

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 ENDED 30th JUNE 2015

Particulars	Quarter ended			Year ended
	30-June-2015 Unaudited	31-Mar-2015 Audited	30-June-2014 Unaudited	31-Mar-2015 Audited
1. Income from Operations				
(a) Income from Operations (Net of Excise Duty)	322.02	384.63	285.79	1,281.54
(b) Other Operating Income	17.99	18.56	15.52	63.25
Total Income from Operations (Net)	340.01	403.19	301.31	1,344.79
2. Expenses				
(a) Cost of Materials Consumed	167.15	226.94	177.50	693.55
(b) Changes in Inventories of Finished Goods	24.79	(4.23)	(29.68)	16.52
(c) Employee Benefits Expense	32.38	34.93	31.04	126.98
(d) Depreciation and Amortisation	27.23	32.17	29.00	121.94
(e) Other Expenses	64.67	63.87	64.81	266.62
Total Expenses	316.22	353.68	272.67	1,225.61
3. Profit from operations before other income, finance costs, prior period income & exceptional items (1-2)	23.79	49.51	28.64	119.18
4. Other Income	5.10	3.35	6.54	21.78
5. Profit from ordinary activities before finance costs, prior period income & exceptional items (3+4)	28.89	52.86	35.18	140.96
6. Finance Costs	21.05	24.84	30.86	108.62
7. Profit from ordinary activities after finance costs but before prior period income and exceptional items (5-6)	7.84	28.02	4.32	32.34
8. Prior Period Income	-	(6.22)	-	(6.22)
9. Exceptional Items (Refer Note 6)	19.98	-	-	5.22
10. Profit/(Loss) from ordinary activities before tax (7-8-9)	(12.14)	34.24	4.32	33.34
11. Tax Expense				
Current Tax & Deferred Tax	(1.10)	30.53	3.48	31.19
MAT Credit Entitlement (Including earlier years)	-	(9.44)	(1.16)	(9.83)
12. Net Profit/(Loss) from ordinary activities after tax (10-11)	(11.04)	13.15	2.00	11.98
13. Extraordinary Items	-	-	-	-
14. Net Profit/(Loss) for the Period/Year (12-13)	(11.04)	13.15	2.00	11.98
15. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	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)	*(4.25)	*5.06	*0.77	4.61

PART-II : SELECT INFORMATION FOR THE QUARTER ENDED 30th JUNE 2015

A. Particulars of Shareholding				
1. Public Shareholding				
- Number of Shares	11498935	11498935	11498935	11498935
- Percentage of Shareholding	44.27	44.27	44.27	44.27
2. Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
- Number of Shares	-	-	832290	-
- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	-	-	5.75	-
- Percentage of Shares (as a % of the total share capital of the Company)	-	-	3.20	-
b) Non-encumbered				
- Number of Shares	14478118	14478118	13645828	14478118
- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	100	100	94.25	100
- Percentage of Shares (as a % of the total share capital of the Company)	55.73	55.73	52.53	55.73

B. Investor Complaints		Quarter ended 30-June-2015
- Pending at the beginning of the quarter		Nil
- Received during the quarter		95
- Disposed during the quarter		95
- Remaining unresolved at the end of the quarter		Nil

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


(Rs In Crores)

