



INDIAN METALS & FERRO ALLOYS LIMITED

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28<sup>th</sup> July, 2016

The Deputy General Manager  
(Corporate Services)  
BSE Limited  
Floor 25, P.J. Towers  
Dalal Street, Fort  
MUMBAI-400001

Dear Sir,

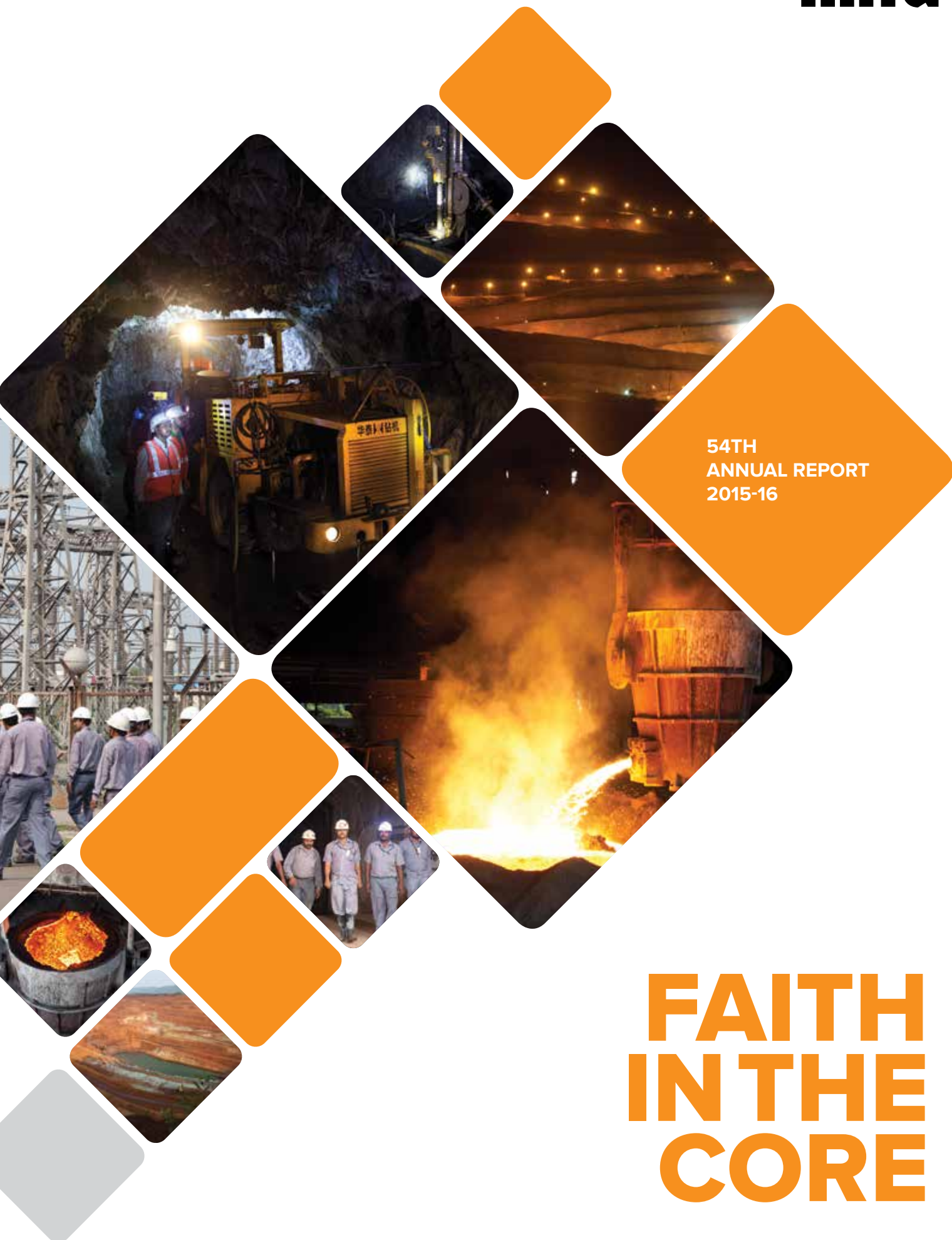
In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find herewith copy of the Annual Report for the year 2015-16 for your information and record.

Thanking you

Yours faithfully  
For INDIAN METALS & FERRO ALLOYS LTD.

  
(PREM KHANDELWAL)  
CFO & COMPANY SECRETARY

Encl : As above



54TH  
ANNUAL REPORT  
2015-16

**FAITH  
IN THE  
CORE**

## 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.

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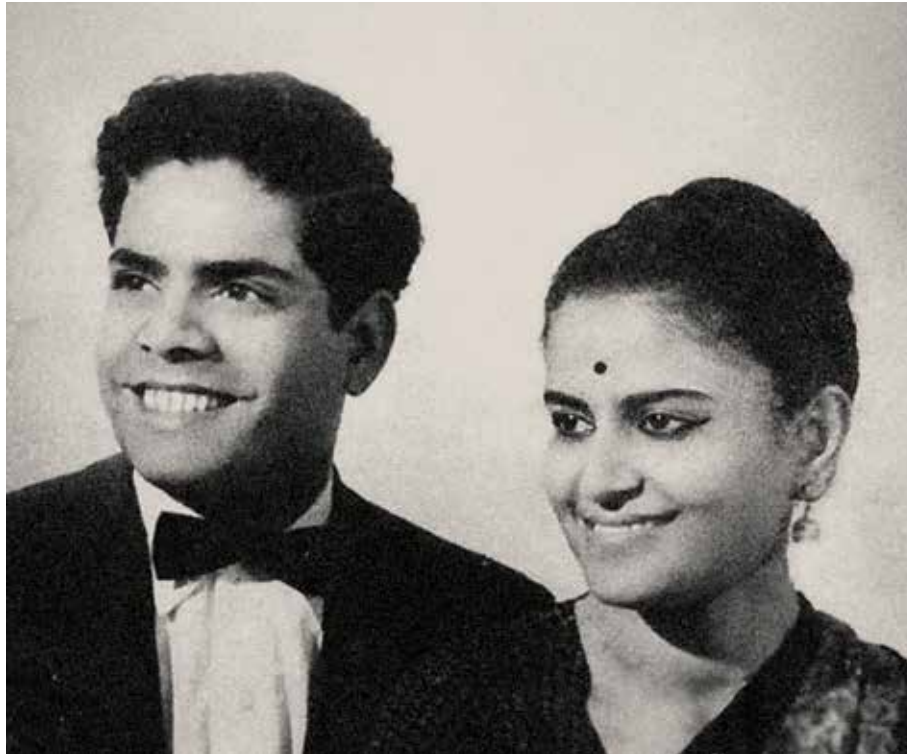
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# OUR INSPIRATION

Dr Bansidhar Panda and Mrs Ila Panda

## IMFA AT A GLANCE



Established in 1961, by our Executive Chairman Dr Bansidhar Panda and Late Mrs Ila Panda, we are one of the leading fully-integrated producers of value-added ferro chrome, globally. We have presence across the value chain - chrome ore mines, captive power generation and smelters.

**50+** years

Rich industry experience of 50+ years with proven track record in ferro chrome business

**187** MVA

Furnace capacity for ferro chrome production

**258** MW

Captive power generation plant

**80%+**

Ferro chrome output is exported to multiple customers in six countries

**2,000+**

People strength as on March 31, 2016

**45%+**

Revenue assurance from long-term contracts

## IMFA AT A GLANCE



### 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



### Manufacturing assets and captive mines

Location	Furnaces	Capacity	Mines	Location	Operating mode
Therubali, Odisha	3	Smelting 82 MVA	Sukinda	Jajpur, Odisha	Opencast (OC)
Choudwar, Odisha	3	Smelting 105 MVA	Mahagiri	Jajpur, Odisha	OC and Underground (UG)
		Power 258 MW	Nuasahi	Keonjhar, Odisha	UG



### Quality certifications

- ◆ **ISO 9001** - Quality Management certification
- ◆ **ISO 14001** - Environment Management certification
- ◆ **OHSAS 18001** - Occupational Health & Safety Management certification



### Equity share information

**Bombay Stock Exchange:** 533047  
**National Stock Exchange:** IMFA  
**Market capitalisation:** ₹ 287.83 crore as on March 31, 2016



### Marquee customers

**POSCO | Marubeni Corporation | Nisshin Steel | E United Group | Tsingshan | Jindal Stainless**



### Strategic location

We are located in the state of Odisha, which has a repertoire of natural resources. This has always been our most significant strength. We have a strong network across India with our corporate headquarter in Bhubaneswar, Odisha.

## CHAIRMAN'S MESSAGE



**Dr Bansidhar Panda,** Executive Chairman



IT HAS BEEN MY ENDEAVOUR TO IMBIBE IN PEOPLE A BELIEF IN THE CORE STRENGTH OF THE COMPANY. IT IS THIS CAPABILITY ARISING OUT OF AN INTEGRATED BUSINESS MODEL WHICH BOTH SUSTAINS US DURING A DOWNTURN AND WILL ENABLE US TO CAPITALISE ON OPPORTUNITIES WHEN THE COMMODITY CYCLE TURNS.





WHATEVER MAY BE THE INDUSTRY SCENARIO,  
WE ARE ALWAYS GUIDED BY OUR CORE VALUES  
OF INTEGRITY, PURSUIT OF EXCELLENCE,  
TEAMWORK AND SOCIAL COMMITMENT.

**Dear Shareholders,**

As the Founder of IMFA, it has been my endeavour to imbibe in people a belief in the core strength of the Company. It is this capability arising out of an integrated business model which both sustains us during a downturn and will enable us to capitalise on opportunities when the commodity cycle turns.

Over the years, we have faced and overcome many challenges and I continue to be optimistic about the future. Highs and lows will come but the unique properties of stainless steel brought about by the use of ferro chrome will ensure demand growth for our product.

The industry is going through a particularly tumultuous phase but the brutality of price correction that we have seen will result in inefficient capacity

being driven out thus paving the way for rejuvenation and sustainable growth for those with the right credentials. Our access to chrome ore and captive power combined with a low gearing ratio is close to an ideal scenario. Our strong foundation is our core strength.

Whatever may be the industry scenario, we are always guided by our core values of Integrity, Pursuit of Excellence, Teamwork and Social Commitment. Our dedication towards fulfilling social responsibilities also helps us move towards a sustainable future. We recognise that inclusive growth can be achieved through responsible community participation and will continue to work through the Bansidhar & Ila Panda Foundation to create opportunities for the marginalised sections of the society.

We will also continue to invest in developing further the capabilities of our team. IMFA has always excelled because of the quality & commitment of its people and it will be no different going ahead.

In our journey towards renewal and enhanced value creation, I seek the cooperation and support of all our stakeholders.

Best wishes,

**Bansidhar Panda**  
Executive Chairman



## MANAGING DIRECTORS' INSIGHT



**Subhrakant Panda**, Managing Director



INDIA REMAINS ONE OF THE BRIGHT SPOTS IN  
A WORLD KEEN TO GET BACK ON THE GROWTH  
PATH. INITIATIVES LIKE 'MAKE IN INDIA' AND SMART  
CITIES MISSION BESIDES THE RENEWED FOCUS ON  
INFRASTRUCTURE WILL UNDOUBTEDLY CREATE  
MORE OPPORTUNITIES WHICH LEADS TO MY  
CONTINUED CONFIDENCE ABOUT THE FUTURE.



THE FIRST EVER STOPE BLASTING IN SUKINDA VALLEY TOOK PLACE AT OUR MAHAGIRI MINES DURING THE YEAR SIGNIFYING SUCCESSFUL UNDERGROUND MINING. BESIDES BEING A MATTER OF GREAT PRIDE, IT HOLDS OUT TREMENDOUS PROMISE AS IT WILL LEAD TO AN INCREASE IN OUTPUT THUS MAKING US SELF SUFFICIENT.

#### Dear Shareholders,

The year under review in general and the last quarter in particular has been challenging. The slowdown/rebalancing of the Chinese economy, lower commodity prices and strains in some large emerging market economies will continue to impact growth prospects; advanced economies are also likely to experience modest and uneven recovery. Therefore, the macro picture is not very encouraging for the ferro chrome industry at the moment.

However, India remains one of the bright spots in a world keen to get back on the growth path. Initiatives like 'Make in India' and Smart Cities Mission besides the renewed focus on infrastructure will undoubtedly create more opportunities which leads to my continued confidence about the future.

#### BIG PICTURE

The ferro chrome industry is facing price levels last seen during the 2008 economic meltdown brought about as it were by a demand-supply imbalance and devaluation of commodity currencies - in particular the SA Rand. However, there has been a swift rebalancing consequent to unreasonably low prices which have since moved up.

These are extraordinary times but, despite hardships, we remain steadfast

in our core belief that what we have created is sustainable. We believe that the perfect storm will drive out inefficient capacities leaving fundamentally strong producers to reap the rewards and it shall be our endeavour to be in the right place at the right time.

#### YEAR UNDER REVIEW

Besides having faith in our core strength, we have also maintained our focus on strategic priorities and worked on strengthening raw material security. The first ever stope blasting in Sukinda Valley took place at our Mahagiri Mines during the year signifying successful underground mining. Besides being a matter of great pride, it holds out tremendous promise as it will lead to an increase in output thus making us self sufficient.

