

INDIAN METALS & FERRO ALLOYS LIMITED

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CIN: L27101OR1961PLC000428

(Rs. in Crores)

PART I : STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

Particulars	Standalone			Standalone	
	Quarter ended			Year ended	
	31-Mar-2021 (Audited)	31-Dec-2020 (Unaudited)	31-Mar-2020 (Audited)	31-Mar-2021 (Audited)	31-Mar-2020 (Audited)
1. Income					
(a) Revenue from Operations	576.11	425.46	379.04	1,844.23	1,611.94
(b) Other Income (refer note 3)	11.80	4.61	1.94	51.30	21.98
Total Income	587.91	430.07	380.98	1,895.53	1,633.92
2. Expenses					
(a) Cost of Materials Consumed	234.20	239.03	242.22	908.34	939.84
(b) Changes in Inventories of Finished Goods and Work-in-Progress	35.27	(24.44)	(15.00)	27.00	0.35
(c) Employee Benefits Expense	48.75	46.05	34.98	166.28	155.09
(d) Finance Costs					
- Interest on borrowing including other finance costs	15.17	15.18	15.97	63.59	72.36
- Loss/(gain) on foreign currency transactions and translations on borrowing	1.56	(2.46)	18.47	(6.17)	27.02
(e) Depreciation and Amortisation Expense	26.66	26.13	29.31	104.22	104.21
(f) Loss/(gain) on foreign currency transactions and translations including mark to market valuation (net)	0.32	(2.08)	13.25	(9.04)	18.98
(g) Impairment loss of trade receivables and other financial assets	-	-	4.53	0.26	17.64
(h) Other Expenses	128.87	97.82	101.53	413.66	390.66
Total Expenses	490.80	395.23	445.26	1,668.14	1,726.15
3. Profit/(Loss) before exceptional items and tax (1-2)	97.11	34.84	(64.28)	227.39	(92.23)
4. Exceptional Items - (Income)/Expense (Net)	-	-	-	-	1.73
5. Profit/(Loss) before tax (3-4)	97.11	34.84	(64.28)	227.39	(93.96)
6. Tax Expense :					
- Current Tax	24.05	6.09	-	46.41	-
- Earlier year Tax	-	-	-	-	(1.69)
- Deferred Tax	7.95	(3.81)	(12.12)	14.23	(23.75)
7. Profit/(Loss) after tax (5-6)	65.11	32.56	(52.16)	166.75	(68.52)
8. Other Comprehensive Income/(Expense)					
Items that will not be reclassified to profit or loss (net of tax)					
- Remeasurements of defined benefit plan	(0.53)	(0.87)	(6.30)	(0.70)	(5.54)
- Income Tax	0.19	0.30	2.20	0.25	1.94
9. Total Comprehensive Income/(Expense) after tax (7+8)	64.77	31.99	(56.26)	166.30	(72.12)
10. Paid-up Equity Share Capital (Face Value ₹10/- each)	26.98	26.98	26.98	26.98	26.98
11. Other Equity excluding Revaluation Reserves				1,199.71	1,041.50
12. Earnings per share-Basic & Diluted (in Rupees) (*not annualised)	*24.13	*12.07	*(19.33)	61.81	(25.40)

BALANCE SHEET		
Particulars	(Rs. in Crores)	
	Standalone As at 31-Mar-21 (Audited)	Standalone As at 31-Mar-20 (Audited)
A ASSETS		
1 Non - Current Assets		
(a) Property, Plant and Equipment	902.63	952.04
(b) Right of Use	49.77	56.80
(c) Capital Work-in-Progress	54.72	74.14
(d) Investment Property	10.09	10.37
(e) Intangible Assets	-	0.86
(f) Financial Assets		
(i) Investments in Subsidiaries and Associate	113.72	113.72
(ii) Investments	0.35	0.33
(iii) Loans	10.62	9.35
(iv) Other Financial Assets	2.88	2.24
(g) Non-Current Tax Assets (Net)	18.20	39.82
(h) Other Non-Current Assets	205.39	195.88
Total Non-Current Assets	1,368.37	1,455.55
2 Current Assets		
(a) Inventories	445.33	431.55
(b) Financial Assets		
(i) Investments	113.48	27.03
(ii) Trade Receivables	92.20	32.67
(iii) Cash and Cash Equivalents	6.65	4.53
(iv) Bank balances other than (iii) above	42.81	37.34
(v) Loans	262.88	263.93
(vi) Other Financial Assets	2.36	2.25
(c) Other Current Assets	190.55	142.78
Total Current Assets	1,156.26	942.08
Assets classified as held for sale	0.05	0.02
TOTAL ASSETS	2,524.68	2,397.65
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	26.98	26.98
(b) Other Equity	1,199.71	1,041.50
Total Equity	1,226.69	1,068.48
2 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	293.59	340.42
(ii) Lease Liabilities	41.16	43.15
(iii) Other Financial Liabilities	132.84	134.03
(b) Provisions	13.33	12.98
(c) Deferred Tax Liabilities (Net)	75.02	61.04
Total Non-Current Liabilities	555.94	591.62
3 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	280.68	268.38
(ii) Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	10.96	16.72
b) total outstanding dues of creditors other than micro enterprises and small enterprises	178.70	168.97
(iii) Lease Liabilities	2.87	2.56
(iv) Other Financial Liabilities	247.28	254.78
(b) Other Current Liabilities	12.44	12.15
(c) Provisions	9.12	13.99
Total Current Liabilities	742.05	737.55
TOTAL EQUITY AND LIABILITIES	2,524.68	2,397.65

