R. Kothari & Company
CHARTERED ACCOUNTANTS
KOLKATA, NEW DELHI

REVIEW REPORT

To
The Board of Directors
M/S. **Impex Ferro Tech Limited**

1. We have reviewed the Unaudited Financial results of M/S **Impex Ferro Tech Limited** ("the Company"), for the Quarter ended December 31, 2017 which are included in the accompanying Statement of Unaudited Financial Results for the Quarter and Nine months ended December 31, 2017. The statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "Listing regulation 2015") which has been initialed by us for identification purposes.

   The Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting ("Ind AS 34"),prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.Our responsibility is to issue a report on the Statement based on our review.

2. We have 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. The Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material misstatement.

   A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. We draw your attention to Note No.3 of the Unaudited Financial Results regarding non provision of interest expense amounting to **₹ 522 Lacs** on the borrowings of the Company for the quarter ended December 31, 2017 and penal interest and charges thereof (amount remaining unascertained) which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments. Had the aforesaid interest expense been recognized, the finance cost for the quarter ended 31st December, 2017 would have been **₹ 963 Lacs** instead of **₹ 441 Lacs** and the total comprehensive loss for the quarter ended 31st December, 2017 would have been **₹ 893 Lacs** instead of **₹ 371 Lacs**.

R. KOTHARI & COMPANY KOLKATA 700071

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4. Based on our review conducted as above, except for the matter referred in Paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 has not been prepared in all material respects in accordance with Ind AS and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. (a) We draw your attention to Note No. 4 of the financial results which indicate that as at 31st December, 2017, the accumulated losses amounting to **₹ 28,814 Lacs** has eroded the entire net worth of the company, indicating the existence of a material uncertainty about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis for the reasons stated in the said note.

   (b) As referred to Note No. 5 of the Financial Statements, no provision has been made in the books in respect of the fire occurred in the Captive Power Plant. The reported financials might have consequential impact which remains unascertained and unprovided for.

   (c) Substantial amount of statutory dues amounting to **₹ 427 Lacs** has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.

   (d) As referred in Note No. 7, the balance of sundry debtors, advances, creditors etc. includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliation. The reported financials might have consequential impact which remains unascertained.

Our conclusion is not qualified in respect of these matters.

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

R. KOTHARI & COMPANY KOLKATA 700071 Chartered Accountants

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

Date: 14.02.2018
Place: Kolkata

IMPEX FERRO TECH LIMITED

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CIN - L27101WB1995PLC071996

Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2017

PART I

(₹ in Lacs except EPS)

	Particulars	Three Months Ended			Nine Months Ended		Twelve Months Ended
		Unaudited			Unaudited		Audited
		31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016	31-03-2017
1	Revenue From Operations	2,909	3,445	2978	10,334	7,563	13,456
2	Other Income	4	42	50	71	111	289
	Total Revenue (1)+(2)	**2,913**	**3,487**	**3,028**	**10,405**	**7,674**	**13,745**
3	**Expenses**						
	(a) Cost of materials consumed	1,737	1572	2,062	7,441	5,047	8,220
	(b) Changes in inventories of finished goods and work-in-progress	(74)	89	175	111	(93)	2,669
	(c) Excise Duty	-	-	299	418	691	1,325
	(d) Employee benefits expense	148	151	143	454	387	524
	(e) Finance Cost	441	128	(74)	590	13	52
	(f) Depreciation	179	179	192	536	595	731
	(g) Power	612	1339	1,017	3,603	2,461	4,137
	(h) Other expenses	237	301	273	857	892	6,797
	Total expenses	**3,281**	**3,759**	**4,087**	**14,010**	**9,993**	**24,456**
4	**Profit / Loss from operations before exceptional items**	**(367)**	**(272)**	**(1,059)**	**(3,605)**	**(2,319)**	**(10,711)**
5	Exceptional items	-	-	-	-	-	-
6	**Profit/(Loss) before tax (4+5)**	**(367)**	**(272)**	**(1,059)**	**(3,605)**	**(2,319)**	**(10,711)**
7	**Tax Expense**	-	-	-	-	-	-
8	**Net Profit/(Loss) for the period (6-7)**	**(367)**	**(272)**	**(1,059)**	**(3,605)**	**(2,319)**	**(10,711)**
9	**Other Comprehensive Income/(loss) (net of tax)**	**(4)**	**(4)**	**(4)**	**(12)**	**(12)**	-
	A) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
10	**Total Comprehensive Income /(Loss) for the period (8+9)**	**(371)**	**(276)**	**(1,063)**	**(3,617)**	**(2,331)**	**(10,711)**
11	Paid-up equity share capital (Face Value ₹ 10 per share)	8,793	8,793	8,793	8,793	8,793	8,793
12	**Earnings per share (of ₹ 10 per share) (not annualized) :**						
	a) Basic (In ₹)	(0.42)	(0.32)	(1.21)	(4.11)	(2.64)	(12.18)
	b) Diluted (In ₹)	(0.42)	(0.32)	(1.21)	(4.11)	(2.64)	(12.18)

IMPEX FERRO - TECH LTD. Kolkata - 26 132A, S. P. Mukherjee Road

R. KOTHARI & COMPANY KOLKATA 700071 Chartered Accountants

PART II

Segment wise Revenue, Results ,Assets And Liabilities

(₹ In Lacs)

