

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 and half year ended 30th September, 2022

Qualified Conclusion

1. We have reviewed accompanying Unaudited Financial Results of **IMPEX FERRO TECH LIMITED** (the 'Company') for the quarter and half year ended 30th September, 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.



16A, SHAKESPEARE SARANI, KOLKATA -700 071 PHONE: 2282-6776/6809/6807, FAX NO: 91(033) 2282-5921,
Website : www.rkothari.in, Web-mail: kolkata@rkothari.in

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 3rd 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. 2 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to Rs.1333.86 lakhs for the quarter ended 30thSeptember, 2022 (Cumulative Non Provisioning of Rs. 24,367.72lakhs till 30.09.2022) 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 Rare Asset Reconstruction Limited, the financial impact 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 30thSeptember 2022 would have been Rs. 1,334.01 lakhs instead of Rs. 0.15 lakhs. The total expenses for the quarter ended 30thSeptember 2022 would have been Rs. 9195.78lakhs instead of Rs. 7861.94 lakhs. The Net loss after tax for the quarter ended 30thSeptember 2022 would have been Rs. 4,611.97 lakhs instead of loss of Rs. 3278.11 lakhs. Total comprehensive Loss for the quarter ended 30thSeptember 2022 would have been Rs. 4613.95lakhs instead of reported amount of Loss of Rs. 3280.111lakhs. Other Equity as on 30th September 2022 would have been Rs. (61487.39)Lakhs instead of reported amount of Rs.(37,119.68) Lakhs and current financial liability as on 30th September2022 would have been Rs.33937.01 Lakhs instead of reported amount of Rs.9569.29 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. 3** of the financial results regarding preparation of the financial statements on going concern basis, for the reason mentioned therein. The company has accumulated losses as on 30.09.2022. 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.398.80lakhs was in arrears as at 30th September, 2022 for a period of more than six months.*
- iii. *With reference to Note 6 of the financial result regarding non provision of arrear bills of Rs. 968.54 lakhs (electricity charges) demanded by Damodar Valley Corporation (DVC) pertaining to F.Y. 2017-18 to 2019-20, which has been challenged and pending before Hon'ble Appellate Tribunal for Electricity (APTEL) and the aforesaid liability has neither considered as expenses nor provision is made in the financial result for the quarter and half year ended 30th September, 2022.*
- iv. *With reference to Note 7 to the financial result, the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench has initiated Corporate Insolvency Resolution Process (CIRP) against the Company (Impex Ferro Tech Limited) based on the application filed by the financial creditor Punjab National Bank and by virtue of order dated 2nd March, 2023 issued by Hon'ble NCLT, Kolkata Bench, the application bearing CP(IB)/1068/KB) 2018 is dismissed as withdrawn since settlement has been arrived at between the parties. Accordingly, the IRP is discharged from his all responsibility and duties and the company is restored to its original position as existing before the CIRP.*

Further, pending NOC from Punjab National Bank w.r.t to settlement of dues, necessary adjustment has not been made in books and same might have consequential impact on financial result for the quarter and half year ended 30th September 2022.



8. Other Matter

- i) *With reference to Note 4 to the financial result the manufacturing operation of the plant of the company situated at Kalyanesheri, West Bengal has been temporarily shut down since October, 2022 due to disconnection of power supply by the Damodar Valley Corporation (DVC) and the same has been intimated to the stock exchange.*

Our conclusion is not modified in respect of this matter.



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

A handwritten signature in blue ink, appearing to read 'Manoj Kumar Sethia'.

CA. Manoj Kumar Sethia
Partner
Membership No: 064308

Date: 30/03/2023

Place: Kolkata

UDIN : 23064308BGXWRA7795

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 AND HALF YEAR ENDED 30TH SEPTEMBER, 2022