Indeed, this is a pioneering initiative in terms of meticulous study of geotechnical status leading up to large-scale underground mining which will be a trendsetter for the entire industry. This is also a significant green initiative for Sukinda Chromite Zone as underground mining is more environment friendly and does not alter the surface topography.

I am particular happy to also inform you about a 3 MW solar project being set up at Therubali. It is a small but significant step which will reduce our environmental footprint.

#### FUTURE PRIORITIES

The key during industry downturns is not to lose hope but grab the opportunities that come your way. Indeed, we expect distressed assets to come on the block and will explore potential acquisitions which will add to our long term strength. Meanwhile, in day to day operations too there is the possibility of squeezing out more efficiencies. As such, our priorities are as follows:

- ◆ Ensure optimum capacity utilisation
- ◆ Stabilise and scale up operations of Mahagiri underground mines
- ◆ Rationalise costs and enhance efficiencies to improve competitiveness
- ◆ Strengthen people skills through training and employee engagement initiatives

I can assure you that far from being despondent, we are putting in place building blocks for the future which will stand us in very good stead.

On behalf of all my colleagues, I would like to take this opportunity to thank all stakeholders for their support and assure them of our best efforts to deliver value.

Thank you,

**Subhrakant Panda**  
Managing Director

# CORPORATE SOCIAL RESPONSIBILITY



## PROJECT SU-SWASTHYA: ENSURING SAFE DRINKING WATER & SANITATION

Project Su-Swasthya, a pilot project started in 2015 at Dhanurjayapura G P of Hatadihi Block in Keonjhar District covering a population of 12,000 in 7 villages. The aim of the project is to enable the community to build a foundation of good health by ensuring qualitative life through behavioral change and capacity building of rural communities on 'Water and Sanitation'. This is achieved by:

- ◆ Developing a standardised and more effective approach to WASH practices through capacity building of local villagers and other stakeholders like PRI members.

- ◆ Creating awareness among the community members including school children about better sanitation and hygiene which in turn led to decrease in water and sanitation related diseases.

### Other water sanitation initiatives are:

- ◆ Installation of two drinking water projects at Chasapada village and Chanchua village of Choudwar, covering more than 5,000 beneficiaries.
- ◆ Water purifiers installed in 9 schools in the periphery of Choudwar to provide safe drinking water to school students.
- ◆ Toilets were constructed at Meghaswar High School, Jhoteswar High School and Mangarajpur Girls' High School at Choudwar, benefiting 2,000 school students.

- ◆ Overhead tank with piped water supply to provide drinking water at Therubali Adivasi Sahi (600 beneficiaries) and installation of tubewell at Saraswati Sishu Mandir, Therubali for 200 students.

- ◆ Undertook hygiene awareness programme and provided material and manpower support for disinfection of drinking water sources in buffer zone of Sukinda.

## PROJECT SAKSHYAM: CREATING SKILLING AND EMPLOYMENT OPPORTUNITIES FOR YOUTH

- ◆ We are successfully running the Therubali Industrial Training Center (TITC) which was established in 1992. At on average 90% of students who passed out every year from this centre got a job or are self-employed. Trades available at TITC are fitter, electrician and welder.

## CORPORATE SOCIAL RESPONSIBILITY



Project Su-Swasthya: Ensuring safe drinking water and sanitation



Promoting vegetable cultivation



Project Arogya Dhara: Preventative and curative healthcare

- ◆ A quality residential ITI at Sukinda is ready to commence from academic session 2016-17. It is spread over a 5 acre campus with 45,000 sq. ft. constructed area. The sprawling campus comprises a training institute, state-of-the-art workshops, hostel, residential quarters for teaching staff, 100 KV power supply, internet facility, computer lab and playground. It has proposed for affiliation to NCVT through QCI under DGT, New Delhi. This ITI will empower the youth of Odisha through competency-based vocational training and market-ready technical education.
- ◆ Empaneled with Ministry of Rural Development for conducting DDU-GKY skill programme. BIPF is successfully running skill development centres at Choudwar, Cuttack district for sewing machine operators and at JK Pur, Rayagada district for electrical, fitter and turner. The first phase has undertaken the training of 350 students from marginalised communities across Odisha. This training is backed with assured placement.
- ◆ Provided livelihood training such as tailoring, spices making, *agarbati* making, embroidery, paper plate making, dress designing & handicrafts skills to 100 Self Help Group (SHG) members from 8 SHGs of Therubali GP. Diesel pump sets were provided at a subsidised rate to the farmers

of Therubali GP, Khedapada GP, Kartikaguda GP and Dumuriguda GP for irrigation purpose.

- ◆ On occasion of International Women's Day an awareness-cum-sensitisation programme for women entrepreneurs was organised at Therubali in collaboration with the Regional Industry Centre, Rayagada. Around 150 tribal women from three peripheral villages of Therubali GP participated in this workshop, where experts delivered various livelihood and income generation activities.

### PROJECT UNNATI: INTEGRATED SELF-HELP INITIATIVE FOR WOMEN EMPOWERMENT

Bansidhar and Ila Panda Foundation envisages the social transformation in the hands of women by building their capacity to handle their economic and social life themselves. With an integrated self-help approach (i.e. finance and livelihood, education, health, nutrition, sanitation and hygiene etc.), the foundation aims to transform the lives of these women, by providing a platform for social action. The SHG members will be the change agents for development of the entire community.

- ◆ After successful implementation at Angul and Keonjhar district, Project Unnati was scaled up to Jaipur district for socio-economic transformation of women. At Sukinda, group dynamics training was imparted to 25 SHGs

followed by capacity building through financial and social training. At Angul and Keonjhar districts, livelihood training like poultry, goat rearing, mushroom cultivation, dairy farming, life-skill training in nutrition, anemia, immunisation, WASH etc. were also imparted.

Exposure visits of 2 batches from 19 SHGs of Kaliapani and Chingudipal GP were organised to learn sustainable agriculture practices. They visited Horticulture Demonstration sites at Sukinda, Badchana, Kuakhia and had interactive sessions with technical experts from Horticulture Department and successful flower and vegetable growers. The demonstration sites covered were drip irrigation, Poly House (nursery and vegetable cultivation), floriculture, kitchen garden model, tissue culture and drafting. Convergence with government departments and development agencies for mobilisation of resources and livelihood support services. Today, the project covers more than 1,500 households.

### PROJECT AROGYA DHARA: PREVENTATIVE AND CURATIVE HEALTHCARE

- ◆ Periodical rural health camps were organised within our operational area to address urgent healthcare needs of the community and create general health awareness among people. More than 3,000 patients were treated in the camps and

provided free medicines. Healthcare services through dispensaries at sites were reached out to 80,000 patients across peripheral villages of Choudwar, Therubali and buffer zones of Nuasahi and Sukinda Mines. VHN Days and Information dissemination were conducted for improved maternal and child health. First aid medicines were distributed to school and local youth clubs in periphery of Sukinda mines, covering more than 500 beneficiaries.



DDU-GKY skill programme - JK PUR Center



DDU-GKY skill programme - Choudwar Center

- ◆ Awareness programme on dengue, diarrhea and malaria was organised at IMFAL Campus High School, Therubali. Experts spoke on the causes, symptoms and treatment of these diseases, which are common in tribal areas of Rayagada. They also explained lucidly to the students, teachers and parents about MDD through songs, stories and skits. The programme was organised in 34 peripheral schools; leaflets were distributed for greater awareness.

#### PROJECT ADHYAYAN: EDUCATION FOR ALL

- ◆ BIPF has been successfully running the Chinmaya Vidyalaya, Therubali, an English medium CBSE school at Rayagada district. It is imparting quality education since more than a decade, having classes LKG to Standard XII. Students of this school has represented the school in different state level and national level platforms. Sri Sidhant Dwivedy of class XII bagged the first prize and got a cash award of Rs. 5,000 and citation at District level talent hunt contest organised by Siksha 'O' Anusandhan University, Odisha. Students also participated in Chinmaya Khel Mela at Kochi and bagged prizes.
- ◆ Prof. Ghanashyam Dash scholarship was awarded to six meritorious students from economically marginalised families of Odisha to facilitate higher education. The

scholarship covers 90% of academic fees and related expenses for the entire duration of the course with the annual limit of Rs. 1,00,000/- per student. Students selected for 2015 are:

1. Mr Sumit Kumar Sindhria, s/o Narangadhar Sindhria and Jyotsna Sindhria, resident of Jamankira, Dist: Sambalpur pursuing B. Tech (Mech) from IIT, Ropar, Punjab.
2. Mr Soumya Ranjan Nayak, s/o Nrusingha Charan Nayak and Shantilata Nayak, resident of Jakhapura, Dist: Jajpur pursuing B. Tech (Elect & Electronics) from VSS University, Burla.
3. Mr Biswajit Mallik, s/o Late Akshaya Kumar Mallik and Late Rangalata Mallik resident of Manpur, Dist: Kendrapara pursuing MBBS from MKCG Medical College, Berahampur.
4. Ms Sarojini Pani, d/o Ajaya Kumar Pani and Satyabhama Pani, resident of Korua, Dist: Bhadrak pursuing MBBS from S C B Medical College, Cuttack.
5. Mr Soumya Ranjan Tripathy pursuing B Tech (Mech) from VSS University, Burla
6. Mr Sahib Mohammad pursuing B.Tech (Metallurgy) from Govt College of Engineering, Keonjhar.

Financial assistance was also provided to tribal students at Therubali.

- ◆ Continued patronage to several rural and tribal schools in districts of Keonjhar, Jajpur and Cuttack.
- ◆ Infrastructure support like classroom rooms were constructed at Mangarajpur Girls' High School and Meghaswar UP School at Choudwar, covering 650 beneficiaries. This support in remote areas to prevent school dropouts and ensure regular attendance.
- ◆ Organised study tour for tribal students of Therubali UP School for exposure and understanding of the cultural and historical background of Odisha. Fifty students along with village education committee, school staff visited different historical places like Puri, Konark, Lingaraj Temple, Khandagiri, Odisha Secretariate, Parliament Nadankanan and Planetarium. This was a unique experience for the students from this remote area.
- ◆ Essential study materials were distributed to tribal students at Therubali and Sukinda area, covering 5,000 beneficiaries. We took these initiatives to ensure quality education and minimal dropout. Prefabricated desk and benches were donated to schools at periphery of Choudwar.



## CORPORATE SOCIAL RESPONSIBILITY



Project Adhyayan - Education for All



3rd Shambhavi Puraskar



Sarala Award 2015

### INFRASTRUCTURE DEVELOPMENT

- ♦ Village mandap and community hall were built at Burjuguda village and Kommuguda village of Therubali. Villagers can utilise this infrastructure for social gathering and informal meetings. Flooring of a Jhankari Mandap was done, which is a common place for three tribal village of Therubali to carry out various socio-religious functions. These infrastructure development projects were carried out and handed over to the community, covering more than 3,000 beneficiaries.

### OTHER ACTIVITIES

- ♦ To encourage sports activities among the tribal sports materials like volley ball jersey, volley ball and net were distributed among the youth of 34 villages belonging to Therubali, Kartikaguda, Khedapada and Dumuriguda Gram Panchayats. At Sukinda, sports materials were distributed to youth clubs and schools, covering 600 beneficiaries.
- ♦ Blankets were distributed to the underprivileged (200 beneficiaries) of Baulapal village, Sukinda and 200 senior citizens of local tribal groups at Therubali GP. These blankets provide invaluable protection against the severe cold of winter experiences in the area.

### 3rd Shambhavi Puraskar

- ♦ 3rd Shambhavi Puraskar awarded to Ms Sabarmatee from Rohibanka, Nayagarh district Sabarmatee.

The puraskar was handed over by, Chief Guest, Ms Anu Aga, Director, Thermax Ltd and Chairperson, Teach for India and Guest of Honour, Prof. Sachhidananda Mohanty, Vice Chancellor, Central University of Odisha. Ms Sabarmatee has made a phenomenal impact on a wide gamut of areas like conservation of forests, ecological regeneration of waste land, biodiversity conservation, sustainable agriculture through experimentation, implementation and dissemination of organic farming techniques and promotion of village sanitation and hygiene and gender issues. She has set up an NGO 'Sambhav', which has emerged as a Centre of Excellence in Odisha.

### Ideate 2015

- ♦ Ideate BIPF's annual panel discussion 'from ideas to action' this year was held in partnership with FICCI Odisha State Council on 'Education for All: Prospects & Challenges'. The RTE Act has made education a fundamental right and provides for all children between the ages of 6-14 to get free education. Rural India suffers from issues like inadequate infrastructure, shortage of teachers, lack of study materials and behavioral challenges. Children from marginalised homes do not have access to affordable quality education. Experts from different educational organisations came together to deliberate on this critical topic. Prof Marmar Mukhopadhyay, Chairman, Educational Technology & Management Academy, New Delhi,

Mr Gopinath T Menon, Chairperson, Sparsh Centre for Participatory Learning Mumbai, Mr Mahendra Kumar Mallick, IAS, State Project Director, Odisha Primary Education Programme Authority (OPEPA), Dr Banchhanidi Panda, President Vidyabharti, Odisha, Mr Purnendu Hota, Head & Project In-Charge, Hole-in-the Wall Education Project, NIIT, New Delhi & Ms Shaifalika Panda, Trustee & CEO, BIPF were the panel members in the discussion. The Discussion was attended by people from sectors like Industry, Government, NGO, INGO, Civil Society, Education institutions and Media.

