

THE VALUE OF **VISION**



Indian Metals & Ferro Alloys Limited

57TH ANNUAL REPORT
2018-19

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Equity Share Information

Market Capitalisation

(31st March, 2019): ₹ 703.70 crores

Promoters holding: 58.68%

National Stock Exchange (NSE): IMFA

Bombay Stock Exchange (BSE): 533047

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.

Our inspiration



Dr Bansidhar Panda and Mrs Ila Panda

We are committed to follow in the footsteps of our founder and visionary Late Dr Bansidhar Panda, who laid the foundation of our Company, nurtured our core values and showed us the way forward. Although he is no longer with us, we are determined to take his vision forward and create enduring value for all stakeholders.

Our performance during the year was impacted by a combination of internal and external factors, but these roadblocks will not have any bearing on our long-term business prospects. Our fully integrated business model, decades-rich industry experience and strong relationships with global customers, business partners, governments and the community will continue to stand us in good stead.

We continue to cherish the value of our overarching vision in our journey forward.





**We will continue
to cherish the
value of our
overarching
vision in our
journey forward.**

Corporate Identity

Robust and resilient leadership

Founded in 1961 by Late Dr Bansidhar Panda and Late Mrs Ila Panda, we have emerged as India's largest fully integrated ferro alloys manufacturer, with significant global presence. We are supported by captive power generation—solar and thermal—and extensive chrome ore mining. Despite industry challenges and economic cycles, we continue to build value that endures for the long term.

We create value sustainably

Stature

Largest

India's largest value-added ferro chrome manufacturer

55+ years

Rich industry experience

Capacities

284,000 TPA

Ferro alloys production capacity

6.51 lakh TPA

Mining capacity

190 MVA

Total capacity of six furnaces

262.50 MW

Captive power generation capacity

Sustainability

4.50 MW

Solar energy

₹0.91 crores

Personnel training investment

₹4.73 crores

Social responsibility expenditure



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 captive mines

Mines	Locations	Operating
Sukinda	Jajpur, Odisha	Opencast
Mahagiri	Jajpur, Odisha	Opencast and Underground
Nuasahi*	Keonjhar, Odisha	Underground

* Lease expired, pending for extension



Our manufacturing plants

Locations	Furnaces	Capacities
Therubali, Odisha	3	Smelting: 82 MVA Solar power: 4.5 MW
Choudwar, Odisha	3	Smelting: 108 MVA Power: 258 MW



Our certifications

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



Our recognitions

- Recognised as one of India's largest midsize companies and wealth creators at Fortune India's Next 500 Summit
- Bestowed with Corporate Excellence Award for CSR at the second edition of 'Brands of Odisha. Pride of India' event organised by Sambad Group
- Awarded with EEPC India award for 'Top Exporter from eastern region 2015-16 (Silver Trophy) – Large Enterprise' in November 2018
- Received the Certificate of Excellence for Outstanding Export Performance (2016-17) by the Government of Odisha in October 2018
- Received second prize in Occupational Health, Safety and third prize in 'Cleanliness Campaign under First All India Underground Metal Mines Safety, Cleanliness and Silicosis Awareness Week' programme. Eight workers received special mention in different categories

- Sukinda Mines Chromite (SMC) received first prize in Welfare Measures for Contractual Workers and second prize for Emergency Preparedness in Mines at Half Yearly Safety Week celebration
- Mahagiri Mines Chromite (MMC) received first prize for Emergency Preparedness in Mines and second for Welfare Measures for Contractual Workers at Half Yearly Safety Week celebration
- SMC received Kalinga Safety Award (gold medal) for best practices and competitive excellence in the field of safety and health and Therubali won Bronze in Odisha Safety Conclave – 2018
- SMC bagged first prize in Systematic and Scientific Mining, Afforestation, and Overall Performance and second prize in Waste Dump Management at the 20th Mines Environment and Mineral Conservation (MEMC) week event
- MMC bagged first prize in Underground Mining at the 20th Mines Environment and Mineral Conservation (MEMC) week event



Our customers

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



Business Model

Integrated model for holistic value creation

Ever since inception, we have gradually evolved our business model to build holistic value that endures for the long-term and benefits all those who have a stake in our progress.

Core fundamentals



Experience

We have over five decades of experience in the industry segment.



Location

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



Efficiency

We have emerged as one of the most cost-efficient ferro chrome manufacturers globally, owing to our stringent control measures and consistent efficiency initiatives.

Integrated business model



Ferro alloys

We produce ferro chrome which imparts the non-corrosive property to stainless steel. Our production capacity of 190 MVA makes us India's largest ferro chrome producer.

Mining

Chrome ore required to produce ferro chrome is mostly met by our captive chrome ore mines that have an annual output of 6.51 lakh tonnes.

Power

Power is a key component of our integrated business model and the captive power generation capacity of 262.5 MW includes 4.5 MW renewable (solar) energy.

Shareholders

- Proposed a dividend of ₹ 5/- for FY 2018-19
- Delivered a stronger balance sheet

Customers

- Aligned production with customer requirements
- Built enduring customer relationships globally
- Ensured delivery of right quality at right time

Employees

- Promoted a congenial work culture
- Provided growth opportunities with training and upskilling programmes
- Offered best-in-class HR practices and effectively addressed employee grievances



Engagement

Delivering ferro chrome at the right price point has made us a steadfast partner among national and international stainless steel players. Our long-term contracts generate about 44% of our revenues.



Exports

We are an export-oriented organisation and over 85% of our ferro chrome output is exported to multiple customers across eight countries – Japan, Korea, Taiwan, China, the Netherlands, USA and Indonesia. A significant portion of our output is exported to the Far East (China, Korea, Japan and Taiwan).



Team

We are only as efficient as our people and our focus on excellence plays a crucial role in our growth strategy. We are proud to have 2,228 dedicated employees in our fraternity.



Vendor/Dealers

- Continued enduring partnerships with dealers
- Maintained transparent pricing policy
- Created new opportunities

Regulatory and statutory bodies

- Conformed to compliance guidelines
- Reviewed HSE compliance periodically
- Maintained good relationships with regulatory authorities

Employees

- Promoted a congenial work culture
- Provided growth opportunities with training and upskilling programmes
- Offered world-class HR practices and addressed employee grievances

Key Performance Indicators

A closer look at our numbers

Revenue (₹ in crores)

FY 18-19	1633.78
FY 17-18	1769.26
FY 16-17	1697.07
FY 15-16	1226.53
FY 14-15	1371.10

Earnings per share (₹)

FY 18-19	4.09
FY 17-18	69.18
FY 16-17	95.04
FY 15-16	(17.22)
FY 14-15	4.61

EBITDA (₹ in crores)

FY 18-19	284.58
FY 17-18	461.03
FY 16-17	564.68
FY 15-16	139.50
FY 14-15	262.90

Gross block (₹ in crores)

FY 18-19	2134.39
FY 17-18	2032.68
FY 16-17	1897.53
FY 15-16	1855.45
FY 14-15	1782.87

PAT (₹ in crores)

FY 18-19	11.04
FY 17-18	186.62
FY 16-17	249.83
FY 15-16	(44.73)
FY 14-15	11.98

Book value per share (BVPS) (₹)

FY 18-19	428.75
FY 17-18	443.35
FY 16-17	386.70
FY 15-16	311.45
FY 14-15	332.17