



Impex Ferro Tech Limited

CIN No. : L27101WB1995PLC071996

Corporate & Communication Office :

SKP HOUSE
132A, S.P. Mukherjee Road, Kolkata - 700 026
Telephone : +91 33 4016 8000/8100,
Fax : +91 33 4016 8107
E-mail : info@impexferrotech.com
Web : www.impexferrotech.com

Works :

Kadavita Dendua Road, P.O. Kalyaneshwari,
P.S. Kulli, Dist.: Burdwan, Pin - 713 369
West Bengal
Ph : (0341) 2522 248 (3 lines)
Fax : (0341) 2522 961

13th November, 2021

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

Dear Sir,

This is to inform you that the Board of Directors of the Company at its meeting held today i.e. Saturday, 13th November, 2021, commenced at 5.30 p.m. and concluded at 6.30 p.m. has approved the following agenda:

1. Approved the Un-audited Financial Results of the Company for the quarter and half year ended 30th September, 2021 along with the Limited Review Report pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Resignation of Mr. Satish Kumar Singh (DIN: 05295625), Executive Director of the Company from the directorship of the Company with immediate effect. The resignation letter is enclosed herewith.
3. Appointment of Mr. Ranjeet Kumar Burnwal (DIN: 07479341) as an Additional Executive Director of the Company with immediate effect. The brief profile is attached as per **Annexure - 1**.





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Annexure - 1

Sl. No.	Particulars	Disclosures on appointment of Mr. Ranjeet Kumar Burnwal (DIN: 07479341)
1.	Reason for change	Appointment as an Additional Executive Director.
2.	Date and term of appointment	13 th November, 2021 for a period of 3 years subject to approval of Shareholders in the ensuing Annual General Meeting.
3.	Brief Profile	Mr. Ranjeet Kumar Burnwal is a Chartered Accountant, Company Secretary and a Cost Accountant and having expertise in Finance, Legal and Commercial functions. Prior to joining Impex Ferro Tech Limited, he has served Companies under Maithan Group, Monnet Group, and Birla Group.
4.	Disclosure of Relationship between Directors	Mr. Ranjeet Kumar Burnwal does not have any relationship with any other Directors of the Company as on the given date.

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

Thanking You,

Yours faithfully,

For Impex Ferro Tech Limited

Richa Lath

Richa Lath

(Company Secretary)



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, 2021

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, 2021, being submitted by the Company pursuant to the requirement of Regulations 33 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. 3 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to ₹947.09 lakhs for the quarter ended 30th September, 2021 (Cumulative Non-Provisioning of ₹ 19,249.55 lakhs till 30.09.2021) 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, 2021 would have been ₹952.92 lakhs instead of ₹5.83 lakhs. The total expenses for the quarter ended 30th September, 2021 would have been ₹ 6,546.13 lakhs instead of ₹ 5,599.04 lakhs. The Net Profit (loss) after tax for the quarter ended 30th September, 2021 would have been ₹ (1,968.44 lakhs) instead of (₹ 1021.35 lakhs). Total comprehensive income (loss) for the quarter ended 30th September, 2021 would have been (₹ 1,915.84 lakhs) instead of reported amount of (₹ 968.75 lakhs). Other equity as on 30th September, 2021 would have been ₹ (51,451.63 lakhs) instead of reported amount of ₹ (32,202.08 lakhs) and current financial Liability as on 30th September, 2021 would have been ₹ 21,146.24 lakhs instead of reported amount of ₹ 1896.69 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. 4 of the financial results regarding preparation of the financial statements on going concern basis, for the reason mentioned therein. The company has accumulated losses during the quarter and half year ended 30th September, 2021. 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.

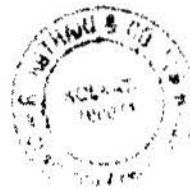


7. **Emphasis of Matter**

- i. We draw your attention to Note No. 2 to the financial result which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- ii. *"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.*
- iii. *Statutory dues amounting to ₹ 336.13 lakhs 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 respect of this matter.

