

INDIAN METALS & FERRO ALLOYS LIMITED

Regd. Office: IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar - 751 010 (Odisha)
Phone: +91 674 2611000, 2580100; Fax: +91 674 2580020; Email: mail@imfa.in; Website: www.imfa.in
CIN: L27101OR1961PLC000428

(Rs. in Crores)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019							
Particulars	Standalone			Standalone		Consolidated	
	Quarter ended			Year ended		Year ended	
	31-Mar-2019 (Audited)	31-Dec-2018 (Unaudited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)
1. Income							
(a) Revenue from Operations	434.06	392.42	443.27	1,633.78	1,769.26	1,633.78	1,769.26
(b) Other Income	3.61	4.02	8.48	14.51	27.66	13.77	26.54
Total Income	437.67	396.44	451.75	1,648.29	1,796.92	1,647.55	1,795.80
2. Expenses							
(a) Cost of Materials Consumed	243.75	226.10	218.78	823.89	813.44	823.89	813.44
(b) Changes in Inventories of Finished Goods	(11.65)	(44.28)	12.42	(48.46)	1.40	(48.46)	1.40
(c) Excise Duty	-	-	-	-	3.66	-	3.66
(d) Employee Benefits Expense	51.95	42.67	50.00	174.12	176.74	174.20	176.73
(e) Finance Costs	20.59	22.49	20.66	80.50	78.23	77.74	75.41
(f) Depreciation and Amortisation Expense	25.98	24.88	26.08	98.16	100.80	98.16	100.80
(g) Foreign Exchange Fluctuation (Gain)/Loss (including MTM) (Net)	(9.04)	(28.43)	11.32	53.13	(9.69)	53.13	(9.69)
(h) Other Expenses	117.81	98.78	96.91	361.03	350.34	369.10	351.29
Total Expenses	439.39	342.21	436.17	1,542.37	1,514.92	1,547.76	1,513.04
3. Profit/(Loss) before exceptional items and tax (1-2)	(1.72)	54.23	15.58	105.92	282.00	99.79	282.76
4. Exceptional Items - (Income)/Expense (Net) (refer Note No. 4)	85.15	3.47	-	75.97	-	80.67	-
5. Profit/(Loss) before tax (3-4)	(86.87)	50.76	15.58	29.95	282.00	19.12	282.76
6. Tax Expense :							
- Current Tax	(10.37)	0.97	13.43	27.09	95.74	27.85	96.52
- Deferred Tax	(2.63)	15.11	(2.44)	(8.18)	(0.36)	(8.15)	(0.28)
7. Profit/(Loss) after tax (5-6)	(73.87)	34.68	4.59	11.04	186.62	(0.58)	186.52
8. Other Comprehensive Income/(Expense)							
- Items that will not be reclassified to profit or loss (net of tax)	(2.67)	(0.69)	(4.13)	(2.05)	(2.35)	(2.05)	(2.35)
- Items that will be reclassified to profit or loss	-	-	-	-	-	5.81	0.12
9. Total Comprehensive Income/(Expense) after tax (7+8)	(76.54)	33.99	0.46	8.99	184.27	3.18	184.29
10. Profit/(Loss) attributable to :							
(a) Owners of the Company	(73.87)	34.68	4.59	11.04	186.62	(1.02)	186.10
(b) Non-controlling interest	-	-	-	-	-	0.44	0.42
11. Other Comprehensive Income/(Expense) (net of tax) attributable to :							
(a) Owners of the Company	(2.67)	(0.69)	(4.13)	(2.05)	(2.35)	3.76	(2.23)
(b) Non-controlling interest	-	-	-	-	-	-	-
12. Total Comprehensive Income/(Expense) after tax attributable to : (10+11)							
(a) Owners of the Company	(76.54)	33.99	0.46	8.99	184.27	2.74	183.87
(b) Non-controlling interest	-	-	-	-	-	0.44	0.42
13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	13.06	13.06	13.06	13.06	13.06	13.06	13.06
14. Other Equity excluding Revaluation Reserves				1,129.67	1,169.05	1,143.23	1,189.07
15. Earnings per share-Basic & Diluted (in Rupees) (*not annualised)	*(27.38)	*12.85	*1.70	4.09	69.18	(0.38)	68.98

