

INDIAN METALS & FERRO ALLOYS LIMITED

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CIN: L27101OR1961PLC000428

(Rs.in Crores)

| STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017 | | | | | | | |
|--|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Particulars | Standalone | | | Standalone | | Consolidated | |
| | Quarter ended | | | Year ended | | Year ended | |
| | 31-Mar-2017 (Audited) | 31-Dec-2016 (Unaudited) | 31-Mar-2016 (Audited) | 31-Mar-2017 (Audited) | 31-Mar-2016 (Audited) | 31-Mar-2017 (Audited) | 31-Mar-2016 (Audited) |
| 1. Income | | | | | | | |
| (a) Revenue from Operations | 594.17 | 462.00 | 207.51 | 1,697.04 | 1,226.53 | 1,697.04 | 1,226.53 |
| (b) Other Income | 36.55 | (2.34) | 3.13 | 49.35 | 16.48 | 48.12 | 15.68 |
| Total Income | 630.72 | 459.66 | 210.64 | 1,746.39 | 1,243.01 | 1,745.16 | 1,242.21 |
| 2. Expenses | | | | | | | |
| (a) Cost of Materials Consumed | 185.20 | 194.56 | 100.68 | 706.55 | 655.87 | 706.55 | 655.87 |
| (b) Changes in Inventories of Finished Goods | (13.37) | 0.50 | 34.99 | (1.57) | 28.19 | (1.57) | 28.19 |
| (c) Excise Duty | 5.97 | 9.88 | 3.65 | 24.69 | 15.23 | 24.69 | 15.23 |
| (d) Employee Benefits Expense | 55.52 | 40.25 | 32.99 | 170.25 | 135.41 | 169.86 | 135.10 |
| (e) Finance Costs | 16.74 | 26.82 | 20.41 | 86.33 | 83.61 | 83.47 | 80.77 |
| (f) Depreciation and Amortisation Expense | 27.73 | 27.24 | 30.89 | 108.69 | 114.05 | 108.69 | 114.06 |
| (g) Other Expenses | 87.82 | 73.91 | 52.85 | 281.79 | 268.81 | 284.02 | 269.12 |
| Total Expenses | 365.61 | 373.16 | 276.46 | 1,376.73 | 1,301.17 | 1,375.71 | 1,298.34 |
| 3. Profit/(Loss) before exceptional items and tax (1-2) | 265.11 | 86.50 | (65.82) | 369.66 | (58.16) | 369.45 | (56.13) |
| 4. Exceptional Items - (Income)/Expense | - | - | (2.44) | - | 17.15 | - | 17.15 |
| 5. Profit/(Loss) before tax (3-4) | 265.11 | 86.50 | (63.38) | 369.66 | (75.31) | 369.45 | (73.28) |
| 6. Tax Expense : | | | | | | | |
| - Current Tax | 69.39 | 18.78 | (2.62) | 92.23 | - | 93.12 | 0.95 |
| - Deferred Tax | 21.72 | 3.85 | (23.47) | 27.60 | (30.58) | 27.63 | (30.56) |
| 7. Profit/(Loss) after tax (5-6) | 174.00 | 63.87 | (37.29) | 249.83 | (44.73) | 248.70 | (43.67) |
| 8. Other Comprehensive Income/(Expense) | | | | | | | |
| - Items that will not be reclassified to profit or loss (net of tax) | (0.22) | (1.00) | 0.19 | 0.17 | (1.35) | 0.13 | (1.36) |
| - Items that will be reclassified to profit or loss | - | - | - | - | - | (0.43) | 4.71 |
| 9. Total Comprehensive Income/(Expense) after tax (7+8) | 173.78 | 62.87 | (37.10) | 250.00 | (46.08) | 248.40 | (40.32) |
| 10. Profit/(Loss) attributable to : | | | | | | | |
| (a) Owners of the Company | 174.00 | 63.87 | (37.29) | 249.83 | (44.73) | 248.94 | (44.03) |
| (b) Non-controlling interest | - | - | - | - | - | (0.24) | 0.36 |
| 11. Other Comprehensive Income/(Expense) (net of tax) attributable to : | | | | | | | |
| (a) Owners of the Company | (0.22) | (1.00) | 0.19 | 0.17 | (1.35) | (0.29) | 3.35 |
| (b) Non-controlling interest | - | - | - | - | - | (0.01) | - |
| 12. Total Comprehensive Income/(Expense) after tax attributable to : (10+11) | | | | | | | |
| (a) Owners of the Company | 173.78 | 62.87 | (37.10) | 250.00 | (46.08) | 248.65 | (40.68) |
| (b) Non-controlling interest | - | - | - | - | - | (0.25) | 0.36 |
| 13. Paid-up Equity Share Capital (Face Value Rs. 10/- each) | 26.98 | 26.98 | 25.98 | 26.98 | 25.98 | 26.98 | 25.98 |
| 14. Other Equity excluding Revaluation Reserves | | | | 1016.22 | 783.08 | 1036.51 | 806.92 |
| 15. Earnings per share-Basic & Diluted (in Rupees) ("not annualised) | *64.50 | *24.35 | *(14.35) | 95.04 | (17.22) | 94.61 | (16.81) |

