

PROVEN METTLE

55th

ANNUAL REPORT
2016-17

INDIAN METALS & FERRO ALLOYS LIMITED



01 ABOUT US

Mind and Mettle **4**
Performance Speaks Volumes **6**
From the Chairman's desk **8**
Managing Director's Review **10**
Value that Enriches and Endures **12**
Engaging and Empowering Community Aspirations **14**
Board of Directors **18**
Leadership Team **21**

REVENUE

38.36%

Y-O-Y

EBITDA

304.79%

Y-O-Y

PROFIT AFTER TAX

658.53%

Y-O-Y

EPS

651.92%

Y-O-Y

Y-o-Y: Growth in 2016-17 over 2015-16

02 GOVERNANCE REPORTS

Corporate Social
Responsibility Policy **22**
Management discussion and analysis **24**
Directors' Report **30**
Report on Corporate Governance **50**

EQUITY SHARE INFORMATION

Market Capitalisation (31st March, 2017):
₹ 2,073.45 Crore
Promoters holding: 58.88%
National Stock Exchange (NSE): IMFA
Bombay Stock Exchange (BSE): 533047

03 FINANCIAL STATEMENTS

Standalone

Auditors' Report **63**
Balance Sheet **69**
Statement of Profit and Loss **70**
Statement of Changes in Equity **71**
Cash Flow Statement **72**
Notes **74**

Consolidated

Auditors' Report **118**
Balance Sheet **123**
Statement of Profit and Loss **124**
Statement of Changes in Equity **125**
Cash Flow Statement **126**
Notes **128**

FROM THE CHAIRMAN'S DESK

PG 08
Read more



ENGAGING AND EMPOWERING COMMUNITY ASPIRATIONS

PG 14
Read more



OUR **INSPIRATION**

Dr Bansidhar Panda and Mrs Ila Panda

DURING LAST FEW YEARS, WE EXPERIENCED MANY UPS AND DOWNS, NAVIGATED CHALLENGES OWING AMONG OTHER THINGS TO A DEMAND-SUPPLY IMBALANCE AND DEVALUATION OF COMMODITY CURRENCIES. DESPITE HARDSHIPS, WE CONTINUED TO REMAIN STEADFAST IN OUR BELIEF THAT WHAT WE HAVE CREATED IS SUSTAINABLE AND VALUE ACCRETIVE FOR THE LONG TERM.

DURING 2016-17, OUR POSITION STOOD VINDICATED. IT WAS A LANDMARK YEAR FOR IMFA. THE MARKET DEMONSTRATED MOMENTUM, AND OUR RICH MINING ASSETS, LEVEL OF INTEGRATION, RELIABLE TALENT POOL WITH COST EFFICIENT PRODUCTION CAPACITIES STOOD US IN GREAT STEAD DURING THE DIFFICULT YEARS. THESE STRENGTHS WILL CONTINUE TO PLAY A PIVOTAL ROLE IN DRIVING OUR GROWTH STRATEGY IN THE COMING YEARS.

WHILE THE GLOBAL FERRO CHROME DEMAND REMAINS VOLATILE, INDIA REMAINS A BRIGHT SPOT AND WE ARE CONFIDENT OF MAINTAINING OUR PERFORMING IN THE COMING YEARS.

WE HAVE
STOOD OUR
GROUND,
AND
EMERGED
STRONGER.

IMFA IS
MADE OF
**PROVEN
METTLE.**



MIND AND METTLE



EVER SINCE WE BEGAN OUR JOURNEY, WE HAVE ALWAYS FOCUSED ON VALUE CREATION FOR THE LONG TERM, DESPITE THE VOLATILITIES OF OUR BUSINESS ENVIRONMENT.

WE ARE THE LARGEST INTEGRATED VALUE-ADDED FERRO CHROME PRODUCER IN INDIA WITH CAPTIVE CHROME ORE RESOURCES RESERVE AND POWER GENERATION CAPACITIES. WE HAVE TWO STATE-OF-THE-ART MANUFACTURING FACILITIES WITH INDUSTRY-NEXT TECHNOLOGY AND BEST-IN-CLASS OPERATING PRACTICES. WE ARE RECOGNISED GLOBALLY AS A RELIABLE AND COST-COMPETITIVE PRODUCER WITH A FOCUS ON CUSTOMER SATISFACTION.