BALANCE SHEET

(Rs. in Crores)

Particulars	Standalone	Standalone	Consolidated	Consolidated
	As at 31-Mar-19 (Audited)	As at 31-Mar-18 (Audited)	As at 31-Mar-19 (Audited)	As at 31-Mar-18 (Audited)
A ASSETS				
1 Non - Current Assets				
(a) Property, Plant and Equipment	965.59	987.84	1,144.15	1,169.69
(b) Capital Work-in-Progress	118.05	89.66	304.44	273.08
(c) Investment Property	10.66	10.96	10.66	10.96
(d) Goodwill on Consolidation	-	-	20.50	73.12
(e) Intangible Assets	1.76	2.66	1.76	2.66
(f) Investments in Subsidiaries and Associate	115.46	168.59	-	-
(g) Financial Assets				
(i) Investments	0.10	0.10	0.10	0.10
(ii) Trade Receivables	11.39	11.39	11.39	11.39
(iii) Loans	24.59	23.67	24.61	23.69
(iv) Other Financial Assets	1.31	3.40	1.31	3.40
(h) Other Non-Current Assets	173.44	165.41	173.44	165.41
(i) Non-Current Tax Assets (Net)	41.81	24.76	42.82	25.78
Total Non-Current Assets	1,464.16	1,488.44	1,735.18	1,759.28
2 Current Assets				
(a) Inventories	544.91	428.06	544.92	428.07
(b) Financial Assets				
(i) Investments	65.32	144.82	69.36	147.86
(ii) Trade Receivables	49.68	65.20	50.06	65.24
(iii) Cash and Cash Equivalents	16.78	17.60	17.69	17.98
(iv) Other Bank Balances	35.08	22.29	38.96	30.52
(v) Loans	263.48	263.15	-	-
(vi) Other Financial Assets	7.63	1.44	7.63	1.44
(c) Other Current Assets	190.46	200.83	191.07	201.42
Total Current Assets	1,173.34	1,143.39	919.69	892.53
TOTAL ASSETS	2,637.50	2,631.83	2,654.87	2,651.81
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	13.06	13.06	13.06	13.06
(b) Equity Share Suspense Account (Refer Note No. 7)	13.92	13.92	13.92	13.92
(c) Other Equity	1,129.67	1,169.05	1,143.23	1,189.07
(d) Non-Controlling Interests	-	-	30.47	30.43
Total Equity	1,156.65	1,196.03	1,200.68	1,246.48
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	414.76	546.52	385.02	516.16
(ii) Other Financial Liabilities	10.43	11.94	10.45	11.96
(b) Provisions	15.17	9.11	15.17	9.11
(c) Deferred Tax Liabilities (Net)	86.73	96.01	86.86	96.11
(d) Other Non-Current Liabilities	131.89	132.24	131.89	132.24
Total Non-Current Liabilities	658.98	795.82	629.39	765.58
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	258.80	194.68	258.80	194.68
(ii) Trade Payables				
a) total outstanding dues of micro enterprises and small enterprises	4.90	2.20	4.90	2.20
b) total outstanding dues of creditors other than micro enterprises and small enterprises	267.12	194.23	267.12	194.23
(iii) Other Financial Liabilities	272.04	230.78	274.87	230.45
(b) Other Current Liabilities	11.82	11.47	11.92	11.57
(c) Provisions	7.19	6.62	7.19	6.62
Total Current Liabilities	821.87	639.98	824.80	639.75
TOTAL EQUITY AND LIABILITIES	2,637.50	2,631.83	2,654.87	2,651.81

Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Crores)

