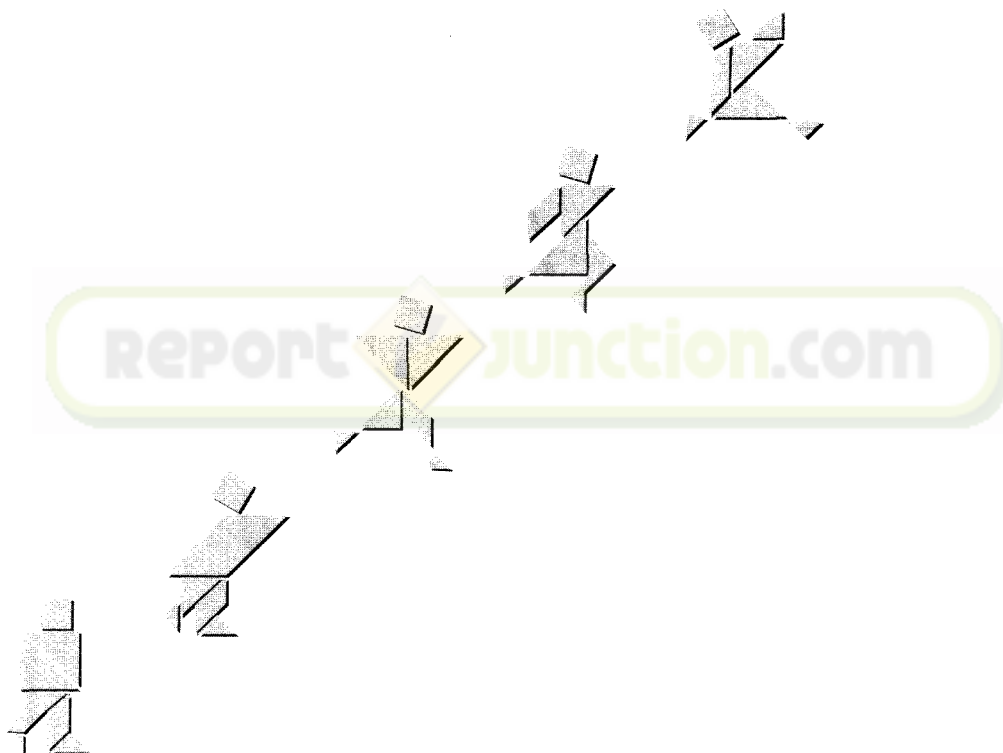


POSITIONED FOR GROWTH



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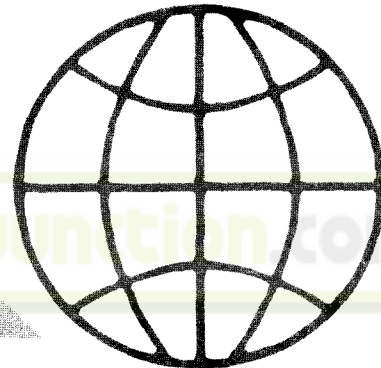
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Corporate Information

Board of Directors

Executive Chairman

Dr. B Panda

Vice Chairman

Mr. Baijayant Panda

Managing Director

Mr. Subhrakant Panda

Director (Corporate)

Mr. J K Misra

Directors

Mrs. Paramita Mahapatra

Mr. G L Tandon, Padmabhusan

Mr. D Bandyopadhyay

Major R N Misra (Retd.)

Mr. A Khandual (Nominee Director of IDBI)

Dr. S Acharya

Mr. N R Mohanty, Padma Shri

Mr. S K Pattanaik

Mr. Alexius Markus Amrein

Mr. S P Mathur

General Shankar Roychowdhury (Retd.)

Sr. Vice President (Finance) & Company Secretary

Mr. Prem Khandelwal

Auditors

M/s Raghu Nath Rai & Co.

Chartered Accountants

New Delhi

Term Lenders

IDBI Bank Ltd.

