



**Impex Ferro Tech Limited**

CIN No. : L27101WB1995PLC071996

Corporate & Communication Office :

SKP HOUSE

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P.S. Kulti, Dist.: Burdwan, Pin - 713 369

West Bengal

Ph : (0341) 2522 248 (3 lines)

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**30<sup>th</sup> May, 2017**

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 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Audited Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 2017 along with the Statutory Auditors Report as considered and approved by the Board of Directors of the Company at its meeting held today, i.e. Tuesday, 30<sup>th</sup> May, 2017 commenced 11.25 P.M and concluded at 11.40 P.M. The Statement on Impact of Audit Qualification with modified opinion pursuant to SEBI Circular No. CIR/CFD/CMD/ 6/2016 dated May 27, 2016 is also enclosed as **Annexure - I**.

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**

**INDEPENDENT AUDITORS' REVIEW REPORT**

To

The Board of Directors

M/S. **Impex Ferro Tech Limited**

1. We have audited the accompanying Statement of financial Results of M/S. Impex Ferro Tech Limited ("the Company") for the year ended 31st March, 2017 (hereinafter referred to as "the Statement") attached herewith, being submitted by the company pursuant to the requirements of regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The Statement, which is the responsibility of Company's management and approved by its Board of Directors have been prepared on the basis of the related financial statements which is in accordance with the accounting prescribed under section 133 of the Companies Act, 2013 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Financial Statements.
2. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Results included in the Statement are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by the Company's management, as well as evaluating the overall presentation of the Statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Qualified Opinion***

3. We draw attention to Note No. 3 of the audited financial results regarding non provision of interest expenses amounting to ₹ 877 Lacs on the borrowings of the Company for the quarter ended March 31, 2017 and ₹ 3,508 Lacs for year ended 31st March, 2017 which is not in accordance with the requirements of AS 16: Borrowing cost. This has consequential impact on the reported figures of this quarter as well as earlier periods. Had the aforesaid interest expenses been recognized the total Net loss for the quarter ended 31st March, 2017 would have been ₹ 9,264 Lacs instead of ₹ 8,387 Lacs and for the year ended 31st March, 2017 would have been ₹ 14,219 Lacs instead of ₹ 10,711 Lacs.

***Qualified Opinion***

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in para 3 above "Basis for Qualified Opinion", the statement:*

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March, 2017.

**4. Emphasis of Matter**

- 4.1 We draw your attention to Note No. 2 of the financial results which indicate that as at 31st March, 2017, the accumulated losses amounting to ₹ 25,197 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.



4.2 Pending confirmations of certain secured loans and advances, trade receivables, trade payables and other liabilities as referred in Note No. 4 of accompanying statements, are subject to confirmations and reconciliation.

4.3 Substantial amount of statutory dues amounting to ₹ 186 Lacs has become overdue as on 31<sup>st</sup> March, 2017 and remain unpaid, interest & penalty, if any, in respect of the same has remained unascertained and unaccounted for.

Our report is not modified in respect of the above said matters.

**Other Matter**

5. The Statements include the results for the Quarter ended 31<sup>st</sup> March, 2017, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.



*R.Kothari & Company  
Chartered Accountants  
Firm Reg. No.:-307069E*

*Manoj Sethia*

Date: 30.05.2017  
Place: Kolkata

**C.A. Manoj Kumar Sethia  
Partner  
Membership No.:- 064308**

CIN - L27101WB1995PLC071996

**Statement Of Audited Financial Results For the Quarter and Year Ended 31st March, 2017**

PART I

(₹ in Lacs)

