

INDIAN METALS & FERRO ALLOYS LIMITED

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CIN: L27101OR1961PLC000428

(Rs. in Crores)

PART I : STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2020						
Particulars	Standalone			Standalone		Standalone
	Quarter ended			Nine Months ended		Year ended
	31-Dec-2020 (Unaudited)	30-Sep-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-Dec-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-Mar-2020 (Audited)
1. Income						
(a) Revenue from Operations	425.46	437.58	397.50	1,268.12	1,232.90	1,611.94
(b) Other Income	4.61	17.76	8.25	39.50	20.04	21.98
Total Income	430.07	455.34	405.75	1,307.62	1,252.94	1,633.92
2. Expenses						
(a) Cost of Materials Consumed	239.03	232.09	245.89	674.14	697.62	939.84
(b) Changes in Inventories of Finished Goods and Work-in-Progress	(24.44)	2.57	(14.87)	(8.27)	15.35	0.35
(c) Employee Benefits Expense	46.69	38.50	40.56	119.53	122.74	154.80
(d) Finance Costs						
- Interest on borrowing including other finance costs	15.18	16.93	17.51	48.42	56.39	72.36
- Loss/(Gain) on foreign currency transactions and translations on borrowing	(2.46)	(5.99)	0.30	(7.73)	8.55	27.02
(e) Depreciation and Amortisation Expense	26.13	26.03	26.03	77.56	74.90	104.21
(f) Loss/(Gain) on foreign currency transactions and translations including mark to market valuation (net)	(2.08)	(5.29)	2.59	(9.36)	5.73	18.98
(g) Impairment loss of trade receivables and other financial assets	-	0.25	6.68	0.26	13.11	17.64
(h) Other Expenses	97.82	93.39	80.60	284.79	289.13	390.66
Total Expenses	395.87	398.48	405.29	1,179.34	1,283.52	1,725.86
3. Profit/(Loss) before exceptional items and tax (1-2)	34.20	56.86	0.46	128.28	(30.58)	(91.94)
4. Exceptional Items - (Income)/Expense (Net)	-	-	-	-	1.73	1.73
5. Profit/(Loss) before tax (3-4)	34.20	56.86	0.46	128.28	(32.31)	(93.67)
6. Tax Expense :						
- Current Tax	6.09	9.97	-	22.36	-	-
- Earlier year Tax	-	-	(1.69)	-	(1.69)	(1.69)
- Deferred Tax	(4.03)	2.72	(2.19)	5.58	(12.55)	(23.65)
7. Profit/(Loss) after tax (5-6)	32.14	44.17	4.34	100.34	(18.07)	(68.33)
8. Other Comprehensive Income/(Expense)						
Items that will not be reclassified to profit or loss (net of tax)						
- Remeasurements of defined benefit plan	(0.23)	3.84	0.46	1.83	3.39	(5.83)
- Income tax relating to items that will not be reclassified to profit or loss	0.08	(1.34)	(0.16)	(0.64)	(1.18)	2.04
9. Total Comprehensive Income/(Expense) after tax (7+8)	31.99	46.67	4.64	101.53	(15.86)	(72.12)
10. Paid-up Equity Share Capital (Face Value ₹10/- each)	26.98	26.98	26.98	26.98	26.98	26.98
11. Other Equity excluding Revaluation Reserves						1,041.50
12. Earnings per share-Basic & Diluted (in Rupees) (*not annualised)	*11.91	*16.37	*1.61	*37.19	*(6.70)	(25.33)

PART II : Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Crores)

