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Equity Share Information

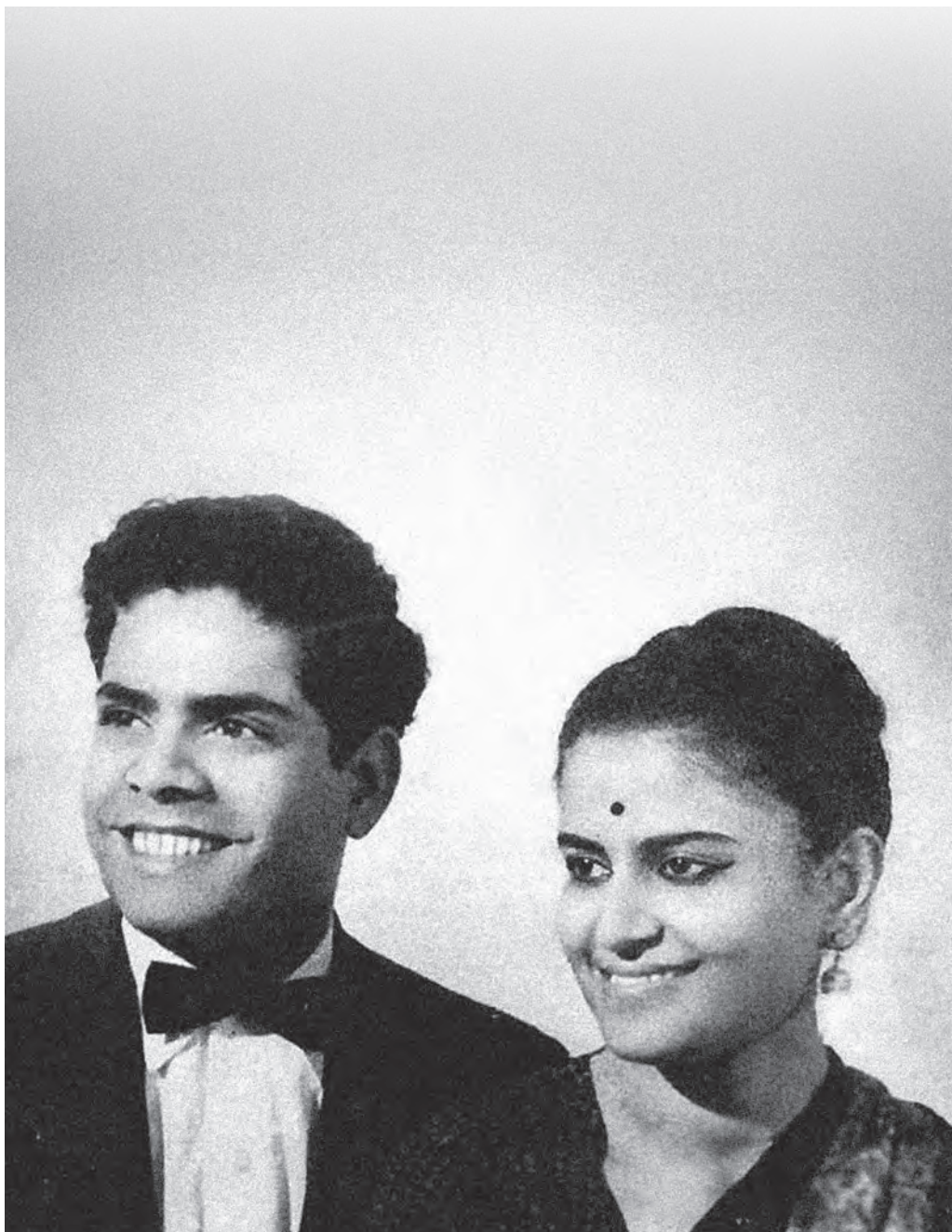
Market Capitalisation

(31st March, 2018): ₹1,158.53 crores

Promoters holding: 58.68%

National Stock Exchange (NSE): IMFA

Bombay Stock Exchange (BSE): 533047



Dr Bansidhar Panda and Mrs Ila Panda

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



Dr. Bansidhar Panda

26th November, 1931 – 22nd May, 2018

Dr Bansidhar Panda, our late Founder & Chairman Emeritus, was multi-faceted in the true sense of the word:

**SCIENTIST. ENTREPRENEUR.
VISIONARY. PHILANTHROPIST.
LITERARY ENTHUSIAST.**

He played a leading role in ushering in Odisha's industrial revolution. Armed with degrees from Harvard University and Michigan Technological University, he chose to tread the road less travelled – setting up IMFA in the erstwhile undivided Koraput District in a remote corner of Odisha.