Particulars	Quarter- Ended			Year- Ended	
	Audited	Unaudited	Audited	Audited	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
<b>1 Income from Operations</b>					
(a) Net Sales/Income from Operations (Net of excise duty)	5,206	2,679	3,855	12,078	26,752
(b) Other Operating Income	13	9	45	53	444
<b>Total Income from Operations (net)</b>	<b>5,219</b>	<b>2,688</b>	<b>3,900</b>	<b>12,131</b>	<b>27,196</b>
<b>2 Expenses</b>					
(a) Cost of materials consumed	3,173	2,062	3,113	8,220	14,413
(b) Purchase of traded goods	-	-	1,473	-	8,292
(c) Changes in inventories of finished goods and work-in-progress	2,762	175	260	2,669	(143)
(d) Employee benefits expense	138	143	112	524	442
(e) Depreciation	136	192	176	731	730
(f) Power	1,676	1,017	698	4,137	6,201
(f) Bad Debts ( Including provision for Bad & Doubtful Debts)	3,440	-	-	3,440	-
(g) Other expenses	542	273	282	1,436	2,094
<b>Total expenses</b>	<b>11,867</b>	<b>3,862</b>	<b>6,114</b>	<b>21,157</b>	<b>32,029</b>
<b>3 Profit / Loss from operations before other income, finance costs, prior period and exceptional items (1-2)</b>	<b>(6,648)</b>	<b>(1,174)</b>	<b>(2,214)</b>	<b>(9,026)</b>	<b>(4,833)</b>
<b>4 Other Income</b>	<b>223</b>	<b>39</b>	<b>32</b>	<b>289</b>	<b>121</b>
<b>5 Profit/(Loss) from ordinary activities before finance costs, prior period and exceptional items(3+4)</b>	<b>(6,425)</b>	<b>(1,135)</b>	<b>(2,182)</b>	<b>(8,737)</b>	<b>(4,712)</b>
<b>6 Finance costs</b>	<b>40</b>	<b>(74)</b>	<b>851</b>	<b>52</b>	<b>3,424</b>
<b>7 Profit/(Loss) from ordinary activities after finance costs but before prior period and exceptional items (5-6)</b>	<b>(6,465)</b>	<b>(1,061)</b>	<b>(3,033)</b>	<b>(8,789)</b>	<b>(8,136)</b>
<b>8 Prior Period Items</b>	<b>1,922</b>	<b>-</b>	<b>-</b>	<b>1,922</b>	<b>-</b>
<b>9 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10 Profit/ (Loss) from ordinary activities before tax (7-8-9)</b>	<b>(8,387)</b>	<b>(1,061)</b>	<b>(3,033)</b>	<b>(10,711)</b>	<b>(8,136)</b>
<b>11 Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(8,387)</b>	<b>(1,061)</b>	<b>(3,033)</b>	<b>(10,711)</b>	<b>(8,136)</b>
<b>13 Extraordinary items (net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>14 Net Profit/(Loss) for the period (11-12)</b>	<b>(8,387)</b>	<b>(1,061)</b>	<b>(3,033)</b>	<b>(10,711)</b>	<b>(8,136)</b>
<b>15 Paid-up equity share capital (Face Value ₹10 per share)</b>	<b>8,793</b>	<b>8,793</b>	<b>8,793</b>	<b>8,793</b>	<b>8,793</b>
<b>16 Reserves excluding Revaluation Reserves as per Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,538)</b>	<b>(8,827)</b>
<b>17 Earnings per share (before and after extraordinary items) (of Rs 10 per share) ( not annualised) :</b>					
a) Basic ( In ₹)	(9.54)	(1.21)	(3.64)	(12.18)	(9.77)
b) Diluted ( In ₹)	(9.54)	(1.21)	(3.64)	(12.18)	(9.77)