### Better Utilisation of Fly Ash

We utilised 4,07,006 tonnes of ash (fly ash + bottom ash) out of 4,07,060 MT generated during 2015-16.

Coal ash generated from 108 MW power plant is mainly consists of clinkers of assorted size and contains unburnt carbon. It is used for road making, agricultural use and low land filling.

The CFBC boilers of the 30 MW and 120 MW power plants generate fly ash, which is utilised to make fly ash bricks in-house as well as by third parties, low density aggregates (substitute for natural aggregates) and road making. Left over fly ash and bottom ash is utilised for reclamation of waste and degraded land. A leading cement manufacturing company to install cement manufacturing/bagging unit for utilisation of fly ash is also in the offing.

# CORPORATE SOCIAL RESPONSIBILITY POLICY

**It is through action (without attachment) alone that wise men have reached perfection. In the same way, it is proper that you should take action keeping an eye on universal welfare. Bhagvad Gita, Chapter III, Verse 20**

**“As a scientist, I have pursued the Gandhian principle of changing as many lives I interact with as possible”.** Dr Bansidhar Panda, Founder - Chairman

## ABOUT US

IMFA is a world of enterprise and innovation inspired by its Founders Dr Bansidhar Panda and Late Mrs Ila Panda. What stands now before the world is a leading, fully integrated producer of ferro alloys straddling the value chain from mining to smelting with ambitious growth / diversification plans on the anvil. Our operations are certified to international standards with integrated certification covering quality management, environment and occupational health & safety. The desire of the Founders to have a positive impact on society is ingrained in the culture of the organisation.

## MANAGEMENT / GUIDING PRINCIPLES

The Company prides itself on being a responsible corporate citizen which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. Business processes which result in inclusive growth also increase efficiency and longevity thus resulting in sustainability. We adhere to the highest ethical standard which is combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, and honesty of purpose, quality consciousness and meeting the expectations of all stakeholders.

## IN THIS CONTEXT, WE ARE COMMITTED TO:

- 1) Enhancing customer satisfaction by producing to agreed specifications and delivering on contracted terms.
- 2) Providing a safe & healthy working environment to all employees and business associates by adopting proactive measures as well as complying with all applicable rules & regulations.
- 3) Environment responsibility by conserving natural resources through process improvements, recycling & waste reduction and minimising pollution.
- 4) Organisational excellence through good corporate governance and industry leadership by integrating the value chain and continual improvement.
- 5) Holistic development of all employees, adopting ethical business practices and engaging with the local community.
- 6) Implementing sustainable and broad based social development programmes for the betterment of the community wherever we operate.
- 7) Communicating this policy and the performance & progress thereof to all stakeholders.

## GENESIS OF CORPORATE SOCIAL RESPONSIBILITY

IMFA's corporate social responsibility is practised in various forms such as corporate conscience, responsible business, sustainable practices and corporate social performance. The aim is to meaningfully engage with stakeholders for socio-economic welfare and to provide development assistance to those communities and their habitat which are directly or indirectly affected by our business activities. For us, CSR means respecting, valuing and empowering those connected with us.

In an era when the terms “corporate social responsibility” was not in vogue, our Founders vision of providing sustainable livelihood through employment generation led to IMFA's inception in a remote part of Odisha's erstwhile undivided Koraput District (now Rayagada) in 1961. Since then, reaching out to marginalised communities and working for their socio-economic upliftment has been the cornerstone of our culture.

## VISION

IMFA's vision for corporate responsibility is reflected in the motto ***Touching lives beyond business*** wherein we approach inclusive growth by implementing multi-sectoral, sustainable projects which will enable marginalised communities to live a healthy, dignified and meaningful life.

## GEOGRAPHICAL PRESENCE

IMFA's primary focus for CSR activities shall be in and around our areas of operations (manufacturing & mining) which presently includes Rayagada, Cuttack, Keonjhar, Angul, Jajpur and Khurda districts of Odisha. Besides enabling a higher quality of intervention, these districts are very relevant as they have high incidence of poverty besides a larger concentration of Schedule Caste and Schedule Tribe population which have traditionally been marginalised. Moreover, some of these districts are also naaxal affected.

Once we have assessed the impact of our interventions, we will scale up the successful models to other districts with similar socio-economic background.

## FOCUS AREAS

The areas where IMFA plays a useful role based either on its related businesses or by engaging in cross-sectional social & economic domains are:

- 1) Social development by focusing on community development programmes involving health programmes, women & child care, safe water & sanitation, and malnutrition,
- 2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. Enhancing employability by imparting vocational training and entrepreneurial skills leading to income generation and economic empowerment.



## CORPORATE SOCIAL RESPONSIBILITY POLICY

- 3) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- 4) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry conservation of natural resources and maintaining quality of soil, air and water. Conserving natural resources through process improvements, recycling, waste reduction and minimising pollution and through extensive plantation.
- 5) Rural development projects, working with Government, Gram Sabhas, Gram Panchayats, NGOs, CBOs, etc for improving conditions in the communities where we operate with a focus on continuity and sustainability
- 6) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports. Promoting sports by instituting awards, promoting sporting events including supporting such activities at school level.
- 7) Contribution to Prime Ministers National Relief Fund or any other fund set up by the Central Govt for socio economic development and relief and welfare of the scheduled caste, the scheduled tribes, other backward classes minority and woman.
- 8) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

The above list is illustrative and not exhaustive. Managing Director shall be authorized to consider CSR activities not falling in this list.

### APPROACH

CSR is integrated into IMFA's decision making process, strategy formulation, and management processes & activities. It is at the core of the Company's business objectives and the overall approach is a combination of:

- 1) Philanthropy - Meant to provide help to humanity, initiatives under this approach include curative medical care and support to local communities for various causes.
- 2) Sustainable Development - Undertaking or supporting implementation of projects with a long term sustainable outlook. This is achieved by engaging, educating and empowering the community with their participation to meet their present needs as well as securing the future of the next generations. Sustainable development covers all four dimensions i.e. social, economic, environmental and institutional development.
- 3) Advocacy - Change management to have a positive influence on communities through panel discussions, messages through print & electronic media, discussions with policy makers and strengthening capability at the community level.

### IMPLEMENTATION STRATEGY

In order to effectively reach out to its target audience and implement its charitable, philanthropic and development activities, IMFA has established the following institutions:

#### 1) Indian Metals Public Charitable Trust (IMPACT)

Founded by Dr Bansidhar Panda and Late Mrs Ila Panda, IMPACT is the charitable arm of IMFA. Among its noticeable initiatives are *Sarala Award* for promoting Odia literature and *Ekalabya Puraskar* for encouraging budding local sports talent. It also provides grants to scholars and runs an old age home.

#### 2) Bansidhar & Ila Panda Foundation (BIPF; [www.bipf.org.in](http://www.bipf.org.in))

Founded in 2011 to broaden the Company's social development initiatives in a focussed and sustainable manner, BIPF's areas of interest are education, skill development, water & sanitation, and women & child development. Besides working independently, its charter includes partnering with government & private organisations.

IMFA may also implement its objectives by taking up or supporting activities directly or by contributing to and/or working in partnership with other agencies.

### RESOURCES

The Board will approve an overall budget which will then be detailed by the CSR Committee of the Company in terms of allocation, priority areas, etc. The surplus arising out of CSR projects or programs or activities shall not form part of the business profits of the Company.

### GOVERNANCE MECHANISM

Our Board of Directors, CSR Committee, Management Team and all employees subscribe to the Corporate Responsibility Policy. CSR Committee as constituted by Board would provide guidance as may be necessary in implementing this policy and the activities thereof.

### MONITORING

At IMFA level a CSR cell should be constituted headed by Chief of CSR (Special Initiatives) who will prepare the Report on CSR activities based on which in every quarter CSR Committee should review the progress of implementation of CSR projects/programmes.

### INFORMATION DISSEMINATION

The Company's engagement, performance and progress will be disseminated through its website ([www.imfa.in](http://www.imfa.in)), in-house journal and Annual Report besides that of the implementing agencies and reportage in the print & electronic media.

# MANAGEMENT DISCUSSION AND ANALYSIS



## FERRO CHROME

Ferro chrome is an alloy of chrome and iron with 50% to 70% chrome content. Although high carbon ferro chrome / charge chrome is primarily used in manufacturing stainless steel, low and medium carbon ferro chrome find their use in the production of special and carbon steel. Chrome imparts the non-corrosive property to stainless steel, thus making it a unique product with multiple applications.

## GLOBAL AND INDIAN CHROME ORE SCENARIO

South Africa has the largest share of chrome ore reserves globally (~80%) followed by Zimbabwe whereas India has a less than 1% share with most of it found in Odisha. Over a period of time South Africa has emerged as the largest supplier of chrome ore which is no surprise given the extent of its reserves and increased acceptance of UG2 - a byproduct of PGM. The removal of the export duty on chrome ore by India is a matter of concern as it is likely to lead to a surge in non value-added ore exports at the cost of preserving limited reserves for value addition. Since the natural occurrence of ore is a decisive factor, it goes without saying that proper utilisation through value addition is of paramount importance.

World chrome ore and concentrate output is estimated at 28.88 million tonnes in 2015, compared to 29 million tonnes in 2014 (Source: ICDA). Output across Western Europe, Eastern Europe, Africa and the Middle East saw a decline. On the other hand, India's chrome ore and concentrate output increased significantly owing to resumption of operations at mines which were shut down for various reasons.

## Global chrome ore and concentrate output

	(million tonnes)		
Country	2015	2014	2013
Western Europe	2.42	2.78	3.46
Eastern Europe	4.94	5.25	4.79
Africa	16.43	16.75	16.49
Americas	0.53	0.52	0.48
Asia and Australia	3.59	2.46	3.76
Middle East	0.97	1.26	1.31
<b>Total</b>	<b>28.88</b>	<b>29.02</b>	<b>30.29</b>

## Indian chrome ore and concentrate output

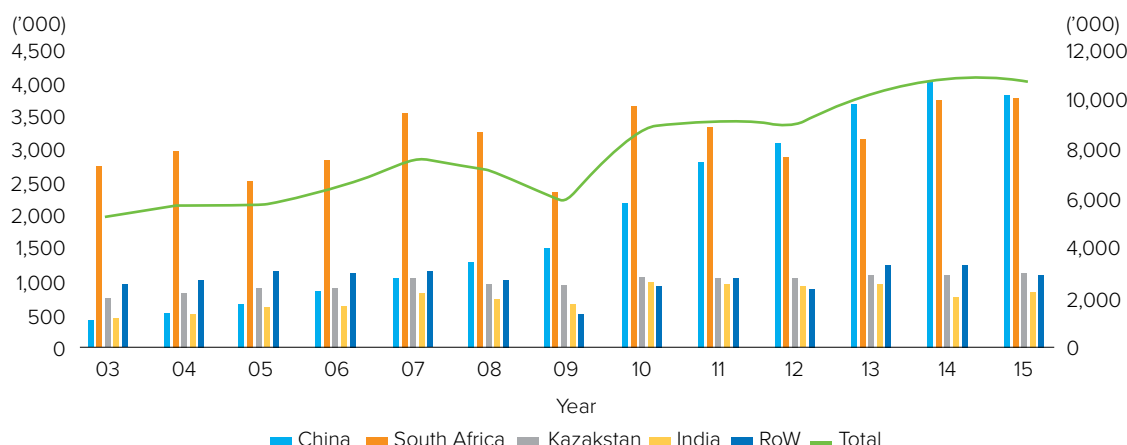
	(million tonnes)		
Country	2015	2014	2013
India	3.15	1.92	2.56

## GLOBAL FERRO CHROME INDUSTRY

Global ferro chrome production decreased marginally by about 2% to 10.72 million tonnes in 2015 as compared to 10.94 million tonnes in 2014. China's production fell by 4.65% to 3.82 million tonnes in 2015 as against 4 million tonnes in the previous year. However, South Africa's production grew by 1.13% to 3.78 million tonnes in 2015 as against 3.74 million tonnes in 2014 bringing it to the verge of regaining the top slot in the industry.

### Global ferro chrome production trend

(metric tonnes)

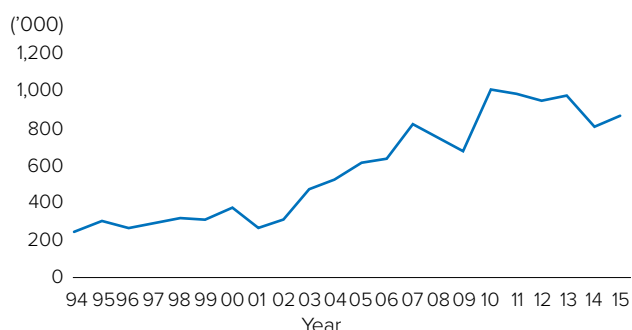


## INDIAN FERRO CHROME INDUSTRY

Ferro chrome was first produced in India in 1967 and output remained stagnant around 250,000 - 300,000 tonnes per annum till 1999 when the first phase of redistribution of chrome ore reserves in Odisha's Sukinda valley among actual users took place. While there was hardly any focus on value addition until then, subsequently production of ferro chrome increased to around the 1 million tonnes per annum mark making India the fourth largest producer in the world. The industry is relatively consolidated with six producers accounting for about 75% of production and further consolidation is likely as the markets are in a phase of modest growth combined with increasing cost pressures.