He wove the culture of inclusive growth into the very fabric of the Company, long before the concept of Social Responsibility (CSR) became an integral part of corporate parlance. He provided thought leadership to not just industries but was equally enthusiastic to promote literature and sports. Under his stewardship, IMFA founded the Sarala Award, Ekalabya Puruskar and Shambhavi Puraskar– to recognise outstanding achievements in the field of literature, sports and social service, respectively.

A firm believer in Gandhian principles, he touched and transformed lives in myriad ways. Following in his footsteps, IMFA initiated several programmes in the field of education, women empowerment, vocational training, healthcare, water & sanitation and infrastructure development.

We will continue to be guided by the philosophy and the spirit of entrepreneurship of our founder who set high standards for all of us to emulate.



प्रधान मंत्री
Prime Minister

New Delhi
05 June, 2018

Dear Baijayant Panda Ji,

I am deeply saddened to learn of the demise of one of India's foremost Karmayogis, Dr. Bansidhar Panda. This loss is felt not only by your family but by the whole nation, and especially the people of Odisha whose lives he strived to transform.

Dr. Panda, a scientist who studied in the topmost universities of the world including Harvard and Michigan Technological University, and later worked abroad, could have lived a life of comfort anywhere in the world. After all, men of talent and vision are sought after everywhere.

However, he chose to return to India and transform the lives of the people of Odisha. That he began to pursue his entrepreneurial dream in a remote place in Odisha stands as testimony to his great sense of responsibility towards working for his people.

That he set out to establish an integrated ferroalloy plant in an era when industrialization was still not a widespread phenomenon in India shows his pioneering role in harnessing science, technology and industry to power the nation and fight poverty.

An unparalleled institution-builder, not only did Dr. Panda work for the people but he also leaves behind a number of institutions that will continue to do great service to the nation in the domains of education, women empowerment, skill development and much more.

His special friendship with Biju Babu, another giant of Odisha, both of whom shared a vision of Odisha's development, will always be remembered.

I pray to the Almighty to give you and your family the strength to bear this loss.

Om Shanti to the departed soul!

Yours sincerely,

(Narendra Modi)

Shri Baijayant Panda
Plot-8, Bhoi Nagar
R.N. Singh Deo Marg
Bhubaneswar
Odisha-751 012

About Us

FUNDAMENTALLY RESILIENT

Relationships are an intangible that drive tangible outcomes at IMFA. Despite temporary industry headwinds and internal challenges, we have always focussed on building rewarding relationships with our growing stakeholder fraternity.

Although there will always be some measure of volatility on the operational front, we are now looking forward to a more sustainable territory, in terms of market demand, realisations, pricing scenario and value creation. At the same time, we continue to strengthen our core capabilities to create significant value for the long term.

As we move ahead with renewed optimism, we will continue to invest our energy and resources in fostering enduring relationships of trust in a stakeholder-driven world.

IMFA is India's leading fully-integrated producer of ferro alloys, supported by captive power generation and extensive chrome ore mining. We have always focussed on cost competitiveness and our integrated delivery model helps us create consistent value, despite market volatilities.

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

Business model



Ferro alloys

We produce the finest ferro chrome, which imparts the non-corrosive property to stainless steel. Our production capacity of 187 MVA, makes us India's largest ferro chrome producer.



Mining

The entire raw material required to produce ferro chrome is met by our captive chrome ore mining.



Power

Power is a key component of our integrated business model. The captive power generation comprises 108 MW coal-based unit, 30 MW dual-fuel unit operating in combination with coal and furnace gas, 120 MW coal-based unit and 3 MW solar power unit. Today, our total captive power capacity is 261 MW.

About Us

Growth pillars



Strategic presence

We are strategically located in the heart of Odisha's chromium reserves, which comprise 90% of India's total reserves of chrome ore. Our strategic presence near major railway hubs and ports gives us the leverage on logistics.



Cost-efficient

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



Long-term relationships

Delivering the finest ferro chrome at the right price points has made us a steadfast partner to international and national steel players. Our long-term contracts generate about 41% of our revenues.



Export-oriented

We are export-oriented and over 85% of our ferro chrome output is exported to multiple customers across seven countries – Japan, Korea, Taiwan, China, the Netherlands, USA.



Our people

Our people are the sturdy pillars of our organisation. We are proud to have over 2,404 dedicated employees in our fraternity.

Captive mines

Our opencast and underground mining operations are conducted in an eco-friendly and efficient manner.

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

*Lease expired, pending for extension

Best-in-class mining

- > Established first ever 'Rescue Room' at Mahagiri Mines (Chromite) at Sukinda valley
- > Installed mist canons and pipeline spraying to reduce pollution
- > Set up an automated wheel washing system
- > Reinforced globally benchmarked safety standards



Manufacturing prowess

We have two state-of-the-art manufacturing facilities with industry-next technology and best-in-class operating practices.

