



Impex Ferro Tech Limited

CIN No. : L27101WB1995PLC071996

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14th November, 2018

To
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Mumbai – 400 051

Ref: Scrip Symbol – IMPEXFERRO

Sub: Outcome of Board Meeting

Dear Sir,

Pursuant to Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Unaudited Financial Results of the Company for the Quarter and half year ended 30th September, 2018, along with the Limited Review Report as considered and approved by the Board of Directors of the Company at its meeting held today, i.e. Wednesday, 14th September, 2018.

The meeting of the Board of Directors commenced at 9.00 P.M and concluded at 9.35 P.M.

This is for your information. Kindly take the same on your record.

Thanking You,

Yours faithfully,

For Impex Ferro Tech Limited

Richa Agarwal

(Company Secretary)

R. Kothari & Company

CHARTERED ACCOUNTANTS

KOLKATA, NEW DELHI

Limited Review Report on Unaudited Quarterly Financial Results of Impex Ferro Tech Limited for the quarter and half year ended September 30, 2018 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirement) 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 and half year ended September 30, 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.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on November 14, 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 financial 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 ₹ 952 Lacs on the borrowings of the Company for the quarter ended September 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 September 30, 2018 would have been ₹ 1001 Lacs instead of ₹ 49 Lacs and the total comprehensive loss for the quarter ended September 30, 2018 would have been ₹ 868 Lacs instead of the profit of ₹ 84 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 30th September, 2018, the accumulated losses amounting to ₹ 32,697 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 ₹ 437.9 Lacs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.
- (d) As referred to Note No. 9 of the Financial Statements, during the quarter the State Bank of India has made some Credit & Debit adjustments in various cash credit account, Term Loan account & FTTL account which remain unrecorded in the books of accounts for the reasons mentioned in said note which may have consequential impact on the reported financial.

Our report is not modified in these matters.

For R. Kothari & Company
Chartered Accountants

Firm Reg. No.: 307069E



CA. Manoj Kumar Sethia
Partner

Membership No.: 064308

Date: 14th November, 2018
Place: Kolkata

IMPEX FERRO TECH LIMITED

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CIN - L27101WB1995PLC071996

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

₹ In lacs

Particulars	Quarter ended			Half Year Ended		Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	30-09-2018	30-06-2018	30-09-2017	30-09-2018	30-09-2017	31-03-2018
1 Revenue from Operations	2,432.49	1,710.95	3,445.29	4,143.44	7,424.73	13,341.41
2 Other income	2.53	20.45	42.40	22.97	66.52	78.55
3 Total Revenue (1+2)	2,435.02	1,731.40	3,487.69	4,166.42	7,491.25	13,420.06
4 Expenses						
(a) Cost of materials consumed	1,813.88	1,482.85	1,571.87	3,296.73	5,703.64	10,002.86
(b) Changes in inventories of finished goods and work-in progress	(143.15)	46.83	88.50	(96.32)	184.35	586.60
(c) Excise Duty					417.83	417.83
(d) Employee benefits expense	153.09	140.30	151.03	293.39	305.82	602.95
(e) Finance Cost	48.65	64.67	127.92	113.32	148.76	599.87
(f) Depreciation	177.21	177.89	179.34	355.10	356.27	711.93
(g) Power	23.26	282.36	1,338.80	305.61	2,991.16	4,163.31
(h) Bad Debts including provision for Bad & Doubtful Debts.						2,023.90
(i) Other expenses	277.60	282.46	301.44	560.05	620.66	1,144.66
Total expenses	2,350.54	2,477.36	3,758.90	4,827.90	10,728.50	20,255.50
5 Profit / Loss from operations before exceptional items and tax (3-4)	84.48	(745.96)	(271.21)	(661.48)	(3,237.25)	(6,835.44)
6 Exceptional items						
7 Profit/(Loss) before tax (5-6)	84.48	(745.96)	(271.21)	(661.48)	(3,237.25)	(6,835.44)
8 Tax Expense						
9 Net Profit/(Loss) for the period (7-8)	84.48	(745.96)	(271.21)	(661.48)	(3,237.25)	(6,835.44)
10 Other Comprehensive Income/(Loss) (net of tax)	(3.00)	(3.00)	(4.00)	(6.00)	(8.00)	(11.00)
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)	81.48	(748.96)	(275.21)	(667.48)	(3,245.25)	(6,846.44)
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 (of ₹ 10 per share) (not annualized) :						
a) Basic (in ₹)	0.10	(0.85)	(0.32)	(0.13)	(3.69)	(7.77)
b) Diluted (in ₹)	0.10	(0.85)	(0.32)	(0.13)	(3.69)	(7.77)