Sr No.	Particulars	Three Months Ended			Nine Months Ended		Twelve Months Ended
		Unaudited			Unaudited		Audited
		31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016	31-03-2017
1	**Segment revenue**						
	a. Ferro alloys	2,909	3,445	2,688	9,916	6,912	12,132
	b. Iron and steel	-	-	-	-	-	-
	c. Power	764	1,244	1,093	3,372	3,499	5,137
	Total	3,673	**4,689**	**3,780**	13,288	10,411	17,269
	Less: Inter segment revenue	764	1,244	1,093	3,372	3,499	5,137
	Total income from operations (net)	**2,909**	**3,445**	**2,688**	**9,916**	**6,912**	**12,132**
2	**Segment results**						
	a. Ferro alloys	23	254	(959)	(2,481)	(3,038)	(11,254)
	b. Iron and steel	-	-	-	-	-	-
	c. Power	51	(398)	(26)	(534)	732	595
	Total segment profit before Finance cost and Tax	74	(144)	(985)	(3,015)	(2,306)	(10,659)
	Less: Finance Cost	441	128	74	590	13	52
	Less: Exceptional Items		-		-	-	-
	Total Profit/(Loss) before tax	**(367)**	**(272)**	**(1,059)**	**(3,605)**	**(2,319)**	**(10,711)**
	Segment Assets						
	a) Ferro Alloys	11,269	11,020	21,548	11,269	21,548	13,595
	b) Iron & Steel	2,776	2,776	15,264	2,776	15,264	7,868
	c) Power	14,171	14,272	14,729	14,171	14,729	14,386
	d) Unallocated	267	267	268	267	268	267
	Total Segment Aseets	**28,483**	**28,335**	**51,809**	**28,483**	**51,809**	**36,116**
	Segment Liabilities						
	a) Ferro Alloys	8,697	8,614	11,237	8,697	11,237	9,299
	b) Iron & Steel	2,116	1,504	5,098	2,116	5,098	5,284
	c) Power	-	-	-	-	-	-
	d) Unallocated	-	-	-	-	-	-
	Total Segment Liabilities	**10,813**	**10,118**	**16,335**	**10,813**	**16,335**	**14,583**
3	**Capital employed**						
	(Segment assets - Segment liabilities)						
	a. Ferro alloys	2,572	2,406	10,311	2,572	10,311	4,296
	b. Iron and steel	660	1,272	10,166	660	10,166	2,584
	c. Power	14,171	14,272	14,729	14,171	14,729	14,386
	d. Unallocated	267	267	268	267	268	267
	Total Capital employed	**17,670**	**18,217**	**35,473**	**17,670**	**35,473**	**21,533**

Notes:

1) The above results for the quarter and Nine Months ended 31st December, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th February, 2018.

2) The Company has adopted Indian Accounting Standards (Ind AS) from 1 April, 2017. The figures for the Quarter and Nine Months ended 31st December, 2017 are also Ind AS compliant. They have not been subject to limited review or audit. However, the management has exercised necessary diligence to ensure that the financial results provide a true and fair view of the Company's affairs. The Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Comapanies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2017, the Company for the first time adopted Ind As with the transition date of 1st April 2016.

3) The lenders have stopped charging interest on debts, since the dues from the company have been categorised as Non Performing Asset. Pending finalization of the restructuring plan, the company has not provided accrued interest in its books during the quarter as the account has been declared NPA by the respective lenders. Amount of interest has been recogised in the books of account to the extend the amount charged/realised by the banks only. The amount of interest not so provided for the quarter ended 31st December, 2017 stands at ₹ 522 Lacs and penal interest and charges thereof (amount remaining unascertained) has not been provided for. The unprovided liability in respect of interest on long term and short term borrowings as on 31st December, 2017 amounted to ₹ 5,496 Lacs. The same have consequential impact on the reported figures.

4) The company has incurred loss of ₹ 3,617 Lacs for nine months ended 31st December, 2017. The accumulated loss as on 31st December, 2017 is ₹ 28,814 Lacs which is in excess of the entire net worth of the company. The company has made an application to State Bank of India, Lead Consortium Member, regarding revival plan of the company. With the substantial improvement in raw material availability, improvement in market scenario with notification of Minimum Import Price on steel, it is expected that the overall financial health 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 assumption.

5) A fire has occurred in the Captive Power Plant damaging turbine, alternator, etc and a surveyor has been appointed by an insurance company to assess the loss. The preliminary repairing estimate of loss is ₹ 525 Lacs. Pending assessment of actual loss, no effect has been given in the reported financials which may have consequentional impact. The necessary provisions would be made once the assessment is done and settled by the insurance company or at the year end, whichever is earlier.

6) Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind-AS for the quarter and Nine Months ended 31st December, 2016 is given below:

Particulars	Quarter Ended 31.12.2016	Nine Months Ended 31.12.2016
Net Profit/(Loss) for the period under previous Indian GAAP	(1061)	(2325)
Adjustments on account of :		
(A) Amortization of Deferred Government Grant	2	6
(B) Actuarial gain/(loss) reclassified through Other Comprehensive Income	(4)	(12)
(C) Impact of Deferred tax on (a) to (c) above	-	-
Net Profit/(Loss) for the period under Ind AS	(1,063)	(2,331)

7) In the opinion of the management, current and non current assets have a value of realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmations and reconciliation.

8) Revenue from operations for periods upto 30 June 2017 includes excise duty, which is discontinued effectively 1 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 aforesaid change in indirect taxes, Revenue from operations for the quarter and nine months ended 31 December 2017 is not comparable to the quarter and nine months ended 31st December, 2016.

9) The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter and Nine Months ended 31st December, 2017.

10) This Financial Statement has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation Requirements) Regulation, 2015.

On behalf of the Board of Directors

ANKIT PATNI
DIRECTOR

Place: Kolkata
Dated: 14th February, 2018

KOLKATA 700071 Chartered Accountants

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