(₹ In Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from Operations	4,581.31	8,909.65	4,569.71	13,490.96	9,421.15	29,847.17
2 Other Income	2.52	2.60	7.98	5.12	10.48	594.81
3 Total Income (1+2)	4,583.83	8,912.25	4,577.69	13,496.08	9,431.63	30,441.98
4 Expenses						
(a) Cost of materials consumed	3,924.09	6,070.52	3,839.93	9,994.61	6,543.05	17,379.16
(b) Changes in inventories of finished goods and work-in-progress	969.94	172.08	44.89	1,142.02	114.31	381.93
(c) Purchase of Traded Goods	112.34	-	23.80	112.34	456.02	1,176.98
(d) Employee benefits expense	11.25	11.90	8.62	23.15	16.94	32.26
(e) Finance Cost	0.15	0.36	5.83	0.51	6.02	13.24
(f) Depreciation and Amortization expenses	168.17	160.77	165.19	328.94	328.31	656.62
(g) Power cost	2,137.73	2,473.51	1,065.05	4,611.24	1,842.41	8,060.39
(h) Other expenses	538.27	610.99	445.73	1,149.26	768.18	2,152.35
Total Expenses	7,861.94	9,500.13	5,599.04	17,362.07	10,075.24	29,852.93
5 Profit / Loss from operations before exceptional items and tax (3-4)	(3,278.11)	(587.88)	(1,021.35)	(3,865.99)	(643.62)	589.05
6 Exceptional items (Expense)	-	-	-	-	-	2,265.26
7 Profit/(Loss) before tax (5-6)	(3,278.11)	(587.88)	(1,021.35)	(3,865.99)	(643.62)	(1,676.21)
8 Tax Expense	-	-	-	-	-	-
9 Net Profit/(Loss) for the period (7-8)	(3,278.11)	(587.88)	(1,021.35)	(3,865.99)	(643.62)	(1,676.21)
10 Other Comprehensive Income/(loss)						
A) (i) Items that will not be reclassified to profit or loss	(2.00)	(1.00)	52.60	(2.00)	49.60	32.59
(ii) Income tax relating to items that will not be reclassified to profit	-	-	-	-	-	-
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)	(3,280.11)	(588.88)	(968.75)	(3,867.99)	(594.01)	(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	8,793.16	8,793.16
13 Earnings per share (Face Value of Rs 10 per share):						
a) Basic (In ₹)	(3.73)	(0.67)	(1.16)	(4.40)	(0.73)	(1.91)
b) Diluted (In ₹)	(3.73)	(0.67)	(1.16)	(4.40)	(0.73)	(1.91)

Notes:

1) The above results for the quarter and half year ended 30th September, 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 30th March 2023.

2) 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 ₹ 1333.86 Lacs for the quarter and half year ended 30th September, 2022, and penal interest and charges thereof (amount remaining unascertained) has not been provided for. The unprovided liability in respect of interest till 30th September, 2022, amounted to ₹ 24367.72 Lacs. The same may have consequential impact on the reported figures of this quarter as well as earlier periods.

3) The company has incurred loss of ₹ 3278.11 Lacs for quarter ended 30th September, 2022. The accumulated loss as on 30th September, 2022 is ₹ 42526.67 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) The manufacturing operation of the plant of the company situated at Kalyanesheri, West Bengal has been temporarily shut down since October, 2022 due to disconnection of power supply by the Damodar Vally Corporation (DVC) and the same has been intimated to the stock exchange pursuant to Regulations 30 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 confirmations are received and reconciliation if any is made.



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

- 6) With reference to non payment of arrear bills of ₹ 968.54 Lacs (electricity charges) computed by Damodar Vally Corporation (DVC) in terms of Tariff Order issued by West Bengal Electricity Regulatory Commission (WBERC) pertaining to F.Y. 2017-18 to 2019-20. In this regard Damodar Vally Corporation Consumer's Association on behalf of its members, has challenged the said Tariff Order before the Hon'ble Appellate Tribunal for Electricity (APTEL). The Hon'ble APTEL vide its order dated 21st June, 2022 has granted a interim stay on payment of arrears being demanded in terms of Tariff Order of the WBREC. Accordingly, the aforesaid demand has not been considered as expenses and not provided for in the financial result for the quarter and half year ended 30th September, 2022.
- 7) The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide its order dated 28th October, 2022 has initiated Corporate Insolvency Resolution Process (CIRP) against the Company (Impex Ferro Tech Limited) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed by the financial creditor Punjab National Bank and Mr. Sanjay Kumar Agarwal, (IP Registration No. IBBI/IPA-001/IP-P00062/2017-18/10140 has been appointed as Interim Resolution Professional (IRP).
- Further, by virtue of order dated 2nd March, 2023 issued by Hon'ble NCLT, Kolkata Bench, the CP(IB)/1068/KB) 2018 along with pending IA(IBC)153KB)2022 and IA(IBC)/231/(KB)2013 is dismissed as withdrawn since settlement has been arrived at between the parties. Accordingly, the IRP is discharged from his all responsibility and duties and the company is restored to its original position as existing before the CIRP.
- Pending NOC with respect to settlement of dues with Punjab National Bank the necessary adjustment in respect thereof has not been made in books and same might have consequential impact on the financial result for the quarter and half year ended 30th September, 2022.
- 8) As the company's business activity falls within a single significant primary segment i.e, "Ferro Alloys", no separate segment information is disclosed.
- 9) Figures for the previous period/year have been regrouped and /or reclassified to confirm to the classification of current period/year wherever necessary.