PART II					
Segment wise Revenue, Results and Capital Employed under Regulation 33 of the SEBI ( Listing Obligations & Disclosure Requirements) Regulations, 2015.					
(₹.in Lacs)					
Particulars	Quarter- Ended			Year- Ended	
	Audited	Unaudited	Audited	Audited	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
<b>1 Segment revenue</b>					
a. Ferro alloys	5,219	2,688	2,571	12,131	18,953
b. Iron and steel	-	-	1,329	-	8,243
c. Power	1,638	1,093	154	5,137	154
<b>Total</b>	<b>6,857</b>	<b>3,781</b>	<b>4,054</b>	<b>17,268</b>	<b>27,350</b>
Less: Inter segment revenue	1,638	1,093	154	5,137	154
<b>Total Income from operations (net)</b>	<b>5,219</b>	<b>2,688</b>	<b>3,900</b>	<b>12,131</b>	<b>27,196</b>
<b>2 Segment results</b>					
a. Ferro alloys	(6,288)	(1,109)	(1,987)	(9,332)	(4,308)
b. Iron and steel	-	-	(144)	-	(48)
c. Power	(137)	(26)	(52)	595	(356)
<b>Total segment profit before interest and tax</b>	<b>(6,425)</b>	<b>(1,135)</b>	<b>(2,182)</b>	<b>(8,737)</b>	<b>(4,712)</b>
Less: Prior Period Items	1,922	-	-	1,922	-
Less: Interest expenses	40	(74)	851	52	3,424
<b>Profit before tax</b>	<b>(8,387)</b>	<b>(1,061)</b>	<b>(3,033)</b>	<b>(10,711)</b>	<b>(8,136)</b>
<b>3 Capital employed</b> (Segment assets- Segment liabilities)					
a. Ferro alloys	4,295	10,311	10,512	4,295	10,512
b. Iron and steel	2,584	10,166	10,629	2,584	10,629
c. Power	14,386	14,729	14,548	14,386	14,548
d. Unallocable	267	268	266	267	266
<b>Total Capital employed</b>	<b>21,532</b>	<b>35,474</b>	<b>35,955</b>	<b>21,532</b>	<b>35,955</b>




## STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2017

(₹ in Lacs)

PARTICULARS	AUDITED	AUDITED
	31-03-2017	31-03-2016
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDER'S FUNDS</b>		
(a) Share Capital	8,793	8,793
(b) Reserve & Surplus	(19,538)	(8,827)
	<b>(10,745)</b>	<b>(34)</b>
<b>NON-CURRENT LIABILITIES</b>		
(a) Long-Term Borrowings	15,434	22,651
(b) Deffered Tax Liabilities (Net)	-	-
(c) Other Long Term Liabilities	-	-
(d) Long Term Provisions	-	-
	<b>15,434</b>	<b>22,651</b>
<b>CURRENT LIABILITIES</b>		
(a) Short-Term Borrowings	13,657	12,015
(b) Trade Payables	12,646	13,491
(c) Other Current Liabilities	4,941	4,692
(d) Short Term Provisions	183	99
	<b>31,427</b>	<b>30,298</b>
<b>TOTAL</b>	<b>36,116</b>	<b>52,915</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
(a) Fixed Assets	17,364	17,913
(b) Non Current Investment	-	-
(c) Long Term Loans And Advances	31	169
(d) Other Non Current Assets	-	-
	<b>17,395</b>	<b>18,082</b>
<b>CURRENT ASSETS</b>		
(a) Current Investment	-	-
(b) Inventories	6,345	8,247
(c) Trade Receivables	9,282	22,106
(d) Cash And Bank Balances	454	581
(e) Short Term Loans And Advances	2,212	3,414
(f) Other Current Assets	428	486
	<b>18,721</b>	<b>34,833</b>
<b>TOTAL</b>	<b>36,116</b>	<b>52,915</b>