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crores)

| Particulars | Standalone | Standalone | Consolidated | Consolidated |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 31-Mar-17 (Audited) | As at 31-Mar-16 (Audited) | As at 31-Mar-17 (Audited) | As at 31-Mar-16 (Audited) |
| A ASSETS | | | | |
| 1 Non - Current Assets | | | | |
| (a) Property, Plant and Equipment | 1001.72 | 1062.54 | 1186.91 | 1251.05 |
| (b) Capital Work-in-Progress | 56.45 | 60.46 | 236.18 | 225.89 |
| (c) Investment Property | 11.26 | 11.58 | 11.26 | 11.58 |
| (d) Goodwill on Consolidation | - | - | 73.09 | 74.61 |
| (e) Intangible Assets | 3.56 | 4.46 | 3.56 | 4.46 |
| (f) Investments in Subsidiaries | 168.42 | 168.95 | - | - |
| (g) Financial Assets | | | | |
| (i) Investments | - | - | 0.10 | 0.10 |
| (ii) Trade Receivables | 11.39 | 11.39 | 11.39 | 11.39 |
| (iii) Loans | 22.84 | 12.32 | 22.88 | 12.37 |
| (iv) Other Financial Assets | 0.77 | 7.49 | 0.77 | 7.49 |
| (h) Other Non-Current Assets | 157.82 | 147.91 | 157.82 | 147.92 |
| (i) Non-Current Tax Assets (net) | 22.93 | 72.94 | 23.92 | 73.00 |
| Total Non-Current Assets | 1457.16 | 1560.04 | 1727.88 | 1819.86 |
| 2 Current Assets | | | | |
| (a) Inventories | 340.08 | 330.85 | 340.14 | 330.91 |
| (b) Financial Assets | | | | |
| (i) Investments | 158.50 | 21.04 | 161.26 | 23.26 |
| (ii) Trade Receivables | 66.68 | 14.80 | 66.68 | 14.80 |
| (iii) Cash and Cash Equivalents | 6.65 | 4.97 | 7.39 | 5.74 |
| (iv) Other Bank Balances | 20.19 | 41.81 | 28.59 | 53.16 |
| (v) Loans | 263.78 | 174.00 | - | - |
| (vi) Other Financial Assets | 9.93 | 5.39 | 9.97 | 5.45 |
| (c) Other Current Assets | 160.82 | 139.32 | 162.18 | 140.71 |
| Total Current Assets | 1026.63 | 732.18 | 776.21 | 574.03 |
| TOTAL ASSETS | 2483.79 | 2292.22 | 2504.09 | 2393.89 |
| | | | | |
| B EQUITY AND LIABILITIES | | | | |
| 1 Equity | | | | |
| (a) Equity Share Capital | 26.98 | 25.98 | 26.98 | 25.98 |
| (b) Other Equity | 1016.22 | 783.08 | 1036.51 | 806.92 |
| (c) Non Controlling Interests | - | - | 31.08 | 31.32 |
| Total Equity | 1043.20 | 809.06 | 1094.57 | 864.22 |
| 2 Non-Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 632.70 | 678.60 | 601.75 | 704.70 |
| (ii) Other Financial Liabilities | 13.08 | 29.03 | 13.11 | 29.17 |
| (b) Provisions | 9.47 | 7.95 | 9.55 | 8.00 |
| (c) Deferred Tax Liabilities (net) | 78.46 | 38.00 | 78.47 | 37.99 |
| (d) Other Non-Current Liabilities | 130.11 | 128.57 | 130.11 | 128.57 |
| Total Non -Current Liabilities | 863.82 | 882.15 | 832.99 | 908.43 |
| 3 Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 181.37 | 200.81 | 181.37 | 200.81 |
| (ii) Trade Payables | 117.84 | 138.92 | 117.83 | 138.92 |
| (iii) Other Financial Liabilities | 233.74 | 222.29 | 233.49 | 242.40 |
| (b) Other Current Liabilities | 37.34 | 35.11 | 37.36 | 35.22 |
| (c) Provisions | 6.48 | 3.88 | 6.48 | 3.89 |
| Total Current Liabilities | 576.77 | 601.01 | 576.53 | 621.24 |
| TOTAL EQUITY AND LIABILITIES | 2483.79 | 2292.22 | 2504.09 | 2393.89 |

Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Crores)

| Particulars | Standalone Quarter ended | | | Standalone Year ended | | Consolidated Year ended | |
|--|-----------------------------|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------|
| | 31-Mar-2017 (Audited) | 31-Dec-2016 (Unaudited) | 31-Mar-2016 (Audited) | 31-Mar-2017 (Audited) | 31-Mar-2016 (Audited) | 31-Mar-2017 (Audited) | 31-Mar-2016 (Audited) |
| 1. Segment Revenue | | | | | | | |
| a) Ferro Alloys | 578.61 | 451.94 | 199.97 | 1,650.49 | 1,176.55 | 1,650.49 | 1,176.55 |
| b) Power | 115.76 | 112.94 | 74.92 | 425.38 | 389.59 | 425.38 | 389.59 |
| c) Mining | 54.72 | 39.47 | 24.26 | 173.51 | 119.17 | 173.51 | 119.17 |
| d) Others | 0.28 | 0.27 | 0.71 | 1.41 | 3.34 | 1.41 | 3.34 |
| Total | 749.37 | 604.62 | 299.86 | 2,250.79 | 1,688.65 | 2,250.79 | 1,688.65 |
| Less: Inter Segment Revenue | 170.57 | 152.45 | 99.37 | 599.24 | 509.88 | 599.24 | 509.88 |
| Net Income from Operations | 578.80 | 452.17 | 200.49 | 1,651.55 | 1,178.77 | 1,651.55 | 1,178.77 |
| 2. Segment Results | | | | | | | |
| a) Ferro Alloys | 254.85 | 127.73 | (35.40) | 438.74 | 76.01 | 438.74 | 76.01 |
| b) Power | (2.22) | (3.32) | (2.59) | (8.54) | (11.79) | (8.54) | (11.79) |
| c) Mining | (2.01) | (4.30) | (4.55) | (6.28) | (8.17) | (8.83) | (8.59) |
| d) Others | (2.58) | (2.41) | (2.74) | (9.58) | (10.04) | (9.58) | (10.04) |
| Total | 248.04 | 117.70 | (45.28) | 414.34 | 46.01 | 411.79 | 45.59 |
| Less: i) Finance Costs | 16.74 | 26.82 | 20.41 | 86.33 | 83.61 | 83.47 | 80.77 |
| ii) Other Un-allocable Expenditure (net) | (33.81) | 4.38 | (2.31) | (41.65) | 37.71 | (41.13) | 38.10 |
| Total Profit Before Tax | 265.11 | 86.50 | (63.38) | 369.66 | (75.31) | 369.45 | (73.28) |
| 3. Segment Assets | | | | | | | |
| a) Ferro Alloys | 697.56 | 641.65 | 625.19 | 697.56 | 625.19 | 697.56 | 625.19 |
| b) Power | 892.26 | 895.25 | 926.00 | 892.26 | 926.00 | 893.41 | 927.16 |
| c) Mining | 105.05 | 64.03 | 80.86 | 105.05 | 80.86 | 479.26 | 446.94 |
| d) Others | 66.70 | 68.80 | 74.46 | 66.70 | 74.46 | 66.70 | 74.46 |
| e) Unallocated | 722.22 | 660.11 | 585.71 | 722.22 | 585.71 | 367.16 | 320.14 |
| Total Segment Assets | 2,483.79 | 2,329.84 | 2,292.22 | 2,483.79 | 2,292.22 | 2,504.09 | 2,393.89 |
| 4. Segment Liabilities | | | | | | | |
| a) Ferro Alloys | 118.31 | 149.53 | 123.01 | 118.31 | 123.01 | 118.31 | 123.01 |
| b) Power | 198.70 | 194.89 | 204.51 | 198.70 | 204.51 | 198.71 | 204.52 |
| c) Mining | 49.72 | 39.79 | 47.89 | 49.72 | 47.89 | 50.13 | 48.76 |
| d) Others | 0.94 | 0.92 | 1.19 | 0.94 | 1.19 | 0.94 | 1.19 |
| e) Unallocated | 131.85 | 147.96 | 92.29 | 131.85 | 92.29 | 131.85 | 91.81 |
| Total Segment Liabilities | 499.52 | 533.09 | 468.89 | 499.52 | 468.89 | 499.94 | 469.29 |