Particulars	Quarter ended			Year ended
	30-June-2015 Unaudited	31-Mar-2015 Audited	30-June-2014 Unaudited	31-Mar-2015 Audited
1. Segment Revenue				
a) Ferro Alloys	321.55	384.35	281.10	1,276.00
b) Power	101.23	105.36	106.41	387.68
c) Others	0.67	0.75	0.58	2.23
Total	423.45	490.46	388.09	1,665.91
Less: Inter Segment Revenue	101.43	105.83	102.30	384.37
Net Income from Operations	322.02	384.63	285.79	1,281.54
2. Segment Results				
a) Ferro Alloys	31.01	78.55	50.63	230.81
b) Power	(3.07)	(2.58)	(6.55)	(12.37)
c) Others	(0.45)	(0.22)	(0.29)	(0.99)
Total	27.49	75.75	43.79	217.45
Less: i) Finance Costs	21.05	24.84	30.86	108.62
ii) Other Un-allocable Expenditure (net)	18.58	16.67	8.61	75.49
iii) Un-allocable Income	-	-	-	-
Total Profit/(Loss) Before Tax	(12.14)	34.24	4.32	33.34
3. Capital Employed (Segment Assets-Segment Liabilities)				
a) Ferro Alloys	561.13	619.42	651.52	619.42
b) Power	738.62	767.24	754.34	767.24
c) Others	76.39	76.91	70.91	76.91
d) Unallocated	497.48	468.76	391.82	468.76
Total	1,873.62	1,932.33	1,868.59	1,932.33

NOTES:

- The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 23rd July 2015. The Statutory Auditors of the Company have reviewed the said results.
- 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 30th June 2015 amounting to Rs 110.88 crores invested as equity, Rs 153.91 crores given as an unsecured loan and Rs 88 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 ended 30th June 2015 is higher by Rs. 4.70 crore. The interest income would be considered as revenue of the period in which it is properly recognised.
- 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 ended 30th June 2015 and the impact of the same on the results for the said quarter 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 and based on the outcome of the proceedings in this regard in the future, the Company would re-assess whether there is any impairment.
- Exceptional item for the quarter ended 30th June 2015 relates to provision made, on best estimate, for the shortfall towards Renewable Purchase Obligation upto 31st March 2015 under the O.E.R.C. (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 on related matter.
- The figures for the quarter ended 31st March 2015 are the balancing figures between audited figures in respect of the full financial year ended 31st March 2015 and year to date limited reviewed figures for the nine months ended 31st December 2014.
- 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


Subhrakant Panda
Managing Director

Bhubaneswar
Date : 23rd July 2015

Limited Review Report

Review Report to,
The Board of Directors,
Indian Metals and Ferro Alloys Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Indian Metals and Ferro Alloys Limited (the "Company"), for the quarter ended June 30, 2015 (the "Statement") , except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Company's Management. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We had qualified our audit opinion on the Company's financial statements for the year ended 31st March, 2015 by stating the following in the Independent Auditor's Report : "As mentioned in Note No. 13.1 to the standalone financial statements, the Company has equity investment amounting to Rs. 53.13 crore in Indmet Mining Pte. Ltd. ('Indmet'), a wholly-owned subsidiary incorporated in Singapore which, in turn, has investment in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). The Company's carrying value of investment in Indmet is substantially dependent on the latter's carrying value of investment in PT Sumber. Indmet's auditors in their Independent Auditors' Report dated 14th May, 2015 for the year ended 31st March, 2015 have qualified their audit opinion in respect of the carrying value of Indmet's investment in PT Sumber, as mentioned in the said Note. The Company has not made provision towards any diminution in the carrying value of it's investment in Indmet but having regard to the uncertainty, 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 "

Since there has not been any material development with regard to the aforesaid matter during the quarter ended June 30, 2015, the impact of the same, if any, on the Statement cannot be ascertained and this Limited Review Report is qualified in this respect (refer Note no. 5 to the Statement).

4. Based on our review conducted as above and subject to the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe



HARIBHAKTI & CO. LLP

Chartered Accountants

that the accompanying Statement, prepared in accordance with the applicable accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to the following notes to the Statement :-

- a. Note no. 3 relating to the Company's exposure in Utkal Coal Ltd., a subsidiary, whose coal block allocation was cancelled by the Hon'ble Supreme Court of India;
- b. Note no. 4 relating to non-recognition of income from interest on unsecured loan given to the aforesaid subsidiary;
- c. Note no. 6 relating to provision made, on best estimate, for the shortfall towards Renewal Purchase Obligations.

Our report is not modified in respect of these matters.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W



Anand Kumar Jhunjhunwala
Partner
Membership No.: 056613

Bhubaneswar
July 23, 2015