Date: 13th November, 2021
Place: Kolkata
UDIN: 21064308AAAADF3036



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

[Signature]
CA. Manoj Kumar Sethia
Partner
Membership No: 064308

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, 2021

(₹ in Lakhs)

Particulars	Quarter Ended			Half year ended		Year Ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from Operations	4,569.71	4,851.44	2,490.31	9,421.15	3,674.86	10,004.71
2 Other Income	7.98	2.50	2.53	10.48	6.26	1,192.44
3 Total Income (1+2)	4,577.69	4,853.94	2,492.84	9,431.63	3,681.12	11,197.15
4 Expenses						
(a) Cost of materials consumed	3,839.93	2,703.12	2,447.13	6,543.05	3,008.81	8,240.55
(b) Changes in inventories of finished goods and work-in-progress	44.89	69.42	(1,292.57)	114.31	(736.02)	(2,082.49)
(c) Purchase of Traded Goods	23.80	432.22	982.57	456.02	982.57	2,688.20
(d) Employee benefits expense	8.62	8.32	13.16	16.94	24.09	49.77
(e) Finance Cost	5.83	0.19	0.26	6.02	0.44	0.85
(f) Depreciation	165.19	163.12	160.96	328.31	324.02	650.72
(g) Power	1,065.05	777.36	374.63	1,842.41	502.46	1,114.92
(h) Other expenses	445.73	322.45	286.58	768.18	561.27	1,408.92
Total expenses	5,599.04	4,476.20	2,972.72	10,075.24	4,667.64	12,071.44
5 Profit / Loss from operations before exceptional items and tax (3-4)	(1,021.35)	377.74	(479.88)	(643.61)	(986.52)	(874.29)
6 Exceptional Items	-	-	-	-	-	-
7 Profit/(Loss) before tax (5-6)	(1,021.35)	377.74	(479.88)	(643.61)	(986.52)	(874.29)
8 Tax Expense	-	-	-	-	-	-
9 Net Profit/(Loss) for the period (7-8)	(1,021.35)	377.74	(479.88)	(643.61)	(986.52)	(874.29)
10 Other Comprehensive Income/(loss)	52.60	(3.00)	(2.50)	49.60	(5.00)	(10.00)
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 (9+10)	(968.75)	374.74	(482.38)	(594.01)	(991.52)	(884.29)
12 Paid-up equity share capital (Face Value Rs.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 ₹10 per share):						
a) Basic (In ₹)	(1.16)	0.90	(0.55)	(0.73)	(1.12)	(0.99)
b) Diluted (In ₹)	(1.16)	0.90	(0.55)	(0.73)	(1.12)	(0.99)



Notes:

1) The above results for the quarter ended 30th September, 2021 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 13th November, 2021.

2) The COVID-19 pandemic has adversely impacted the economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown to curb the spread of COVID-19. Due to this, the manufacturing operations of the Company along with supply and distribution got temporarily disrupted.

In light of these circumstances, the management has evaluated the impact on the carrying amounts and recoverability of its assets including financial assets, inventory, property plant and equipment, intangibles etc. as at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements upto the date of approval of accounts. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

3) 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 agreement between UBI and Rare Asset Reconstruction Ltd executed on 29th June, 2019, between BOB and Rare Asset Reconstruction Ltd vide letter dated 18th August, 2020 and between SBI and Rare Asset Reconstruction Ltd vide letter dated 8th September, 2021.

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 Rs.947.09 Lacs for the quarter ended 30th September, 2021 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, 2021, amounted to Rs. 19,249.56 Lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods.

State Bank of India and Punjab National Bank have filed an application with National Company Law Tribunal, Kolkata Bench(NCLT) for initiating Corporate Insolvency Resolution Process(CIRP) under insolvency and Bankruptcy Code (IBC) and the matter is sub judice.

In absence of information about the terms of assignment with Rare Asset Reconstruction Ltd. , all the borrowings except borrowings assigned to Rare Asset Reconstruction Ltd have been treated as current maturities and shown under current financial liabilities.

4) The Company has incurred loss of ₹ 1,021.35 Lacs and ₹ 643.61 lacs for quarter and half year ended 30th September, 2021 respectively. The accumulated loss as on 30th September, 2021 is ₹ 37,628.08 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.

5) A fire has occurred in the Captive Power Plant on 6th September, 2017 damaging turbine, alternator, etc. An amount of ₹ 424.53 lakhs has been received from the insurance Company during the financial year 2020-21 as full and final settlement against amount of claim filed for ₹ 560.00 Lacs and the same is adjusted with the book value of related fixed assets. However the Company has demanded for balance amount of claim and necessary accounting adjustment of the same will be made once it is received.

