



Impex Ferro Tech Limited

CIN No. : L27101WB1995PLC071996

Corporate & Communication Office :

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14th November, 2019

The Listing Department BSE Limited P.J. Towers, 25 th floor Dalal Street <u>Mumbai - 400 001</u> Scrip Code - 532614	The Listing Department National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex <u>Mumbai - 400 051</u> Scrip Symbol - IMPEXFERRO
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Dear Sir,

Sub: Outcome of Board Meeting- Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2019, 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. Thursday, 14th November, 2019.

The meeting of the Board of Directors commenced at 5.15 P.M and concluded at 6.45 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
Richa Agarwal
(Company Secretary)
Encl : As Above

R. Kothari & Company

CHARTERED ACCOUNTANTS

KOLKATA, NEW DELHI

Independent Auditor's Review Report on Unaudited Financial Results of Impex Ferro Tech Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 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 Impex Ferro Tech Limited ("the Company") for the quarter and half year ended 30th September, 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMDI/80/2019 dated 19 July 2019 ("the Circular"). Attention is drawn to the fact that the figures for cash flow for the half year ended on 30th September, 2018, as reported in these Unaudited Financial Results have been approved by the Board of Directors of the Company, but have not been subjected to review.
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 thereunder 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.
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 thereunder 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.



Basis for qualified conclusion

5. We draw your attention to Note No.4 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to ₹ 820.21 Lacs for the quarter ended 30th September, 2019 (Cumulative Non Provisioning of ₹ 11,884.37 lacs till 30.09.2019) 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, 2019 would have been ₹ 820.64 Lacs instead of ₹ 0.43 Lacs. The total expenses for the quarter ended 30th September, 2019 would have been ₹ 2,846.45 Lacs instead of ₹ 2,026.24 Lacs. The Net Loss after tax for the quarter ended 30th September, 2019 would have been ₹ 1,275.72 Lacs instead of reported amount of ₹ 455.51 Lacs. Total comprehensive Loss for the quarter ended 30th September, 2019 would have been ₹ 1,265.72 lacs instead of reported amount of ₹ 445.51 Lacs. Other equity as on 30th September, 2019 would have been ₹ (41,347.39) Lacs instead of reported amount of ₹ (29,463.02) Lacs and Other Current Financial Liability as on 30th September, 2019 would have been ₹ 21,604.41 Lacs instead of reported amount of ₹ 9,720.04 Lacs.

6. Emphasis of Matters

Substantial amount of statutory dues amounting to ₹ 148.39 Lacs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

Our conclusion is not modified in these matters.

7. Material Uncertainty Relating to Going Concern

We draw your attention to Note No. 5 of the financial statements regarding preparation of the financial statements on going concern basis, for the reason mentioned therein. The company has accumulated losses and has also incurred losses during the quarter and half year ended 30.09.2019. As on date the company's current liabilities are substantially higher than its current assets and net worth of the company 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 the debt resolution of the company which is under process, 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 conclusion 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, 2019

Place: Kolkata

UDIN: 19064308AAAADB5732



IMPEX FERRO TECH LIMITED

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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	Unaudited			Unaudited		Audited
	30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
1 Revenue from Operations	1,564.75	1,747.67	2,432.49	3,312.42	4,143.44	9,981.88
2 Other Income	5.98	2.86	2.53	8.84	22.97	27.97
3 Total Revenue (1+2)	1,570.73	1,750.53	2,435.02	3,321.26	4,166.42	10,009.85
4 Expenses						
(a) Cost of materials consumed	1,223.01	1,649.37	1,813.88	2,872.38	3,296.73	7,360.62
(b) Changes in inventories of finished goods and work-in-progress	(176.31)	(71.27)	(143.15)	(247.58)	(96.32)	-216.90
(c) Purchase of Traded Goods	301.20	-	-	301.20	-	-
(d) Employee benefits expense	31.73	82.88	153.09	114.61	293.39	685.59
(e) Finance Cost	0.43	1.32	48.65	1.75	113.32	118.70
(f) Depreciation	177.08	177.75	177.21	354.82	355.10	707.77
(g) Power	226.04	368.96	23.26	595.00	305.61	1,588.91
(h) Bad Debts including provision for Bad & Doubtful Debts.	-	-	-	-	-	365.47
(i) Other expenses	243.06	392.95	277.60	636.02	560.05	1,074.32
Total expenses	2,026.24	2,601.96	2,350.54	4,628.20	4,827.90	11,684.48
5 Profit / Loss from operations before exceptional items and tax (3-4)	(455.51)	(851.43)	84.48	(1,306.94)	(661.48)	(1,674.63)
6 Exceptional items	-	-	-	-	-	-
7 Profit/(Loss) before tax (5-6)	(455.51)	(851.43)	84.48	(1,306.94)	(661.48)	(1,674.63)
8 Tax Expense	-	-	-	-	-	-
9 Net Profit/(Loss) for the period (7-8)	(455.51)	(851.43)	84.48	(1,306.94)	(661.48)	(1,674.63)
10 Other Comprehensive Income/(loss) (net of tax)	10.00	10.00	(3.00)	20.00	(6.00)	42.04
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)	(445.51)	(841.43)	81.48	(1,286.94)	(667.48)	(1,632.60)
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 ₹)	(0.52)	(0.97)	0.10	(1.49)	(0.13)	(1.90)
b) Diluted (In ₹)	(0.52)	(0.97)	0.10	(1.49)	(0.13)	(1.90)





