



Impex Ferro Tech Limited

CIN No. : L27101WB1995PLC071996

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12<sup>th</sup> November, 2020

To  
The Listing Department  
**BSE Limited**  
P. J. Towers, 25<sup>th</sup> floor  
Dalal Street,  
Mumbai - 400 001

**Ref: Scrip Code 532614**

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 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Un-audited Financial Results of the Company for the quarter and half year ended 30th September, 2020 in the specified format, 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, 12th November, 2020 commenced at 5.30 P.M. and concluded at 6.30 P.M.

Further with regard to the earlier communication made on 12<sup>th</sup> September, 2020 regarding extension of time for holding AGM, the Board of Directors has superseded the earlier Notice of 25<sup>th</sup> Annual General Meeting along with Board's Report for the financial year 2019-20 which was passed in the Board Meeting dated 14<sup>th</sup> August, 2020 and approved the fresh Notice of 25<sup>th</sup> Annual General Meeting along with Board's Report for the financial year 2019-20 held on today i.e. 12<sup>th</sup> November, 2020.

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 on Unaudited Financial Results of IMPEX FERRO TECH LIMITED for the quarter and half year ended 30<sup>th</sup> September, 2020 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.

### Qualified Conclusion

1. We have reviewed accompanying Statement of Unaudited Financial Results of IMPEX FERRO TECH LIMITED (the 'Company') for the quarter and half year ended 30<sup>th</sup> September, 2020 together with notes thereon attached herewith 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.

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Website : [www.rkothari.in](http://www.rkothari.in), Web-mail: [kolkata@rkothari.in](mailto: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 3<sup>rd</sup> 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 Indian Accounting Standards as prescribed under Section 133 of the Act as amended 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. 4 of the accompanying Financial Statements regarding non provision of interest expense on the borrowings of the Company amounting to ₹ 853.50 lakhs for the quarter ended 30<sup>th</sup> September, 2020 (Cumulative Non Provisioning of ₹ 15,638.45 lakhs till 30.09.2020) 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 30<sup>th</sup> September, 2020 would have been ₹ 853.76 lakhs instead of ₹ 0.26 lakhs. The total expenses for the quarter ended 30<sup>th</sup> September, 2020 would have been ₹ 3826.22 lakhs instead of ₹ 2972.72 lakhs. The Net Loss after tax for the quarter ended 30<sup>th</sup> September, 2020 would have been ₹ 1333.38 lakhs instead of ₹ 479.88 lakhs. Total comprehensive Loss for the quarter ended 30<sup>th</sup> September, 2020 would have been ₹ 1335.88 lakhs instead of reported amount of ₹ 482.38 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 ended 30.09.2020. 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**

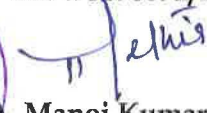
- i. We draw your attention to **Note No. 2** to the financial result which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- ii. As referred in **Note No. 6** of the Financial Results, "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 ₹ 121.83 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: 12<sup>th</sup> September, 2020  
Place: Kolkata  
UDIN: 20064308AAAADB7997



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

  
A. Manoj Kumar Sethia  
Partner  
Membership No: 064308

# IMPEX FERRO TECH LIMITED

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## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

