

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 September 30, 2017 which are included in the accompanying Statement of Unaudited Financial Results for the Quarter and Six months ended September 30, 2017 and the statement of Assets and Liabilities as on that date together with notes thereon (the "Statement"). 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 **₹ 806 Lacs** on the borrowings of the Company for the quarter ended September 30, 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 30th September, 2017 would have been **₹ 934 Lacs** instead of **₹ 128 Lacs** and the total comprehensive loss for the quarter ended 30th September, 2017 would have been **₹ 1,082 Lacs** instead of **₹ 276 Lacs**. The unprovided liability in



respect of interest on long term and short term borrowings as on 30th September, 2017 amounted to ₹ **5,095 Lacs**. Had it been provided, Other Equity and Other Current Financial Liability as at September 30, 2017 would have been ₹ **(27,883) Lacs** and ₹ **11,540 Lacs** instead of the reported amount of ₹ **(22,788) Lacs** and ₹ **6,445 Lacs** respectively.

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 30th September, 2017, the accumulated losses amounting to ₹ **28,443 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) Substantial amount of statutory dues amounting to ₹ **194 Lacs** has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.
- (c) As referred in Note No. 6, 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

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

Date: 14.12.2017
Place: Kolkata

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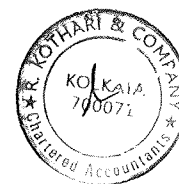
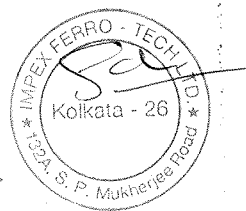
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Unaudited Financial Results for the Quarter and Half year ended 30th September, 2017

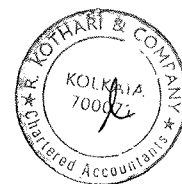
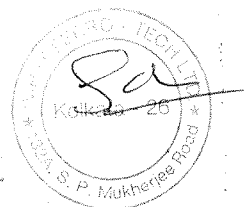
PART I

(Rs. in Lacs)

Particulars	Three Months Ended			Six Months Ended	
	Unaudited			Unaudited	
	30/09/2017	30/06/2017	30/09/2016	30/09/2017	30/09/2016
1 Revenue From Operations	3,445	3,979	3018	7,425	4,584
2 Other Income	42	24	37	67	59
Total Revenue (1)+(2)	3,487	4,003	3,055	7,492	4,644
3 Expenses					
(a) Cost of materials consumed	1,572	4132	2,172	5,704	2,986
(b) Changes in inventories of finished goods and work-in-progress	89	96	(48)	184	(268)
(c) Excise Duty	-	418	269	418	392
(d) Employee benefits expense	151	155	128	306	243
(e) Finance Cost	128	21	(780)	149	86
(f) Depreciation	179	177	193	356	403
(g) Power	1,339	1652	947	2,991	1,444
(h) Other expenses	301	319	406	621	619
Total expenses	3,759	6,970	3,287	10,729	5,906
4 Profit / Loss from operations before exceptional items	(272)	(2,967)	(232)	(3,237)	(1,262)
5 Exceptional items	-	-	-	-	-
6 Profit/(Loss) before tax (4+5)	(272)	(2,967)	(232)	(3,237)	(1,262)
7 Tax Expense	-	-	-	-	-
8 Net Profit/(Loss) for the period (6-7)	(272)	(2,967)	(232)	(3,237)	(1,262)
9 Other Comprehensive Income/(loss) (net of tax)	(4)	(4)	(4)	(8)	(8)
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)	(276)	(2,971)	(236)	(3,245)	(1,270)
11 Paid-up equity share capital (Face Value Rs.10 per share)	8,793	8,793	8,793	8,793	8,793
12 Earnings per share (of Rs 10 per share) (not annualized) :					
a) Basic (In Rs.)	(0.32)	(3.38)	(0.03)	(3.69)	(1.14)
b) Diluted (In Rs.)	(0.32)	(3.38)	(0.03)	(3.69)	(1.14)



