



INDIAN METALS & FERRO ALLOYS LIMITED

3rd October, 2016

IMFA Building
Bhubaneswar -751010
Odisha, India

Corporate Identity No.
L27101OR1961PLC000428

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+91 674 2580145

mail@imfa.in

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The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza
Plot No.C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai-400051
Stock Symbol & Series : IMFA, EQ

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

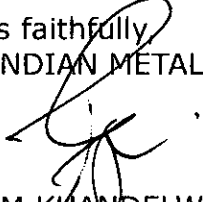
Dear Sir,

With reference to your email dated 5th August 2016, enclosed please find herewith the Statement on Impact of Audit Qualifications (Standalone & Consolidated) in the prescribed format for the financial year 2014-15.

This may kindly be taken on record.

Thanking you,

Yours faithfully,
For INDIAN METALS & FERRO ALLOYS LIMITED


(PREM KHANDELWAL)
CFO & COMPANY SECRETARY

Encl: As above

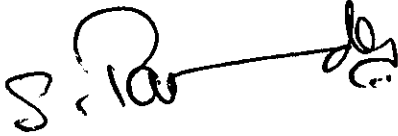
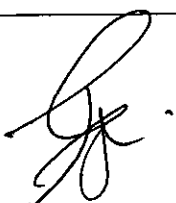
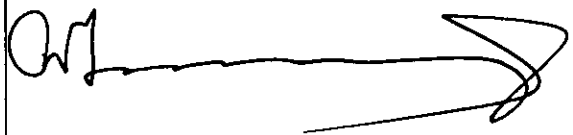
ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Standalone

(Rs. in Crores)

Statement on Impact of Audit Qualifications for the Financial Year ended 31 st March, 2015 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	1,366.57	Not Ascertainable
	2	Total Expenditure	1,354.59	
	3	Net Profit/ (Loss)	11.98	
	4	Earnings Per Share	4.61	
	5	Total Assets	2,441.69	
	6	Total Liabilities	1,578.80	
	7	Net Worth	862.89	
	8	Any other financial item(s) (as felt appropriate by the management)	-	
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	The auditors of a subsidiary Company (Indmet Mining Pte Ltd.) have reported their inability to conclude whether there is any impairment loss to the carrying value of the investment in an Indonesian subsidiary (sub-subsidiary of Indian Metals and Ferro Alloys Ltd.). Consequently, the auditors of Indian Metals and Ferro Alloys Ltd. have qualified their report saying that they are also unable to comment whether there is a decline, other than temporary, in the value of the Company's investment in Indmet. The Basis for audit Qualification is as follows:- <i>"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 it's 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."</i>			
	b. Type of Audit Qualification:			
	Qualified Opinion.			
	c. Frequency of qualification:			
	Appeared for the first time in the Audit Report for the financial year ended 31 st March, 2015.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	Impact is not quantified by the auditor			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification:			
	Unable to estimate			



	(ii) If management is unable to estimate the impact, reasons for the same: The Indonesian subsidiary is currently inactive and awaiting certain regulatory approval before it can commence coal mining activities. As the discussion with the relevant Indonesian Government Authorities is going on, the management is of the opinion that recoverable amount cannot be ascertained with accuracy and hence, no provision is considered necessary by the Company at this stage towards any diminution in the carrying value of its investment in Indmet. The Company has invoked an agreement between the Indian and Indonesian governments for the promotion and protection of investments.	
	(iii) Auditors' Comments on (i) or (ii) above: In the absence of any documentary evidence to determine recoverable value / market value of the Company's investment in Indmet, we are unable to comment whether or not there is a decline, other than temporary, in the value of the Company's investment in its subsidiary (Indmet). The comment of the auditors of the subsidiary (Indmet) in their audit report also suggests that the impact of the qualification is not ascertainable.	
III.	Signatories	
	Mr Subhrakant Panda Managing Director Indian Metals and Ferro Alloys Limited Place: Bhubaneswar Date : 27/09/2016	
	Mr Prem Khandelwal CFO & Company Secretary Indian Metals and Ferro Alloys Limited Place: Bhubaneswar Date : 27/09/2016	
	Mr D Bandyopadhyay Chairman, Audit Committee Indian Metals and Ferro Alloys Limited Place: Kolkata Date : 28/09/2016	
	Anand Kumar Jhunjhunwala Partner Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.103523W/ W100048 Membership No.056613 Statutory Auditor Place: Kolkata Date : 29/09/2016	



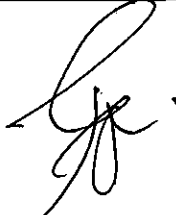
ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results –Consolidated

(Rs. in Crores)

Statement on Impact of Audit Qualifications for the Financial Year ended 31 st March, 2015 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	1,357.13	Not Ascertainable
	2	Total Expenditure	1,353.45	
	3	Net Profit/ (Loss)	3.68	
	4	Earnings Per Share	1.42	
	5	Total Assets	2,553.12	
	6	Total Liabilities	1,671.80	
	7	Net Worth	881.32	
	8	Any other financial item(s) (as felt appropriate by the management)	-	
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: The auditors of a subsidiary Company (Indmet Mining Pte Ltd.) have reported their inability to conclude whether there is any impairment loss to the carrying value of the investment in an Indonesian subsidiary (sub-subsidiary of Indian Metals and Ferro Alloys Ltd.). Consequently, the auditors of Indian Metals and Ferro Alloys Ltd. have qualified their report saying that they are also unable to comment whether there is a decline, other than temporary, in the value of the Company's investment in Indmet. The Basis for audit Qualification is as follows:- "As mentioned in Note No. 32 to the consolidated 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. In its standalone financial statements, the Company has not made provision towards any diminution in the carrying value of its investment in Indmet and accordingly, the consolidated financial statements do not include any adjustments in this respect. Having regard to the uncertainty, we are unable to comment on its consequential impact, if any, on the consolidated financial statements."			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Appeared for the first time in Audit Report for the financial year ended 31 st March, 2015.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the auditor			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Unable to estimate			



	(ii) If management is unable to estimate the impact, reasons for the same: The Indonesian subsidiary is currently inactive and awaiting certain regulatory approval before it can commence coal mining activities. As the discussion with the relevant Indonesian Government Authorities is going on, the management is of the opinion that recoverable amount cannot be ascertained with accuracy and hence, no provision is considered necessary by the Company at this stage towards any diminution in the carrying value of it's investment in Indmet. The Company has invoked an agreement between the Indian and Indonesian governments for the promotion and protection of investments.
	(iii) Auditors' Comments on (i) or (ii) above: In the absence of any documentary evidence to determine recoverable value / market value of the Company's investment in Indmet, we are unable to comment whether or not there is a decline, other than temporary, in the value of the Company's investment in its subsidiary (Indmet). The comment of the auditors of the subsidiary (Indmet) in their audit report also suggests that the impact of the qualification is not ascertainable.
III.	Signatories
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Mr. Prem Khandelwal CFO & Company Secretary Indian Metals and Ferro Alloys Limited Place: Bhubaneswar Date : 27/09/2016	
Mr. D Bandyopadhyay Chairman, Audit Committee Indian Metals and Ferro Alloys Limited Place: Kolkata Date : 28/09/2016	
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