



INDIAN METALS & FERRO ALLOYS LIMITED

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Bhubaneswar -751010
Odisha, India

Corporate Identity No.
L27101OR1961PLC000428

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9th February, 2016

The Deputy General Manager
(Corporate Services)
BSE Limited
Floor 25, P.J. Towers,
Dalal Street, Fort
MUMBAI-400001
Stock Code: 533047

**Re: Outcome of the meeting of the Board of Directors held
on 9th February, 2016**

Dear Sir,

The Board of Directors of the Company at their meeting held on 9th February, 2016, inter-alia, have approved the following:

1. Unaudited Financial Results for the quarter and nine months ended 31st December, 2015 (copy enclosed).
2. Appointment of Mr Bijoy Kumar Das as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 9th February 2016.

Thanking you,

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD.


(PREM KHANDELWAL)
CFO & COMPANY SECRETARY

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.

New Delhi
Date : 9th February, 2016

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



Subhrakant Panda
Managing Director

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 and nine months ended December 31, 2015 (the "Statement"). 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 provide 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 its 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 and nine months ended December 31, 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 that the accompanying Statement, prepared in accordance with 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



HARIBHAKTI & CO. LLP

Chartered Accountants

5. We draw attention to the following notes to the Statement :-
- Note no. 3 relating to the Company's exposure in Utkal Coal Limited, a subsidiary, whose coal block allocation was cancelled by the Hon'ble Supreme Court of India;
 - Note no. 4 relating to non-recognition of income from interest on unsecured loan given to the aforesaid subsidiary;
 - Note no. 6 relating to forfeiture of retention money (net of advances) held by the Company, shown as an exceptional item.

Our report is not qualified in respect of these matters.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 103523W



Anand Kumar Jhunjunwala
Partner
Membership No.: 056613



Kolkata
February 09, 2016