STATEMENT OF CASH FLOWS		
Particulars	(₹ in Crores)	
	Year ended 31st March, 2021 (Audited)	Year ended 31st March, 2020 (Audited)
A. Cash Flow from Operating Activities		
Profit/(Loss) before tax	227.39	(93.96)
Adjustments for:		
Depreciation and Amortisation Expense	104.22	104.21
Loss on sale/disposal of Property, Plant and Equipment (Net)	(7.35)	3.08
Impairment on Property, Plant and Equipment	6.44	2.63
Write off of Capital Work-in-Progress	2.62	-
Profit on sale of Current Investments	(3.14)	(5.18)
(Gain)/loss on fair valuation of Current Investments	(0.09)	5.84
Unrealised foreign exchange loss	(3.26)	17.33
Interest Income	(4.34)	(3.58)
Dividend Income	(1.73)	(1.09)
Finance Costs	57.42	99.38
Impairment loss of trade receivables and other financial assets	0.26	17.64
Other Operating Revenue	(1.10)	-
Exceptional Items - (Income)/Expense (Net)	-	1.73
Liabilities no longer required written back	(1.26)	(7.21)
Operating Profit before Working Capital Changes	376.08	140.82
Adjustments for:		
(Increase) / decrease in Trade and other receivables	(127.00)	47.98
(Increase) / decrease in Inventories	(13.78)	113.82
Increase / (decrease) in Trade payables and other liabilities	(3.89)	(79.79)
Cash Generated from Operations	231.41	222.83
Direct Taxes (paid)/ refund	(24.79)	1.71
Net Cash Generated from Operating Activities	206.62	224.54
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(35.53)	(95.12)
Proceeds from sale of Property, Plant and Equipment	10.42	2.01
Purchase of Investments	(538.94)	(246.16)
Sale of Investments	455.70	283.57
Loan given to Subsidiaries	(0.14)	(0.22)
Repayment of loan from Subsidiaries	0.93	-
Movement in Other Bank Balances	0.21	0.13
Dividend received	1.73	1.09
Interest received	2.50	3.58
Net Cash Used in Investing Activities	(103.12)	(51.12)
C. Cash Flow from Financing Activities		
Proceeds from Non-current borrowings	7.97	40.00
Repayment of Non-current borrowings	(52.92)	(118.13)
Proceeds from/(Repayment) of Current borrowings (Net)	14.32	(1.36)
Repayment of lease liabilities	(1.68)	(2.20)
Interest and financing charges paid	(56.79)	(82.58)
Interest on lease paid	(4.19)	(4.10)
Dividend paid	(8.09)	(13.49)
Dividend distribution tax	-	(2.56)
Net Cash Used in Financing Activities	(101.38)	(184.42)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	2.12	(11.00)
Cash and Cash Equivalents at the beginning of the year	4.53	15.53
Cash and Cash Equivalents at the end of the year	6.65	4.53

	Year ended 31st March, 2021 (Audited)	Year ended 31st March, 2020 (Audited)
Cash and Cash Equivalents at the end of the year comprises of:		
Cash on hand	0.67	0.69
Balance with Banks:		
- In Current Accounts	5.98	3.84
Total	6.65	4.53

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

(₹ in Crores)

