

INDIAN METALS & FERRO ALLOYS LIMITED

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CIN: L27101OR1961PLC000428

(Rs. in Crores)

PART-I : STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2015						
Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-2015 Unaudited	30-June-2015 Unaudited	30-Sep-2014 Unaudited	30-Sep-2015 Unaudited	30-Sep-2014 Unaudited	31-Mar-2015 Audited
1. Income from Operations						
(a) Income from Operations (Net of Excise Duty)	325.76	322.02	332.33	647.78	618.12	1,281.54
(b) Other Operating Income	12.47	17.99	15.70	30.46	31.22	63.25
Total Income from Operations (Net)	338.23	340.01	348.03	678.24	649.34	1,344.79
2. Expenses						
(a) Cost of Materials Consumed	205.48	167.15	115.27	372.63	292.77	693.55
(b) Changes in Inventories of Finished Goods	(46.33)	24.79	79.81	(21.54)	50.13	16.52
(c) Employee Benefits Expense	33.58	32.38	30.45	65.96	61.49	126.98
(d) Depreciation and Amortisation	27.87	27.23	29.22	55.10	58.22	121.94
(e) Other Expenses	89.07	64.67	62.33	153.74	127.14	266.62
Total Expenses	309.67	316.22	317.08	625.89	589.75	1,225.61
3. Profit from operations before other income, finance costs, prior period income & exceptional items (1-2)	28.56	23.79	30.95	52.35	59.59	119.18
4. Other Income	6.01	5.10	5.66	11.11	12.20	21.78
5. Profit from ordinary activities before finance costs, prior period income & exceptional items (3+4)	34.57	28.89	36.61	63.46	71.79	140.96
6. Finance Costs	21.52	21.05	27.66	42.57	58.52	108.62
7. Profit from ordinary activities after finance costs but before prior period income and exceptional items (5-6)	13.05	7.84	8.95	20.89	13.27	32.34
8. Prior Period Income	-	-	-	-	-	(6.22)
9. Exceptional Items (Refer Note 6 & 7)	5.17	19.98	5.22	25.15	5.22	5.22
10. Profit/(Loss) from ordinary activities before tax (7-8-9)	7.88	(12.14)	3.73	(4.26)	8.05	33.34
11. Tax Expense						
Current Tax & Deferred Tax	2.76	(1.10)	4.03	1.66	7.51	31.19
MAT Credit Entitlement (including earlier years)	-	-	(0.87)	-	(2.03)	(9.83)
12. Net Profit/(Loss) from ordinary activities after tax (10-11)	5.12	(11.04)	0.57	(5.92)	2.57	11.98
13. Extraordinary Items	-	-	-	-	-	-
14. Net Profit/(Loss) for the Period/Year (12-13)	5.12	(11.04)	0.57	(5.92)	2.57	11.98
15. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	25.98	25.98	25.98	25.98	25.98	25.98
16. Reserves excluding Revaluation Reserves						836.91
17. Earnings per share-Basic & Diluted (in Rupees) (*not annualised)	*1.97	*(4.25)	*0.22	*(2.28)	*0.99	4.61

PART-II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2015

A. Particulars of Shareholding						
1. Public Shareholding						
- Number of Shares	11496741	11498935	11498935	11496741	11498935	11498935
- Percentage of Shareholding	44.26	44.27	44.27	44.26	44.27	44.27
2. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of Shares	-	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	-	-	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
b) Non-encumbered						
- Number of Shares	14480312	14478118	14478118	14480312	14478118	14478118
- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	100	100	100	100	100	100
- Percentage of Shares (as a % of the total share capital of the Company)	55.74	55.73	55.73	55.74	55.73	55.73

B. Investor Complaints	Quarter ended 30-Sep-2015
- Pending at the beginning of the quarter	Nil
- Received during the quarter	67
- Disposed during the quarter	67
- Remaining unresolved at the end of the quarter	Nil

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	As at	As at
	30-Sep-15 (Unaudited)	31-Mar-15 (Audited)
A EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	25.98	25.98
(b) Reserves & Surplus	831.19	836.91
Sub total : Shareholders' Funds	857.17	862.89
2. Non-Current Liabilities		
(a) Long-Term Borrowings	734.26	737.40
(b) Deferred Tax Liabilities (Net)	101.26	99.65
(c) Other Long-Term Liabilities	129.10	122.68
(d) Long-Term Provisions	3.78	4.85
Sub total : Non-Current Liabilities	968.40	964.58
3. Current Liabilities		
(a) Short-Term Borrowings	194.71	213.01
(b) Trade Payables	161.80	168.31
(c) Other Current Liabilities	268.08	224.03
(d) Short-Term Provisions	4.47	8.87
Sub total : Current Liabilities	629.06	614.22
TOTAL EQUITY AND LIABILITIES	2454.63	2441.69

(Rs. in Crores)

Particulars	As at	As at
	30-Sep-15 (Unaudited)	31-Mar-15 (Audited)
B ASSETS		
1. Non-Current Assets		
(a) Fixed Assets	1150.43	1153.12
(b) Non-Current Investments	167.80	167.77
(c) Long-Term Loans and Advances	122.73	114.21
(d) Other Non-Current Assets	49.36	43.99
Sub total : Non-Current Assets	1490.32	1479.09
2. Current Assets		
(a) Inventories	378.22	405.04
(b) Trade Receivables	87.70	64.50
(c) Cash & Cash Equivalents	66.28	72.54
(d) Short-Term Loans & Advances	425.99	411.10
(e) Other Current Assets	6.12	9.42
Sub total : Current Assets	964.31	962.60
TOTAL ASSETS	2454.63	2441.69