OUR VISION

We are committed to:

- Grow in terms of scale, scope and geography
- Build an organisation which is admired for its talent
- Influence by way of being the leader in our chosen businesses

OUR CORE STRENGTHS

Proven experience

IMFA enjoys over five decade-rich industry experience in ferro chrome industry.

Strategic presence

We are strategically located in Odisha's chromium reserves belt, which contains 90% of India's total chrome ore reserves. Besides, we get logistical advantages as we are based near major railway hubs and ports.

Cost efficient

Our stringent control measures and consistent efficiency initiatives have enabled us to emerge as one of the most cost-efficient ferro chrome manufactures globally.

Long-term contracts

We have emerged as a reliable partner to international and national steel players owing to our ability to deliver high-quality ferro chrome at the right price and at the right time. Today, about 40% of our revenues are assured from long-term contracts.

Export oriented

We export over 80% of our ferro chrome output to multiple customers across six counties.

Team IMFA

Our team of over 2000+ motivated employees enable IMFA to advance with focus and fortitude.

OUR CAPACITIES

187 MVA

FURNACE CAPACITY FOR FERRO CHROME PRODUCTION

258 MW

CAPTIVE POWER GENERATION PLANT



OUR CAPTIVE MINES

Mines	Location	Operating mode
Sukinda	Jajpur, Odisha	Opencast (OC)
Mahagiri	Jajpur, Odisha	OC and Underground (UG)
Nuasahi	Keonjhar, Odisha	UG



OUR MANUFACTURING ASSETS

Location	Furnaces	Capacity
Therubali, Odisha	3	Smelting: 82 MVA
Choudwar, Odisha	3	Smelting: 105 MVA Power: 258 MW



OUR KEY CERTIFICATIONS

- Integrated Management System incorporating quality environment and occupational health safety certification



OUR CUSTOMERS

Over the years, we have developed long standing relationships with several multi-national companies.

- POSCO
- Marubeni Corporation
- Nisshin Steel
- E United Group
- Tsingshan
- Jindal Stainless
- Zhenshi Holding Group Co. Ltd.



OUR AWARDS AND RECOGNITION

- Top Exporter from Eastern Region 2014-15 (Gold Trophy) Large Enterprise Award by EEPC India.
- Certificate of Merit for outstanding exports of High Carbon Ferro Chrome for the year 2013-14 by Directorate of Export Promotion and Marketing, MSME Department, Government of Odisha.
- Pollution Control Excellence Award 2016 in the category of Industry for 120 MW Power Plant by State Pollution Control Board, Odisha.

PERFORMANCE SPEAKS VOLUMES

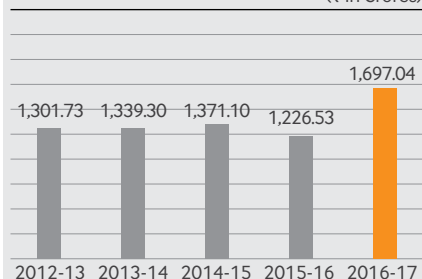
OUR RELENTLESS FOCUS ON IMPROVING EFFICIENCIES AND REDUCING COST IS TRANSLATING INTO A STRONGER BALANCE SHEET AND MORE VALUE FOR ALL STAKEHOLDERS.

MILESTONES OF 2016-17

- Ferro chrome production touched an all-time high of 2,35,460 tonnes, representing an increase of 24.68% over the previous year
- 20.12% increase in exports to 2,05,032 tonnes (1,70,683 tonnes in 2015-16)
- Power generation of 1037 million units (858 million units in 2015-16)

REVENUE

(₹ in Crores)

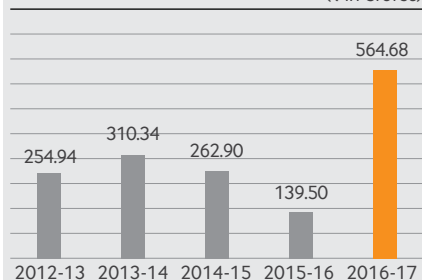


5-YEAR CAGR

5.45%

EBITDA

(₹ in Crores)

