

# 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, 2018							
Particulars	Standalone			Standalone		Consolidated	
	Quarter ended			Year ended		Year ended	
	31-Mar-2018 (Audited)	31-Dec-2017 (Unaudited)	31-Mar-2017 (Audited)	31-Mar-2018 (Audited)	31-Mar-2017 (Audited)	31-Mar-2018 (Audited)	31-Mar-2017 (Audited)
<b>1. Income</b>							
(a) Revenue from Operations (refer Note No. 3)	443.27	483.65	594.17	1,769.26	1,697.04	1,769.26	1,697.04
(b) Other Income	(2.86)	21.38	36.55	37.33	49.35	36.21	48.12
<b>Total Income</b>	<b>440.41</b>	<b>505.03</b>	<b>630.72</b>	<b>1,806.59</b>	<b>1,746.39</b>	<b>1,805.47</b>	<b>1,745.16</b>
<b>2. Expenses</b>							
(a) Cost of Materials Consumed	218.78	199.36	185.20	813.44	706.55	813.44	706.55
(b) Changes in Inventories of Finished Goods	12.42	(12.69)	(13.37)	1.40	(1.57)	1.40	(1.57)
(c) Excise Duty (refer Note No. 3)	-	-	5.97	3.66	24.69	3.66	24.69
(d) Employee Benefits Expense	49.96	43.68	55.52	176.70	170.25	176.69	169.86
(e) Finance Costs	20.66	19.21	16.74	78.23	86.33	75.41	83.47
(f) Depreciation and Amortisation Expense	26.08	25.15	27.73	100.80	108.69	100.80	108.69
(g) Other Expenses	96.57	114.73	87.82	350.00	281.79	350.99	284.02
<b>Total Expenses</b>	<b>424.47</b>	<b>389.44</b>	<b>365.61</b>	<b>1,524.23</b>	<b>1,376.73</b>	<b>1,522.39</b>	<b>1,375.71</b>
<b>3. Profit before exceptional items and tax (1-2)</b>	<b>15.94</b>	<b>115.59</b>	<b>265.11</b>	<b>282.36</b>	<b>369.66</b>	<b>283.08</b>	<b>369.45</b>
<b>4. Exceptional Items - (Income)/Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Profit before tax (3-4)</b>	<b>15.94</b>	<b>115.59</b>	<b>265.11</b>	<b>282.36</b>	<b>369.66</b>	<b>283.08</b>	<b>369.45</b>
<b>6. Tax Expense :</b>							
- Current Tax	13.43	37.40	69.39	95.74	92.23	96.52	93.12
- Deferred Tax	(2.39)	3.45	21.72	(0.31)	27.60	(0.23)	27.63
<b>7. Profit after tax (5-6)</b>	<b>4.90</b>	<b>74.74</b>	<b>174.00</b>	<b>186.93</b>	<b>249.83</b>	<b>186.79</b>	<b>248.70</b>
<b>8. Other Comprehensive Income/(Expense)</b>							
- Items that will not be reclassified to profit or loss (net of tax)	(4.13)	0.30	(0.22)	(2.35)	0.17	(2.35)	0.13
- Items that will be reclassified to profit or loss	-	-	-	-	-	0.12	(0.43)
<b>9. Total Comprehensive Income after tax (7+8)</b>	<b>0.77</b>	<b>75.04</b>	<b>173.78</b>	<b>184.58</b>	<b>250.00</b>	<b>184.56</b>	<b>248.40</b>
<b>10. Profit/(Loss) attributable to :</b>							
(a) Owners of the Company	4.90	74.74	174.00	186.93	249.83	186.37	248.94
(b) Non-controlling interest	-	-	-	-	-	0.42	(0.24)
<b>11. Other Comprehensive Income/(Expense) (net of tax) attributable to :</b>							
(a) Owners of the Company	(4.13)	0.30	(0.22)	(2.35)	0.17	(2.23)	(0.29)
(b) Non-controlling interest	-	-	-	-	-	-	(0.01)
<b>12. Total Comprehensive Income/(Expense) after tax attributable to : (10+11)</b>							
(a) Owners of the Company	0.77	75.04	173.78	184.58	250.00	184.14	248.65
(b) Non-controlling interest	-	-	-	-	-	0.42	(0.25)
<b>13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)</b>	<b>26.98</b>	<b>26.98</b>	<b>26.98</b>	<b>26.98</b>	<b>26.98</b>	<b>26.98</b>	<b>26.98</b>
<b>14. Other Equity excluding Revaluation Reserves</b>				<b>1,168.61</b>	<b>1,016.22</b>	<b>1,188.72</b>	<b>1,037.05</b>
<b>15. Earnings per share-Basic &amp; Diluted (in Rupees) (*not annualised)</b>	<b>*1.81</b>	<b>*27.71</b>	<b>*64.50</b>	<b>69.29</b>	<b>95.04</b>	<b>69.08</b>	<b>94.70</b>

**BALANCE SHEET**

(Rs. in Crores)