Segment wise Revenue, Results and Capital Employed as per Clause 41 of Listing Agreement

(Rs. in Crores)

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-2015 Unaudited	30-June-2015 Unaudited	30-Sep-2014 Unaudited	30-Sep-2015 Unaudited	30-Sep-2014 Unaudited	31-Mar-2015 Audited
1. Segment Revenue						
a) Ferro Alloys	325.20	321.55	332.15	646.75	613.25	1,276.00
b) Power	113.46	101.23	78.23	214.69	184.64	387.68
c) Others	0.83	0.67	0.35	1.50	0.93	2.23
Total	439.49	423.45	410.73	862.94	798.82	1,665.91
Less: Inter Segment Revenue	113.73	101.43	78.40	215.16	180.70	384.37
Net Income from Operations	325.76	322.02	332.33	647.78	618.12	1,281.54
2. Segment Results						
a) Ferro Alloys	55.10	31.01	55.05	86.12	105.68	230.81
b) Power	(3.13)	(3.07)	(1.45)	(6.21)	(8.00)	(12.37)
c) Others	(1.78)	(0.45)	(0.23)	(2.23)	(0.52)	(0.99)
Total	50.19	27.49	53.37	77.68	97.16	217.45
Less: i) Finance Costs	21.52	21.05	27.66	42.57	58.52	108.62
ii) Other Un-allocable Expenditure (net)	20.79	18.58	21.98	39.37	30.59	75.49
iii) Un-allocable Income	-	-	-	-	-	-
Total Profit/(Loss) Before Tax	7.88	(12.14)	3.73	(4.26)	8.05	33.34
3. Capital Employed (Segment Assets-Segment Liabilities)						
a) Ferro Alloys	643.64	561.13	632.55	643.64	632.55	619.42
b) Power	726.07	738.62	746.96	726.07	746.96	767.24
c) Others	76.44	76.39	75.45	76.44	75.45	76.91
d) Unallocated	453.07	497.48	409.54	453.07	409.54	468.76
Total	1,899.22	1,873.62	1,864.50	1,899.22	1,864.50	1,932.33

NOTES:

1. The above unaudited financial results for the quarter and half year ended 30th September, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 20th October, 2015. The Statutory Auditors of the Company have reviewed the said results.
2. The entire operations of the Company relate to two broad segments viz. "Ferro Alloys" and "Power".
3. Pending final orders from the Hon'ble High Court of Delhi on the two writ petitions filed in February 2015 by Utkal Coal Ltd. ('UCL', a subsidiary of the Company) in connection with matters emanating from the cancellation of allocation of its coal block by the Hon'ble Supreme Court of India, no accounting adjustments have been made by UCL in its books of account and no provision is deemed necessary against the Company's exposure in UCL as at 30th September, 2015 amounting to Rs 110.88 crores invested as equity, Rs 160.85 crores given as an unsecured loan and Rs 85 crores provided as guarantee to a financial institution for loan availed by UCL.
4. In view of the circumstances detailed above and considering the effect of uncertainties as envisaged in paragraph 9 of Accounting Standard 9 on "Revenue Recognition", 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 ended 30th September, 2015 is lower by Rs 4.99 crore and loss before tax for the half year ended 30th September, 2015 is higher by Rs 9.69 crore. The interest income would be considered as revenue of the period in which it is properly recognised.
5. The Company has equity investment amounting to Rs 53.13 crore in Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary. The Company's auditors in their Independent Auditors' Report for the year ended 31st March, 2015 had qualified their audit opinion by stating inter alia, "...we are unable to comment whether or not there is a decline, other than temporary, in the value of the Company's investment in Indmet, in terms of Accounting Standard 13 - Accounting for Investments. Consequentially, the impact of the same, if any, on the profit for the year cannot be ascertained". The said qualification subsists in their Limited Review Report for the quarter & half year ended 30th September, 2015 and the impact of the same on the results for the said periods cannot be ascertained. The management is of the opinion that no provision is considered necessary at this stage towards any diminution in the aforesaid carrying value of its investment in Indmet as the Company has invoked an agreement between the Indian and Indonesian governments for the promotion and protection of investments. Based on the outcome of the proceedings in this regard in the future the Company would reassess whether there is any impairment.
6. The MMDR Amendment Act, 2015 notified on 27th March, 2015 and the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 notified on 17th September, 2015 were both deemed to have come into force on 12th January, 2015 and provide for contribution to DMF @ 30% of royalty for those mining leases granted before 12th January, 2015. Accordingly, the Company has provided for DMF liability amounting to Rs 16.28 crores for the period 12th January - 30th September, 2015 of which Rs 5.17 crores relates to the period 12th January - 30th June, 2015 and is shown as an exceptional item, Rs 2.73 crores relates to the quarter ended 30th September, 2015 and Rs 8.38 crores relates to inventories as at 30th September, 2015.
7. Exceptional item for the quarter ended 30th June, 2015 amounting to Rs 19.98 crores relates to provision made on best estimate basis for the shortfall towards Renewable Purchase Obligation upto 31st March, 2015 under the OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010, pursuant to the judgement of the Hon'ble Supreme Court of India dated 13th May, 2015.
8. Figures pertaining to the previous year / period have been regrouped / rearranged wherever necessary to make them comparable with those of current period.

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

Bhubaneswar
Date : 20th October, 2015

Subhrakant Panda
Managing Director