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BALANCE SHEET AS AT 30TH SEPTEMBER, 2019 (₹ in Lacs)

PARTICULARS	30/09/2019 Unaudited	31/03/2019 Audited
I ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, Plant & Equipment	16,471.22	16,676.13
(b) Intangible Assets	1.34	1.35
(c) Financial Assets		
(i) Other Financial Assets	12.36	12.36
(d) Other Non-Current Assets	45.36	34.92
Total Non-Current Assets	16,530.28	16,724.76
(2) CURRENT ASSETS		
(a) Inventories	5,484.76	3,259.24
(b) Financial Assets		
(i) Trade Receivables	1,926.78	845.35
(ii) Cash And Cash Equivalents	12.46	15.12
(iii) Other Bank Balances	-	-
(iv) Other Financial Assets	9.99	9.99
(c) Current Tax Assets (Net)	267.95	267.95
(d) Other Current Assets	847.69	759.95
Total Current Assets	8,549.63	5,157.60
Total Assets	25,079.91	21,882.36
II EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	8,793.16	8,793.16
Other Equity		
Reserves & Surplus	(29,463.02)	(28,176.06)
Total Equity	(20,669.86)	(19,382.90)
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	9,358.22	9,774.11
(b) Deferred Government Grant	130.24	130.24
(c) Deferred Tax Liabilities/(Assets)	-	-
Total Non-Current Liabilities	9,488.46	9,904.35
(2) CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	12,321.63	13,382.43
(ii) Trade Payables		
Due to Micro, Small and Medium enterprises	-	-
Due to others	12,498.65	7,871.14
(iii) Other Financial Liabilities	9,720.04	8,341.04
(b) Other Current Liabilities	1,278.58	1,456.86
(c) Provisions	442.41	309.44
Total Current Liabilities	36,261.31	31,360.91
Total Equity & Liabilities	25,079.91	21,882.36





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CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in Lacs)

	30-09-2019		30-09-2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-Ordinary Items		(1,306.94)		(661.48)
Adjustments for :				
Depreciation	354.82		355.10	
Finance costs	1.75		113.32	
Amortisation of Government Grant	(5.02)		(5.02)	
Provision/(Reversal) for supplement payment on retirement	20.00		(6.00)	
Foreign Exchange Fluctuation Loss/(Gain)	(0.67)		(0.67)	
		370.88		456.73
Operating Profit before Working Capital Changes		(936.06)		(204.75)
Adjustments for :				
(Increase)/Decrease in Inventories	(2,225.51)		244.66	
(Increase)/Decrease in Trade Receivables	(1,081.43)		(159.02)	
(Increase)/Decrease in Other Non Current Financial Assets	(10.44)		(83.84)	
(Increase)/Decrease in Other Current Assets	(87.74)		(23.20)	
Increase/(Decrease) in Trade Payables	4,760.43		(118.11)	
Increase/(Decrease) in Other Liabilities	(173.25)		485.01	
		1,182.06		345.50
Cash generated from operations		246.00		140.75
Direct Tax Paid		-		-
Foreign Exchange Fluctuation Loss/(Gain)		0.67		0.67
Net Cash from Operating Activities		246.67		141.42
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(149.90)		(31.91)	
Net Cash used in Investing Activities		(149.90)		(31.91)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Current & Non Current Borrowings	(97.68)		(46.27)	
Finance Costs	(1.75)		(113.32)	
Net Cash from Financing Activities		(99.43)		(159.59)
Net Increase/(Decrease) in Cash & Cash Equivalents		(2.66)		(50.08)
Cash & Cash Equivalents at the beginning of the year		15.12		90.42
Cash & Cash Equivalents at the end of the year		12.46		40.34





Notes:

- 1) The above results for the quarter ended 30th September, 2019 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 14th November, 2019.
- 2) The cash flow statement for the half year ended 30th September, 2018 is approved by the Board of Directors, but has not been subjected to review by the Statutory Auditor.
- 3) The Company has adopted Ind AS 116- "Leases" with effect from 1st April, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of this standard did not have any impact on the profit for this quarter.
- 4) 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 ₹ 820.21 Lacs for the quarter ended 30th September, 2019 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, 2019 amounted to ₹ 11,884.37 Lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods.
- 5) The Company has incurred loss of ₹ 445.51 Lacs for quarter ended 30th September, 2019. The accumulated loss as on 30th September, 2019 is ₹ 34,843.47 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.
- 6) A fire has occurred in the Captive Power Plant on 6th September, 2017 damaging turbine, alternator, etc and a surveyor has been appointed by an insurance company to assess the loss. A preliminary repairing estimate of loss is ₹ 525.00 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.
- 7) Various credit facilities availed from United Bank of India (UBI) have been assigned in favour of Rare Construction Ltd under assignment agreement between UBI and Rare Asset Reconstruction Ltd executed on 29th June, 2019. In absence of information about the terms of assignment, the Company is carrying the various credit facilities as appearing in the books as per the previous terms with UBI.
- 8) 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 Sundry Debtors, Sundry Creditors, Advances, Unsecured Loan, Bank Loans, etc are subject to confirmation.
- 9) As the company's business activity falls within a single significant primary segment i.e, "Ferro Alloys", no separate segment information is disclosed.
- 10) Previous periods figures have been regrouped / rearranged wherever necessary.

Place: Kolkata

Dated: 14th November, 2019

By order of the Board of Directors



Sd

Suresh Kumar Patni
Chairman

