

R. Kothari & Company

CHARTERED ACCOUNTANTS
MUMBAI, KOLKATA, NEW DELHI

INDEPENDENT AUDITORS' REVIEW REPORT

To

The Board of Directors

M/S. Impex Ferro Tech Limited

1. We have audited the accompanying financial Results ("Results") of M/S. Impex Ferro Tech Limited ("the Company") for the year ended 31st March, 2016 initialled by us for identification purposes only, being submitted by the company pursuant to requirements of regulation 33 of SEBI(Listing Obligations & Disclosure Requirements) Regulation, 2015. The results included in the statements, which are the responsibility of Company's management and approval by the board of directors have been prepared on the basis of the related financial statements which is in accordance with the accounting prescribed under section 133 of the Companies Act, 2013 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Results included in the Statements.
2. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Results included in the Statement are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the results in statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the results included in the statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the results included in the statements.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



3. Emphasis of Matter

3.1 We draw your attention to Note No. 3 of the Results which indicate that as at 31st March, 2016, the accumulated losses amounting to Rs. 14486.45 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.

3.2 Pending confirmations of certain secured loans and advances, trade receivables, trade payables and other liabilities as referred in Note No. 5 of accompanying statements, are subject to confirmations and reconciliation.

Our report is not qualified in this matter.

4. In our opinion and to the best of our information and according to the explanations given to us Results included in the statement:

- (i) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and
- (ii) Give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March, 2016.

5. The Statements includes the results for the Quarter ended 31st March, 2016, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Manoj Sethia

C.A. Manoj Kumar Sethia

Partner

Membership No.:- 064308

Date: 30.05.2016

Place: Kolkata

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CIN NO.- L27101WB1995PLC071996

Statement Of Standalone Audited Financial Results For the Quarter and Year Ended 31st March,2016

PART I

(Rs./Lacs)

Particulars	Quarter- Ended			Year- Ended	
	Audited	Unaudited	Audited	Audited	
	31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
1 Income from Operations					
(a) Net Sales/Income from Operations (Net of excise duty)	3,855	7,439	10,934	26,752	49,616
(b) Other Operating Income	45	105	240	444	964
Total Income from Operations (net)	3,900	7,544	11,174	27,196	50,580
2 Expenses					
(a) Cost of materials consumed	3,113	3,926	4,554	14,413	16,966
(b) Purchase of traded goods	1,473	2,613	3,552	8,292	23,849
(c) Changes in inventories of finished goods and work-in-progress	260	(131)	577	(143)	252
(d) Employee benefits expense	112	120	122	442	479
(e) Depreciation	176	178	202	730	864
(f) Power	698	1,768	2,029	6,201	8,848
(g) Other expenses	282	622	623	2,094	2,737
Total expenses	6,114	9,097	11,659	32,030	53,995
3 Profit / Loss from operations before other income, finance costs and exceptional items (1-2)	(2,214)	(1,553)	(485)	(4,834)	(3,415)
4 Other Income	32	7	9	121	305
5 Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)	(2,182)	(1,546)	(474)	(4,713)	(3,110)
6 Finance costs	851	851	881	3,424	3,034
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(3,033)	(2,396)	(1,355)	(8,137)	(6,144)
8 Exceptional items	-	-	-	-	-
9 Profit/ (Loss) from ordinary activities before tax (7-8)	(3,033)	(2,396)	(1,355)	(8,137)	(6,144)
10 Tax Expense	-	-	-	-	-
11 Net Profit/(Loss) from ordinary activities after tax (9-10)	(3,033)	(2,396)	(1,355)	(8,137)	(6,144)
12 Extraordinary items (net of tax expense)	-	-	-	-	-
13 Net Profit/(Loss) for the period (11-12)	(3,033)	(2,396)	(1,355)	(8,137)	(6,144)
14 Paid-up equity share capital (Face Value Rs 10 per share)	8,793	8,793	8,160	8,793	8,160
15 Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	(8,827)	(1,324)
16 Earnings per share (before and after extraordinary items) (of Rs 10 per share) (not annualised) :					
a) Basic	(3.64)	(2.73)	(1.66)	(9.77)	(7.53)
b) Diluted	(3.64)	(2.73)	(1.66)	(9.77)	(7.53)



PART II**Segment wise Revenue, Results and Capital Employed under regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

