)	0.29	(153.25)
<b>Total comprehensive income after tax (7+8)</b>	<b>(28,517.82)</b>	<b>(47,669.53)</b>	<b>(10,297.47)</b>	<b>(87,238.86)</b>
Paid up Equity Share Capital (Face Value ₹10 per share)	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>Earning per share :</b>				
-Basic (not annualised) (in ₹)	(23.06)	(38.48)	(8.34)	(70.51)
-Diluted (not annualised) (in ₹)	(23.06)	(38.48)	(8.34)	(70.51)



**Notes:**


- (1) The financial results of the Company for the quarter ended 30th June 2017 has been approved by the Interim Resolution Professional only to the limited extent of 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 prepared and authenticated by the Company and its key management personnel's and have been reviewed by the statutory auditors. The Interim Resolution Professional assumes no responsibilities of the said results as it pertains to the period prior to the appointment of the Interim Resolution Professional. While approving the aforesaid financial results, the Interim Resolution Professional has relied on the certifications, representations and statements made by Mr. Vikash Jha, Chief Financial Officer and the existing management of the Company.
- (2) The figure for the quarter ended 31st March 2017 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.
- (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.  
As per Section 17 of the IBC, the powers of the Board of Directors stands suspended and such powers have vested with the Interim Resolution Professional appointed as above. 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.  
The NCLT order also provides for a moratorium with effect from 3rd August 2017 till the completion of the CIRP process or until approval of the resolution plan under Section 31(1) or an order for liquidation of the company under Section 33 is made, whichever is earlier. CIRP is ongoing and is yet to be completed.  
Under a CIRP, a resolution plan needs to be prepared and approved by the Committee of Creditors (COC). The COC is yet to be formed. 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 plan is under formulation, hence the financial statement of the Company are continued to be prepared on the going concern basis.  
Various option are being explored as a part of the resolution plan including optimization of plant utilization, improving operational efficiencies, cost control measures and seeking of potential investment in form of equity/priority debt etc. to improve the Company's operating results and servicing of the debt.
- (5) The Company has investment of ₹ 1,000.02 lacs in Adhunik Power and Natural Resources Limited ('APNRL'), as at 30th June 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 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 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 lacs in Orissa Manganese & Minerals Limited ('OMML') as at 30th June 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 and accordingly, the investments in OMML has been carried at cost and no impairment in the value of investments has been made as at 30th June 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
- (7) (i) The majority of the lenders have stopped charging interest on its debts, since the dues from the Company have been categorised as Non Performing Assets (NPA) and as mentioned in note no. 4 above, NCLT vide order dated 3rd August 2017 has admitted the Corporate Insolvency Resolution Process (CIRP) in respect of the Company. In view of above, the Company have stopped providing interest accrued and unpaid interest effective 1st April 2017 with respect to lenders that have not charged interest or reversed the interest due to accounts becoming NPA and the Company has reversed unpaid interest to lenders amounting to ₹ 10,163.82 lacs relating to previous year and have been shown under Exceptional item. Further the Company has not provided interest expenses on its borrowings amounting to ₹ 4,899.72 lacs for the quarter ended 30th June 2017. The Statutory Auditors have qualified their Limited Review Report in respect of this matter.  
(ii) The Company during the quarter 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 ₹ 29,741.64 lacs arising therefrom in the current quarter 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) The Board of Orissa Manganese & Minerals Limited (OMML) at its meeting held on 12th May 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. 12th May 2017.
- (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 August 2017

For Adhunik Metaliks Limited

  
Nirmal Kumar Agarwal  
Managing Director  
DIN: 00605669

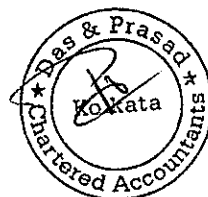




**Independent Auditor's Review Report on Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

To  
Interim Resolution Professional of  
Adhunik Metaliks Limited

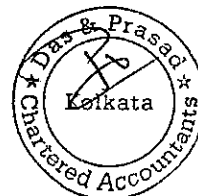
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Adhunik Metaliks Limited ('the Company') for the quarter ended 30<sup>th</sup> June, 2017 (the "Statement") being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation, 2015) as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial Reporting Prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No.CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 is the responsibility of the company's management and has been reviewed by the Key managerial personnel and provided to the Interim Resolution Professional (IRP). Our responsibility is to issue a report on the financial statement based on our review.
3. We 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure 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.NIL for the quarter ended 30<sup>th</sup> June, 2017 and total assets of Rs.67.84 Lacs 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 11<sup>th</sup> July, 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 3<sup>rd</sup> 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 an Interim Resolution Professional (IRP) in terms of IBC. Considering these, the Company has presented these statements on going concern basis.
- 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 31<sup>st</sup> March 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 31<sup>st</sup> March 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(ii) of the financial result with regard to devaluation of inventory amounting to Rs.29,741.64 Lacs 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.

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



6. a) We draw attention to note 7(i) of the financial result with regard to the non provision of interest expense amounting to Rs.4,899.72 Lacs on the borrowing of the Company for the Quarter ended 30th June 2017. Further, the Company has also reversed interest payable to some banks and financial institution which was unpaid as at 31st March 2017 amounting to Rs.10,163.82 Lacs.  
Due to non provision of interest expense and reversal of interest payable, the finance cost for the quarter is understated to the extent of Rs.4,899.72 Lacs, total comprehensive loss is understated to the extent of Rs. 15,063.54 Lacs and the total current financial liabilities is understated to the extent of Rs. 15,063.54 Lacs
7. Based on our review conducted as above, subject to the observations in paragraph 6 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards specified in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 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 Obligation and Disclosure Requirements) Regulations, 2015 read with circular number CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July/2016 of SEBI 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: 0303054E



A handwritten signature in black ink, appearing to read "P. Agarwal".

Pramod Kumar Agarwal  
Partner  
Membership No.:056921

Place: Kolkata  
Date: 14<sup>th</sup> August, 2017