Particulars	Standalone Quarter ended			Standalone Year ended	
	31-Mar-2021 (Audited)	31-Dec-2020 (Unaudited)	31-Mar-2020 (Audited)	31-Mar-2021 (Audited)	31-Mar-2020 (Audited)
1. Segment Revenue					
a) Ferro Alloys	566.64	418.59	365.20	1,806.23	1,558.04
b) Power	112.24	107.95	119.82	408.43	421.38
c) Mining	79.72	47.70	61.85	225.03	224.14
d) Others	0.75	0.69	0.88	1.74	3.07
Total	759.35	574.93	547.75	2,441.43	2,206.63
Less: Inter Segment Revenue	192.02	155.77	181.73	633.70	645.89
Net Income from Operations	567.33	419.16	366.02	1,807.73	1,560.74
2. Segment Results					
a) Ferro Alloys	116.95	45.55	2.01	264.18	69.68
b) Power	(2.10)	(1.47)	(1.55)	(5.92)	(5.85)
c) Mining	(5.16)	1.95	(4.64)	(10.53)	(18.57)
d) Others	(1.80)	(1.76)	(2.40)	(7.12)	(8.22)
Total	107.89	44.27	(6.58)	240.61	37.04
Less: Finance Costs	16.73	12.72	34.44	57.42	99.38
Less: Other Un-allocable Expenditure net of Un-allocable Income	(5.95)	(3.29)	23.26	(44.20)	31.62
Total Profit/(Loss) Before Tax	97.11	34.84	(64.28)	227.39	(93.96)
3. Segment Assets					
a) Ferro Alloys	866.47	708.99	784.88	866.47	784.88
b) Power	830.82	791.16	834.49	830.82	834.49
c) Mining	129.81	108.86	110.55	129.81	110.55
d) Others	43.35	44.70	48.64	43.35	48.64
e) Unallocated	654.23	765.78	619.09	654.23	619.09
Total Segment Assets	2,524.68	2,419.49	2,397.65	2,524.68	2,397.65
4. Segment Liabilities					
a) Ferro Alloys	188.79	157.58	145.31	188.79	145.31
b) Power	245.55	244.81	258.94	245.55	258.94
c) Mining	41.96	36.31	52.34	41.96	52.34
d) Others	2.05	1.11	2.31	2.05	2.31
e) Unallocated	111.27	101.46	127.56	111.27	127.56
Total Segment Liabilities	589.62	541.27	586.46	589.62	586.46
Other liabilities including borrowings and leases	708.37	708.21	742.71	708.37	742.71
Total Liabilities	1,297.99	1,249.48	1,329.17	1,297.99	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 June, 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. There was a major breakdown in one furnace at Therubali which resulted in a shutdown for about 4 months. An insurance claim was lodged against material damage and Business Interruption loss, and the Company has received Rs 24.64 crores towards settlement of the claim which has been accounted for as other income during the current financial year.
4. The Company holds 79.2% equity in Utkal Coal Ltd (UCL), as SPV which was allotted the Utkal 'C' coal block that was subsequently cancelled by virtue of an order of the Hon'ble Supreme Court. Litigation pertaining to compensation for leased land was finally dropped after the Central Government reinitiated the auction process. However, the allotment to a State PSU was annulled after it failed to execute the pertinent agreement. While the coal block was then considered for fresh auction once again, it has not been included in the latest list issued by the Nominated Authority and apparently will be awarded through an allotment process. Meanwhile, the Company has filed a petition in the Hon'ble Delhi High Court in March 2020 praying for early determination and payment of compensation which is being heard. Hence, UCL is hopeful of receiving compensation amount pending which no accounting adjustments have been made in its books of accounts; therefore, no provision is considered necessary against the Company's net exposure in UCL as at 31st March 2021 amounting to Rs 111.42 crores equity and Rs 262.88 crores unsecured loan.
5. In view of the circumstances detailed above in Note No. 4 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.
6. During the year, the Company based upon discussion with the Actuary has classified its employees compensated absence policy as other long term employees benefit plan instead of defined benefit plan being followed hitherto. The Company accordingly has recognised the actuarial gains and losses in the Statement of Profit and Loss in the current year and reclassified the comparative financial information included in these standalone financial statements. Due to this change the actuarial losses amounting to Rs. 0.19 crore earlier recognised in Other Comprehensive Income (OCI) (net of tax) now have been reclassified to the Statement of Profit and Loss and therefore there is an increase in employee benefit expense by Rs.0.29 crore and increase in deferred tax liabilities by Rs.0.10 crore in the Statement of Profit and Loss, OCI increased by Rs.0.19 crore and EPS decreased by Rs 0.07 for the year ended 31st March 2020. There is no impact on the retained earnings balance as at opening date of the comparative period i.e 01st April 2019.
7. 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.
8. The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contributions by the company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India however, the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective, if any.
9. 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. The Board of Directors of the Company has proposed dividend of Rs.7/- per share (face value of Rs. 10/- each) for the financial year 2020-21 in its meeting held on 9th June 2021.
10. The results for the quarter ended March 31, 2021 and March 31, 2020, are the balancing figures between audited figures in respect of full financial year ended March 31, 2021 and March 31, 2020 respectively and published and unaudited respectively year to date figures up to the third quarter of the respective financial year then ended.
11. 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 : New Delhi
Date : 9th June, 2021

Subhrakant Panda
Managing Director
DIN - 00171845