### Production trend

(metric tonnes)



While fully integrated producers like IMFA benefit from captive chrome ore & electricity which leads to a competitive cost structure, a surprisingly large quantum of ferro chrome is produced by partially integrated and non-integrated players. The latter - especially those without captive mines - are essentially swing producers who come under pressure when market sentiments are weak and many have now opted to enter into conversion contracts (tolling arrangements) with a large merchant miner.

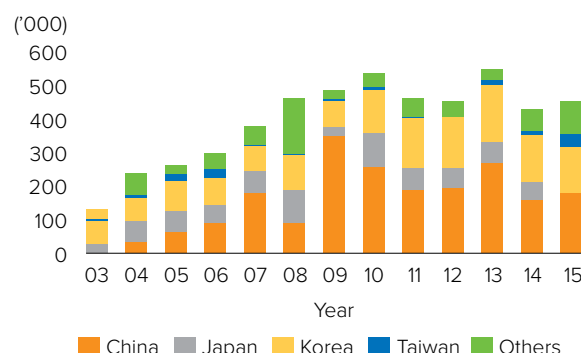
The growth plans of fully integrated producers are tempered by the extent of ore reserves although the MMDR Amendment Act 2015 does give them the assurance of a 50-year lease with 'Right of First Refusal' in the ensuing auction. Partially integrated and non-integrated producers have their own set of challenges which are mostly centered around their position on the cost curve.

India's ferro chrome output volume remained stable over the last five years, at around 1 million tonnes. In 2015, it was 0.86 million tonnes, compared to 0.80 million tonnes in 2014.

Around half of India's ferro chrome production is exported - mainly to Far East countries including China, South Korea, Japan and Taiwan. In 2015, India's ferro chrome exports stood at 0.45 million tonnes with about 70% being exported to China, South Korea and Japan.

### Export to Far East

(metric tonnes)



## SWOT ANALYSIS OF INDIA FERRO CHROME INDUSTRY



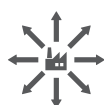
### Industry strengths

- ♦ Availability of high grade chrome ore
- ♦ 'Make in India' holds great promise for the manufacturing sector in general
- ♦ Logistics advantage relating to major stainless producing countries ie. Far East market



### Industry challenges

- ♦ High cost of capital
- ♦ Price volatility
- ♦ Limited reserves of chrome ore
- ♦ Lack of availability of low ash, low phos coke in India



### Industry opportunities

- ♦ Low per capita consumption of stainless steel in India
- ♦ Expansion into emerging territories



### Industry threats

- ♦ Global over capacity
- ♦ Slowdown in China
- ♦ Stainless steel substitution

## OUTLOOK

Ferro Chrome prices came down substantially in the last quarter of FY 2015-16 - in fact, dipping below cash cost of production of most producers which is not sustainable even in the short run. As such, even though prices have since moved up the recovery is likely to be bumpy and dependent upon the traction of China's stimulus measures, outlook for the SA Rand and overall growth in the major economies. It is likely that inefficient capacities will be driven out which is healthy over the long term while demand too will go up with improve macro economic conditions worldwide.

## STAINLESS STEEL INDUSTRY

Global stainless steel production for 2015 declined 0.3% year-on-year to 41.5 million tonnes, with downturn across the board barring Asia (except China).

Output of stainless steel in Asia, excluding China, ticked up 1.4%, from 9.3 million tonnes in 2014 to nearly 9.5 million tonnes in 2015.

China, however, recorded a 0.6% decrease in production, from 21.69 million tonnes in 2014 to 21.56 million tonnes in 2015.

During 2015, stainless and melt shop steel output from Western Europe/Africa decreased 0.7% to 7.51 million tonnes from 7.57 million tonnes in 2014.

Central/Eastern Europe's output contracted 6.3%, from 2,77,000 tonnes to 259,000 tonnes while production from the Americas was down 2.3% to 2.7 million tonnes in 2015 as against 2.8 million tonnes in the previous year.

Source: International Stainless Steel Forum (ISSF)

## Region wise performance

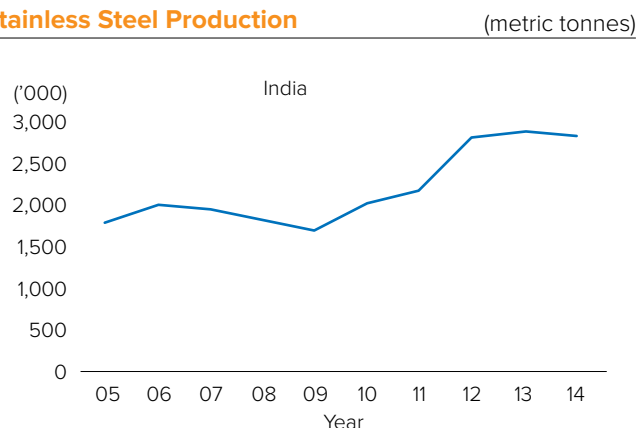
Region	(metric tonnes)		
	2015	2014	y-o-y (+/-%)
Western Europe/ Africa	7,518	7,570	(0.7%)
Central/ Eastern Europe	259	277	(6.3%)
The Americas	2,747	2,813	(2.3%)
Asia (w/o China)	9,461	9,333	1.4%
China	21,562	21,692	(0.6%)
<b>Total</b>	<b>41,548</b>	<b>41,686</b>	<b>(0.3%)</b>

Source: International Stainless Steel Forum (ISSF)

## INDIAN STAINLESS STEEL INDUSTRY

India's stainless steel production remained flat at about 3 million tonnes as compared to 2014.

## Stainless Steel Production



Source: International Stainless Steel Forum (ISSF)

## MANAGEMENT DISCUSSION AND ANALYSIS

### BACKGROUND

Incorporated in 1961, IMFA is the leading fully integrated producer of ferro chrome consistently delivering value through high quality, innovation and sustainable productivity improvement. With a back-up of own chrome ore mines and captive power, the Company has been successful in moving up the value chain through a robust business model.

The Company's Integrated Management System comprises quality, environment and health & safety certification. IMFA's quality standards are accredited by ISO 9001 Quality Management certification, besides ISO 14001 Environment Management and OHSAS 18001 Occupational Health & Safety certification.

The Company is globally recognised as a reliable and cost-competitive producer with a particular focus on customer satisfaction. The Company's ferro chrome output is primarily exported to China, Korea, Japan and Taiwan in the Far East which is the epicentre of stainless steel production. However, it is ideally positioned to cater to increasing domestic demand arising out of wider use of stainless steel.

Over the years, the Company has developed long-standing relationships with multinationals like POSCO in South Korea, Marubeni Corporation and Nisshin Steel in Japan and other leading stainless steel producers in China and Taiwan. Within India, Jindal Stainless, AIA Engineering Ltd and Viraj profiles Ltd are IMFA's leading customers.

### BUSINESS SEGMENTS

#### Ferro alloy segment

The Company has installed six furnaces at Therubali and Choudwar in Odisha, with installed furnace capacity of 187 MVA. This has made IMFA the largest producer of ferro chrome in India capable of producing up to 2,75,000 tonnes per annum.

#### Key data for ferro alloys segment

Particulars	FY 2015-16	FY 2014-15
Production (tonnes)	1,88,849	2,05,203
Sales (tonnes)	1,93,302	2,05,478

#### Mining segment

The Company's captive mines have an Environmental Clearance limit of 6.5 lakh tonnes per annum at present and meet most of the requirement with a small quantity of ore being imported. While the Sukinda Mines are open cast, the start of underground operations at Mahagiri have been a great source of pride while holding out the promise of making the Company fully self-sufficient.

#### Power segment

The Company's captive power generation capacity stands at 258 MW comprising of 228 MW coal-based capacity and a 30 MW dual-fuel unit which operates on a mixture of coal and furnace gas. The

Company prioritises the operation of 150 MW capacity which uses modern CFBC boilers and is very efficient besides allowing a wide variety of inputs such as washery rejects to be used.

#### Key data for power segment

Particulars	FY 2015-16	FY 2014-15
Generation (in million units)	857.99	913.92
Sales (in million units)	-	17.96

#### Financial Performance for the Company

Particulars	FY 2015-16	FY 2014-15
Revenue from operations	1211.30	1344.79
EBITDA (before exceptional items)	129.59	262.90
Profit/(Loss) after tax	(54.76)	11.98
Cash profit	29.37	155.28
Earnings per share (EPS) (₹)	(21.08)	4.61
Cash EPS (₹)	11.31	59.78
Net worth	808.31	862.89
Capital employed	1728.95	1832.13
Fixed assets (including CWIP*)	1125.54	1153.12
Net current assets	151.60	246.48

\*CWIP stands for capital work in progress

### REVENUES

The Company's revenues from operations stood at ₹ 1,211.30 Crore in FY 2015-16 as against ₹ 1,344.79 Crore in FY 2014-15. There is a decline of 9.93% over last year's revenue arising out of lower output and falling realisations.

#### Exports

The Company earns a substantial amount from exports contributing around 87.27% of the operating revenue. IMFA earned foreign exchange equivalent to ₹ 1,057.15 Crore in FY 2015-16 as compared to ₹ 1,064.37 Crore in FY 2014-15.

#### Other income

Other income stood at ₹ 16.25 Crore in FY 2015-16, vis-à-vis ₹ 21.78 Crore in FY 2014-15. In FY 2015-16, other income included interest income of ₹ 7.02 Crore and insurance claim of ₹ 0.41 Crore.

#### Profitability

The Company recorded an EBITDA (before exceptional items) of ₹ 129.59 Crore in FY 2015-16 compared to ₹ 262.90 Crore during FY 2014-15. PAT stood at ₹ (54.76) Crore as against ₹ 11.98 Crore in FY 2014-15.

#### Tax expense

Net tax charge was ₹ (30.06) Crore in FY 2015-16 vis-s-vis ₹ 21.36 Crore in FY 2014-15.

## SOURCES OF FUND

### Own funds

The Company's net worth reduced to ₹ 808.31 Crore as on 31st March, 2016, from ₹ 862.89 Crore as on 31st March, 2015.

### Equity

The Company's equity comprises 2,59,77,053 equity shares with a face value of ₹ 10 per share; with promoters holding 55.75 % as on 31st March, 2016.

### Reserves

Reserves reduced to ₹ 782.33 Crore as on 31st March, 2016 from ₹ 836.91 Crore as on 31st March, 2015. Free reserves constitute around 99.86 % of the total reserves.

### Long-term borrowings

Long-term borrowings stood at ₹ 832.24 Crore as on 31st March, 2016, compared to ₹ 856.43 Crore on the same date of the previous year, as detailed beside:

	₹ in Crore	
	<b>FY 2015-16</b>	<b>FY 2014-15</b>
Long-term loans	661.45	705.41
Long-term maturities of finance lease obligations	31.49	31.99
Current maturities of long-term borrowings	138.81	118.58
Current maturities of finance lease obligations	0.49	0.45
<b>Total</b>	<b>832.24</b>	<b>856.43</b>

## APPLICATION OF FUNDS

### Gross block

The Company's gross block of fixed asset increased to ₹ 1868.90 Crore from ₹ 1782.94 Crore as on 31st March, 2015.

### Capital work-in-progress

The Company's capital work-in-progress reduced to ₹ 38.09 Crore as on 31st March, 2016 from ₹ 40.47 Crore as on 31st March, 2015. This was owing to the commissioning of projects and capitalisation of various expansion activities.

## RISK MANAGEMENT

Risk is an expression of uncertainty about events and their possible outcomes that could have a material impact on the Company's performance and prospects. IMFA is committed to mitigate the relevant risks to strengthen its position – tomorrow and beyond.

<b>Risks</b>	<b>Mitigating factors</b>
<b>Raw material security</b> – Inadequate availability of requisite raw materials could be a major threat for a company like IMFA.	<ul style="list-style-type: none"> <li>◆ Chrome ore is sourced from captive mines which ensures quality, reliability and a competitive advantage.</li> <li>◆ During FY 2015-16, we started operations at our Mahagiri underground mines which will enhance ore capacity.</li> <li>◆ Other raw materials are sourced from several suppliers with whom the Company maintains excellent relationship.</li> <li>◆ The Company ensures the availability of thermal coal (including washery rejects) to run its power plants without any disruption.</li> <li>◆ Innovative procurement strategy such as Forward e-auction for coal helps bring about stability.</li> </ul>
<b>Price and currency volatility</b> – Currently, volatility in market conditions is becoming a familiar norm. Thus, adapting to fluctuations is a critical requirement.	<ul style="list-style-type: none"> <li>◆ The Company hedges export proceeds using several means such as forward contracts and derivatives.</li> <li>◆ IMFA also adopts a mix of long-term contracts and spot sales to optimise off-take and realisations.</li> </ul>
<b>Regulatory risk</b> – Any kind of delay in regulatory approvals or change in legislations could potentially impact the Company's business prospects.	<ul style="list-style-type: none"> <li>◆ IMFA keeps a track of these changes in legislations and takes proactive measures to resolve any risk.</li> <li>◆ It also ensures compliance of statutory legislations at all its establishments.</li> </ul>
<b>Productivity improvement &amp; technologies</b> - Lower ferro chrome prices can lead to lower margins.	<ul style="list-style-type: none"> <li>◆ The Company has achieved measurable productivity gains through continuous improvement in all its operations and technology upgradation.</li> <li>◆ Regular maintenance and overhauling of plant and equipment are carried out to prevent breakdowns.</li> </ul>



## MANAGEMENT DISCUSSION AND ANALYSIS

Risks	Mitigating factors
<b>Capital uncertainty</b> - Capital access and its allocation risk is one that involves capital being poorly utilised.	<ul style="list-style-type: none"> <li>♦ The Company continues to allocate capital effectively with constant review and action that confirms strategy and impacts the business profitably.</li> <li>♦ It also optimises return on capital employed with strong capital management, capital growth and financial discipline followed at every level.</li> </ul>

### HUMAN RESOURCE

IMFA recognises the importance of nurturing and development of human capital and it has formulated HR policies to attain these objectives. The processes for attracting, retaining and rewarding talent are well laid down and along with transparent systems to identify and reward performance. Training interventions are made on a regular basis at all levels. Succession planning and talent management continues to receive priority.

