

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 NINE MONTHS ENDED 31ST DECEMBER, 2015						
Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-2015 Unaudited	30-Sep-2015 Unaudited	31-Dec-2014 Unaudited	31-Dec-2015 Unaudited	31-Dec-2014 Unaudited	31-Mar-2015 Audited
1. Income from Operations						
(a) Income from Operations (Net of Excise Duty)	319.56	325.76	278.79	967.34	896.91	1,281.54
(b) Other Operating Income	9.64	12.47	13.47	40.10	44.69	63.25
Total Income from Operations (Net)	329.20	338.23	292.26	1,007.44	941.60	1,344.79
2. Expenses						
(a) Cost of Materials Consumed	182.56	205.48	173.84	555.19	466.61	693.55
(b) Changes in Inventories of Finished Goods	14.74	(46.33)	(29.38)	(6.80)	20.75	16.52
(c) Employee Benefits Expense	34.22	33.58	30.56	100.18	92.05	126.98
(d) Depreciation and Amortisation	28.15	27.87	31.55	83.25	89.77	121.94
(e) Other Expenses	61.05	89.07	75.61	214.79	202.75	266.62
Total Expenses	320.72	309.67	282.18	946.61	871.93	1,225.61
3. Profit from operations before other income, finance costs, prior period income & exceptional items (1-2)	8.48	28.56	10.08	60.83	69.67	119.18
4. Other Income	2.20	6.01	6.23	13.31	18.43	21.78
5. Profit from ordinary activities before finance costs, prior period income & exceptional items (3+4)	10.68	34.57	16.31	74.14	88.10	140.96
6. Finance Costs	20.04	21.52	25.26	62.61	83.78	108.62
7. Profit/(Loss) from ordinary activities after finance costs but before prior period income and exceptional items (5-6)	(9.36)	13.05	(8.95)	11.53	4.32	32.34
8. Prior Period Income	-	-	-	-	-	(6.22)
9. Exceptional Items (Refer Note 6)	(5.56)	5.17	-	19.59	5.22	5.22
10. Profit/(Loss) from ordinary activities before tax (7-8-9)	(3.80)	7.88	(8.95)	(8.06)	(0.90)	33.34
11. Tax Expense						
Current Tax & Deferred Tax	(4.16)	4.23	(6.85)	(1.03)	0.66	31.19
MAT Credit Entitlement (including earlier years)	(0.75)	(1.47)	1.64	(2.22)	(0.39)	(9.83)
12. Net Profit/(Loss) from ordinary activities after tax (10-11)	1.11	5.12	(3.74)	(4.81)	(1.17)	11.98
13. Extraordinary Items	-	-	-	-	-	-
14. Net Profit/(Loss) for the Period/Year (12-13)	1.11	5.12	(3.74)	(4.81)	(1.17)	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)	*0.43	*1.97	*(1.44)	*(1.85)	*(0.45)	4.61

Segment wise Revenue, Results and Capital Employed

(Rs. in Crores)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-2015 Unaudited	30-Sep-2015 Unaudited	31-Dec-2014 Unaudited	31-Dec-2015 Unaudited	31-Dec-2014 Unaudited	31-Mar-2015 Audited
1. Segment Revenue						
a) Ferro Alloys	319.11	325.20	278.40	965.86	891.65	1,276.00
b) Power	99.98	113.46	97.68	314.67	282.32	387.68
c) Others	0.91	0.83	0.55	2.41	1.48	2.23
Total	420.00	439.49	376.63	1,282.94	1,175.45	1,665.91
Less: Inter Segment Revenue	100.44	113.73	97.84	315.60	278.54	384.37
Net Income from Operations	319.56	325.76	278.79	967.34	896.91	1,281.54
2. Segment Results						
a) Ferro Alloys	20.11	55.90	49.92	109.04	155.73	236.00
b) Power	(3.00)	(3.13)	(1.79)	(9.20)	(9.79)	(12.37)
c) Others	(2.24)	(2.58)	(3.59)	(7.29)	(4.24)	(6.18)
Total	14.87	50.19	44.54	92.55	141.70	217.45
Less: i) Finance Costs	20.04	21.52	25.26	62.61	83.78	108.62
ii) Other Un-allocable Expenditure (net)	(1.37)	20.79	28.23	38.00	58.82	75.49
iii) Un-allocable Income	-	-	-	-	-	-
Total Profit/(Loss) Before Tax	(3.80)	7.88	(8.95)	(8.06)	(0.90)	33.34
3. Capital Employed (Segment Assets-Segment Liabilities)						
a) Ferro Alloys	597.51	643.64	648.69	597.51	648.69	619.42
b) Power	735.62	726.07	744.20	735.62	744.20	767.24
c) Others	75.08	76.44	77.33	75.08	77.33	76.91
d) Unallocated	464.77	453.07	484.79	464.77	484.79	468.76
Total	1,872.98	1,899.22	1,955.01	1,872.98	1,955.01	1,932.33

NOTES:

1. The above unaudited financial results for the quarter and nine months ended 31st December, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 9th February, 2016. 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 31st December, 2015 amounting to Rs 110.88 crores invested as equity, Rs 167.13 crores given as an unsecured loan and Rs 82 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, loss before tax for the quarter and nine months ended 31st December, 2015 is higher by Rs 5.20 crore and Rs 14.89 crore respectively. 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 & nine months ended 31st December, 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. Exceptional item during the quarter ended 31st December, 2015 constitutes an income of Rs 5.56 crores on account of forfeiture of retention money (net of advances) held by the Company.
7. The manufacturing unit at Therubali in Rayagada District, Odisha remained closed from 21st November, 2015 pursuant to a lockout declared by the Company following illegal action by workers in not reporting for duty; all other facilities of the Company continue to function normally.
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

New Delhi
Date : 9th February, 2016

Subhrakant Panda
Managing Director