Indian Overseas Bank

Canara Bank

Punjab National Bank

Vijaya Bank

Andhra Bank

State Bank of India

Bankers

Indian Overseas Bank

State Bank of India

Standard Chartered Bank

Registered Office

Bomikhal, P.O. Rasulgarh

Bhubaneswar – 751010, Orissa

Plants

Therubali, Dist.: Rayagada, Orissa

Choudwar Dist.: Cuttack, Orissa

Mines

Sukinda, Dist.: Jajpur, Orissa

Mahagiri, Dist.: Jajpur, Orissa

Chingudipal, Dist.: Jajpur, Orissa

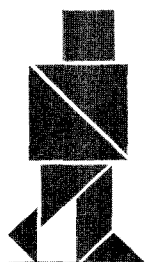
Nuasahi, Dist.: Keonjhar, Orissa

Bangur, Dist.: Keonjhar, Orissa

Registration & Share Transfer Work

Members are requested to correspond directly with Company Secretary at the Registered Office of the Company

e-mail: pkhandelwal@imfa.in



Managing Director's overview

"It was the best of times, it was the worst of times..." 2008-09 saw unprecedented volatility in the ferro alloys industry with prices reaching record levels in the first half of the year only to plunge in the second half as the full extent of the global economic crisis set in. Amidst all this IMFA has recorded its best ever performance and embarked upon an expansion / backward integration drive which will mark an inflection point.

At IMFA we have strived over the years to create smelting capacity which is backed up by captive mines and electricity so as to be globally competitive. The ferro alloys industry is inherently cyclical and no one can be totally immune to volatility in prices – although 2008-09 was an exceptional case – so, instead, we have focussed on mitigating the risks through backward integration and long term contracts. As a result, we benefited to a significant extent from the high prices in the first half of the year under review while relatively minimising the downside risk thereafter particularly by resorting to selling surplus electricity to the State Grid.

Our experience of over 4 decades in the ferro alloys industry saw us move ahead with expansion plans (30 MVA furnace and 30 MW dual-fuel captive power plant) but also, prudently, use surplus cash-flows to pare down debt by an impressive Rs.251.51 crores so as to have a gearing of 0.77 as on 31st March 2009.

At the same time we have also taken decisive steps to start mining

operations at our captive coal block by the end of the current fiscal while working on the financial closure of a new 120 MW coal-based captive power plant. Together the investment would be of the order of Rs. 1,000 crores with the equity component being met from internal accruals.

The consumption of stainless steel in India is significantly lower than that in China and, thus, represents a huge opportunity. Studies have shown that once per capita income crosses a certain threshold there is sharp upsurge in stainless steel and, hence, ferro chrome consumption. India is slowly but surely getting to that inflection point and IMFA is ideally positioned to benefit when it happens. However, it is also our aim to leverage our core strength in mining and metallurgy to expand our range of activities as well as geographical reach. To that extent we are continuously evaluating opportunities and hope to act upon same during the year ahead.

The challenges brought about by the sharp downturn in the second half of the last fiscal are being met head on and I am confident that with the support of all stakeholders and the commitment of my management team & our workforce we will be able to deliver superior results going ahead.

Thank you.

Subhrakant Panda
Managing Director

INDIAN METALS & FERRO ALLOYS LTD.

Regd. & Head Office: Bomikhal, Rasulgarh (PO), Bhubaneswar - 751 010

AGM Notice

Notice is hereby given that the 47th Annual General Meeting of the members of INDIAN METALS & FERRO ALLOYS LIMITED will be held at the Registered Office of the Company at Bomikhal, PO: Rasulgarh, Bhubaneswar – 751 010, Orissa on Friday, the 17th July 2009 at 12.30 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. G L Tandon who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. D Bandyopadhyay who retires by rotation and, being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. J K Misra who retires by rotation and being eligible, offers himself for re-election.
6. To appoint a Director in place of Dr. S Acharya who retires by rotation and being eligible, offers himself for re-election.
7. To appoint Auditors for the financial year 2009-2010 on a remuneration to be fixed by the Board of Directors of the Company.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE SUPPORTED BY PROXY FORM (SENT HERewith) WHICH SHOULD BE LODGED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Disclosure pursuant to Clause 49 of the listing agreement with respect to the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting is given in the annexure.
3. The register of members of the Company shall remain closed from 10th July 2009 to 17th July 2009, both days inclusive.
4. Dividend, if declared, will be paid to those members whose names shall appear on the Register of members as on 17th July 2009 in respect of those Shareholders holding the shares in physical form. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details

to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as on that date.