The Company has institutionalised learning and development initiatives like coaching & mentoring, internal & external training programmes, identification and nurturing of in-house talent with high potential. Besides, there is also a comprehensive rewards and recognition process.

The Company is aware of the importance of employee engagement activities and partners with its employees to ensure a highly engaged and motivated workforce. Employee engagement is based on trust, integrity, two-way commitment and communication between an organisation and its members. It is an approach that increases the chances of business success, contributes to organisational and individual performance, productivity and well being. A culture of passion and commitment, coupled with empowerment and accountability flows through the organisation.

At IMFA, we promote gender equality by promoting a safe and secure work environment for women. A Policy has been framed according to the provision of Sexual Harassment of Women at the Work Place (Prevention, Prohibition & Redressal) Act, 2013. The Company has not received any complaints of sexual harassment during the year under review.

IMFA's efforts have resulted in low attrition rates which stood at 5.67 % in FY 2015-16.

### INTERNAL CONTROL SYSTEMS

The Company has a comprehensive system of internal controls that enables efficient operations, optimal resource utilisation and compliance with all applicable laws and regulations. Each of these internal controls strengthens the Company and protects loss or unauthorised use of assets by providing adequate checks and balances. The Company authorises, records and reports all transactions. An independent firm of Chartered Accountants serves as the Internal Auditor to execute the internal audit functions. The Management and Audit Committee of the Board

observes and then recommends corrective measures following such audits to improve business operations.

### HEALTH, SAFETY AND ENVIRONMENT

IMFA is committed to conducting its activities in a manner that promotes the health and safety of its employees, assets and the public, as well as protection of the environment. The Company's Integrated Management System comprises quality, environment and occupational health and safety certification. Highlights of the year are:

- ♦ Reviewing implementation of HSE initiatives and HSE performance by senior management on a monthly basis at worksites.
- ♦ Apex HSE Council chaired by MD reviews the HSE performance and approves HSE initiatives, KPI's and guidelines once in a quarter.
- ♦ Scheduling HSE inspections, audits, observations and interactions to identify HSE issues and implementing plans to eliminate such issues.
- ♦ Imparting need-based HSE training to the workforce.
- ♦ Focus on process safety.
- ♦ Focus on behavior based safety amongst the workforce.
- ♦ Production based incentives are predicated on zero fatality.
- ♦ Focus on contractor safety by implementing contract management process.

### CAUTIONARY STATEMENTS

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.



# DIRECTORS' REPORT



Your Directors hereby present the 54th Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2016.

## FINANCIAL RESULTS

Amount in ₹ Crore		
	<b>FY 2015-16</b>	<b>FY 2014-15</b>
1 Revenue from operations	1,211.30	1,344.79
2 Other Income	16.25	21.78
3 Total Revenue	1,227.55	1,366.57
4 Profit before interest, depreciation, taxation, prior period income and exceptional items	129.59	262.90
5 Interest	83.07	108.62
6 Depreciation	114.19	121.94
7 Profit/(Loss) before Tax	(84.82)	33.34
8 Tax including Deferred Tax	(30.06)	21.36
9 Profit/(Loss) after Tax	(54.76)	11.98
10 Proposed dividend (including Tax on dividend)	-	4.69
11 Transfer to General Reserve	-	0.60

During the year under review, revenue from operations declined by 9.93% to ₹ 1,211.30 Crore (previous year: ₹ 1,344.79 Crore) including foreign exchange earnings of ₹ 1,034.03 Crore (previous year: ₹ 1,032.47 Crore). EBITDA (before exceptional items) fell by almost 51% to ₹ 129.59 Crore (previous year: ₹ 262.90 Crore) and profit after tax declined to ₹ (54.76) Crore (previous year: ₹ 11.98 Crore) on account of difficult market conditions.

## DIVIDEND

Your Board of Directors have not recommended any dividend on the equity shares of the Company for the FY 2015-16 in view of loss.

## DIRECTORS' REPORT

### STATE OF COMPANY'S AFFAIRS

#### Ferro Alloys

The production of ferro chrome during the year under review declined by 7.97% to 188,849 tonnes (previous year: 205,203 tonnes) mainly on account of a lockout declared at the Therubali unit from 21st November 2015 to 23rd February 2016 consequent to an illegal strike. Moreover, in view of unsustainable prices prevailing in the last quarter of the year under review, the Company decided to advance some of the maintenance activities scheduled for later.

#### Electricity

During the year under review your Company generated 857.99 MU's of electricity (previous year: 913.92 MU's) in accordance with lower captive requirement.

#### Mining

Chrome Ore production during the year under review was 359,468 tonnes as compared to 414,138 tonnes during the previous year.

It is pertinent to note here that your Company has consistently followed in letter and spirit the practice of value addition and limiting ore raising from its captive mines to that required for captive consumption thus maximising contribution to the exchequer.

### EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31st March, 2016 in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-1**.

### NUMBER OF MEETINGS OF THE BOARD

The Board met four times in FY 2015-16 viz. on 14th May, 2015, 23rd July, 2015, 20th October, 2015 and 9th February 2016. The maximum interval between any two meetings did not exceed 120 days. The details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings are provided in the Corporate Governance Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions under section 134(5) of the Companies Act, 2013, your Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

- (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 loss 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, 2013 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, 2016 on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Independent Directors have given declaration that they meet the criteria specified under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is attached as **Annexure-2** to this Report.

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

M/s Haribhakti & Co.LLP., Chartered Accountants, (Firm Registration No.103523W) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 57th Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Haribhakti & Co.LLP., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders.

There are no qualifications, reservations or adverse remarks or disclaimers made in their audit report.

#### Secretarial Auditor

There are no qualifications, reservations or adverse remarks or disclaimers made in their secretarial audit report.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements forming part of Annual Report. The Company has not provided any guarantees during the Financial Year.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no contracts/arrangements/transactions which are not at arm's length basis and there are no material contracts/arrangements/transactions which are at arm's length basis.

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

#### ENERGY CONSERVATION, ETC.

The information required under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in **Annexure-3** hereto forming part of this report.

#### RISK MANAGEMENT POLICY

The Company has a Risk Management framework in place which is designed to identify, assess and monitor various risks

related to key business and strategic objectives and lead to the formulation of a mitigation plan. All identified risks are categorised based on a matrix of likelihood of occurrence and impact thereof and a mitigation plan is worked out to the extent possible. Major risks in particular are monitored regularly at meetings of the Executive Risk Committee and the Board of Directors of the Company is kept abreast of such issues.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure-4** to this Report.

#### ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i) Attendance of Board Meetings and Board Committee Meetings
- ii) Quality of contribution to Board deliberations
- iii) Strategic perspectives or inputs regarding future growth of Company and its performance
- iv) Providing perspectives and feedback going beyond information provided by the management
- v) Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation.

#### DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013

Pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of remuneration of each director to the median employee's remuneration and such other details are furnished below:

- i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio	Name of the Director	Ratio
Dr B Panda	56:1	N R Mohanty	0.05:1
Baijayant Panda	58:1	General Shankar Roychowdhury(Retd)	0.05:1
Subhrakant Panda	66:1	Major R N Misra(Retd)	0.21:1
J K Misra	24:1	Dr S Acharya	0.38:1
C R Ray	22:1	S P Mathur	0.14:1
Paramita Mahapatra	0.52:1	S Nautiyal	0.07:1
Alex Amrein	0.02:1	Stefan Georg Amrein	NIL
D Bandyopadhyay	0.05:1	Bijoy Kumar Das	0.02:1

## DIRECTORS' REPORT

- ii) the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary and Chief Executive Officer, in the financial year:

Name of the Director	% increase	Name of the Director	% increase
Dr B Panda	7.77	General Shankar Roychowdhury (Retd)	-
Baijayant Panda	11.37	Major R N Misra (Retd)	-
Subhrakant Panda	12.84	Dr S Acharya	-
J K Misra	(17.04)	S P Mathur	-
C R Ray	(4.29)	S Nautiyal	-
Paramita Mahapatra	-	Stefan Georg Amrein	-
Alex Amrein	-	Bijoy Kumar Das	-
D Bandyopadhyay	-	Prem Khandelwal, CFO & CS	(11.72)
N R Mohanty	-		

- iii) the percentage increase in the median remuneration of employees in the financial year: 8.94
- ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

- iv) the number of permanent employees on the rolls of Company: 2,420

- v) the explanation on the relationship between average increase in remuneration and Company performance (PBT):
- Average increase in remuneration (in %): 8.89
- Increase in Company's performance (in %): (354.41)

- vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company (PBT):
- Average increase in remuneration (in %): (0.18)
- Increase in Company's performance (in %): (354.41)

- vii) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Market capitalisation as on 31.03.2016:	₹ 287.83 crore
Market capitalisation as on 31.03.2015:	₹ 397.71 crore
Decrease in market capitalisation:	₹ 109.88 crore
Price earning ratio as at 31.03.2016:	(5.26)
Price earning ratio as at 31.03.2015:	33.21

- viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the salaries of employees other than the managerial personnel:	49th
Percentile increase in the managerial remuneration :	67th

Name of Key Managerial Personnel	Increase /(Decrease)	
	Remuneration (%)	Company's Performance (%)
Dr B Panda	7.77	(354.41)
Baijayant Panda	11.37	(354.41)
Subhrakant Panda	12.84	(354.41)
J K Misra	(17.04)	(354.41)
C R Ray	(4.29)	(354.41)
Prem Khandelwal	(11.72)	(354.41)

- x) the key parameters for any variable component of remuneration availed by the Directors:

Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman and Mr Subhrakant Panda, Managing Director are paid commission subject to a maximum of 1.5% each per annum of the net profits of the Company computed in accordance with section 198 of the Companies Act, 2013.

Mr J K Misra, Director(Corporate) & COO and Mr C R Ray, Whole-time Director are paid performance pay subject to a maximum of 100% and 50% of basic salary per annum respectively.

All Non-Executive Independent Directors are paid commission not exceeding 0.5% per annum of the net profits of the Company subject to a maximum of ₹ 50,00,000/- distributed equally.

- xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.

- xii) The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

## **PARTICULARS OF EMPLOYEES**

The information on employees who were in receipt of remuneration of not less than ₹ 60 lakh during the financial year or ₹ 5 lakh per month during any part of the said year as required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said statement is also open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

## **PUBLIC DEPOSITS**

The Company has not accepted any public deposits during the year under review.

## **WHISTLE BLOWER POLICY**

The Company has formulated a Whistle Blower Policy for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr C R Ray and Mr Baijayant Panda, Directors retire by rotation at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

Mr Stefan Georg Amrein and Mr Bijoy Kumar Das were appointed as Additional Directors in the capacity of Director and Independent Director with effect from 7th January, 2016 and 9th February, 2016 respectively and hold office upto the forthcoming Annual General Meeting of the Company. The Company has received notice from the member(s) pursuant to Section 160 of the Companies Act, 2013 stating intent to propose Mr Amrein as Director and Mr Das as Independent Director under section 149 of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure

Requirements) Regulation 2015, Major R N Misra (Retd) and Mr N R Mohanty are proposed to be re-appointed as Non-Executive Independent Directors for a period of five years from the conclusion of the ensuing Annual General Meeting. Further, Mr D Bandyopadhyay is proposed to be re-appointed as Non-Executive Independent Director for a period of two years from the conclusion of the ensuing Annual General Meeting. The Company has received notice from the member(s) pursuant to Section 160 of the Companies Act, 2013 signifying intention to propose them for the office of Independent Director under section 149 of the Companies Act, 2013.

Dr B Panda, Mr Baijayant Panda, Mr Subhrakant Panda and Mr Jayant Kumar Misra were re-appointed as Executive Chairman, Vice Chairman, Managing Director and Director (Corporate) & COO respectively for a further period of three years from 28th October, 2015. Further, Mr C R Ray was re-appointed as Whole-time Director for a further period of 3 years with effect from 31st January, 2016. Their terms of appointment were approved by the members on 10th December, 2015 through e-voting/postal ballot.

Mr Alexius Markus Amrein stepped down as Director of the Company with effect from 7th January, 2016 due to personal reasons. The Board places on record its sincere appreciation of the valuable service, guidance and advice rendered by him from time to time in his capacity as Director of the Company.

The term of Dr S Acharya, Independent Director is expiring on the conclusion of the ensuing Annual General Meeting and he is not seeking re-appointment. The Board places on record its sincere appreciation of the valuable service, guidance and advice rendered by him from time to time in his capacity as Independent Director of the Company.

