

*R Kothari & Co LLP*  
*CHARTERED ACCOUNTANTS*  
*KOLKATA, NEW DELHI*

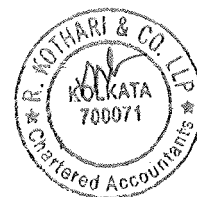
**INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS**

**TO**  
**THE BOARD OF DIRECTORS**  
**IMPEX FERRO TECH LIMITED**

**Limited Review Report of the Unaudited Financial Results for the quarter ended 30th June, 2022**

**Qualified Conclusion**

1. We have reviewed accompanying Unaudited Financial Results of **IMPEX FERRO TECH LIMITED** (the 'Company') for the quarter ended 30<sup>th</sup> June, 2022, being submitted by the Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS) for Interim Financial Reporting ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulations. Our responsibility is to issue a report on these Financial Statements 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' 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 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.



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R Kothari & Co (a partnership firm with FRN-307069E) converted into R Kothari & Co LLP. (a Limited Liability Partnership with LLP Identification No,AAS-5294 w. e. f 3<sup>rd</sup> June, 2020)

4. Based on our review conducted as above, except for the possible effects of the matter described in the paragraph 5 below "Basis for qualified conclusion" and read with our comments in paragraph 6 & 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS as prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. **Basis for Qualified Conclusion**

*We draw your attention to Note No. 3 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to Rs. 1261.11 lakhs for the quarter ended 30<sup>th</sup> June, 2022 (Cumulative Non Provisioning of Rs. 23,265.85 lakhs till 30.06.2022) 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.*

*In view of pending finalization of restructuring plan with Rate Asset Reconstruction Limited, the financial impact of any pursuant to assignment agreement remain unascertained and not provided for in the financial result which might have consequential impact on the reported figures for the quarter as well as for earlier periods.*

*Had the aforesaid interest expense been recognized, the finance cost for the quarter ended 30<sup>th</sup> June, 2022 would have been Rs. 1,261.47 lakhs instead of Rs. 0.36 lakhs. The total expenses for the quarter ended 30<sup>th</sup> June, 2022 would have been Rs. 10,761.24 lakhs instead of Rs. 9,500.13 lakhs. The Net loss after tax for the quarter ended 30<sup>th</sup> June, 2022 would have been Rs. 1849.00 lakhs instead of loss of Rs. 587.89 lakhs. Total comprehensive Loss for the quarter ended 30<sup>th</sup> June, 2022 would have been Rs. 1850.00 lakhs instead of reported amount of profit of Rs. 588.89 lakhs.*

*The above reported interest has been calculated using Simple Interest rate.*

6. **Material Uncertainty Related to Going Concern**

We draw your attention to **Note No. 4** of the financial results regarding preparation of the financial statements on going concern basis, for the reason mentioned therein. The company has accumulated losses during the quarter ended 30.06.2022. As on date the company's current liabilities are substantially higher than its current assets and net worth has also been fully eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. The appropriateness of assumption of going concern is critically dependent upon market scenario, the debt resolution of the company, the company's ability to raise requisite finance, generation of cash flows in future to meet its obligation and to earn profit in future. Our opinion is not modified in respect of this matter.



7. **Emphasis of Matter**

- i. *"Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind" and "Advance to Suppliers and Other Parties" etc includes balances remaining outstanding for a substantial period. The balances are subject to confirmation/reconciliation. The reported Financials might have consequential impact which remains unascertained.*
- ii. *The company has not deposited undisputed statutory dues to appropriate authority in time and deposit was delayed. Undisputed Statutory dues amounting to Rs. 106.87 lakhs was in arrears as at 30<sup>th</sup> June, 2022 for a period of more than six months.*

Our conclusion is not modified in respect of this matter.

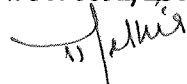
Date: 10<sup>th</sup> August, 2022

Place: Kolkata

UDIN : 22064308AOTFBL9813



For R Kothari & Co LLP  
Chartered Accountants  
FRN: 307069E/E300266

  
CA. Manoj Kumar Sethia  
Partner  
Membership No: 064308

# IMPEX FERRO TECH LIMITED

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Website: www.impexferrotech.com

CIN - L27101WB1995PLC071996

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022

(₹ In Lacs except EPS)