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	31-Mar-2019 (Audited)	31-Dec-2018 (Unaudited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)
1. Segment Revenue							
a) Ferro Alloys	417.88	381.54	429.66	1,578.30	1,697.85	1,578.30	1,697.85
b) Power	108.89	106.05	130.26	415.30	443.45	415.30	443.45
c) Mining	72.92	61.04	63.49	217.08	189.94	217.08	189.94
d) Others	0.89	0.78	0.77	3.09	2.42	3.09	2.42
Total	600.58	549.41	624.18	2,213.77	2,333.66	2,213.77	2,333.66
Less: Inter Segment Revenue	182.08	167.28	193.96	633.13	633.89	633.13	633.89
Net Income from Operations	418.50	382.13	430.22	1,580.64	1,699.77	1,580.64	1,699.77
2. Segment Results							
a) Ferro Alloys	27.47	50.80	57.47	265.77	358.85	265.77	358.85
b) Power	(1.46)	(1.52)	(3.09)	(7.03)	(9.35)	(7.03)	(9.35)
c) Mining	(7.70)	(1.08)	(6.83)	(7.83)	(6.59)	(15.15)	(7.54)
d) Others	(2.15)	(2.24)	(2.29)	(8.51)	(8.95)	(8.51)	(8.95)
Total	16.16	45.96	45.26	242.40	333.96	235.08	333.01
Less: Finance Costs	20.59	22.49	20.66	80.50	78.23	77.74	75.41
Less: Other Un-allocable Expenditure net of Un-allocable Income	82.44	(27.29)	9.02	131.95	(26.27)	138.22	(25.16)
Total Profit/(Loss) Before Tax	(86.87)	50.76	15.58	29.95	282.00	19.12	282.76
3. Segment Assets							
a) Ferro Alloys	925.53	804.88	765.51	925.53	765.51	925.53	765.51
b) Power	912.87	892.04	944.44	912.87	944.44	912.88	944.93
c) Mining	106.96	114.77	115.09	106.96	115.09	477.21	488.74
d) Others	54.34	56.07	61.14	54.34	61.14	54.34	61.14
e) Unallocated	637.80	705.18	745.65	637.80	745.65	284.91	391.49
Total Segment Assets	2,637.50	2,572.94	2,631.83	2,637.50	2,631.83	2,654.87	2,651.81
4. Segment Liabilities							
a) Ferro Alloys	242.91	186.77	153.39	242.91	153.39	242.91	153.39
b) Power	248.84	223.14	253.16	248.84	253.16	248.84	253.16
c) Mining	36.95	26.08	36.27	36.95	36.27	40.50	36.53
d) Others	1.06	2.00	0.84	1.06	0.84	1.06	0.84
e) Unallocated	155.14	130.80	139.09	155.14	139.09	155.37	139.31
Total Segment Liabilities	684.90	568.79	582.75	684.90	582.75	688.68	583.23