Resolutions seeking approval of the members have been incorporated in the notice of the forthcoming Annual General Meeting. Brief resumé/details relating to Directors who are to be appointed/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' REPORT

### DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Listing Regulations details in respect of the shares lying in the Indian Metals & Ferro Alloys Limited – Unclaimed Suspense Account (Promoter group & Non-promoter group) till 31st March, 2016 are as under:

Sl.No.	Description	No of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 1st April, 2015	7046	109161
(ii)	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2015-16	19	124
(iii)	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2015-2016	19	124
(iv)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 31st March, 2016	7,027	1,09,037

All the corporate benefits in terms of securities accruing to on these unclaimed shares shall be credited to the aforesaid account. Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### SECRETARIAL AUDIT REPORT

The Company has appointed M/s Sunita Mohanty & Associates, Company Secretaries to conduct secretarial audit and their Report on Company's Secretarial Audit is appended to this Report as **Annexure-5**.

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a comprehensive system of internal controls that enables efficient operations, optimal resource utilisation and compliance with all applicable laws and regulations. Each of these internal controls strengthens the Company and protects loss or unauthorised use of assets by providing adequate checks and balances. The Company authorises, records and reports all transactions. An independent firm of Chartered Accountants serves as the Internal Auditor to execute the internal audit functions. The Management and Audit Committee of the Board observes and then recommends corrective measures following such audits to improve business operations.

### CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on the Corporate Governance, Management Discussion and Analysis, Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance have been made a part of the Annual Report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### SUBSIDIARY/JOINT VENTURE COMPANIES

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is attached as **Annexure-6**.

### INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's manufacturing/ operational complexes located at different sites remained cordial except Therubali where a lock out was declared from 21st November 2015 to 23rd February 2016 consequent to illegal action by workers in not reporting for duty.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board

**Place:**Bhubaneswar  
**Date :** 17th May, 2016

**(Subhrakant Panda)**  
Managing Director

**(Jayant Kumar Misra)**  
Director(Corporate) & COO

## Annexure-1

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

**as on Financial Year ended on 31st March, 2016**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
 (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS**

1	CIN	L27101OR1961PLC000428
2	Registration Date	11-20-1961
3	Name of the Company	INDIAN METALS AND FERRO ALLOYS LTD
4	Category/Sub-category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar, Odisha India - 751010
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ferro Chrome/ Ferro Alloys	2711	96.00%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IMFA Alloys Finlease Limited	U65990OR2009PLC011366	Subsidiary	76.00	Section 2(87)(ii)
2	Indian Metals And Carbides Limited	U27209OR1973PLC000598	Subsidiary	99.99	Section 2(87)(ii)
3	Utkal Coal Limited	U74899DL1998PLC068120	Subsidiary	79.20	Section 2(87)(ii)
4	Utkal Green Energy Limited	U01112OR2007PLC009115	Subsidiary	100.00	Section 2(87)(ii)
5	Utkal Power Limited	U40101OR2004PLC007590	Subsidiary	100.00	Section 2(87)(ii)
6	Indmet Mining Pte Ltd (Singapore)		Subsidiary	100.00	Section 2(87)(ii)
5	Pt Sumber Rahayu Indah (Indonesia)		Subsidiary	70.00	Section 2(87)(ii)



## DIRECTORS' REPORT

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

#### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April, 2015]				No. of Shares held at the end of the year [As on 31st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,070,555	-	1,070,555	4.12%	1,075,749	-	1,075,749	4.14%	0.49%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	13,126,124	-	13,126,124	50.53%	13,126,124	-	13,126,124	50.53%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other (Trust)	12,444	-	12,444	0.05%	12,444	-	12,444	0.05%	0.00%
<b>Sub Total (A) (1)</b>	<b>14,209,123</b>	<b>-</b>	<b>14,209,123</b>	<b>54.70%</b>	<b>14,214,317</b>	<b>-</b>	<b>14,214,317</b>	<b>54.72%</b>	<b>0.04%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	217,539	-	217,539	0.84%	217,539	-	217,539	0.84%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	51,456	-	51,456	0.20%	51,456	-	51,456	0.20%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>268,995</b>	<b>-</b>	<b>268,995</b>	<b>1.04%</b>	<b>268,995</b>	<b>-</b>	<b>268,995</b>	<b>1.04%</b>	<b>0.00%</b>
<b>Total (A)</b>	<b>14,478,118</b>	<b>-</b>	<b>14,478,118</b>	<b>55.73%</b>	<b>14,483,312</b>	<b>-</b>	<b>14,483,312</b>	<b>55.75%</b>	<b>0.04%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2,728,152	3,175	2,731,327	10.51%	2,731,849	3,175	2,735,024	10.53%	0.14%
b) Banks / FI	85,073	70	85,143	0.33%	85,009	70	85,079	0.33%	(0.08%)
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	13	-	13	0.00%	13	-	13	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	2,813,238	3,245	2,816,483	10.84%	2,816,871	3,245	2,820,116	10.86%	0.13%
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	845,799	40,859	886,658	3.41%	782,512	40,790	823,302	3.17%	(7.15%)
ii) Overseas	3,844,259	1,790,500	5,634,759	21.69%	3,844,259	1,790,500	5,634,759	21.69%	0.00%
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	877,792	235,567	1,113,359	4.29%	1,109,276	229,943	1,339,219	5.16%	20.29%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	732,361	31,500	763,861	2.94%	519,377	31,519	550,896	2.12%	(27.88%)
<b>c) Others (specify)</b>									
Non Resident Indians	190,319	18,899	209,218	0.81%	191,111	18,324	209,435	0.81%	0.10%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	53	-	53	0.00%	53	-	53	0.00%	0.00%
Clearing Members	6,319	-	6,319	0.02%	38,745	-	38,745	0.15%	513.15%
Trusts	20	-	20	0.00%	20	-	20	0.00%	0.00%
HUF	68,205	-	68,205	0.26%	77,196	-	77,196	0.30%	13.18%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>6,565,127</b>	<b>2,117,325</b>	<b>8,682,452</b>	<b>33.42%</b>	<b>6,562,549</b>	<b>2,111,076</b>	<b>8,673,625</b>	<b>33.39%</b>	<b>(0.10%)</b>
<b>Total Public (B)</b>	<b>9,378,365</b>	<b>2,120,570</b>	<b>11,498,935</b>	<b>44.27%</b>	<b>9,379,420</b>	<b>2,114,321</b>	<b>11,493,741</b>	<b>44.25%</b>	<b>(0.05%)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>23,856,483</b>	<b>2,120,570</b>	<b>25,977,053</b>	<b>100.00%</b>	<b>23,862,732</b>	<b>2,114,321</b>	<b>25,977,053</b>	<b>100.00%</b>	<b>(0.01%)</b>

**(ii) Shareholding of Promoter**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Banshidhar Panda	422,100	1.62%	-	422,100	1.62%	-	0.00%
2	Baijayant Panda	217,539	0.84%	-	217,539	0.84%	-	0.00%
3	Paramita Mahapatra	218,015	0.84%	-	218,015	0.84%	-	0.00%
4	Subhrakant Panda	212,901	0.82%	-	218,095	0.84%	-	2.44%
5	Nivedita Ganapathi	217,539	0.84%	-	217,539	0.84%	-	0.00%
6	B Panda And Company Pvt Ltd	1,109,514	4.27%	-	1,109,514	4.27%	-	0.00%
7	Barabati Investment And Trading Co Pvt Ltd	2,634,778	10.14%	-	2,634,778	10.14%	-	0.00%
8	K B Investments Pvt Ltd	2,516,401	9.69%	-	2,516,401	9.69%	-	0.00%
9	Madhuban Investments Pvt Ltd	2,395,696	9.22%	-	2,395,696	9.22%	-	0.00%
10	Paramita Investment And Trading Co Pvt Ltd	2,634,778	10.14%	-	2,634,778	10.14%	-	0.00%
11	Indmet Commodities Private Ltd	1,226,879	4.72%	-	1,226,879	4.72%	-	0.00%
12	Utkal Manufacturing And Services Ltd	608,078	2.34%	-	608,078	2.34%	-	0.00%
13	Subhrakant Panda, Managing Trustee, Shaisah Foundation	12,444	0.05%	-	12,444	0.05%	-	0.00%
14	Indian Metals & Ferro Alloys Ltd Unclaimed Suspense Account-Promoter Group	51,456	0.20%	-	51,456	0.20%	-	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	4-1-2015		14,478,118	55.73%	14,478,118	55.73%
	Changes during the year	7-9-2015	Transfer	2,194	0.01%	14,480,312	55.74%
		2-15-2016	Transfer	3,000	0.01%	14,483,312	55.75%
				-	0.00%	-	0.00%
	At the end of the year	3-31-2016		14,483,312	55.75%	14,483,312	55.75%

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Litec Company Limited						
	At the beginning of the year	4-1-2015		3,844,259	14.80%	3,844,259	14.80%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		3,844,259	14.80%	3,844,259	14.80%
2	Fox Consulting Services Pte Ltd						
	At the beginning of the year	4-1-2015		1,790,500	6.89%	1,790,500	6.89%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		1,790,500	6.89%	1,790,500	6.89%

## DIRECTORS' REPORT

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	Reliance Capital Trustee Co Ltd						
	At the beginning of the year	4-1-2015		2,260,359	8.70%	2,260,359	8.70%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		2,260,359	8.70%	2,260,359	8.70%
4	ICICI Prudential Infrastructure Fund						
	At the beginning of the year	4-1-2015		327,092	1.26%	327,092	1.26%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		327,092	1.26%	327,092	1.26%
5	Shah Jyotindra Ramniklal						
	At the beginning of the year	4-1-2015		303,303	1.17%	303,303	1.17%
	Changes during the year	8-1-2015	Transfer	3,920	0.02%	307,223	1.19%
		1-15-2015	Transfer	5,000	0.02%	312,223	1.21%
		1-22-2015	Transfer	1,156	0.00%	313,379	1.21%
	At the end of the year	3-31-2016		313,379	1.21%	313,379	1.21%
6	Westend Propmart Pvt Ltd						
	At the beginning of the year	4-1-2015		-	0.00%	-	0.00%
	Changes during the year	4-3-2016	Transfer	131,000	0.50%	131,000	0.50%
		3-18-2016	Transfer	49,220	0.19%	180,220	0.69%
	At the end of the year	3-31-2016		180,220	0.69%	180,220	0.69%
7	Minix Holdings Pvt Ltd						
	At the beginning of the year	4-1-2015		149,486	0.58%	149,486	0.58%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		149,486	0.58%	149,486	0.58%
8	ICICI Prudential Value Fund Seris 3						
	At the beginning of the year	4-1-2015		139,039	0.54%	139,039	0.54%
	Changes during the year	6-19-2015	Transfer	3,567	0.01%	142,606	0.55%
	At the end of the year	3-31-2016		142,606	0.55%	142,606	0.55%
9	SREI Infratstructure Finance Limited						
	At the beginning of the year	4-1-2015		119,615	0.46%	119,615	0.46%
	Changes during the year		Transfer	-	0.00%	-	0.00%
	At the end of the year	3-31-2016		119,615	0.46%	119,615	0.46%

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
10	Reliance Life Insurance Company Ltd						
	At the beginning of the year	4-1-2015		293,421	1.13%	293,421	1.13%
	Changes during the year	10-4-2015	Transfer	4,880	0.02%	288,541	1.11%
		4-24-2015	Transfer	1,228	0.00%	287,313	1.11%
		6-19-2015	Transfer	2,287	0.01%	285,026	1.10%
		6-26-2015	Transfer	768	0.00%	284,258	1.10%
		10-7-2015	Transfer	1,838	0.01%	282,420	1.09%
		7-31-2015	Transfer	2,058	0.01%	280,362	1.08%
		7-8-2015	Transfer	1,152	0.00%	279,210	1.08%
		8-28-2015	Transfer	3,249	0.01%	275,961	1.07%
		11-9-2015	Transfer	8,411	0.03%	267,550	1.04%
		9-10-2015	Transfer	12,638	0.05%	254,912	0.99%
		10-16-2015	Transfer	14,514	0.06%	240,398	0.93%
		10-23-2015	Transfer	10,477	0.04%	229,921	0.89%
		10-30-2015	Transfer	3,824	0.01%	226,097	0.88%
		11-13-2015	Transfer	3,175	0.01%	222,922	0.87%
		11-27-2015	Transfer	8,122	0.03%	214,800	0.84%
		12-31-2015	Transfer	27,362	0.11%	187,438	0.73%
		8-1-2016	Transfer	20,642	0.08%	166,796	0.65%
		1-15-2016	Transfer	5,471	0.02%	161,325	0.63%
		1-29-2016	Transfer	11,143	0.04%	150,182	0.59%
		3-18-2016	Transfer	1,035	0.01%	149,147	0.58%
		3-25-2016	Transfer	4,115	0.02%	145,032	0.56%
		3-31-2016	Transfer	36,113	0.14%	108,919	0.42%
	At the end of the year	3-31-2016		108,919	0.42%	108,919	0.42%

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Banshidhar Panda						
	At the beginning of the year	4-1-2015		422,100	1.62%	422,100	1.62%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		422,100	1.62%	422,100	1.62%
2	Baijayant Panda						
	At the beginning of the year	4-1-2015		217,539	0.84%	217,539	0.84%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		217,539	0.84%	217,539	0.84%
3	Subhrakant Panda						
	At the beginning of the year	4-1-2015		212,901	0.82%	212,901	0.82%
	Changes during the year	7-9-2015	Transfer	2,194	0.01%	215,095	0.83%
		12-2-2016	Transfer	3,000	0.01%	218,095	0.84%
	At the end of the year	3-31-2016		218,095	0.84%	218,095	0.84%
4	Paramita Mahapatra						