Particulars	Quarter Ended			Year Ended
	30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
	Unaudited	Audited	Unaudited	Audited
1 Revenue from Operations	8,909.65	10,978.95	4,851.44	29,847.17
2 Other Income	2.60	569.34	2.50	594.81
3 Total Income (1+2)	8,912.25	11,548.29	4,853.94	30,441.98
4 Expenses				
(a) Cost of materials consumed	6,070.52	5,465.96	2,703.12	17,379.16
(b) Changes in inventories of finished goods and work-in-progress	172.08	434.66	69.42	381.93
(c) Purchase of Traded Goods	-	454.87	432.22	1,176.98
(d) Employee benefits expense	11.90	6.52	8.32	32.26
(e) Finance Cost	0.36	3.63	0.19	13.24
(f) Depreciation and Amortization expenses	160.77	162.81	163.12	656.62
(g) Power cost	2,473.51	3,272.29	777.36	8,060.39
(h) Other expenses	610.99	890.27	322.45	2,152.35
Total Expenses	9,500.13	10,691.01	4,476.20	29,852.93
5 Profit / Loss from operations before exceptional items and tax (3-4)	(587.88)	857.28	377.74	589.05
6 Exceptional items (Expense)	-	2,265.26	-	2,265.26
7 Profit/(Loss) before tax (5-6)	(587.88)	(1,407.98)	377.74	(1,676.21)
8 Tax Expense	-	-	-	-
9 Net Profit/(Loss) for the period (7-8)	(587.88)	(1,407.98)	377.74	(1,676.21)
10 Other Comprehensive Income/(loss)				
A (i) Items that will not be reclassified to profit or loss	(1.00)	(23.62)	(3.00)	32.59
(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 (9+10)	(588.88)	(1,431.60)	374.74	(1,643.62)
12 Paid-up equity share capital (Face Value ₹10 per share)	8,793.16	8,793.16	8,793.16	8,793.16
13 Earnings per share (Face Value of ₹10 per share):				
a) Basic ( In ₹)	(0.67)	(1.60)	0.43	(1.91)
b) Diluted ( In ₹)	(0.67)	(1.60)	0.43	(1.91)



# IMPEX FERRO TECH LIMITED

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Website: www.impexferrotech.com

CIN - L27101WB1995PLC071996

## Notes:

- 1) The above results for the quarter ended 30th June, 2022 have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under section 133 of the companies Act 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th August, 2022.
- 2) The COVID-19 pandemic has adversely impacted the economy and business. Following relaxation in COVID pandemic related restrictions from time to time improved overall performance for the quarter ended on 30th June, 2022 and improvement in overall operating performance is likely to continue. Considering the current internal and external factors, the Company has made detailed assessment of its liquidity positions/ cash flows for the next one year and have concluded that there are no material adjustments required in the reported financial results.
- 3) Various credit facilities availed from United Bank of India (UBI), Bank of Baroda (BOB) and State Bank of India (SBI) have been assigned in favour of Rare Asset Reconstruction Ltd under assignment agreements between banks and Rare Asset Reconstruction Ltd. In absence of information about the terms of assignments, the company is carrying the various credit facilities as appearing in the books as per the previous terms with the respective banks.

In view of pending finalization of the restructuring plan with Rare Asset Reconstruction Limited, the company has not provided accrued interest in its books as the account has been declared NPA by the respective banks. 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 ₹ 1261.11 Lacs for the quarter ended 30th June, 2022, and penal interest and charges thereof (amount remaining unascertained) has not been provided for. The unprovided liability in respect of interest till 30th June, 2022, amounted to ₹ 23,265.85 Lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods.

The company entered into a settlement agreement [One Time Settlement (OTS)] with Punjab National Bank (Bank). Pursuant to the aforesaid OTS, the company has already paid ₹ 1,500 lakhs against amount settled as per OTS approval. However, Delayed period interest charges (DPIC) amounting to ₹ 231.98 lakhs has been demanded by the banks and the company has paid ₹ 50.00 lakhs till date. The financial adjustment of balance outstanding in books will be made once the NOC is received from the bank.

- 4) The company has incurred loss of ₹ 587.89 Lacs for quarter ended 30th June, 2022 respectively. The accumulated loss as on 30th June, 2022 is ₹ 39,248.57 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.
- 5) The balance of "Trade Receivables", "Trade Payables", "Advances from Customers", "Advances Recoverable in cash or Kind" and Advance to Suppliers and Other Parties" includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliations. The Balance with revenue authorities are subject to final assesment order and/or submission of returns. The reported financials might have consequential impact once the confirmation are recieved and reconciliation if any is made.
- 6) Figures of the last quarter of the previous year are the balancing figures between the audited figures for full financial year and the figures published for the year to date upto 31st December of the year.
- 7) As the company's business activity falls within a single significant primary segment i.e, "Ferro Alloys" , no separate segment information is disclosed.
- 8) Figures for the previous period/year have been regrouped and /or reclassified to confirm to the classification of current period/year wherever necessary.



On behalf of the Board of Directors

*Subham Bhagat*

Subham Bhagat  
Director

Place: Kolkata

Dated: 10th day of August, 2022