

# 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, 2016							
Particulars	Standalone			Standalone		Consolidated	
	Quarter ended			Year ended		Year ended	
	31-Mar-2016 Audited	31-Dec-2015 Unaudited	31-Mar-2015 Audited	31-Mar-2016 Audited	31-Mar-2015 Audited	31-Mar-2016 Audited	31-Mar-2015 Audited
<b>1. Income from Operations</b>							
(a) Income from Operations (Net of Excise Duty)	196.88	319.56	384.63	1,164.22	1,281.54	1,164.22	1,281.54
(b) Other Operating Income	6.98	9.64	18.56	47.08	63.25	47.08	63.25
<b>Total Income from Operations (Net)</b>	<b>203.86</b>	<b>329.20</b>	<b>403.19</b>	<b>1,211.30</b>	<b>1,344.79</b>	<b>1,211.30</b>	<b>1,344.79</b>
<b>2. Expenses</b>							
(a) Cost of Materials Consumed	100.68	182.56	226.94	655.87	693.55	655.87	693.55
(b) Changes in Inventories of Finished Goods	34.99	14.74	(4.23)	28.19	16.52	28.19	16.52
(c) Employee Benefits Expense	37.19	34.22	34.93	137.37	126.98	137.06	127.13
(d) Depreciation and Amortisation	30.94	28.15	32.17	114.19	121.94	114.20	121.94
(e) Other Expenses	61.74	61.05	63.87	276.53	266.62	276.94	266.84
<b>Total Expenses</b>	<b>265.54</b>	<b>320.72</b>	<b>353.68</b>	<b>1,212.15</b>	<b>1,225.61</b>	<b>1,212.26</b>	<b>1,225.98</b>
<b>3. Profit/(Loss) from operations before other income, finance costs, prior period income and exceptional items (1-2)</b>	<b>(61.68)</b>	<b>8.48</b>	<b>49.51</b>	<b>(0.85)</b>	<b>119.18</b>	<b>(0.96)</b>	<b>118.81</b>
4. Other Income	2.94	2.20	3.35	16.25	21.78	15.45	12.34
<b>5. Profit/(Loss) from ordinary activities before finance costs, prior period income and exceptional items (3+4)</b>	<b>(58.74)</b>	<b>10.68</b>	<b>52.86</b>	<b>15.40</b>	<b>140.96</b>	<b>14.49</b>	<b>131.15</b>
6. Finance Costs	20.46	20.04	24.84	83.07	108.62	80.23	105.68
<b>7. Profit/(Loss) from ordinary activities after finance costs but before prior period income and exceptional items (5-6)</b>	<b>(79.20)</b>	<b>(9.36)</b>	<b>28.02</b>	<b>(67.67)</b>	<b>32.34</b>	<b>(65.74)</b>	<b>25.47</b>
8. Prior Period Income	-	-	(6.22)	-	(6.22)	-	(6.22)
9. Exceptional Items	(2.44)	(5.56)	-	17.15	5.22	17.15	5.22
<b>10. Profit/(Loss) from ordinary activities before tax (7-8-9)</b>	<b>(76.76)</b>	<b>(3.80)</b>	<b>34.24</b>	<b>(84.82)</b>	<b>33.34</b>	<b>(82.89)</b>	<b>26.47</b>
<b>11. Tax Expense</b>							
Current Tax & Deferred Tax	(29.03)	(4.16)	30.53	(30.06)	31.19	(29.09)	32.15
MAT Credit Entitlement (including earlier years)	2.22	(0.75)	(9.44)	-	(9.83)	-	(9.83)
<b>12. Net Profit/(Loss) from ordinary activities after tax (10-11)</b>	<b>(49.95)</b>	<b>1.11</b>	<b>13.15</b>	<b>(54.76)</b>	<b>11.98</b>	<b>(53.80)</b>	<b>4.15</b>
13. Extraordinary Items	-	-	-	-	-	-	-
<b>14. Net Profit/(Loss) for the Period/Year before minority interest(12-13)</b>	<b>(49.95)</b>	<b>1.11</b>	<b>13.15</b>	<b>(54.76)</b>	<b>11.98</b>	<b>(53.80)</b>	<b>4.15</b>
15. Minority Interest	-	-	-	-	-	0.47	0.47
<b>16. Net Profit/(Loss) for the Period/Year after taxes &amp; minority interest(14-15)</b>	<b>(49.95)</b>	<b>1.11</b>	<b>13.15</b>	<b>(54.76)</b>	<b>11.98</b>	<b>(54.27)</b>	<b>3.68</b>
17. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	25.98	25.98	25.98	25.98	25.98	25.98	25.98
18. Reserves excluding Revaluation Reserves				782.33	836.91	803.86	855.34
<b>19. Earnings per share-Basic &amp; Diluted (in Rupees) (*not annualised)</b>	<b>*(19.23)</b>	<b>*0.43</b>	<b>*5.06</b>	<b>(21.08)</b>	<b>4.61</b>	<b>(20.89)</b>	<b>1.42</b>

## STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Crores)

Particulars	Standalone	Standalone	Consolidated	Consolidated
	As at 31-Mar-16 (Audited)	As at 31-Mar-15 (Audited)	As at 31-Mar-16 (Audited)	As at-31-Mar-15 (Audited)
<b>A EQUITY &amp; LIABILITIES</b>				
<b>1 Shareholders' Funds</b>				
(a) Share Capital	25.98	25.98	25.98	25.98
(b) Reserves and Surplus	782.33	836.91	803.86	855.34
Sub total : Shareholders' Funds	<b>808.31</b>	<b>862.89</b>	<b>829.84</b>	<b>881.32</b>
<b>2 Minority Interest</b>	-	-	31.34	30.96
<b>3 Non-Current Liabilities</b>				
(a) Long-Term Borrowings	692.94	737.40	719.04	782.42
(b) Deferred Tax Liabilities (Net)	69.59	99.65	69.58	99.62
(c) Other Long-Term Liabilities	150.16	127.34	150.30	127.62
(d) Long Term Provisions	7.95	4.85	8.00	4.89
Sub total : Non-Current Liabilities	<b>920.64</b>	<b>969.24</b>	<b>946.92</b>	<b>1014.55</b>
<b>4 Current Liabilities</b>				
(a) Short-Term Borrowings	200.81	213.01	200.81	213.01
(b) Trade Payables	138.92	167.34	138.92	167.34
(c) Other Current Liabilities	261.31	213.91	282.06	229.18
(d) Short-Term Provisions	3.88	10.13	6.08	11.59
Sub total : Current Liabilities	<b>604.92</b>	<b>604.39</b>	<b>627.87</b>	<b>621.12</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2333.87</b>	<b>2436.52</b>	<b>2435.97</b>	<b>2547.95</b>

Particulars	Standalone	Standalone	Consolidated	Consolidated
	As at 31-Mar-16 (Audited)	As at 31-Mar-15 (Audited)	As at 31-Mar-16 (Audited)	As at-31-Mar-15 (Audited)
<b>B ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Fixed Assets	1125.54	1153.12	1479.50	1493.42
(b) Goodwill on consolidation	-	-	74.61	71.53
(c) Non-Current Investments	167.88	167.77	0.10	0.10
(d) Long-Term Loans and Advances	219.60	208.90	219.72	208.99
(e) Other Non-Current Assets	64.33	55.86	64.33	55.86
Sub total : Non-Current Assets	<b>1577.35</b>	<b>1585.65</b>	<b>1838.26</b>	<b>1829.90</b>
<b>2 Current Assets</b>				
(a) Current Investments	20.86	-	23.03	-
(b) Inventories	352.83	405.04	352.89	405.09
(c) Trade Receivables	14.80	53.11	14.80	53.11
(d) Cash and Cash Equivalents	46.78	72.54	58.90	85.53
(e) Short-Term Loans and Advances	300.16	280.08	126.90	134.15
(f) Other Current Assets	21.09	40.10	21.19	40.17
Sub total : Current Assets	<b>756.52</b>	<b>850.87</b>	<b>597.71</b>	<b>718.05</b>
<b>TOTAL ASSETS</b>	<b>2333.87</b>	<b>2436.52</b>	<b>2435.97</b>	<b>2547.95</b>

**Segment wise Revenue, Results and Capital Employed**

(Rs. in Crores)