Particulars	Standalone	Standalone	Consolidated	Consolidated
	As at 31-Mar-18 (Audited)	As at 31-Mar-17 (Audited)	As at 31-Mar-18 (Audited)	As at 31-Mar-17 (Audited)
<b>A ASSETS</b>				
<b>1 Non - Current Assets</b>				
(a) Property, Plant and Equipment	987.80	1,001.72	1,169.69	1,186.91
(b) Capital Work-in-Progress	89.66	56.45	273.08	236.18
(c) Investment Property	10.96	11.26	10.96	11.26
(d) Goodwill on Consolidation	-	-	73.12	73.09
(e) Intangible Assets	2.66	3.56	2.66	3.56
(f) Investments in Subsidiaries and Associate	168.65	168.42	-	-
(g) Financial Assets				
(i) Investments	-	-	0.10	0.10
(ii) Trade Receivables	11.39	11.39	11.39	11.39
(iii) Loans	23.65	22.84	23.69	22.88
(iv) Other Financial Assets	3.40	0.77	3.40	0.77
(h) Other Non-Current Assets	165.41	157.82	165.41	157.82
(i) Non-Current Tax Assets (Net)	24.48	22.93	25.50	23.92
<b>Total Non-Current Assets</b>	<b>1,488.06</b>	<b>1,457.16</b>	<b>1,759.00</b>	<b>1,727.88</b>
<b>2 Current Assets</b>				
(a) Inventories	428.06	340.08	428.07	340.14
(b) Financial Assets				
(i) Investments	144.82	158.50	147.86	161.26
(ii) Trade Receivables	65.20	66.68	65.24	66.68
(iii) Cash and Cash Equivalents	16.12	6.65	16.50	7.39
(iv) Other Bank Balances	22.29	20.19	30.52	28.59
(v) Loans	263.16	263.78	-	-
(vi) Other Financial Assets	1.44	9.93	1.44	9.97
(c) Other Current Assets	200.82	160.82	201.41	162.18
<b>Total Current Assets</b>	<b>1,141.91</b>	<b>1,026.63</b>	<b>891.04</b>	<b>776.21</b>
<b>TOTAL ASSETS</b>	<b>2,629.97</b>	<b>2,483.79</b>	<b>2,650.04</b>	<b>2,504.09</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	26.98	26.98	26.98	26.98
(b) Other Equity	1,168.61	1,016.22	1,188.72	1,037.05
(c) Non-Controlling Interests	-	-	30.43	30.54
<b>Total Equity</b>	<b>1,195.59</b>	<b>1,043.20</b>	<b>1,246.13</b>	<b>1,094.57</b>
<b>2 Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	546.52	632.70	516.16	601.75
(ii) Other Financial Liabilities	11.94	13.08	11.96	13.11
(b) Provisions	9.11	9.47	9.11	9.55
(c) Deferred Tax Liabilities (Net)	96.06	78.46	96.16	78.47
(d) Other Non-Current Liabilities	132.24	130.11	132.24	130.11
<b>Total Non-Current Liabilities</b>	<b>795.87</b>	<b>863.82</b>	<b>765.63</b>	<b>832.99</b>
<b>3 Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	193.22	181.37	193.22	181.37
(ii) Trade Payables	196.43	117.84	196.43	117.83
(iii) Other Financial Liabilities	230.77	233.74	230.44	233.49
(b) Other Current Liabilities	11.47	37.34	11.57	37.36
(c) Provisions	6.62	6.48	6.62	6.48
<b>Total Current Liabilities</b>	<b>638.51</b>	<b>576.77</b>	<b>638.28</b>	<b>576.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,629.97</b>	<b>2,483.79</b>	<b>2,650.04</b>	<b>2,504.09</b>

## Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Crores)