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



Quality certifications

Integrated Management System incorporating Quality Environment and Occupational Health Safety Certification.



Esteemed customers

Our enduring relationship with multinational companies have made us stronger over the years.

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



Recognitions

- > Received the prestigious National Safety Award for 2014 under the Longest Accident Free Period (LAFP) category for Nuasahi Chromite Mines
- > Bagged the prestigious 'Kalinga Safety Award' in gold category in the 8th Odisha State Safety Conclave 2017, organised by Institute of Quality and Environment Management Services (IQEMS)
- > Conferred with 'Economic Times-KPMG - 2-GOOD 4-GOOD' Corporate Social Responsibility Distinction in Corporate Governance, Strategy and Reporting, 2015-16
- > Achieved highest Forex Earner-Odisha for FY 2015-16 by the Federation of Indian Export Organisations, Eastern Region, Kolkata
- > Received the Trading House, 3 Star, Manufacturer – Award, gold for FY 2015-16 by the Federation of Indian Export Organisations, Eastern Region, Kolkata

Managing Director's Review

RELATIONSHIPS TAKE US FORWARD

Dear Shareholders,

On 22nd May 2018, my father and the Founder & Chairman Emeritus of our Company passed away. Although he is no more with us, he will continue to inspire us till time immemorial. He faced many challenges during his lifetime but never wavered from his commitment to serve society through the power of applied science and entrepreneurship. He followed Mahatma Gandhi's notion of trusteeship wherein knowledge and wealth belong not to an individual or a group but are used for societal wellbeing. He was truly a visionary and we pledge to uphold his ideals and take his vision forward.

A stable macroeconomic environment facilitates businesses to create more value for stakeholders in a responsible manner. The country has demonstrated its resolve to achieve fiscal consolidation, complemented with aggressive and not purely populist measures. The Central Government has implemented several reforms to promote inclusive growth, improve the business climate, widen the tax base and address inherent economic challenges.

“
A stable
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The financial year 2017-18 was a landmark year for the Indian economy. During the year, the biggest indirect tax reform - Goods and Services Tax (GST) - was rolled out. It aims to revamp the entire indirect tax structure and seeks to create a unified market by subsuming various taxes at the national and the state level. The government is undertaking a wide range of initiatives to increase manufacturing output's share in GDP to 25% by 2025.

REVENUE (₹ crores)

1,769.26

in FY 2017-18



FY 2017-18 saw huge price volatility in the global ferro chrome industry. We remained resilient with our integrated business model and long-term customer engagements. Moreover, we believe ferro chrome pricing is likely to move in a narrow range over the next several quarters with sustained demand from the stainless steel sector.

Operating in such a volatile environment, it is my pleasure to report that IMFA continued its progress. We achieved a revenue of ₹1769.26 crores in FY 2017-18, against ₹1697.04 crores in FY 2016-17. Our EBITDA stood at ₹461.39 crores in FY 2017-18 as compared to ₹564.68 crores in FY 2016-17. We registered a net profit of ₹186.93 crores in FY 2017-18 against ₹249.83 crores in FY 2016-17. Our earnings per share (EPS) stood at ₹69.29 as on 31st March, 2018. We continued to reward shareholders through a total dividend of ₹15 per share (150%), including an interim dividend of ₹5 per share (50%).

Operational canvas

Our mines (Sukinda and Mahagiri) which were inoperative from April 11th to June 22nd, 2017 resumed operations after the 'Consent to Operate' was reinstated which remains valid until March 2021. We also recently commissioned the first ever 'Rescue Room' in Odisha's Sukinda Valley at our Mahagiri Mines (Chromite) with the guidance of DGMS. This facility is equipped with specialised equipment and trained personnel for an agile response to unforeseen circumstances.

Energy is an important input in our integrated business model. We faced sharp cost escalation in our operations due to a coal crisis during the first half of FY 2017-18. The scenario has improved significantly and we expect uninterrupted flow through linkage arrangements. We also successfully commissioned a 3 MW solar power project at our Therubali

plant. This is our first major initiative in the renewable energy space and a further 1.5 MW expansion is underway.

Against the backdrop of disruption in mining operations, we achieved ferro chrome production of 234,443 tonnes in FY 2017-18 as compared to 235,460 tonnes in FY 2016-17 and earned record foreign exchange amounting to ₹1506.87 crores (USD 234.24 million).

We have laid strong emphasis on 'Quality Improvement Projects' (QIPs) which not only improve operational efficiency through innovative solutions but also serve to keep the workforce engaged and motivated. Through a structured process, innovative ideas are recognised and opportunity given to the teams to present to higher management.