5. Members are requested to furnish their Bank Account details, change of address etc. to the Company in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
6. (a) Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) wherever available. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
(b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to Company in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment.
7. Members who desire to have any information/ clarification as regards the audited annual accounts for the year ended 31st March 2008 are requested to write to the Company Secretary at least 7 days before the date of meeting.
8. Members are requested to bring their copy of the Annual Report along with attendance slip (sent herewith).
9. The Company has complied with all provisions relating to unpaid dividends of the previous years under Section 205A and other applicable provisions of the Companies Act, 1956.
10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.
11. The Board recommends Resolutions 1 to 7 above for the approval of the Members.

By Order of the Board of Directors
For Indian Metals & Ferro Alloys Limited

(Prem Khandelwal)
Sr. Vice President (Finance) &
Company Secretary

Date: 11th May 2009

Annexure to Notice

Details of Directors seeking re-appointment at the Annual General Meeting

1. Mr. G L Tandon	
Father's Name	Late Ch. Sant Ram
Date of Birth	9th November 1930
Nationality	Indian
Date of Appointment	28th October 2006
Qualifications	B.Sc. (Geology & Geography), B.E. Mining (Hons.) First class Mine Management Certificate for all types of mines, Coal & Non-Coal Minerals.
Expertise in specific functional areas	Vast and rich experience in the field of mineral based industry, energy sector (Coal, Lignite, Thermal & Hydro) and Corporate Management.
Directorships held in other Companies	1) Tanishq Consultancy (P) Ltd. 4) Utkal Coal Ltd. 2) Gujrat NRE Coke Ltd. (Chairman Emeritus) 5) Sharda Motor Industries Ltd. 3) VBC Industries Ltd.
Member of Committees of the Board	Audit Committee
Member of Committees in other Companies	Shareholder/Investor Grievance Committee – VBC Industries Ltd. Remuneration Committee – VBC Industries Ltd. Audit Committee – Sharda Motor Industries Ltd.
Shares held in IMFA	Nil
2. Mr. D Bandyopadhyay	
Father's Name	Late Debendranath Bandyopadhyay
Date of Birth	1st October 1931
Nationality	Indian
Date of Appointment	28th October 2006
Qualifications	B.A. (Hons.) in Economics from University of Calcutta, M.A. in Economics from University of Calcutta.
Expertise in specific functional areas	Vast and rich experience in the field of revenue, finance, ferro alloys, mining, power and corporate management.
Directorships held in other Companies	Zoom Industries Ltd.
Member of Committees of the Board	Audit Committee/Remuneration Committee
Member of Committees in other Companies	Audit Committee – Zoom Industries Ltd.
Shares held in IMFA	NIL
3. Mr. J K Misra	
Father's Name	Mr. Baidyanath Misra
Date of Birth	1st October 1956
Nationality	Indian
Date of Appointment	28th October 2006
Qualifications	B.E.(Electronics) from erstwhile University of Roorkee, now called IIT, Roorkee, M.E.P. from IIM, Ahmedabad.
Expertise in specific functional areas	Vast and rich experience in the field of ferro alloys, mining, power and corporate management.
Directorships held in other Companies	Utkal Coal Limited Utkal Power Limited
Member of Committees of the Board	Shareholder/Investor Grievance Committee, Finance Committee
Member of Committees in other Companies	NIL
Shares held in IMFA	NIL
4. Dr. S Acharya	
Father's Name	Late Paramanand Acharya
Date of Birth	09th October 1934
Nationality	Indian
Date of Appointment	27th November 1987
Qualifications	Post Graduate in Geology, Doctorate Degree from IIT, Kharagpur in Applied Geology.
Expertise in specific functional areas	A well known Geologist and an academician having vast and rich experience in the field of mining and corporate management.
Directorships held in other Companies	Orissa Mining Corporation Ltd.
Member of Committees of the Board	Shareholder/Investor Grievance Committee, Remuneration Committee
Member of Committees in other Companies	NIL
Shares held in IMFA	NIL



Directors' Report

To the Members

Your Directors are pleased to present the 47th Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March 2009.