Notes:

- 1) The above results for the quarter ended and half year ended 30th September, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th November, 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 ₹ 952 Lacs for the quarter ended 30th September, 2018 and ₹ 1861 for the half year ended 30th September, 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 September, 2018 amounted to ₹ 8,300 Lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods.
- 3) The Company has incurred profit of ₹ 84 Lacs for quarter ended 30th September, 2018. The accumulated loss as on 30th September, 2018 is ₹32,697 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 Obligations and Disclosures Requirement) Regulations 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 September, 2018 is not comparable to that extent with that of the corresponding previous quarter.
- 8) Over the years the coal gets spilled in the ground and 4099 MT of coal has been recovered during the quarter ended 30th September, 2018. The same is valued at nil cost and has been entirely consumed during the quarter. As a result the power consumption cost is not comparable with the earlier periods
- 9) The accounts of the Company with banks have been declared as NPA since 01.04.2014. The Company is working through TRA Mechanism since then. No transactions are being carried out through term loans and cash credit during the aforesaid period. However, the State Bank of India has made some credit adjustment of ₹ 70.60 crores in various term loans and cash credit account and debited a sum of ₹ 37.38 crores in FITL (Funded Interest Term Loan account) on 10th September, 2018. Since no clarification and justification was given by the banks so far for such adjustment, the effect of the same has not been taken in the books of account during review period and may have consequential impact on reported financials.
- 10) The figures of the previous period has been regrouped / reclassified, wherever necessary to conform to the classification for the quarter ended 30th September, 2018.

Place: Kolkata

Dated: 14th November, 2018

On behalf of Board of Directors



Suresh Kumar Patni
Chairman



IMPEX FERRO TECH LIMITED
Unaudited Balance Sheet as on 30th September, 2018

(₹ in Lacs)

Particulars	30th September, 2018	31st March, 2018
I ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, Plant & Equipment	16,659.65	16,982.85
(b) Intangible Assets	1.34	1.34
(c) Financial Assets		
(i) Other Financial Assets	31.50	35.50
(d) Other Non-Current Assets	110.28	110.39
Total Non-Current Assets	16,802.77	17,030.08
(2) CURRENT ASSETS		
(a) Inventories	3,610.63	3,855.30
(b) Financial Assets		
(i) Trade Receivables	674.20	515.18
(ii) Cash And Cash Equivalents	40.34	90.42
(iii) Other Bank Balances		
(iv) Other Financial Assets	18.66	30.70
(c) Current Tax Assets (Net)	267.95	267.95
(d) Other Current Assets	764.04	740.84
Total Current Assets	5,375.82	5,500.39
Total Assets	22,178.59	22,530.47
II EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	8,793.16	8,793.16
Other Equity		
Reserves & Surplus	(27,210.95)	(26,543.47)
Total Equity	(18,417.79)	(17,750.31)
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	12,564.71	12,565.98
(b) Deferred Government Grant	140.26	140.26
(c) Deferred Tax Liabilities/(Assets)		
Total Non-Current Liabilities	12,704.97	12,706.24
(2) CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	13,552.78	13,597.78
(ii) Trade Payables	7,305.61	7,497.76
(iii) Other Financial Liabilities	5,553.04	5,553.04
(b) Other Current Liabilities	1,150.89	670.88
(c) Provisions	329.11	255.07
Total Current Liabilities	27,891.41	27,574.53
Total Equity & Liabilities	22,178.59	22,530.47