- The above results for the quarter and year ended 31st March, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2017.
- The operations of the company are severely impacted by weak steel industry scenario and lack of demand for company's finished product. Lower utilisation of capacity and drop in finished goods price realisation has impacted the topline as well as bottom line of the company. The company has incurred loss of ₹8387 Lacs for the quarter and ₹ 10711 Lacs for the year ended 31st March, 2017. The accumulated loss as on 31st March, 2017 is ₹25197 Lacs which is in excess of the entire net worth of the company. The company has made an application to State Bank of India, Lead Consortium Member, regarding revival plan of the company. With the substantial improvement in raw material availability, likely 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.
- 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 and reversed interest provided in earlier quarters pertaining to the period the account was declared NPA by the respective lenders. The amount of interest not provided for the quarter ended 31st March, 2017 stands at ₹877 lacs and for the year ended 31st March 2017 ₹3508 lacs. The amount of interest reversed for earlier periods during the year is ₹ 960 lacs. The same have consequential impact on the reported figures of this quarter as well as earlier periods.
- In the opinion of the management, current and non current asset 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 the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmations and reconciliation.
- The figures of the period/ previous year have been regrouped/ reclassified, wherever necessary to confirm to the classification for the quarter and year ended 31st March, 2017.
- The company has made a reference to the erstwhile Board for Financial and Industrial Reconstruction (BIFR) as per provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, since repealed, on November 23, 2016 in terms of Resolution passed by Circulation on November 23, 2016.
- The figures for the Quarter ended March 31, 2017 and for the corresponding quarter ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the respective financial year.

On behalf of the Board of Directors

  
**SURESH KUMAR PATNI**  
 CHAIRMAN

 Place: Kolkata  
 Dated: 30th May, 2017




Impex Ferro Tech Limited

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**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lacs)
	1.	Turnover / Total income	12,420	12,420
	2.	Total Expenditure	23,131	26,639
	3.	Net Profit/(Loss)	(10,711)	(14,219)
	4.	Earnings Per Share	(12.18)	(16.17)
	5.	Total Assets	36,116	36,116
	6.	Total Liabilities	46,861	50,369
	7.	Net Worth	(10,745)	(14,253)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II. Audit Qualification (each audit qualification separately):</b>				
<b>a. Details of Audit Qualification:</b>				
<i>Basis for Qualified Opinion</i>				
<p>We draw attention to Note No. 3 of the audited financial results regarding non provision of interest expenses amounting to ₹ 877 Lacs on the borrowings of the Company for the quarter ended March 31, 2017 and ₹ 3,508 Lacs for year ended 31st March, 2017 which is not in accordance with the requirements of AS 16: Borrowing cost. This has consequential impact on the reported figures of this quarter as well as earlier periods. Had the aforesaid interest expenses been recognized the total Net loss for the quarter ended 31st March, 2017 would have been ₹ 9,264 Lacs instead of ₹ 8,387 Lacs and for the year ended 31st March, 2017 would have been ₹ 14,219 Lacs instead of ₹ 10,711 Lacs.</p>				





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### Qualified Opinion

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in para 3 above "Basis for Qualified Opinion", the statement:*

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31<sup>st</sup> March, 2017.

**b. Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

**c. Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

The lenders have stopped charging interest on debts, since the dues from the Company have been categorized as Non- Performing Asset. The Company is in active discussion/ negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalization of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective April 1, 2016 in its books. The amount of such accrued and unpaid interest not provided for stands at ₹ 3508.12 Lacs for the year ended 31<sup>st</sup> March, 2017 and accordingly the same has not been considered for compilation of Results for the year ended 31<sup>st</sup> March, 2017.





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	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
	<b>i. Management's estimation on the impact of audit qualification: NA</b>	
	<b>ii. If management is unable to estimate the impact, reasons for the same: NA</b>	
	<b>iii. Auditors' Comments on (i) or (ii) above: NA</b>	
III.	<b>Signatories:</b>	
	<b>Managing Director - Mr. Suresh Kumar Patni</b>	
	<b>CFO - Mr. Sanjeet Kumar Gupta</b>	
	<b>Audit Committee Chairman - Mr. Rohit Jain</b>	
	<b>Statutory Auditor - M/s R. Kothari &amp; Company Chartered Accountants</b>	
	<b>Place: Kolkata</b>	
	<b>Date: 30.05.2017</b>	