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	31-Mar-2018 (Audited)	31-Dec-2017 (Unaudited)	31-Mar-2017 (Audited)	31-Mar-2018 (Audited)	31-Mar-2017 (Audited)	31-Mar-2018 (Audited)	31-Mar-2017 (Audited)
<b>1. Segment Revenue</b>							
a) Ferro Alloys	429.66	469.32	578.61	1,697.85	1,650.49	1,697.85	1,650.49
b) Power	130.26	103.88	115.76	443.45	425.38	443.45	425.38
c) Mining	63.49	49.41	54.72	189.94	173.51	189.94	173.51
d) Others	0.77	0.66	0.28	2.42	1.41	2.42	1.41
<b>Total</b>	<b>624.18</b>	<b>623.27</b>	<b>749.37</b>	<b>2,333.66</b>	<b>2,250.79</b>	<b>2,333.66</b>	<b>2,250.79</b>
Less: Inter Segment Revenue	193.96	153.35	170.57	633.89	599.24	633.89	599.24
<b>Net Income from Operations</b>	<b>430.22</b>	<b>469.92</b>	<b>578.80</b>	<b>1,699.77</b>	<b>1,651.55</b>	<b>1,699.77</b>	<b>1,651.55</b>
<b>2. Segment Results</b>							
a) Ferro Alloys	57.47	117.53	254.85	358.85	438.74	358.85	438.74
b) Power	(3.09)	(1.62)	(2.22)	(9.35)	(8.54)	(9.35)	(8.54)
c) Mining	(6.83)	1.95	(2.01)	(6.59)	(6.28)	(7.54)	(8.83)
d) Others	(2.29)	(2.23)	(2.58)	(8.95)	(9.58)	(8.95)	(9.58)
<b>Total</b>	<b>45.26</b>	<b>115.63</b>	<b>248.04</b>	<b>333.96</b>	<b>414.34</b>	<b>333.01</b>	<b>411.79</b>
Less: Finance Costs	20.66	19.21	16.74	78.23	86.33	75.41	83.47
Add: Other Un-allocable Income net of Un-allocable Expenditure	(8.66)	19.17	33.81	26.63	41.65	25.48	41.13
<b>Total Profit Before Tax</b>	<b>15.94</b>	<b>115.59</b>	<b>265.11</b>	<b>282.36</b>	<b>369.66</b>	<b>283.08</b>	<b>369.45</b>
<b>3. Segment Assets</b>							
a) Ferro Alloys	765.51	686.34	697.56	765.51	697.56	765.51	697.56
b) Power	944.44	916.86	892.26	944.44	892.26	944.93	893.41
c) Mining	115.09	116.68	94.44	115.09	94.44	488.74	468.65
d) Others	61.14	62.43	66.70	61.14	66.70	61.14	66.70
e) Unallocated	743.79	834.96	732.83	743.79	732.83	389.72	377.77
<b>Total Segment Assets</b>	<b>2,629.97</b>	<b>2,617.27</b>	<b>2,483.79</b>	<b>2,629.97</b>	<b>2,483.79</b>	<b>2,650.04</b>	<b>2,504.09</b>
<b>4. Segment Liabilities</b>							
a) Ferro Alloys	153.39	178.81	125.52	153.39	125.52	153.39	125.52
b) Power	253.16	212.06	198.70	253.16	198.70	253.16	198.71
c) Mining	36.27	25.11	49.72	36.27	49.72	36.53	50.13
d) Others	0.84	1.19	0.94	0.84	0.94	0.84	0.94
e) Unallocated	139.15	151.23	124.64	139.15	124.64	139.37	124.64
<b>Total Segment Liabilities</b>	<b>582.81</b>	<b>568.40</b>	<b>499.52</b>	<b>582.81</b>	<b>499.52</b>	<b>583.29</b>	<b>499.94</b>

**NOTES:**

1. 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 21st May, 2018.
2. The entire operations of the Company relate to three broad operating segments viz. "Ferro Alloys", "Power" and "Mining".
3. Revenue from Operations upto 30th June, 2017 is inclusive of excise duty. Post the applicability of Goods and Service Tax (GST) w.e.f 1st July, 2017, Revenue from Operations for subsequent quarters/periods is disclosed net of GST, in accordance with 'Ind AS 18 - Revenue' and hence not strictly comparable with previous quarters/periods.
4. Special Leave Petitions (SLP) filed by Utkal Coal Limited (UCL, a Subsidiary of the Company) in respect of compensation for land and mine infrastructure of UCL's coal block Utkal 'C' and change of end use of Utkal 'C' before the Hon'ble Supreme Court, 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, 2018 amounting to Rs. 111.42 crore invested as equity and Rs. 263.15 crore given as unsecured loan.
5. 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, 2018 is lower by Rs. 10.47 crore and Rs. 40.72 crore respectively. The interest income would be considered as revenue of the period in which it is properly recognised.
6. Indmet Mining Pte Ltd (Indmet), a wholly-owned subsidiary of the Company incorporated in Singapore, has investment of USD 8.75 million (Rs. 56.08 crore) [Previous year USD 8.75 million (Rs. 56.04 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. The matter is now scheduled for a final hearing in August, 2018.

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.

7. Demand notices in respect of four mines viz., Sukinda Chromite Mines, Chingudipal Chromite Mines, Bangur Chromite Mines and Nuasahi Chromite Mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to Rs 122.90 crore for the alleged excess extraction of minerals over the quantity permitted under environment clearance during 2000-01 to 2010-11 under section 21(5) of the Mines & Minerals (Development and Regulation) Act, 1957. Aggrieved by the said notices which are illegal and are in complete violation of the principle of natural justice, the Company filed Revision Applications before the Mines Tribunal, New Delhi challenging the said demand notices. The Revisionary Authority of Mines Tribunal vide order dated 10.05.2018, stayed the demand notices with a direction that the State Government shall not take any coercive measures to recover the amounts demanded and the matters are pending. The Company has disclosed the aforesaid amount of Rs. 122.90 crore as a contingent liability as on 31st March, 2018.
8. An interim dividend of Rs. 5 per equity share was declared on 21st March, 2018. 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.
9. The figures for the quarter ended 31st March, 2018 and 31st March, 2017 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.
10. 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

Place : Bhubaneswar  
Date : 21st May, 2018

Subhrakant Panda  
Managing Director  
DIN: 00171845