

# ***R. Kothari & Company***

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

**Limited Review Report on Unaudited Quarterly Financial Results of Impex Ferro Tech Limited for the quarter ended June 30, 2018 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To

**The Board of Directors**

**M/S. Impex Ferro Tech Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of **M/S Impex Ferro Tech Limited** ('the Company') for the quarter ended 30<sup>th</sup> June, 2018 together with the notes thereon ("the Statement") attached herewith. The statement is being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, and has been initialed by us for identification purpose. Attention is drawn to the fact that figures for the three months period ended March 31, 2018 as reported in the accompanying unaudited quarterly financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the end of the third quarter of the previous financial year. The figures upto the end of the third quarter of the previous financial year had only been reviewed and not subjected to audit.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on August 13, 2018 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.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" specified under Section 143(10) of the Companies Act, 2013. This 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.



**Basis of Qualified Conclusion**

4. We draw your attention to Note No.2 of the Unaudited Financial Results regarding non provision of interest expense amounting to ₹ 909 Lacs on the borrowings of the Company for the quarter ended June 30, 2018 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 June 30, 2018 would have been ₹ 974 Lacs instead of ₹ 65 Lacs and the total comprehensive loss for the quarter ended June 30, 2018, 2017 would have been ₹ 1658 Lacs instead of ₹ 749 Lacs.

**Qualified Conclusion**

5. Based on our review conducted as stated above, except for the matter referred in Paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial year results prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by the Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to the following matter:
- (a) We draw your attention to Note No. 3 of the financial results which indicate that as at 30<sup>th</sup> June, 2018, the accumulated losses amounting to ₹ 32,781 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. 4 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 ₹ 324 Lacs has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.

Our report is not modified in these matter.

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



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

Date: 13<sup>th</sup> August, 2018  
Place: Kolkata



# IMPEX FERRO TECH LIMITED

Registered Office : 35, Chittaranjan Avenue, Kolkata 700012

Contact- +91-33-40168000, Fax No: +91-33-40168191 E-mail: id-cs@impexferrotech.com

Website: www.Impexferrotech.com

CIN - L27101WB1995PLC071996

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

Particulars	Quarter ended			Year Ended
	Unaudited	Audited	Unaudited	Audited
	30-06-2018	31-03-2018	30-06-2017	31-03-2018
1 Revenue from Operations	1,711	3,008	3979	13,341
2 Other Income	20	8	24	79
3 Total Revenue (1+2)	1,731	3,016	4,003	13,420
4 Expenses				
(a) Cost of materials consumed	1,483	2562	4,132	10003
(b) Changes in inventories of finished goods and work-in-progress	47	476	96	587
(c) Excise Duty	-	-	418	418
(d) Employee benefits expense	140	146	155	603
(e) Finance Cost	65	10	21	600
(f) Depreciation	178	176	177	712
(g) Power	282	560	1,652	4164
(h) Bad Debts including provision for Bad & Doubtful Debts.	-	2,024	-	2024
(i) Other expenses	282	287	319	1145
Total expenses	2,477	6,241	6,970	20,256
5 Profit / Loss from operations before exceptional items and tax (3-4)	(746)	(3,225)	(2,967)	(6,835)
6 Exceptional items	-	-	-	-
7 Profit/(Loss) before tax (5-6)	(746)	(3,225)	(2,967)	(6,835)
8 Tax Expense	-	-	-	-
9 Net Profit/(Loss) for the period (7-8)	(746)	(3,225)	(2,967)	(6,835)
10 Other Comprehensive Income/(loss) (net of tax)	(3)	(3)	(4)	(11)
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	-	-	-	-
11 Total Comprehensive Income /(Loss) for the period (8+9)	(749)	(3,228)	(2,971)	(6,846)
12 Paid-up equity share capital (Face Value ₹ 10 per share)	8,793	8,793	8,793	8,793
13 Earnings per share (of ₹ 10 per share) ( not annualized) :				
a) Basic ( In ₹)	(0.85)	(3.67)	(3.38)	(7.77)
b) Diluted ( In ₹)	(0.85)	(3.67)	(3.38)	(7.77)



**Notes:**

- 1) The above results for the quarter ended 30th June, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th August, 2018.
- 2) The lenders have stopped charging interest on debts, since the dues from the company have been categorised as Non Performing Asset. The company is in active discussion/negotiation with its lenders to restructure its debt at a sustainable level. In view of the above, 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. The amount of interest has been recognised in the books of account to the extent the amount charged/realised by the banks only. The amount of interest not so provided stands at ₹ 908.74 Lacs for the quarter ended 30th June, 2018 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 30th June, 2018 amounted to ₹ 7,348 Lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods..
- 3) The company has incurred loss of ₹ 749 Lacs for quarter ended 30th June ,2018. The accumulated loss as on 30th June, 2018 is ₹ 32,781 Lacs which is in excess of the entire net worth 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.
- 4) A fire has occurred in the Captive Power Plant damaging turbine, alternator, etc and a surveyor has been appointed an insurance company to assess the loss. A 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 consequential impact. The necessary provisions would be made once the assessment is done and settled by the insurance Company.
- 5) As the company's business activity falls within a single significant primary segment i.e, "Ferro Alloys" , no separate segment information is disclosed.
- 6) This Financial Statement has been prepared in accordance with Regulation 33 of SEBI (Listing Obligation Requirements) Regulation 2015.
- 7) Consequent to the introduction of Goods & Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT), etc. Have been replaced by GST. In accordance with Ind AS 115 on Revenue and Schedule III of the Companies Act, 2013, GST is not included in Gross Revenue from Operations in applicable periods. In view of the aforesaid restructuring of the indirect taxes, revenue from operations for the quarter ended 30th June, 2018 is not comparable to that extent with that of the corresponding previous quarter.
- 8) Figures of the quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the full financial year upto 31st March, 2018 and the published year to date figures upto 31st December, 2017 being the date of the third quarter of the financial year which were subjected to limited review by the statutory auditors.
- 9) The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30th June, 2018.

Place: Kolkata

Dated: 13h August, 2018



Suresh Kumar Patni  
MANAGING DIRECTOR