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	31-Mar-2016 Audited	31-Dec-2015 Unaudited	31-Mar-2015 Audited	31-Mar-2016 Audited	31-Mar-2015 Audited	31-Mar-2016 Audited	31-Mar-2015 Audited
<b>1. Segment Revenue</b>							
a) Ferro Alloys	196.46	319.11	384.35	1,162.32	1,276.00	1,162.32	1,276.00
b) Power	74.92	99.98	105.36	389.59	387.68	389.59	387.68
c) Others	0.61	0.91	0.75	3.02	2.23	3.02	2.23
<b>Total</b>	<b>271.99</b>	<b>420.00</b>	<b>490.46</b>	<b>1,554.93</b>	<b>1,665.91</b>	<b>1,554.93</b>	<b>1,665.91</b>
Less: Inter Segment Revenue	75.11	100.44	105.83	390.71	384.37	390.71	384.37
<b>Net Income from Operations</b>	<b>196.88</b>	<b>319.56</b>	<b>384.63</b>	<b>1,164.22</b>	<b>1,281.54</b>	<b>1,164.22</b>	<b>1,281.54</b>
<b>2. Segment Results</b>							
a) Ferro Alloys	(46.94)	20.11	80.27	62.10	236.00	62.05	236.00
b) Power	(2.59)	(3.00)	(2.58)	(11.79)	(12.37)	(11.85)	(12.63)
c) Others	(2.75)	(2.24)	(1.94)	(10.04)	(6.18)	(10.04)	(6.18)
<b>Total</b>	<b>(52.28)</b>	<b>14.87</b>	<b>75.75</b>	<b>40.27</b>	<b>217.45</b>	<b>40.16</b>	<b>217.19</b>
Less: i) Finance Costs	20.46	20.04	24.84	83.07	108.62	80.23	105.68
ii) Other Un-allocable Expenditure (net)	4.02	(1.37)	16.67	42.02	75.49	42.82	85.04
iii) Un-allocable Income	-	-	-	-	-	-	-
<b>Total Profit Before Tax</b>	<b>(76.76)</b>	<b>(3.80)</b>	<b>34.24</b>	<b>(84.82)</b>	<b>33.34</b>	<b>(82.89)</b>	<b>26.47</b>
<b>3. Capital Employed</b> (Segment Assets-Segment Liabilities)							
a) Ferro Alloys	542.68	597.51	622.69	542.68	622.69	542.68	622.69
b) Power	721.49	735.62	767.24	721.49	767.24	1,075.99	1,107.21
c) Others	73.27	75.08	76.91	73.27	76.91	73.32	77.88
d) Unallocated	503.92	464.77	465.48	503.92	465.48	217.01	201.55
<b>Total</b>	<b>1,841.36</b>	<b>1,872.98</b>	<b>1,932.32</b>	<b>1,841.36</b>	<b>1,932.32</b>	<b>1,909.00</b>	<b>2,009.33</b>

**NOTES:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 17th May, 2016.
- The above consolidated results have been prepared in accordance with the principles and procedures as set out in Accounting Standard 21 on "Consolidated Financial Statements".
- The entire operations of the Company relate to two broad segments viz. "Ferro Alloys" and "Power".
- 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 March, 2016 amounting to Rs 110.88 crores invested as equity, Rs 173.77 crores given as an unsecured loan and Rs 78.09 crores provided as guarantee to a financial institution for loan availed by UCL.
- 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 the year ended 31st March, 2016 is higher by Rs 6.19 crore and Rs 21.08 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 incorporated in Singapore, has investment of USD 8.75 million (Rs. 57.64 Crore) [Previous year USD 8.75 million (Rs. 54.41 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. Hearing on the arbitration proceedings is yet to commence.  
  
No provision is considered necessary by the Company at this stage towards any diminution in the carrying value of its investment in Indmet amounting to Rs. 53.13 Crore.
- The manufacturing unit at Therubali in Rayagada District, Odisha remained closed from 21st November, 2015 to 23rd February, 2016 pursuant to a lockout declared by the Company following illegal action by workers in not reporting for duty. The lockout was lifted by the Company on 24th February, 2016.
- Exceptional Items constitute the following expense / income:  
(a) Provision for expense amounting to Rs. 19.98 crores 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 judgment of the Hon'ble Supreme Court of India dated 13<sup>th</sup> May, 2015. Cost towards meeting the Obligation for the current year is forming part of Consumption of electricity, under "Other Expenses".  
(b) Provision for expense amounting to Rs. 2.73 crores towards Contribution to District Mineral Foundation (DMF) relating to the period 12th January - 31st March, 2015 in accordance with 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 which provide for contribution to DMF @ 30% of royalty for mining leases granted before 12th January, 2015. DMF contribution for the current year is forming part of the cost of raw materials.  
(c) Income of Rs 5.56 crores on account of forfeiture of retention money (net of advances) due to non-fulfilment of contractual terms of a contractor.
- The figures for the quarter ended 31st March, 2016 and 31st March, 2015 are the balancing figures between audited figures in respect of full financial year and the published year-to-date figures upto the 3rd quarter of the respective financial year.
- Previous year/ period 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 : 17th May, 2016

Subhrakant Panda  
Managing Director