Financial Results

(Rs. in Crores)

	2008-09	2007-08
1. Gross sales:	1,012.40	759.69
Less : Excise Duty	18.27	29.82
Net Sales	994.13	729.87
2. Other Income	27.37	27.57
Total Revenue	1,021.50	757.44
3. Profit before interest, depreciation and taxation	467.80	302.10
4. Interest	79.52	43.97
5. Depreciation	37.92	40.54
6. Profit before Tax	350.36	217.59
7. Tax including Deferred Tax & FBT	89.72	112.79
8. Profit after Tax	260.64	104.80
9. Balance brought forward from previous year	43.60	8.75
10. Amount available for appropriation	304.24	113.55
11. Proposed dividend (including tax on dividend)	24.94	19.95
12. Transfer to General Reserve	100.00	50.00
13. Balance carried forward	179.30	43.60

During the year under review your Company witnessed robust growth during the first half when ferro chrome prices touched an all time high resulting in a 33% growth in gross sales in the fiscal to Rs. 1,012.40 crores (previous year : Rs. 759.69 crores). However, the global economic meltdown adversely affected operations in the second half of the year. As such, Profit before Interest, Depreciation and Taxes during the year increased by 55% to Rs. 467.80 crores (previous year : Rs. 302.10 crores) while Profit after Tax surged by 149% to a record Rs. 260.64 crores (previous year : Rs. 104.80 crores).



Dividend

In view of the excellent performance during the year under review, your Directors are pleased to recommend a dividend of Rs.10 per share for the year ended 31st March 2009 subject to approval of the shareholders at the forthcoming Annual General Meeting and other necessary approvals.

Listing

Hon'ble Supreme Court of India vide its order dated 18th December 2008 has dismissed the interim application made by two shareholders of erstwhile Indian Charge Chrome Limited (ICCL) seeking stay on listing of the Company's shares. Accordingly, the shares have been listed on Bombay Stock Exchange and trading has started w.e.f. 28th January 2009.

Operations

Ferro Alloys :

During the year under review ferro chrome production, including tonnage obtained under a conversion contract with an Associate Company, decreased by 35% to 1,11,157 tonnes (previous year: 1,70,370 tonnes) while ferro silicon production declined by 18% to 13,294 tonnes (previous year : 16,137 tonnes).

Electricity :

Your Company registered a gross generation of 625 million units during the year under review (previous year : 786 mu) which translates to a plant load factor of 71% on MER basis. This was on account of reduced captive requirement and lack of remunerative alternatives to sell surplus power wherein, though, a positive development occurred at the end of the year with the Orissa Electricity Regulatory Commission (OERC) passing an interim order facilitating sale of surplus power by CGP's @ Rs. 3 per unit.

Mining :

The quantum of chrome ore raised from the captive mines operated by your Company increased marginally to 4,27,347 tonnes (previous year : 4,18,544 tonnes) which was in line with the budgeted requirement. It is important to note that your Company has consistently followed in letter and spirit the practice of value addition thus maximising both employment and revenue

contribution to the State Exchequer.

Given the increased focus on ferro chrome production, raw material security is of paramount importance to your Company. Accordingly, your Directors will continue to vigorously pursue the allotment of balance 50% area and shall take all necessary steps to protect your Company's interest.

Market Conditions & Future Outlook

The year under review was indeed very dramatic for the ferro chrome industry with the first half of the year witnessing record prices which then plummeted in the second half on account of the global economic meltdown. While prices have somewhat stabilised, lack of demand continues to be a serious concern with no immediate pull back looking likely. Your Company has taken preemptive steps by way of sharply cutting back output and liquidating stock while awaiting a recovery. It is heartening to note that your Company has been able to earn some contribution even at the prevailing low prices because of the integrated nature of its operations.

The first "green shoots" of economic recovery are currently being seen in the western economies which were most affected by the crisis although it cannot be said that the worst is over. China and, to an extent, India are perhaps the only rays of hope with massive stimulus packages likely to boost infrastructure spending and, hence, improve demand for steel / ferro alloys.

Your Company is confident that it is very well placed to tide over the crisis by virtue of its low gearing, fully integrated operations and alternate business model of selling surplus power from the Captive Power Plant. As such, the first half of the current fiscal is likely to be tough with a gradual recovery being seen in the second half.

Awards & Recognitions

Your Company has been selected for receiving the Star Performers in Product Group from Eastern Region 2006-07 (Silver Shield) – Ferro Alloys (Gr No 3): Large EEPC (Eastern Region) Award based on its export performance.