6) 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 confirmation are received and reconciliation if any is made.

7) As the Company's business activity falls within a single significant primary segment i.e, "Ferro Alloys" , no separate segment information is disclosed.

8) Figures for the previous period/year have been regrouped and /or reclassified to confirm to the classification of current period/year wherever necessary.

Place: Kolkata
Dated: 13th day of November, 2021



For and on behalf of Board of Directors

Subham Bhagat
Subham Bhagat
Chairman cum Managing Director

IMPEX FERRO TECH LIMITED
BALANCE SHEET AS AT 30th September, 2021

(₹ in Lakhs)

PARTICULARS	30th September 2021	31st March 2021
	Unaudited	Audited
I ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, Plant & Equipment	15,321.20	15,592.79
(b) Intangible Assets	1.35	1.35
(c) Financial Assets		
(i) Other Financial Assets	774.35	21.53
(d) Other Non-Current Assets	42.75	23.90
Total Non-Current Assets	16,139.65	15,639.57
(2) CURRENT ASSETS		
(a) Inventories	7,885.67	8,594.88
(b) Financial Assets		
(i) Trade Receivables	930.24	512.53
(ii) Cash And Cash Equivalents	15.05	12.37
(iii) Other Financial Assets	-	-
(c) Current Tax Assets (Net)	267.95	267.95
(d) Other Current Assets	1,425.82	1,184.07
Total Current Assets	10,524.73	10,571.80
Total Assets	26,664.38	26,211.37
II EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	8,793.16	8,793.16
Other Equity	(32,202.08)	(31,608.10)
Total Equity	(23,408.92)	(22,814.94)
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	27,323.42	8,331.15
(b) Deferred Government Grant	110.20	110.20
(c) Deferred Tax Liabilities/(Assets)	-	-
Total Non-Current Liabilities	27,433.62	8,441.35
(2) CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	220.54	10,298.12
(ii) Trade Payables		
-Due to Micro and Small Enterprises	-	-
-Other than Micro and Small Enterprises	14,228.81	13,093.64
(iii) Other Financial Liabilities	1,896.69	12,106.56
(b) Other Current Liabilities	6,089.07	4,791.36
(c) Provisions	204.57	295.28
Total Current Liabilities	22,639.68	40,584.96
Total Equity & Liabilities	26,664.38	26,211.37



CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2021

(₹ in Lacs)

	30th September 2021		30th September 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-Ordinary Items		(643.61)		(986.52)
Adjustments for :				
Depreciation	328.31		324.02	
Finance costs	6.02		0.44	
Amortisation of Government Grant	(5.02)		(5.02)	
Provision/(Reversal) for supplement payment on retirement	49.60		(5.00)	
Adjustment with reserve & Surplus (Previous Year Error)	-		(32.81)	
Foreign Exchange Fluctuation Loss/(Gain)	-		-	
		378.91		281.63
Operating Profit before Working Capital Changes		(264.70)		(704.89)
Adjustments for :				
(increase)/Decrease in inventories	709.21		(625.15)	
(Increase)/Decrease in Trade Receivables	(417.72)		810.63	
(Increase)/Decrease in Other Non Current Financial Assets	(18.85)		-	
(Increase)/Decrease in Other Current Assets	(241.75)		(105.76)	
Increase/(Decrease) in Trade Payables	1,135.17		1,234.77	
Increase/(Decrease) in Other Liabilities	1,212.03		(99.77)	
		2,378.09		1,214.72
Cash generated from operations		2,113.39		509.83
Direct Tax Paid		-		-
Foreign Exchange Fluctuation Loss/(Gain)		-		-
Net Cash from Operating Activities		2,113.39		509.83
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(56.72)		(38.20)	
Deposits (Maturity of 3 months or more)	(752.82)		-	
Net Cash used in Investing Activities		(809.54)		(38.20)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Current & Non Current Borrowings	(1,295.15)		(448.95)	
Finance Costs	(6.02)		(0.44)	
Net Cash from Financing Activities		(1,301.17)		(449.39)
Net Increase/(Decrease) in Cash & Cash Equivalents		2.68		22.24
Cash & Cash Equivalents at the beginning of the year		12.37		15.46
Cash & Cash Equivalents at the end of the year		15.05		37.70