(₹ In Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Uaudited	Uaudited	Uaudited	Uaudited	Uaudited	Audited
1 Revenue from Operations	2,490.31	1,184.55	1,564.75	3,674.86	3,312.42	5,291.24
2 Other Income	2.53	3.73	5.98	6.26	8.84	156.16
3 <b>Total Revenue (1+2)</b>	<b>2,492.84</b>	<b>1,188.28</b>	<b>1,570.73</b>	<b>3,681.12</b>	<b>3,321.26</b>	<b>5,447.40</b>
4 <b>Expenses</b>						
(a) Cost of materials consumed	2,447.13	561.68	1,223.01	3,008.81	2,872.38	5,098.32
(b) Changes in inventories of finished goods and work-in-progress	(1,292.57)	556.55	(176.31)	(736.02)	(247.58)	(477.89)
(c) Purchase of Traded Goods	982.57	-	301.20	982.57	301.20	323.40
(d) Employee benefits expense	13.16	10.93	31.73	24.09	114.61	116.65
(e) Finance Cost	0.26	0.18	0.43	0.44	1.75	2.55
(f) Depreciation	160.96	163.06	177.08	324.02	354.82	684.05
(g) Power	374.63	127.83	226.04	502.46	595.00	1,145.70
(h) Other expenses	286.58	274.70	243.06	561.27	636.02	1,059.43
<b>Total expenses</b>	<b>2,972.72</b>	<b>1,694.93</b>	<b>2,026.24</b>	<b>4,667.64</b>	<b>4,628.20</b>	<b>7,952.21</b>
5 <b>Profit / Loss from operations before exceptional items and tax (3-4)</b>	(479.88)	(506.65)	(455.51)	(986.52)	(1,306.94)	(2,504.81)
6 Exceptional items	-	-	-	-	-	-
7 <b>Profit/(Loss) before tax (5-6)</b>	(479.88)	(506.65)	(455.51)	(986.52)	(1,306.94)	(2,504.81)
8 <b>Tax Expense</b>	-	-	-	-	-	-
9 <b>Net Profit/(Loss) for the period (7-8)</b>	(479.88)	(506.65)	(455.51)	(986.52)	(1,306.94)	(2,504.81)
10 <b>Other Comprehensive Income/(loss) (net of tax)</b>	(2.50)	(2.50)	10.00	(5.00)	20.00	(10.11)
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 <b>Total Comprehensive Income /(Loss) for the period (9+10)</b>	(482.38)	(509.15)	(445.51)	(991.52)	(1,286.94)	(2,514.92)
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 <b>Earnings per share (of Rs 10 per share) ( not annualized ) :</b>						
a) Basic ( In ₹ )	(0.55)	(0.58)	(0.52)	(1.12)	(1.49)	(2.85)
b) Diluted ( In ₹ )	(0.55)	(0.58)	(0.52)	(1.12)	(1.49)	(2.85)



**Notes:**

- 1) The above results for the quarter and half year ended 30th September, 2020 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 12th November, 2020.
- 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) 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. 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 ₹853.50 Lacs for the quarter ended 30th September, 2020 and ₹ 1,842.52 lakhs for the half year ended 30th September, 2020, 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, 2020 amounted to ₹ 15,638.45 Lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods.
- 4) The company has incurred loss of ₹ 479.88 Lacs for quarter ended 30th September, 2020. The accumulated loss as on 30th September, 2020 is ₹37096.72 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. Pending assessment of actual loss, no effect has been given in the reported financials till 30.06.2020. During the quarter ended 30.09.2020 an amount of ₹ 424.53 lakhs has been received as full and final settlement against amount of claim filed for ₹560.00 lakhs to Insurance Company 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 assessment order and/or submission of returns. The reported financials might have consequential impact once the confirmations are received and reconciliation if any is made.
- 7) Various credit facilities availed from United Bank of India (UBI) and Bank of Baroda (BOB) have been assigned in favour of Rare Asset Construction Ltd under assignment agreement between UBI and Rare Asset Reconstruction Ltd executed on 29th June, 2019 and between BOB and Rare Asset Reconstruction Ltd vide letter dated 18th August, 2020. 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) 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 conform to the classification of current period/year wherever necessary.

