

# *R. Kothari & Company*

**CHARTERED ACCOUNTANTS  
MUMBAI, KOLKATA, NEW DELHI**

## **Limited Review Report (Annexure V to Clause 41)**

**INDEPENDENT AUDITORS' REVIEW REPORT**  
To The Board of Directors  
**Impex Ferro Tech Limited**

We have reviewed the accompanying statement of unaudited financial results of **Impex Ferro Tech Limited** for the period ended 30<sup>th</sup> June, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

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 to 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 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.

### **Emphasis of Matter Paragraph**

1. Without qualifying we draw your attention to Note No.4 of the financial results, relating to CDR package. The CDR package of the company has been sanctioned vide LOA dated November 10<sup>th</sup>, 2014. Pursuant to the said LOA, implementation of CDR policy is completed and the company has given its account the effect of the CDR scheme as per LOA dated 10<sup>th</sup> November, 2014 which is subject to confirmation and reconciliation with the Lenders. The reported financials would



have consequential impact once the reconciliation is completed, the quantum where of remains unascertained.

2. We draw attention to the Note no 5 of the statement which indicates that as at June 30<sup>th</sup>,2015, the accumulated losses amounting to Rs 7,651.62 Lacs has substantially eroded 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 results have been prepared on a going concern basis for the reasons stated in the said note.

Our report is not qualified in respect of this matter.

Based on our review conducted as 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 Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: 13.08.2015  
Place: Kolkata



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

*Manoj Kumar Sethia*

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



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CIN NO.- L27101WB1995PLC071996

**Statement of Unaudited Financial Results for the Quarter Ended 30th June, 2015**

(₹ in Lakhs)

PART I		Quarter- ended			Audited
Particulars	Unaudited			Year- ended	
	30-06-2015	31-03-2015	30-06-2014	31-03-2015	
<b>1</b>	<b>Income from Operations</b>				
	(a) Net Sales/Income from Operations (Net of excise duty)	8,337	10,934	12,358	49,616
	(b) Other Operating Income	189	240	179	964
	<b>Total Income from Operations (net)</b>	<b>8,526</b>	<b>11,174</b>	<b>12,537</b>	<b>50,580</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	4,505	4,554	3,452	16,966
	(b) Purchase of traded goods	2,032	3,552	6,923	23,849
	(c) Changes in Inventories of finished goods and work-in-progress	(260)	577	(197)	252
	(d) Employee benefits expense	106	122	111	479
	(e) Depreciation	197	202	227	864
	(f) Power	1,830	2,029	2,232	8,848
	(g) Other expenses	603	623	627	2,737
	<b>Total expenses</b>	<b>9,013</b>	<b>11,659</b>	<b>13,375</b>	<b>53,995</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(487)</b>	<b>(485)</b>	<b>(838)</b>	<b>(3,415)</b>
<b>4</b>	<b>Other Income</b>	<b>86</b>	<b>9</b>	<b>50</b>	<b>305</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)</b>	<b>(401)</b>	<b>(474)</b>	<b>(788)</b>	<b>(3,110)</b>
<b>6</b>	<b>Finance costs</b>	<b>901</b>	<b>881</b>	<b>925</b>	<b>3,094</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(1,302)</b>	<b>(1,355)</b>	<b>(1,713)</b>	<b>(6,144)</b>
<b>8</b>	<b>Exceptional Items</b>				
<b>9</b>	<b>Profit/ (Loss) from ordinary activities before tax (7-8)</b>	<b>(1,302)</b>	<b>(1,355)</b>	<b>(1,713)</b>	<b>(6,144)</b>
<b>10</b>	<b>Tax Expense</b>			<b>580</b>	
<b>11</b>	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(1,302)</b>	<b>(1,355)</b>	<b>(2,293)</b>	<b>(6,144)</b>
<b>12</b>	<b>Extraordinary Items (net of tax expense Rs. Nil)</b>				
<b>13</b>	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(1,302)</b>	<b>(1,355)</b>	<b>(2,293)</b>	<b>(6,144)</b>
<b>14</b>	<b>Paid-up equity share capital (Face Value Rs 10 per share)</b>	<b>8,160</b>	<b>8,160</b>	<b>8,160</b>	<b>8,160</b>
<b>15</b>	<b>Reserves excluding Revaluation Reserves as per Balance Sheet</b>				<b>(1,324)</b>
<b>16</b>	<b>Earnings per share (before and after extraordinary items) (of Rs 10 per share) ( not annualised) :</b>				
	a) Basic	(1.60)	(1.66)	(3.12)	(7.59)
	b) Diluted	(1.60)	(1.66)	(3.12)	(7.59)
<b>PART II</b>					
<b>Select Information for the quarter ended 30th June, 2015</b>					
Particulars	Quarter- Ended			Year- Ended	
	30-06-2015	31-03-2015	30-06-2014	31.03.15	
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>				
<b>1</b>	<b>Public shareholding</b>				
	- Number of shares	2,71,66,758	2,71,66,758	2,71,66,758	
	- Percentage of shareholding	33.29	33.29	33.29	
<b>2</b>	<b>Promoters and Promoter Group Shareholding</b>				
	<b>(a) Pledged/Encumbered</b>				
	- Number of Shares	1,90,860	1,90,860	1,90,860	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.35	0.35	0.35	
	- Percentage of shares (as a % of the total share capital of the company)	0.23	0.23	0.23	
	<b>(b) Non-encumbered</b>				
	- Number of Shares	5,42,38,986	5,42,38,986	5,42,38,986	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.65	99.65	99.65	
	- Percentage of shares (as a % of the total share capital of the company)	66.47	66.47	66.47	
				<b>Three months ended 30/06/2015</b>	
<b>B</b>	<b>INVESTOR COMPLAINTS</b>				
	Pending at the beginning of the quarter			-	
	Received during the quarter			-	
	Disposed of during the quarter			-	
	Remaining unresolved at the end of the quarter			-	