## DIRECTORS' REPORT

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	4-1-2015		218,015	0.84%	218,015	0.84%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		218,015	0.84%	218,015	0.84%
5	Jayant Kumar Misra	4-1-2015					
	At the beginning of the year			100	0.00%	100	0.00%
	Changes during the year	3-31-2016		-	0.00%	-	0.00%
	At the end of the year			100	0.00%	100	0.00%
6	Chitta Ranjan Ray						
	At the beginning of the year	4-1-2015		46	0.00%	46	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		46	0.00%	46	0.00%
7	Prem Khandelwal						
	At the beginning of the year	4-1-2015		240	0.00%	240	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3-31-2016		240	0.00%	240	0.00%

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. ₹/Lacs)
				Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,037.00	-	12.29	1,049.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.94	-	-	3.94
<b>Total (i+ii+iii)</b>	<b>1,040.94</b>	<b>-</b>	<b>12.29</b>	<b>1,053.23</b>
Change in Indebtedness during the financial year				
* Addition	83.01	-	-	83.01
* Reduction	(119.71)	-	(10.77)	(130.48)
Net Change	(36.70)	-	(10.77)	(47.47)
Indebtedness at the end of the financial year				
i) Principal Amount	1,001.07	-	1.52	1,002.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.17	-	-	3.17
<b>Total (i+ii+iii)</b>	<b>1,004.24</b>	<b>-</b>	<b>1.52</b>	<b>1,005.76</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					(₹)
		Dr Bansidhar Panda	Mr Baijayant Panda	Mr Subhrakant Panda	Mr J K Misra	Mr C R Ray	Total Amount
	Name	Executive Chairman	Vice - Chairman	Managing Director	Director (Corporate) & COO	Whole-time Director	
1	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,056,290.00	12,594,194.00	14,845,548.00	4,340,094.00	5,059,596.00	49,895,722.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,486,264.00	3,585,379.00	3,593,608.00	2,336,670.00	985,684.00	12,987,605.00
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	<b>Total (A)</b>	<b>15,542,554.00</b>	<b>16,179,573.00</b>	<b>18,439,156.00</b>	<b>6,676,764.00</b>	<b>6,045,280.00</b>	<b>62,883,327.00</b>
	Ceiling as per the Act	From 01/04/2015 to 27/10/2015 within the ceiling of Section II of Part II of Schedule V of the Companies Act, 2013 and From 28/10/2015 to 31/03/2016 within the ceiling of Central Government Approval.					Within the ceiling of Section II of Part II of Schedule V of the Companies Act, 2013.

## DIRECTORS' REPORT

### B. Remuneration to other Directors

								(₹)
Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	<b>Independent Directors</b>	Dr S Acharya	Major R N Misra	Mr D Bandyopadhyay	Mr N R Mohanty	General S Roychowdhury	Mr S Nautiyal	
	Fee for attending board committee meetings	105,000.00	60,000.00	15,000.00	15,000.00	15,000.00	20,000.00	230,000.00
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total</b>	<b>105,000.00</b>	<b>60,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>20,000.00</b>	<b>230,000.00</b>
	<b>Independent Directors</b>	Mr Sudhir Prakash Mathur	Mr Bijoy Kumar Das					
	Fee for attending board committee meetings	40,000.00	5,000.00					45,000.00
	Commission	-	-					-
	Others, please specify	-	-					-
	<b>Total</b>	<b>40,000.00</b>	<b>5,000.00</b>					<b>45,000.00</b>
	<b>Total (1)</b>							<b>275,000.00</b>
2	<b>Other Non-Executive Directors</b>	Mrs Paramita Mahapatra	Mr Alex Amrein	Mr Stefan Georg Amrein				-
	Fee for attending board committee meetings	145,000.00	5,000.00	-	-	-	-	150,000.00
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>145,000.00</b>	<b>5,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000.00</b>
	<b>Total (B)=(1+2)</b>							<b>425,000.00</b>
	<b>Total Managerial Remuneration</b>							<b>63,308,327.00</b>
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

				(₹)
Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
	Name	Mr Prem Khandelwal		
	Designation	CFO & Company Secretary		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			4,750,203.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			279,226.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			724,122.00
	<b>Total</b>			<b>5,753,551.00</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	-	NA	0	NA	NA
Punishment	-	NA	0	NA	NA
Compounding	-	NA	0	NA	NA
<b>B. Directors</b>					
Penalty	-	NA	0	NA	NA
Punishment	-	NA	0	NA	NA
Compounding	-	NA	0	NA	NA
<b>C. Other Officers In Default</b>					
Penalty	-	NA	0	NA	NA
Punishment	-	NA	0	NA	NA
Compounding	-	NA	0	NA	NA

**Note:**

1. "NA" Stands for Not Applicable

## Annexure-2

### Nomination and Remuneration Policy

#### 1. PREAMBLE

Section 178 of the Companies Act, 2013 read with applicable rules made thereunder and Clause 49 of the Listing Agreement requires the Nomination & Remuneration Committee to formulate a policy relating to appointment, remuneration, retirement and removal of Director(s)/Key Managerial Personnel (KMPs) and Senior Management Personnel. This policy has been formulated in compliance with the above regulations.

#### 2. DEFINITIONS

**2.1 Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

**2.2 Board** means Board of Directors of the Company.

**2.3 Directors** mean Directors of the Company.

**2.4 Key Managerial Personnel (KMP) means**

**2.4.1 Chief Executive Officer or the Managing Director or the Manager**

**2.4.2 Whole-time Director;**

**2.4.3 Chief Financial Officer;**

**2.4.4 Company Secretary; and**

**2.4.5 Such other officer as may be prescribed.**

**2.5 Senior Management means personnel of the Company excluding the Board of Directors and KMPs upto the level of Functional Heads.**

#### 3. POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors including one woman Director from different areas / fields like Production, Management, Quality Assurance, Finance, Sales & Marketing, Supply Chain, Research & Development, Human Resources, etc or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

#### 4. POLICY FOR APPOINTMENT, REMUNERATION, RETIREMENT AND REMOVAL OF DIRECTOR(S) AND KMP(S)

##### 4.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise

and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) The Company shall not appoint or continue the employment of any person as Managing / Whole-time Director who has attained the age of 70 (seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (seventy) years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years.

##### 4.2 Term / Tenure

###### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing/Whole-time Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

###### b) Independent Director:

- An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of

Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

#### 4.3 Removal

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the Act.

#### 4.4 Retirement

The KMPs who are not Directors shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the KMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, on the recommendation of Managing Director.

#### 4.5 Remuneration

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director or KMP to the Board for their approval as per the provisions of the Act / Policy of the Company. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors or KMPs of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 5. POLICY FOR APPOINTMENT, REMUNERATION, RETIREMENT AND REMOVAL OF SENIOR MANAGEMENT PERSONNEL

#### 5.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of

the person for appointment at Senior Management level and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification, functional expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

#### 5.2 Retirement & Removal

The Senior Management Personnel shall retire as per the prevailing policy of the Company. The Committee will have the discretion to retain the Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company based on the recommendation of Managing Director.

The Senior Management Personnel shall be removed after taking appropriate disciplinary action due to any breach of code of conduct / ethics and/or any misconduct during the service.

#### 5.3 Remuneration

The Committee will recommend the remuneration to be paid to the Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Senior Management of the quality required to run the Company successfully. The same should be reviewed periodically to make any adjustment based on the market.

The remuneration of such persons shall be in accordance with performance criteria defined for the role through performance management system to achieve the Company's goal. The remuneration should be a balance of fixed and incentive pay which will be determined by fixed pay components and Executive Incentives Scheme applicable to their level.

## Annexure-3

Particulars required under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014:

### A. CONSERVATION OF ENERGY

#### (i) Steps taken or impact on Conservation of Energy

##### Choudwar:

- (a) 20 Nos of 42 watt LED lamps fitting, 29 Nos of 25 Watt LED Lamps fitting were used in place of 70 watt HPSV lamp in 30 MW & 120 MW Power Plants (PP) and 8 Nos of 150 Watt LED lights were used in place of 250 watt MH Lamp in 120 MW PP. Energy Saving: 12,640 Kwh/year.
- (b) 2 Nos of Main Cooling Tower and 2 Nos of Auxilliary Cooling Tower existing Fan Blades have been replaced with energy efficient hollow blades at 120 MW PP which resulted in power saving of 20%. Energy Saving: 1,42,500 Kwh/Year.
- (c) Reduction in lighting transformer tap voltage in 30 MW PP and 120 MW PP. Energy Saving: 1,99,000 Kwh/Year.
- (d) Modifications in lighting circuits to switch OFF lights when not required in 30 MW PP and 120 MW PP. Energy Saving: 17,020 Kwh/year.
- (e) Differential Pressure Transmitter was installed in feed water line across feed control station in 30 MW PP to reduce Differential Pressure by controlling fluid coupling scoop, resulted in energy saving of 64 Kw/hr.
- (f) Interconnection of Instrument Air and De-mineralised water pipe line between 30 MW PP and 108 MW PP resulted stopping of Aux.cooling water pump and instrument Air Compressor in 108 MW PP when not running, which in turn resulted in power saving of 150 Kw/hr.
- (g) Upgradation of ash handling plant in Boiler-7 of 120 MW PP was sucessfully done which enables to stop one ash handling compressor which resulted in power saving of 175 Kw/hr.
- (h) Applied brushable ceramic coating on impeller and casing of 2 nos. cooling water pumps at Unit-1 & 3 nos. pumps at Unit-2. Total annual energy savings expected @ 3% that is 91,735 KWH per annum.
- (i) Total 390 nos. odd lamps were replaced with equivalent wattage T5 at Unit I & II. Power saving achieved 34,164 KWH per annum.

- (j) 58 nos. SV lamps were replaced in CCP-I, CCP- II & III with metal halide lamps. Power saving achieved 25,400 KWH per annum.

##### Therubali

Modification of Air Compressor distribution system of plant area by which idle running hours of Compressors got reduced and Power Saving of 311 units per day achieved.

##### Mines: Sukinda Mines Chromite (SMC), Mahagiri Mines Chromite (MMC) & Nuasahi Mines Chromite (NCM)

- (a) Automatic on-off operation of street light through time switch. (SMC, MMC & NCM)
- (b) Enhancing the consciousness of employees by providing energy meters in colony to reduce power consumption (SMC & NCM). They have started using low wattage LED lamps.
- (c) Intermediate switches have been provided in the lighting circuit to switch off the light in the night shift (C- shift) for reducing power consumption. (SMC)
- (d) Providing LED flood lights in Open-cast mines and Surface operation areas to reduce power consumption. (SMC & MMC)
- (e) Providing 5 star AC in newly constructed building & replacing old defective ACs by 5 star AC to reduce power consumption. (SMC)
- (f) Improving power factor more than 0.98 by commissioning of new automatic power factor correction panel of 750 KVAR in place of old 270 KVAR panel. (MMC)
- (g) Providing LED cap lamps for underground workers to reduce power consumption as well as better work place environment. (MMC)

#### (ii) Steps taken by the Company for utilising alternate sources of energy.

Nil.

#### (iii) Capital investment on energy conservation equipments

₹ 23.52 lakh at Choudwar and ₹ 36.91 lakh at MMC.

## B. TECHNOLOGY ABSORPTION:

### (i) Efforts made towards technology absorption

#### Choudwar:

- (a) Woodward Load manager Installed & commissioned for successful islanding operation in 120 MW Power Plant (PP). Prior to installation of load manager, Both units of 120 MW PP were not coming to houseload in case of grid disturbances.
- (b) Installation and commissioning of Air blasters in boiler-8 Coal bunker and vibrating screen of 120 MW PP to have uninterrupted coal flow into the boiler.
- (c) Installation & commissioning of dry fog system at crushing, screening & conveying equipments at Coal handling plant of 120 MW PP to reduce fugitive dust emission during feeding.
- (d) Installation of dense phase ash Conveying system in Boiler-6 flue gas duct to reduce ESP ash load & avoid manual handling in 30 MW PP.
- (e) Upgradation of ash handling plant in Boiler-7 of 120 MW PP was successfully done to improve system reliability and to reduce maintenance cost.
- (f) Complete Pressure ring with rubber membrane/bellow of Electrode-2 of 48 MVA furnace(CCP-1) was replaced with Pressure ring with Stainless steel bellow. The SS bellow is expected to give more leak proof life than rubber membrane, hence less furnace downtime.

#### Mines:

- (a) Introduction of Positive Isolation system for Power shut down at SMC & MMC. Using cable detector before any excavation work at SMC & MMC to avoid damage of the cable laid below ground surface.
- (b) Using Scissor Lift to provide a temporary portable platform to approach high roof in underground galleries at MMC.
- (c) Provision of automatic tripping of Double Drum Winder in case of skip derailment at the incline & slack rope protection in Double Drum Winder at NCM.

### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution

#### Choudwar:

- (a) For metal casting, ground bed system has been installed at CCP-I furnace, which has resulted in layer casting and ease in metal processing thereby reduction in generation of fines during processing.