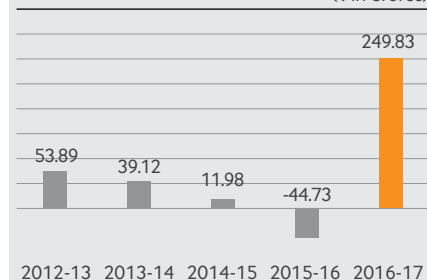


5-YEAR CAGR

17.24%

PROFIT AFTER TAX(PAT)

(₹ in Crores)

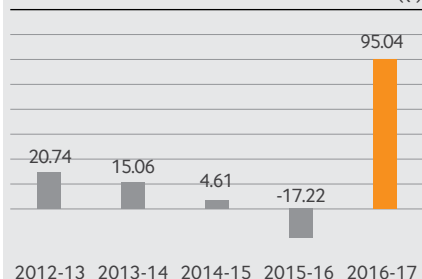


5-YEAR CAGR

35.90%

EARNINGS PER SHARE

(₹)

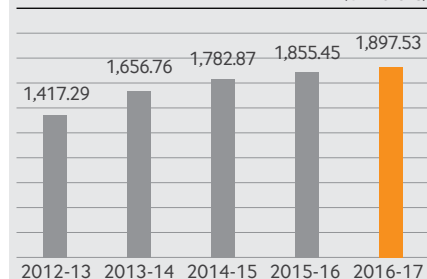


5-YEAR CAGR

35.59%

GROSS BLOCK

(₹ in crore)

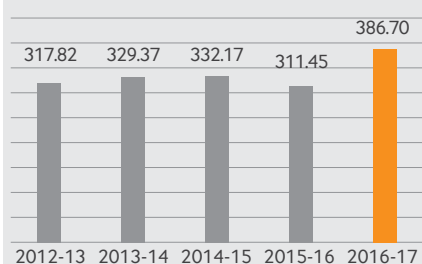


5-YEAR CAGR

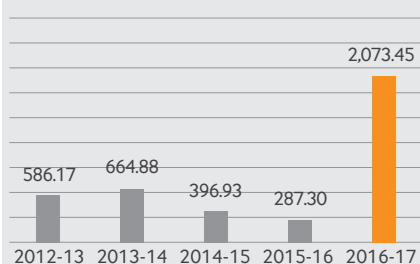
6.01%

BOOK VALUE PER SHARE

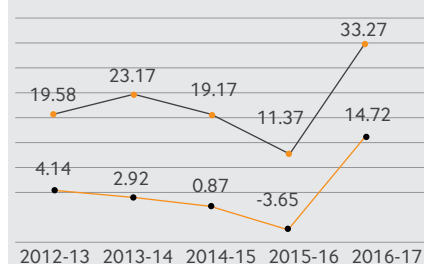
(₹)

**5-YEAR CAGR****4.00%****MARKET CAPITALISATION**

(₹ in crores)

**5-YEAR CAGR****28.75%****MARGINS TREND**

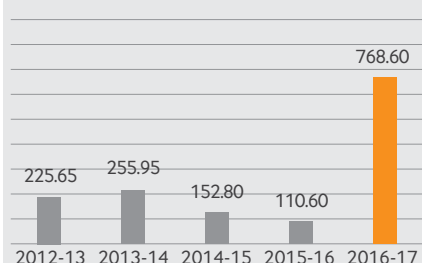
(₹ in Crores)



—●— EBITDA Margin
—●— PAT Margin

SHARE PRICE

(₹)

**5-YEAR CAGR****27.78%****KEY RATIOS**

(%)

	2012-13	2013-14	2014-15	2015-16	2016-17
Debt equity ratio	0.94	1.09	1.01	1.03	0.74
Fixed assets turnover ratio	1.72	1.27	1.24	1.12	1.63
Current ratio	1.69	2.22	1.72	1.57	2.28
Quick ratio	0.87	1.29	0.92	0.86	1.53
Inventory turnover ratio	2.10	1.80	1.88	1.91	2.10
Interest coverage ratio	2.61	1.49	1.30	0.30	5.28

NSE price as on 31st March, 2017

FROM THE **CHAIRMAN'S** DESK



TO ME THE MOST REMARKABLE ASPECT OF IMFA ARE ITS CORE VALUES. INTEGRITY, THE PURSUIT OF EXCELLENCE, TEAMWORK, AND SOCIAL COMMITMENT REPRESENT THE PILLARS ON WHICH WE HAVE BUILT THIS ORGANISATION.

Dr Bansidhar Panda
Executive Chairman