Raising the bar

We have evolved a culture of high performance which inspires our team to work hard and contribute to realising the organisational vision and strategies. We continue to impart need-based training (both functional and interpersonal) to our team members across hierarchies to equip and empower them for the challenges of tomorrow and beyond.

“We continued to reward shareholders through a total dividend of ₹15 per share (150%), including an interim dividend of ₹5 per share (50%).”

Road ahead

Our priorities comprise of the following:

- > Maximise utilisation of our existing capacity to leverage economies of scale
- > Bid for ferro chrome assets under the insolvency resolution framework
- > Increase output from underground mines
- > Grow the potential of our people through consistent learning and developmental initiatives

We have always valued the power of relationships in taking our business forward. Over the years, we have nurtured and strengthened our bond with our key stakeholders viz. customers, vendors, employees, shareholders and communities. We feel a strong sense of solidarity with our growing fraternity of stakeholders and remain steadfast in our efforts to create value for all.

Thank you

Subhrakant Panda

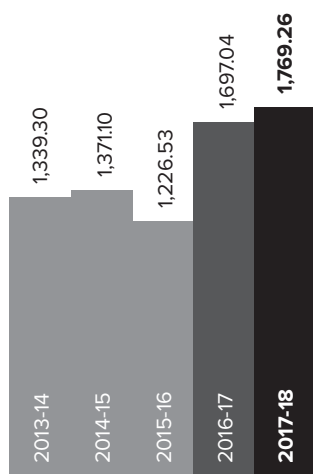
Managing Director

Key Performance Indicators

MEASURING OUR PROGRESS TO DELIVER VALUE

REVENUE

(₹ in crores)

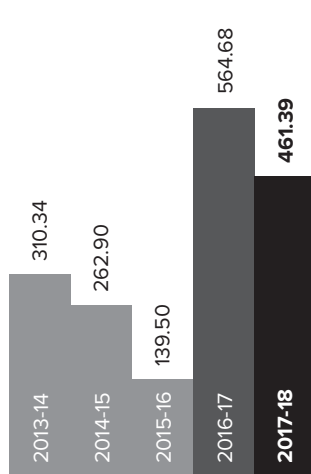


5-year CAGR

6.33%

EBITDA

(₹ in crores)

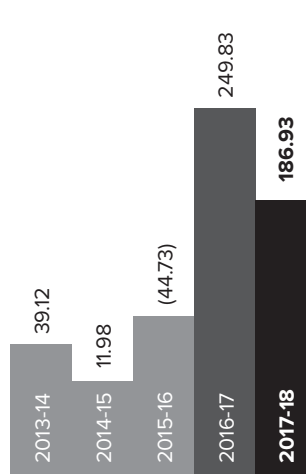


5-year CAGR

12.60%

PAT

(₹ in crores)

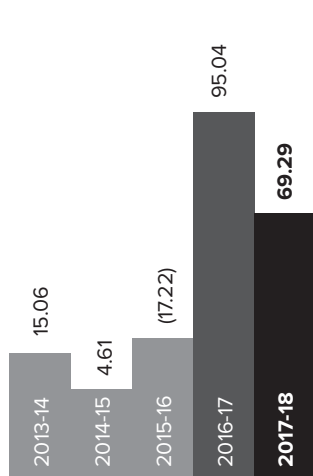


5-year CAGR

28.24%

EARNINGS PER SHARE

(₹ per share)

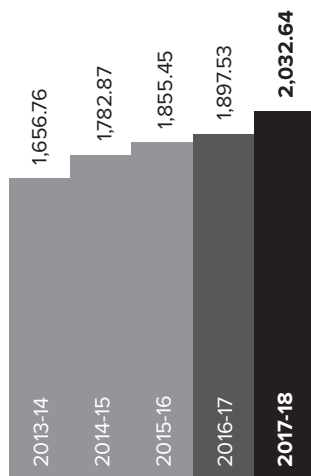


5-year CAGR

27.28%

GROSS BLOCK

(₹ in crores)

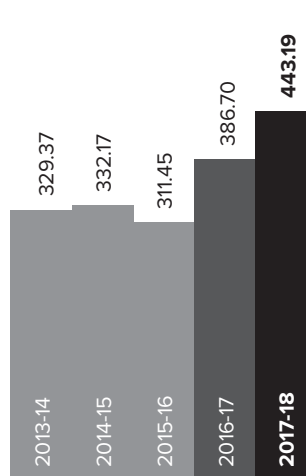


5-year CAGR

7.47%

BOOK VALUE PER SHARE (BVPS)

(₹ per share)



5-year CAGR

6.88%