Particulars	Standalone Quarter ended			Standalone Nine Months ended		Standalone Year ended
	31-Dec-2020 (Unaudited)	30-Sep-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-Dec-2020 (Unaudited)	31-Dec-2019 (Unaudited)	31-Mar-2020 (Audited)
1. Segment Revenue						
a) Ferro Alloys	418.59	426.79	384.18	1,239.59	1,192.84	1,558.04
b) Power	107.95	104.59	107.96	296.19	301.56	421.38
c) Mining	47.70	50.75	62.94	145.31	162.29	224.14
d) Others	0.69	0.19	0.74	0.99	2.19	3.07
Total	574.93	582.32	555.82	1,682.08	1,658.88	2,206.63
Less: Inter Segment Revenue	155.77	155.40	170.99	441.68	464.16	645.89
Net Income from Operations	419.16	426.92	384.83	1,240.40	1,194.72	1,560.74
2. Segment Results						
a) Ferro Alloys	44.91	60.21	22.40	145.25	65.04	69.97
b) Power	(1.47)	(1.56)	(1.60)	(3.82)	(4.30)	(5.85)
c) Mining	1.95	(8.28)	(2.35)	(5.37)	(13.93)	(18.57)
d) Others	(1.76)	(1.74)	(2.01)	(5.32)	(5.82)	(8.22)
Total	43.63	48.63	16.44	130.74	40.99	37.33
Less: Finance Costs	12.72	10.94	17.81	40.69	56.39	99.38
Less: Other Un-allocable Expenditure net of Un-allocable Income	(3.29)	(19.17)	(1.83)	(38.23)	16.91	31.62
Total Profit/(Loss) Before Tax	34.20	56.86	0.46	128.28	(32.31)	(93.67)
3. Segment Assets						
a) Ferro Alloys	708.99	772.97	787.64	708.99	787.64	784.88
b) Power	791.16	805.34	853.58	791.16	853.58	834.49
c) Mining	108.86	111.71	119.36	108.86	119.36	110.55
d) Others	44.70	46.16	49.72	44.70	49.72	48.64
e) Unallocated	765.78	721.93	629.16	765.78	629.16	619.09
Total Segment Assets	2,419.49	2,458.11	2,439.46	2,419.49	2,439.46	2,397.65
4. Segment Liabilities						
a) Ferro Alloys	157.58	194.08	159.22	157.58	159.22	145.31
b) Power	244.81	257.33	241.80	244.81	241.80	258.94
c) Mining	36.31	33.41	43.70	36.31	43.70	52.34
d) Others	1.11	1.57	1.43	1.11	1.43	2.31
e) Unallocated	101.46	102.14	104.72	101.46	121.04	127.56
Total Segment Liabilities	541.27	588.53	550.87	541.27	567.19	586.46
Other Liabilities including borrowings and Leases	708.21	731.57	763.86	708.21	747.55	742.71
Total Liabilities	1,249.48	1,320.10	1,314.73	1,249.48	1,314.74	1,329.17

NOTES:

1. The above standalone results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 9th February, 2021.
2. Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. "Ferro Alloys", "Power" and "Mining". The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments (refer PART II).
3. The Hon'ble Supreme Court of India cancelled the allocation of coal blocks to various companies, including the 'Utkal C' coal block held by Utkal Coal Ltd (UCL), an SPV in which the Company holds 79.2% equity. Subsequently, UCL moved to the Hon'ble Delhi High Court challenging the compensation calculation which did not take into consideration the amount paid for the leased land. Thereafter, aggrieved by the judgement of the Hon'ble Delhi High Court which held that leased land could be considered for compensation but did not give express directions, UCL moved to the Hon'ble Supreme Court. During the year ended 31st March, 2019, the SLP was withdrawn by UCL after the Central Government initiated the auction process.

Ministry of Coal vide its letter dated 2nd April, 2019 to UCL again sought details of the investment in the said coal block including lease hold land in order to re-estimate the compensation amount and the details were submitted to them on 8th April 2019. In the meantime, the coal block was allotted to Gujarat State Electricity Corporation Limited (GSECL) during the year. Pending execution of allotment agreement between Gujrat State Electricity Corporation Limited and the Nominated Authority in time, the allotment was cancelled. As informed, the coal block has been considered for fresh auction and Nominated Authority has initiated steps for next tranche of auction of coal mines without any restriction on the sale and/or utilisation of coal produced from the said coal mine. Hence UCL still retains the right, title and interest over the said coal block. The Company has filed a petition in the Hon'ble High Court of Delhi on 12th March, 2020, praying for appropriate order or direction to the concerned authority for early determination and payment of the compensation and matter is being heard. Hence, UCL is hopeful of receiving the compensation amount pending which no accounting adjustments have been made by UCL in its books of account and, therefore, no provision is considered necessary against the Company's net exposure in UCL as at 31st December, 2020 amounting to Rs. 111.42 crore invested as equity and Rs. 263.79 crore given as unsecured loan.
4. In view of the circumstances detailed above in Note No. 3 and considering the probability that the Company will collect the consideration to which it is entitled to, with effect from 1st October, 2014 the Company had postponed recognition of income from interest on unsecured loan given to UCL. The interest income would be considered as revenue in the year of settlement of compensation.
5. The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc. as well as liabilities accrued. The Company has further evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers and (ii) termination or deferment of contracts by customers. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same. However, the Company is closely monitoring the situation for any future impact.
6. The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28th September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13th November 2020 and has invited suggestions from stake holders. The suggestions received are under consideration by the Ministry. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
7. The Board of Directors of the Company has declared interim dividend of Rs. 3/- per share (face value of Rs. 10/- each) for the financial year 2020-21 in its meeting held on 9th February 2021.
8. Previous years/periods' figures have been rearranged/regrouped, wherever considered necessary, to make them comparable with those of current year/period.

By order of the Board
For INDIAN METALS & FERRO ALLOYS LTD

Place : Bhubaneswar
Date : 9th February, 2021

Subhrakant Panda
Managing Director
DIN - 00171845