NOTES:

- The above 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 18th May, 2017. The Statutory Auditors of the Company have audited the results for the year ended 31st March, 2017 and 31st March, 2016.
- In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as 'Ind AS') effective from 1st April, 2016. The impact of transition has been provided in the Opening Reserves as at 1st April, 2015 and results of quarter and year ended 31st March, 2016 have been restated accordingly.
- Reconciliation of Profit/(Loss) between the previously applicable Indian GAAP and Ind AS is as follows:-

| Particulars | (Rs. in Crores) | | |
|--|---|--|--|
| | Standalone | | Consolidated |
| | Quarter ended 31-Mar-2016 (Unaudited) | Year ended 31-Mar-2016 (Audited) | Year ended 31-Mar-2016 (Audited) |
| Profit / (Loss) after tax as per the previously applicable Indian GAAP | (49.95) | (54.76) | (53.80) |
| Ancillary borrowing costs' treatment as per the Effective Interest Rate method | 2.01 | 1.42 | 1.42 |
| Fair valuation of Derivative Financial Instruments | 7.16 | 6.48 | 6.48 |
| Actuarial remeasurements of Defined Benefit Obligations | 4.20 | 1.96 | 1.96 |
| Fair valuation of Current Investments | 0.16 | 0.17 | 0.17 |
| Amortisation of Leasehold Land | (0.12) | (0.44) | (0.44) |
| Others | (0.03) | (0.08) | 0.02 |
| Deferred Tax adjustments (net) on above | (0.72) | 0.52 | 0.52 |
| Profit / (Loss) after tax but before OCI as per Ind AS | (37.29) | (44.73) | (43.67) |
| Other Comprehensive Income (OCI) (net of tax) | 0.19 | (1.35) | 3.35 |
| Total Comprehensive Income under Ind AS | (37.10) | (46.08) | (40.32) |