Place: Kolkata

Dated: 12th day of November, 2020



For and on behalf of the Board of Directors

  
Suresh Kumar Patni

Chairman

**IMPEX FERRO TECH LIMITED**  
**BALANCE SHEET AS AT 30TH SEPTEMBER 2020**

(₹ in Lakhs)

PARTICULARS	30th September, 2020	31st March, 2020
	Unaudited	Audited
<b>I ASSETS</b>		
<b>(1) NON-CURRENT ASSETS</b>		
(a) Property, Plant & Equipment	15,883.77	16,169.59
(b) Intangible Assets	1.35	1.35
(c) Financial Assets		
(i) Other Financial Assets	22.04	22.04
(d) Other Non-Current Assets	32.17	32.17
<b>Total Non-Current Assets</b>	<b>15,939.33</b>	<b>16,225.15</b>
<b>(2) CURRENT ASSETS</b>		
(a) Inventories	6,863.04	6,237.90
(b) Financial Assets		
(i) Trade Receivables	286.01	1,096.65
(ii) Cash And Cash Equivalents	37.70	15.46
(iii) Other Financial Assets	-	-
(c) Current Tax Assets (Net)	267.95	267.95
(d) Other Current Assets	891.00	785.24
<b>Total Current Assets</b>	<b>8,345.70</b>	<b>8,403.20</b>
<b>Total Assets</b>	<b>24,285.03</b>	<b>24,628.35</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	8,793.16	8,793.16
Other Equity	(31,715.34)	(30,690.99)
<b>Total Equity</b>	<b>(22,922.18)</b>	<b>(21,897.83)</b>
<b>Liabilities</b>		
<b>(1) Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	8,331.15	4,608.01
(b) Deferred Government Grant	120.22	120.22
(c) Deferred Tax Liabilities/(Assets)	-	-
<b>Total Non-Current Liabilities</b>	<b>8,451.37</b>	<b>4,728.23</b>
<b>(2) CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
(i) Borrowings	10,329.80	12,168.52
(ii) Trade Payables		
-Due to Micro and Small Enterprises	-	-
-Other than Micro and Small Enterprises	15,211.43	14,038.80
(iii) Other Financial Liabilities	12,106.56	14,439.94
(b) Other Current Liabilities	806.70	911.50
(c) Provisions	301.34	239.20
<b>Total Current Liabilities</b>	<b>38,755.83</b>	<b>41,797.96</b>
<b>Total Equity &amp; Liabilities</b>	<b>24,285.03</b>	<b>24,628.35</b>



**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2020**

(₹ In Lacs)

	30th SEPTEMBER 2020		30th SEPTEMBER 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax & Extra-Ordinary Items		(986.53)		(1,306.94)
Adjustments for :				
Depreciation	324.02		354.82	
Finance costs	0.44		1.75	
Amortisation of Government Grant	(5.02)		(5.02)	
Provision/(Reversal) for supplement payment on retirement	(5.00)		20.00	
Adjustment with reserve & Surplus ( Previous Year Error)	(32.81)		-	
Foreign Exchange Fluctuation Loss/(Gain)	-		(0.67)	
		281.62		370.88
<b>Operating Profit before Working Capital Changes</b>		(704.91)		(936.06)
Adjustments for :				
(Increase)/Decrease in Inventories	(625.13)		(2,225.51)	
(Increase)/Decrease in Trade Receivables	810.63		(1,081.43)	
(Increase)/Decrease in Other Non Current Financial Assets	-		(10.44)	
(Increase)/Decrease in Other Current Assets	(105.75)		(87.74)	
Increase/(Decrease) in Trade Payables	1,234.77		4,760.43	
Increase/(Decrease) in Other Liabilities	(99.77)		(173.25)	
		1,214.75		1,182.06
<b>Cash generated from operations</b>		509.83		246.00
Direct Tax Paid		-		-
Foreign Exchange Fluctuation Loss/(Gain)		-		0.67
<b>Net Cash from Operating Activities</b>		509.83		246.67
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(38.20)		(149.90)	
<b>Net Cash used in Investing Activities</b>		(38.20)		(149.90)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/(Decrease) in Current & Non Current Borrowings	(448.95)		(97.68)	
Repayment of Long Term Borrowings				
Finance Costs	(0.44)		(1.75)	
<b>Net Cash from Financing Activities</b>		(449.39)		(99.43)
Net Increase/(Decrease) in Cash & Cash Equivalents		22.25		(2.66)
Cash & Cash Equivalents at the beginning of the year		15.46		15.12
Cash & Cash Equivalents at the end of the year		37.70		12.46