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 18th May, 2019.
2. The entire operations of the Company relate to three broad operating segments viz. "Ferro Alloys", "Power" and "Mining".
3. The Company had initiated arbitration proceedings against the Government of Indonesia under a Bilateral Investment Protection Treaty as a coal mining concession held by Indmet Mining Pte Ltd ('Indmet', a wholly owned subsidiary of the Company incorporated in Singapore), through a subsidiary PT Sumber Rahayu Indah ('SRI'), could not be operationalised. The Arbitral Tribunal vide its award dated 29th March 2019 rejected the claim filed by the Company and also awarded costs to the opposite party. In view of the above, as on 31st March 2019, the Company has fully impaired the carrying value of its investment in Indmet amounting to Rs 53.13 crore.
4. Exceptional Items for the year ended 31st March, 2019 consist of :
 - i) Impairment loss of Rs. 53.13 crore on investment in Equity Shares of a subsidiary as detailed above in Note No. 3.
 - ii) Provision towards arbitration costs and expenses amounting to Rs. 20.58 crore payable to the Government of the Republic of Indonesia, as detailed above in Note No. 3.
 - iii) Pursuant to a clarification dated 13th August, 2018 by Commissionerate of CT and GST, Odisha, Rs. 17.66 crore relating to GST Compensation Cess paid on Coal procured during the period 1st July, 2017 to 30th June, 2018 to the extent relatable to export of finished goods, which had earlier been charged off to the Statement of Profit and Loss, has been recognised as income and received during the year. Out of the aforesaid amount, Rs. 13.73 crore relating to the period 1st July, 2017 - 31st March, 2018 is included under "Exceptional Items" and balance Rs. 3.93 crore relating to the period 1st April, 2018 to 30th June, 2018 under "Cost of Materials Consumed". W.e.f. 1st July, 2018, GST Compensation Cess paid on coal (to the extent relatable to export of finished goods) is not routed through the Statement of Profit and Loss as it is being claimed as an input tax credit, in terms of the aforesaid clarification.
 - iv) Expected credit loss of Rs 10 crore on investment in Non-Convertible Redeemable Cumulative Preference Shares.
 - v) Retrenchment compensation of Rs. 2.34 crore paid to employees of Nuasahi Chromite Mines.
 - vi) Pursuant to Hon'ble Supreme Court's judgment dated 28th February, 2019, a provision of Rs. 4.39 crore has been made during the year towards arrears of Provident Fund liability under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Out of the aforesaid amount, Rs. 3.65 crore relating to the period upto 31st March, 2018 is included under "Exceptional Items" and balance Rs. 0.74 crore relating to the financial year 2018-19 under "Employee Benefits Expense".
5. Ministry of Coal vide its letter dated 2nd April, 2019 to Utkal Coal Limited ('UCL', a subsidiary of the Company) had again sought for the details of investments in UCL's coal block for valuation of compensation. Hence, UCL is hopeful of an amicable resolution of the compensation matter with Government of India, pending which, 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, 2019 amounting to Rs. 111.42 crore invested as equity and Rs. 263.48 crore given as unsecured loan.
6. In view of the circumstances detailed above in Note No. 5 and considering the probability that the Company will collect the consideration to which it is entitled to, with effect from 1st October, 2014 the Company postponed recognition of income from interest on unsecured loan given to UCL. Due to this, loss before tax for the quarter ended 31st March, 2019 is higher by Rs. 8.23 crore and profit before tax for the year ended 31st March, 2019 is lower by Rs. 35.43 crore. The interest income would be considered as revenue of the period in which it is properly recognised.
7. The Hon'ble National Company Law Tribunal ("NCLT"), Cuttack Bench vide its Order dated 26th March, 2019, approved the Scheme of Amalgamation made under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving amalgamation of (a) Indian Metals and Carbide Limited ("IMCL"), a wholly owned subsidiary of the Company and (b) B. Panda and Company Private Limited ("BPCO"), the holding company of the Company, into the Company. The Scheme was approved by the Board of Directors of the Company on 28th September, 2017. Consequent to the filing of a certified copy of the said Order with the Registrar of the Companies, Cuttack on 30th April, 2019, the Scheme has become effective from the Appointed Date i.e. 1st April, 2017. Upon the Scheme coming into effect, the undertakings of IMCL and BPCO stand transferred to and vested in the Company with effect from the Appointed Date and the Scheme has accordingly been given effect to in these financial results.

Equity Share Suspense Account amounting to Rs. 13.92 crore represents 1,39,18,046 Equity Shares of Rs. 10 each fully paid up pending allotment to the shareholders of BPCO pursuant to the Scheme coming into effect. These shares have been considered for the purpose of calculation of EPS appropriately.
8. The Board has recommended dividend of Rs. 5 per equity share of Rs.10 each subject to approval of the shareholders in the forthcoming Annual General Meeting.
9. The figures for the quarter ended 31st March, 2019 and 31st March, 2018 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 considered 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 : 18th May, 2019

Subhrakant Panda
Managing Director
DIN - 00171845