PART II						
Segment wise Revenue, Results ,Assets And Liabilities						
Sr No.	Particulars	(Rs. in Lacs)				
		Three Months Ended			Six Months Ended	
		Unaudited			Unaudited	
		30/09/2017	30/06/2017	30/09/2016	30/09/2017	30/09/2016
1	Segment revenue					
	a. Ferro alloys	3,445	3,562	2,787	7,007	4,223
	b. Iron and steel	-	-	-	-	-
	c. Power	1,244	1,364	1,589	2,608	2,406
	Total	4,689	4,926	4,376	9,615	6,629
	Less: Inter segment revenue	1,244	1,364	1,589	2,608	2,406
	Total income from operations (net)	3,445	3,562	2,787	7,007	4,223
2	Segment results					
	a. Ferro alloys	256	(2,759)	-1,552	(2,502)	(1,936)
	b. Iron and steel	-	-	-	-	-
	c. Power	(398)	(187)	539	(585)	758
	Total segment profit before Finance cost and Tax	(144)	(2,946)	(1,012)	(3,088)	(1,176)
	Less: Finance Cost	128	21	780	149	86
	Less: Exceptional Items	-	-	-	-	-
	Total Profit/(Loss) before tax	(272)	(2,967)	(232)	(3,237)	(1,262)
	Segment Assets					
	a) Ferro Alloys	11020	14,458	21429	11020	21429
	b) Iron & Steel	2776	5,312	17,320	2776	17,320
	c) Power	14272	15,411	14486	14272	14486
	d) Unallocated	267	266	267	267	267
	Total Capital employed	28,335	35,447	53,502	28,335	53,502
	Segment Liabilities					
	a) Ferro Alloys	8614	11,911	9,995	8614	9995
	b) Iron & Steel	1504	4,975	6,974	1504	6,974
	c) Power	-	-	-	-	-
	d) Unallocated	-	-	-	-	-
	Total Capital employed	10,118	16,886	16,969	10,118	16,969
3	Capital employed (Segment assets- Segment liabilities)					
	a. Ferro alloys	2,406	2,547	11,434	2,406	11,434
	b. Iron and steel	1,272	337	10,347	1,272	10,347
	c. Power	14,272	15,411	14,486	14,272	14,486
	d. Unallocated	267	266	267	267	267
	Total Capital employed	18,217	18,561	36,534	18,217	36,534



STATEMENT OF ASSETS AND LIABILITIES		(Rs. In Lacs)
Particulars	Half Year Ended 30.09.2017	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipments		17,095
Capital Work- In- Progress		-
Other Intangible assets		3
Financial Assets		
-Loans & Advances		35
-Other Current Financial Assets		-
Sub-total (a)		17,132
CURRENT ASSETS		
Inventories		4,755
Financial Assets		
-Trade Receivables		3,672
-Cash and Cash Equivalents		476
-Short Term Loans & Advances		2,111
-Other Current Assets		188
Sub-total (b)		11,202
TOTAL (a+b)		28,335
EQUITY AND LIABILITIES		
EQUITY		
-Equity Share Capital		8,793
-Other Equity		(22,788)
Sub-total (a)		(13,995)
LIABILITIES		
NON CURRENT LIABILITIES		
Financial Liabilities		
-Borrowings		14,259
Provisions		-
Deferred Tax Liabilities (Net)		-
Other Non Current Liabilities		-
Sub-total (b)		14,259
CURRENT LIABILITIES		
Financial Liabilities		
- Trade payable		13,590
- Other Current Financial Liabilities		7,795
Provisions		6,445
Current Tax Liabilities		240
Sub-total (b)		28,070
TOTAL (a+b+c)		28,335



Notes:

- 1) The above results for the quarter and half year ended 30th September, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th December, 2017.
- 2) The Company has adopted Indian Accounting Standards (Ind AS) from 1 April, 2017. The figures for the Quarter and half year ended 30th September, 2016 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 Companies 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. The amount of interest not so provided for the quarter ended 30th September, 2017 stands at `806 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 30th September, 2017 amounted to ` 5095Lacs. The same have consequential impact on the reported figures.
- 4) The company has incurred loss of Rs 3,246 Lacs for the half year ended 30th September,2017. The accumulated loss as on 30th September, 2017 is Rs. 28,443 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) Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind-AS for the quarter and half year ended 30th September, 2016 is given below:

Particulars	Quarter Ended 30.09.2016	Half Year Ended 30.09.2016
Net Profit/(Loss) for the period under previous Indian GAAP	(234)	(1264)
Adjustments on account of :		
(A) Amortization of Deferred Government Grant	2	2
(B) Actuarial gain/(loss) reclassified through Other Comprehensive Income	(4)	(8)
(C) Impact of Deferred tax on (a) to (c) above	-	-
Net Profit/(Loss) for the period under Ind AS	(236)	(1,270)

- 6) 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.
- 7) Revenue from operations for the current quarter is not comparable with previous periods, since sales are net of GST whereas in previous periods sales were gross of excise duty.
- 8) The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30th September 2017.
- 9) 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



SURESH KUMAR PATNI
CHAIRMAN

Place: Kolkata

Dated: 14th December, 2017