	Particulars	Quarter Ended			Year- Ended	
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015
1	Segment revenue					
	a. Ferro alloys	2,571	4,903	7,629	18,953	26,554
	b. Iron and steel	1,329	2,641	3,545	8,243	24,026
	c. Power	154	-	-	154	-
	Total	4,054	7,544	11,174	27,349	50,580
	Less: Inter segment revenue	154	-	-	154	-
	Total income from operations (net)	3,900	7,544	11,174	27,196	50,580
2	Segment results					
	a. Ferro alloys	(1,987)	(1,471)	(366)	(4,309)	(2,865)
	b. Iron and steel	(144)	28	(7)	(49)	177
	c. Power	(52)	(102)	(102)	(356)	(422)
	Total segment profit before interest and tax	(2,182)	(1,546)	(475)	(4,713)	(3,110)
	Less: Interest expenses	851	851	881	3,424	3,034
	Profit before tax	(3,033)	(2,396)	(1,355)	(8,137)	(6,144)
3	Capital employed (Segment assets- Segment liabilities)					
	a. Ferro alloys	10,512	11,323	7,247	10,512	7,247
	b. Iron and steel	10,629	11,046	17,524	10,629	17,524
	c. Power	14,548	14,648	15,275	14,548	15,275
	d. Unallocable	266	264	259	266	259
	Total Capital employed	35,955	37,281	40,304	35,955	40,304



STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2016

PARTICULARS	(Rs./Lacs)	
	AUDITED 31/03/2016	AUDITED 31/03/2015
<u>EQUITY AND LIABILITIES</u>		
SHAREHOLDER'S FUNDS		
(a) Share Capital	8,793	8,160
(b) Reserve & Surplus	(8,827)	(1,324)
(c) Money Received Against Share Warrants	-	-
	(34)	6,836
NON-CURRENT LIABILITIES		
(a) Long-Term Borrowings	22,651	23,606
(b) Deffered Tax Liabilities (Net)	-	-
(c) Other Long Term Liabilities	-	-
(d) Long Term Provisions	-	-
	22,651	23,606
CURRENT LIABILITIES		
(a) Short-Term Borrowings	12,015	9,861
(b) Trade Payables	13,491	15,215
(c) Other Current Liabilities	4,692	3,852
(d) Short Term Provisions	99	72
	30,297	29,000
	52,915	59,442
TOTAL		
<u>ASSETS</u>		
NON-CURRENT ASSETS		
(a) Fixed Assets	17,913	18,578
(b) Non Current Investment	-	5
(c) Long Term Loans And Advances	169	175
(d) Other Non Current Assets	-	-
	18,082	18,758
CURRENT ASSETS		
(a) Current Investment	-	-
(b) Inventories	8,247	12,028
(c) Trade Receivables	22,106	23,468
(d) Cash And Bank Balances	581	938
(e) Short Term Loans And Advances	3,414	3,651
(f) Other Current Assets	486	599
	34,834	40,684
	52,915	59,442
TOTAL		

NOTES :-

- The above results for the quarter and year ended 31st March, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th May, 2016.
- 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. Lower utilisation of capacity and drop in finish goods price realisation has impacted the topline as well as bottom line of the company. The company has incurred loss of Rs 8137.00 Lacs for year ended 31.03.2016. The accumulated loss as on 31st March, 2016 is Rs 14486.45 Lacs which is in excess of the entire net worth of the company. The lenders of the company has approved CDR package as a part of its financial revival process. 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 emerging scenario of steel industry in India, the management is of view of foreseeable future about the operations of the company and accordingly the financial statements have been prepared under Going Concern basis.



- 4) Pursuant to CDR package, the Company has allotted 63,35,000/- equity shares on (26th December,2015) of Rs.10 each at a price of Rs.20 per share (including a premium of Rs.10 per share) on preferential basis to Astabhuja Properties Private Limited., Promoter Group Company as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 5) The current and non-current assets, in the opinion of the management, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities. Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmation and reconciliation. The reported financials might have consequential impact once the reconciliation is completed, the quantum where of remains unascertained.
- 6) The company has defaulted in payment of dues to banks for the quarter ended 31st March, 2016 amounting to Rs. 186.42 lacs. Penal Interest, if any, to be charged by the said banks remain unascertained and unaccounted which may have consequential impact on the reported financial statements.
- 7) The Cost of Raw Materials consumed for the quarter ended 31st March, 2016 include Rs.1115.54 lacs and Rs.1005.37 lacs on account of obsolete raw materials written off and cost of raw materials sold during the quarter ended 31st March,2016.
- 8) The figures of the period/ previous year have been regrouped/ reclassified, wherever necessary to confirm to the classification for the quarter and year ended 31st March, 2016.
- 9) The figures for the quarter ended 31st March, 2016 and for the corresponding quarter ended 31st March, 2015 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the 3rd quarter of the respective financial year.

Place: Kolkata
Dated: 30th May, 2016



On behalf of the Board of Directors


SURESH KUMAR PATNI
CHAIRMAN