Your Company has also secured the second runners-up position in the Minerals & Metals Sector under Large Exporters' category of the D&B – ECGC Indian Exporter's Excellence Award.

Energy Conservation, etc.

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in an annexure hereto forming part of this report.

Subsidiary Companies

Indian Metals & Carbide Ltd, a subsidiary of your Company, has reported a net loss of Rs. 0.05 crore as against a net loss of Rs. 0.09 crore during the previous year. In view of the loss, the Board of Directors of the said Company have not proposed any dividend. Particulars in respect of this Company pursuant to Section 212 of the Companies Act, 1956 are appended to the Balance Sheet.

Utkal Power Limited, another subsidiary of your Company, is yet to begin its operations. Hence, no Profit & Loss Account has been prepared. Particulars in respect of this Company pursuant to Section 212 of the Companies Act, 1956 are appended to the Balance Sheet.

New Projects

After some delay crept in, civil work and other activities relating to the 30 MW dual fuel power plant is now progressing well. All major equipments have arrived at site and, as such, the project is expected to be commissioned by August 2009.

Your Company is in the process of setting up a 120 MW power plant. Whereas earlier it was supposed to put up by an SPV, it is now proposed to set it up as a captive power plant by your Company. Accordingly, steps are being taken to transfer certain permissions which were initially obtained by the SPV to your Company. Your Directors are also pursuing investments in related ventures such as coal mining. In this context, Utkal Coal Ltd (UCL), an SPV, is working towards starting operations in the captive coal block by the end of the year which will add further strength to your Company's operations by virtue of the increased level of integration.

Particulars of Employees

As required under sub-section 2A of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of

Employees) Rules 1975 as amended up to date, particulars of the employees are given in the statement annexed to the report.

Public Deposits

The Company has stopped accepting/renewing public deposits with effect from 27th September 2006. Deposits outstanding as on 31st March 2009 was Rs. 1.43 crores out of which unclaimed deposits pending repayment as on 31st March 2009 amounted to Rs. 0.03 crore. The Company has complied with the provisions of Companies (Acceptance of Deposits) Rules, 1975 as amended till date and other applicable laws for the time being in force.

Observations of The Auditors

Observations of the Auditors on the audited annual accounts of the Company have been dealt with in the Notes to the Accounts annexed as Schedule 'N' which are self-explanatory and do not require any further clarification.

Directors

Mr. G L Tandon, Mr. D Bandyopadhyay, Mr. J K Misra and Dr. S Acharya, Directors retire by rotation at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The proposals regarding their re-appointment as Directors are placed for your approval.

IDBI Bank Ltd. withdrew the nomination of Mr. Khandual on your Company's Board with effect from 2nd March 2009. Your Directors wish to place on record their appreciation for the valuable contribution made by Mr. Khandual for the development and growth of your Company during his stint on the Board. IDBI Bank Ltd. has proposed the name of Mr. H Biswas as Nominee Director. Your Company has sought the DGCA approval for appointment of Mr. Biswas and once the same is received, he shall be appointed as Nominee of IDBI Bank Ltd.

Brief resume/details relating to Directors who are to be re-appointed are furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

Directors' Responsibility Statement

Pursuant to provisions under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:



Directors' Report

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year under consideration;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March 2009 on a going concern basis.

Auditors

M/s Raghu Nath Rai & Co, Chartered Accountants, the Auditors of the Company who are to retire at the ensuing Annual General Meeting, being eligible offer themselves for re-appointment. The Company has received a certificate to the effect that their

re-appointment, if made, shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance, Management Discussion and Analysis, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO & CFO certification have been made a part of the Annual Report.

Industrial Relations

During the year under report, industrial relations at the Company's plants situated at Therubali and Choudwar as well as at the Mines remained cordial.

Acknowledgement

Your Directors would like to place on record their sincere appreciation of the devoted services rendered by the entire workforce during the year under review. Further, your Directors would also like to recognise and appreciate the support received from Term Lenders and Working Capital Bankers. Last but certainly by no means least, your Company would like to thank its shareholders, customers and the public at large for their continued support and confidence.

For and on behalf of the Board

Place: New Delhi
Date: 11th May 2009

Baijayant Panda
Vice Chairman

Subhrakant Panda
Managing Director