- Reconciliation of Equity between the previously applicable Indian GAAP and Ind AS is as follows:-

| Particulars | (Rs. in Crores) | |
|--|-----------------------------------|-----------------------------------|
| | Standalone | Consolidated |
| | As at 31-Mar-2016 (Audited) | As at 31-Mar-2016 (Audited) |
| Equity as per the previously applicable Indian GAAP (Equity Share Capital + Reserves and Surplus) | 808.31 | 861.18 |
| Add/(Less) : Adjustments under Ind AS | | |
| Ancillary borrowing costs' treatment as per the Effective Interest Rate method | 1.47 | 1.47 |
| Fair valuation of Current Investments | 0.17 | 0.17 |
| Amortisation of Leasehold Lands | (0.19) | (0.19) |
| Depreciation on Investment Property | (0.25) | (0.25) |
| Fair valuation of Other Financial Instruments | (0.10) | - |
| Deferred Tax adjustments (net) on above | (0.35) | (0.35) |
| Proposed Dividend and Corporate Dividend Tax thereon | - | 2.19 |
| Total Equity as per Ind AS | 809.06 | 864.22 |

- The entire operations of the Company relate to three broad operating segments viz. "Ferro Alloys", "Power" and "Mining".
- Pursuant to the judgment delivered by the Hon'ble High Court of Delhi on 9th March, 2017 on a writ petition filed by Utkal Coal Limited ("UCL", a subsidiary of the Company) relating to compensation for land and mine infrastructure of UCL's coal block Utkal 'C', UCL has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court. Moreover, UCL has also filed an SLP before the Hon'ble Supreme Court on 11th January, 2017 in the matter regarding the change of end use of Utkal 'C' and both the SLPs are pending for adjudication. Pending resolution of the said matters, no accounting adjustments have been made by UCL in its books of account and no provision is deemed necessary against the Company's net exposure in UCL as at 31st March, 2017 amounting to Rs 111.42 Crores invested as equity and Rs 262.81 Crores given as an unsecured loan.
- In view of the circumstances detailed above and considering the probability of economic benefits associated with the transaction flowing to the Company, as envisaged in paragraph 29 of Ind AS 18 on "Revenue", with effect from 1st October, 2014 the Company has postponed recognition of income from interest on unsecured loan given to UCL. Due to this, profit before tax for the quarter and year ended 31st March, 2017 is lower by Rs 7.57 crore and Rs 27.54 crore respectively. The interest income would be considered as revenue of the period in which it is properly recognised.
- Indmet Mining Pte Ltd (Indmet), a wholly-owned subsidiary of the Company incorporated in Singapore, has investment of USD 8.75 million (Rs. 56.04 Crore) [Previous year USD 8.75 million (Rs. 57.64 Crore)] in its Indonesian subsidiary PT Sumber Rahayu Indah (PT Sumber). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised till date.

Consequently, the Company has initiated arbitration proceedings against the Government of the Republic of Indonesia on 24th July, 2015 pursuant to Article 3 of the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and Article 9 of the Agreement between the Governments of the Republic of Indonesia and the Republic of India for the Promotion and Protection of Investments (the "Treaty"), raising claims of breach of the protections granted under the Treaty. On 23rd December, 2016, the Company has filed its statement of claim and hearing on the arbitration proceedings are under progress.

No provision is considered necessary by the Company at this stage towards any impairment in the carrying value of its investment in Indmet amounting to Rs. 53.13 Crore.
- An interim dividend of Rs.10 per share was declared on 7th February, 2017. The Board has recommended final dividend of Rs.10 per equity share of Rs 10 each subject to approval of shareholders at the forthcoming Annual General Meeting.
- The figures for the quarter ended 31st March, 2017 and 31st March, 2016 are the balancing figures between the audited figures in respect of the full financial year and the year-to-date figures upto the 3rd quarter of the respective financial year.
- Previous years/periods' figures have been rearranged/regrouped, wherever necessary, to make them comparable with those of current year/period.

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

Bhubaneswar
Date : 18th May, 2017

Subhrakant Panda
Managing Director