For and on behalf of the Board of Director

Subham Bhagat

Subham Bhagat
Managing Director
(DIN: 09070773)

Place: Kolkata
Dated: 30.03.2023



IMPEX FERRO TECH LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 2022

(₹/Lacs)

PARTICULARS	30th September 2022	31st March, 2022
I. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, Plant & Equipment	15,197.25	15,167.67
(b) Intangible Assets	1.35	1.35
(c) Financial Assets		
(i) Other Financial Assets	1,721.58	1,855.80
(d) Other Non-Current Assets	46.13	24.34
Total Non-Current Assets	16,966.31	17,049.16
(2) CURRENT ASSETS		
(a) Inventories	3,664.80	5,334.44
(b) Financial Assets		
(i) Trade Receivables	731.66	402.87
(ii) Cash And Cash Equivalents	3.68	378.67
(iii) Other Bank Balances (Other than ii)	12.00	13.44
(iii) Other Financial Assets	27.74	27.74
(c) Current Tax Assets (Net)	267.95	267.95
(d) Other Current Assets	2,985.55	1,661.82
Total Current Assets	7,693.38	8,086.93
Total Assets	24,659.69	25,136.09
II. EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	8,793.16	8,793.16
Other Equity	(37,119.68)	(33,251.70)
Total Equity	(28,326.52)	(24,458.54)
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	26,762.59	27,323.42
(b) Deferred Government Grant	100.19	100.19
(c) Deferred Tax Liabilities/(Assets)	-	-
(d) Provisions	22.65	22.65
Total Non-Current Liabilities	26,885.43	27,446.26
(2) CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	1,209.37	1,693.72
(ii) Trade Payables		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	700.15	1,849.84
Total Outstanding Dues of Creditor other than Micro Enterprises and Small Enterprises	14,135.80	11,281.20
(iii) Other Financial Liabilities	16.05	16.05
(b) Other Current Liabilities	9,569.29	6,410.22
(c) Provisions	470.12	897.34
Total Current Liabilities	26,100.78	22,148.37
Total Equity & Liabilities	24,659.69	25,136.09
Summary of Significant accounting policies		

For and on behalf of the Board of Director



Subham Bhagat

Subham Bhagat
Managing Director
(DIN: 09070773)

IMPEX FERRO TECH LIMITED

CASH FLOW STATEMENT FOR THE ENDED 30TH SEPTEMBER 2022

(₹ In Lacs)

	30th September 2022		30th September 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-Ordinary Items		(3,865.98)		(643.61)
Adjustments for :				
Depreciation	328.94		328.31	
Finance costs	0.51		6.02	
Amortisation of Government Grant	(5.02)		(5.02)	
Provision/(Reversal) for supplement payment on retirement	(2.00)		49.60	
Adjustment with reserve & Surplus (Previous Year Error)	-		-	
Foreign Exchange Fluctuation Loss/(Gain)	-		-	
		322.43		378.91
Operating Profit before Working Capital Changes		(3,543.55)		(264.69)
Adjustments for :				
(Increase)/Decrease in Inventories	1,669.63		709.21	
(Increase)/Decrease in Trade Receivables	(328.79)		(417.72)	
(Increase)/Decrease in Other Non Current Financial Assets	(21.79)		(18.85)	
(Increase)/Decrease in Other Current Assets	(1,323.73)		(241.75)	
Increase/(Decrease) in Trade Payables	1,704.91		1,135.17	
Increase/(Decrease) in Other Liabilities	2,736.86		1,212.03	
		4,437.08		2,378.08
Cash generated from operations		893.53		2,113.39
Direct Tax Paid		-		-
Foreign Exchange Fluctuation Loss/(Gain)		-		-
Net Cash from Operating Activities		893.53		2,113.39
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(358.51)		(56.72)	
Deposits (Maturity of 3 months or more)	135.67		(752.82)	
Net Cash used in Investing Activities		(222.84)		(809.54)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Current & Non Current Borrowings	(1,045.18)		(1,295.15)	
Finance Costs	(0.51)		(6.02)	
Net Cash from Financing Activities		(1,045.68)		(1,301.17)
Net Increase/(Decrease) in Cash & Cash Equivalents		(374.99)		2.67
Cash & Cash Equivalents at the beginning of the year		378.67		12.37
Cash & Cash Equivalents at the end of the year		3.68		15.05