Segment wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement.				
Particulars	Quarter- Ended			Year- Ended
	30-06-2015	31-03-2015	30-06-2014	31-03-2015
<b>1</b>	<b>Segment revenue</b>			
a. Ferro alloys	6,458	7,629	5,568	26,554
b. Iron and steel	2,068	3,545	6,969	24,026
c. Power	-	-	-	-
<b>Total</b>	<b>8,526</b>	<b>11,174</b>	<b>12,537</b>	<b>50,580</b>
Less: Inter segment revenue	-	-	-	-
<b>Total income from operations (net)</b>	<b>8,526</b>	<b>11,174</b>	<b>12,537</b>	<b>50,580</b>
<b>2</b>	<b>Segment results</b>			
a. Ferro alloys	(539)	(366)	(730)	(2,865)
b. Iron and steel	36	(7)	46	177
c. Power	101	(102)	(104)	(422)
<b>Total segment profit before interest and tax</b>	<b>(401)</b>	<b>(475)</b>	<b>(788)</b>	<b>(3,110)</b>
Less: Interest expenses	901	881	925	3,034
<b>Profit before tax</b>	<b>(1,302)</b>	<b>(1,355)</b>	<b>(1,713)</b>	<b>(6,144)</b>
<b>3</b>	<b>Capital employed</b> (Segment assets- Segment liabilities)			
a. Ferro alloys	12,745	7,247	12,844	7,247
b. Iron and steel	11,502	17,524	7,137	17,524
c. Power	14,851	15,275	15,568	15,275
d. Unallocable	262	259	328	259
<b>Total Capital employed</b>	<b>39,360</b>	<b>40,304</b>	<b>35,877</b>	<b>40,304</b>

**NOTES :-**

- The above results for the quarter ended 30th June, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 13, 2015.
- The figures of the last quarter ended March, 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto third quarter of that financial year.
- During the quarter ended June, 2015, the company has sold its stake in SKP Mining Private Ltd and hence Joint Venture in the name of SKP Mining Private Ltd. with M/s. Ankit Metal & Power Ltd has ceased to exist during the quarter ended 30th June, 2015.
- We draw attention to the financial results, relating to CDR Package. The CDR Package of the company has been sanctioned vide LOA dated 10th November, 2014. Pursuant to the said LOA, Implementation of CDR policy is completed and the effect thereof has been given in these accounts with respect to the CDR scheme as per the said LOA. The said accounts are subject to confirmation and reconciliation with the Lenders. The reported financials would have consequential impact once the reconciliation is completed, the quantum where of remains unascertained.
- The operations of the company are severely impacted by weak steel Industry scenario and lack of demand for company's finished product. The company has incurred loss after tax of Rs 1302.00 Lacs and accumulated loss as on 30th June, 2015 is Rs 7651.62 Lacs which is in excess of 50% of the net worth of the company. As a part of its financial revival process, the lenders of the company has already approved CDR package. The company has continuous support from the promoters and has put in place measures for revival and cost reduction. Considering the above initiative of the company and given the overall position of steel industry in India, the financial statements have been prepared under Going Concern basis.
- Pursuant to CDR package, the Company has received unsecured Loans from Promoters & Promoter Companies as Promoter contribution to be converted into Equity by September 30' 2015 at such price as will be determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations. Pending approval and determination of price by SEBI, the same has not been considered in the calculation of diluted EPS during the financial year.
- The figures of the previous year/ period have been regrouped/ reclassified, wherever necessary to confirm to the classification for the quarter ended 30th June, 2015.

On behalf of the Board of Directors

*Sa*  
SURESH KUMAR PATNI  
CHAIRMAN

Place: Kolkata

Dated: 13th August, 2015