- (b) 100% implementation of the CS ladle at CCP-I furnace by eliminating MS ladle. This has resulted in 100% saving of LDO consumption on account of ladle heating.
- (c) At CCP-1, tapping wagon was removed and launder arrangement made for collection of liquid melt. This has resulted in reduction of load loss against tapping wagon jamming due to overflow of liquid melt & maintenance cost of tapping wagon also eliminated.
- (d) At CCP-1 the furnace shell was modified to increase the holding capacity of raw material. Automation of GCP was also carried during relining, which has resulted in consistent increased concentration of CO % in furnace off gas, thereby increase in the power generation.
- (e) Achieved reduction in consumption of welding electrode for regular repair of CS ladle by modifying the ladle bottom pouring nozzle arrangement at CCP 1 & 2.
- (f) At briquetting plant-3, Hydrated Lime feeding point shifted to ground level at Bucket Elevator inlet chute area & Belt Conveyor was completely removed. Also the bucket elevator feed chute widened to avoid jamming and the belt conveyor area converted to lime storage area for faster lime feeding to silo. This modification has resulted in reduction in energy consumption & saving in manpower cost.
- (g) The Mud guns & tap hole drill machines have been successfully installed & commissioned at CCP 1 & 2. At CCP1 these mud guns suitably modified for its uses after change in the tapping system. All these have resulted in increase in tap hole life & reduced the consumption of lancing pipe and the secondary emission.
- (h) Dust extraction system with PLC control was installed in Briquette plant-1 & 2 for prevention of fugitive dust emissions from transfer points of material handling equipment. Fugitive dust emission has reduced at transfer points & working environment of different floors improved.
- (i) Dry fog nozzles have been installed at all transfer point of raw material handling section at CCP 2 & 3 to control the fugitive dust emission.
- (j) At CCP 3 Thermocouples were installed in furnace stack for monitoring the stack temperature. Further automation was done for opening of the furnace stack dampers, which has resulted in reduction of damage of GCP filter bags.

## DIRECTORS' REPORT

- (k) Indinisation of Chinese make drive pulley assembly in Belt Conveyor-3 (BC-3), BC-4 and BC-5 in 30 MW CHP.
- (l) Commissioning of motor protection relay SPAM150C(ABB make) in feed pump motors of 30MWPP in place of Chinese relay.
- (m) Commissioning of motor protection relay MICOM P-220 in crusher motor of 30MW PP in place of Chinese relay.

### Therubali :

Procurement of Hydraulic Directional Control valve for charging car/machine.

### Mines:

After installation of new APFC panel of 750 KVAR at MMC, receiving power factor incentive ₹ 46,219/- during six months.

### (iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

- (a) Technology imported : Nil

- (b) Year of import : Nil
- (c) Whether the technology been fully absorbed: Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

### (iv) the expenditure incurred on Research & Development: ₹ 40.35 lakh

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

### Total foreign exchange earned (FOB value) and used

(₹ in Crore)

- (a) Foreign Exchange earnings: 1,034.03  
(previous year: 1,032.47)
- (b) Foreign Exchange outgo: 249.73  
(previous year: 226.88)



## Annexure-4

## ANNUAL REPORT ON CSR ACTIVITIES (2015-16)

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or Programs :		Kindly refer to the Corporate Social Responsibility Report published in this Annual Report and the Company's website: <a href="http://www.imfa.in/">http://www.imfa.in/</a> .	
2	The composition of the CSR Committee :			
	(i)	Mr Subhrakant Panda, Managing Director (Chairman of the Committee)		
	(ii)	Dr S Acharya		
	(iii)	Mrs Paramita Mahapatra and		
	(iv)	Mr J K Misra		
3	Average net profit of the company for the last three financial years :		₹ 63.12 Crore	
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above) :		₹ 1.26 Crore	
5	Details of CSR spent during the financial year :			
	(a)	Total amount to be spent for the financial year :	₹ 1.26 Crore	
	(b)	Amount unspent if any :	Nil	

(c) Manner in which the amount spent during the financial year is detailed below :

S. No	(1) CSR project or activity identified	(2)	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state project or program and district where project or program was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure upto the reporting period	(8) Amount spent : Direct or through implementing agency	
						Direct expenditure on projects or programs	Overheads		Implementing Agency	Direct Agency
1	Social development by focusing on community development programmes involving health programmes, women & child care, safe water & sanitation, and malnutrition		Health Care & Community Development	State: Odisha District: Jaipur, Cuttack, Rayagada and Keonjhar	0.82	0.82	----	0.82	0.78	0.04
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. Enhancing employability by imparting vocational training and entrepreneurial skills leading to income generation and economic empowerment		Education & Skill Development	State: Odisha District: Jaipur, Keonjhar, Cuttack, Rayagada & Angul	10.71	5.03	----	7.80	0.49	4.54
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing in equalities faced by socially and economically backward groups.		Women Empowerment & Gender Equality	State: Odisha District: Jaipur & Rayagada	0.04	0.01	----	0.01	0.01	----

## DIRECTORS' REPORT

(c) Manner in which the amount spent during the financial year is detailed below : (contd.)

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure upto the reporting period	(8) Amount spent : Direct or through implementing agency	
					Direct expenditure on projects or programs	Overheads		Implementing Agency	Direct Agency
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry conservation of natural resources and maintaining quality of soil, air and water. Conserving natural resources through process improvements, recycling, waste reduction and minimising pollution and through extensive plantation	Environmental Sustainability	State: Odisha District: Jajpur;	0.03	0.02	----	0.02	0.00	0.02
5	Rural development projects, working with Government, Gram Sabhas, Gram Panchayats, NGOs, CBOs, etc for improving conditions in the communities where we operate with a focus on continuity and sustainability	Infrastructure Development	State: Odisha District: Rayagada	0.24	0.09	----	0.09	0.09	----
6	Training to promote rural sports, Nationally recognised sports, paralympic sports and Olympic sports.. Promoting sports by instituting awards, promoting sporting events including supporting such activities at school level	Promotion of Sports	Stat: Odisha District: Jajpur;	0.09	0.07	----	0.07	0.06	0.01
7	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Promotion of Culture	Stat: Odisha District :	0.22	0.22	----	0.22	0.22	----
<b>TOTAL</b>					<b>12.15</b>	<b>6.26</b>	<b>9.03</b>	<b>1.65</b>	<b>4.61</b>

**Note:** Of the total CSR expenditure of ₹ 6.26 Crore an amount of ₹ 1.36 Crore has been spent through the implementing agency Bansidhar & Ila Panda Foundation (BIPF) established in the year 2011 as the social development arm of Indian Metals & Ferro Alloys Ltd (IMFA) and an amount of ₹ 0.29 Crore through Indian Metals Public Charitable Trust (IMPACT) a charitable arm of IMFA founded by Dr Bansidhar Panda and Late Mrs Ila Panda.

6 In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report; Company has spend the prescribed amount.

7 The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Indian Metals & Ferro Alloys Ltd

For and on behalf of

CSR Committee of Indian Metals & Ferro Alloys Ltd

**(Subhrakant Panda)**  
Managing Director

**(Subhrakant Panda)**  
Chairman of the CSR Committee

## Annexure-5

### FORM No. MR-3 SECRETARIAL AUDIT REPORT For the Financial Year ended 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
**Indian Metals and Ferro Alloys Limited**  
IMFA Building, Bomikhal  
Rasulgarh, Bhubaneswar-751010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indian Metals & Ferro Alloys Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms, and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes listed and compliance –mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by Indian Metals & Ferro Alloys Limited ("the company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) The Securities and Exchange Board of India (Issue of Capital (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 ;
  - (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 the Companies Act and dealing with Client ;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952, other applicable Labour Laws;

## DIRECTORS' REPORT

(vii) The applicable environmental laws and laws specifically applicable to the Company like :

- a. Mines Act, 1952
- b. Mines Rules, 1955
- c. Mines and Minerals (Development & Regulation) Act, 1957
- d. Orissa Minerals (Prevention of theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007
- e. Mines Rescue Rules, 1985
- f. Metalliferous Mines Regulations, 1961
- g. The Maternity Benefits Act, 1961
- h. The Maternity Benefit (Mines & Circus) Rules, 1963

We have also examined compliance with the applicable clauses of the following:

- (j) Secretarial Standards issued by the Institute of Company Secretaries of India ;

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

### **We further report that**

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** the company has taken concrete steps for establishment of rescue room, after the provisions of its establishment became applicable in the month of January, 2016.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

For Sunita Mohanty & Associates Company Secretaries

Name of Company Secretary in practice: **CS Jyotirmoy Mishra**

Place: Bhubaneswar

FCS No.: 6556

Date: 17/05/2016

C P No: 6022

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## Annexure-A

To,  
The Members  
**Indian Metals and Ferro Alloys Limited**  
IMFA Building, Bomikhal,  
Rasulgarh, Bhubaneswar-751010

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Sunita Mohanty & Associates Company Secretaries  
Name of Company Secretary in practice: **CS Jyotirmoy Mishra**

Place: Bhubaneswar

Membership No: FCS-6556

Date: 17/05/2016

C.P No: 6022

## Annexure-6

### FORM AOC-I

#### Statement containing salient features of the financial statement of Subsidiaries

(Pursuant to First proviso to sub section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

1	Sl. No.	1			2			3			4			5			6			Amount ₹ in Crore		
2	Name of the Subsidiary	Indian Metals & Carbide Ltd			Utkal Power Ltd			Utkal Coal Ltd			IMFA Alloys Finlease Ltd			Utkal Green Energy Ltd			Indmet Mining Pte Ltd			PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd)		
3	Reporting Period	2015-16			2015-16			2015-16			2015-16			2015-16			2015-16			2015-16		
4	Reporting Currency	INR			INR			INR			INR			INR			INR (Converted)			INR (Converted)		
5	Share Capital	1.08			0.45			25.00			3.03			1.06			77.21			3.66		
6	Reserves & Surplus	(0.88)			(0.02)			90.63			31.35			(0.97)			(2.72)			(8.63)		
7	Total Assets	0.21			1.32			368.31			35.32			0.09			74.59			0.03		
8	Total Liabilities (excluding Share Capital and Reserves & Surplus)	0.01			0.89			252.68			0.94			0.00			0.10			5.00		
9	Investments	0.10			-			-			-			-			57.64			-		
10	Turnover	-			-			-			2.90			-			-			-		
11	Profit before Taxation	(0.07)			-			(0.05)			2.99			-			(0.01)			(0.35)		
12	Provision for Taxation	-			-			-			0.97			-			-			-		
13	Profit after Taxation	(0.07)			-			(0.05)			2.02			-			(0.01)			(0.35)		
14	Proposed Dividend	-			-			-			-			-			-			-		
15	% of shareholding	99.99%			100%			79.20%			76%			100%			100%			70%		

#### Note

1 The Figures in Balance Sheet and Profit & Loss Account of Indmet Mining Pte Ltd & PT. Sumber Rahayu Indah have been converted from USD to INR @ INR 65.87/ USD and INR 64.025 /USD respectively.

2 Subsidiaries which are yet to commence operation:

- Utkal Power Ltd
- Utkal Coal Ltd
- Utkal Green Energy Ltd
- PT Sumber Rahayu Indah

For and on behalf of the Board of Directors

Place:Bhubaneswar  
Date : 17th May, 2016

**Prem Khandelwal**  
CFO & Company Secretary

**Subhrakant Panda**  
Managing Director

**Jayant Kumar Misra**  
Director (Corporate) & COO



# REPORT ON CORPORATE GOVERNANCE

As on 31st March, 2016



## 1. PHILOSOPHY OF CODE OF GOVERNANCE

Your Company prides itself on being a responsible corporate citizen which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. The Company adheres to the highest ethical standards which is combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, honesty of purpose, quality consciousness and customer satisfaction.

## 2. BOARD OF DIRECTORS

Your Company is managed by a Board of Directors comprising of a combination of Executive and Non-Executive Directors with the Non-Executive Directors constituting more than fifty percent of the total strength of the Board. The Company has an Executive Chairman and more than half of the Board was comprising of Independent Directors.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director. Necessary disclosures with regard to membership of committees have been made by the Directors.

## REPORT ON CORPORATE GOVERNANCE

### The composition of the Board as on 31st March, 2016 was as under

Name of the Director	Category of Directorship	No. of Directorships in other* Public Limited Companies.		Committee Position in Mandatory Committees**		Share Holding
		Chairman	Member	Chairman	Member	
Dr Bansidhar Panda Executive Chairman#	Promoter Non-Independent Executive	-	1	-	-	422100
Baijayant Panda Vice Chairman#	Promoter Non-Independent Executive	1	2	-	-	2,17,539
Subhrakant Panda Managing Director#	Promoter Non-Independent Executive	1	2	-	-	2,18,095
Jayant Kumar Misra Director(Corporate) & COO	Non-Independent Executive	1	2	-	1	100
Chitta Ranjan Ray Whole-time Director	Non-Independent Executive	-	4	-	-	46
Paramita Mahapatra #	Promoter Non-Independent Non-Executive	-	5	1	1	2,18,015
Debabrata Bandyopadhyay	Independent Non-Executive	-	-	1	-	-
Maj Rabi Narayan Misra (Retd)	Independent Non-Executive	-	2	1	1	-
Dr Satyananda Acharya	Independent Non-Executive	-	1	-	2	-
Nalini Ranjan Mohanty	Independent Non-Executive	-	3	-	2	-
Stefan Georg Amrein	Non-Independent Non-Executive	-	-	-	-	-
Sudhir Prakash Mathur	Independent Non-Executive	-	1	-	2	-
General Shankar Roychowdhury (Retd)	Independent Non-Executive	-	-	-	-	-
Santosh Nautiyal	Independent Non-Executive	-	2	-	2	-
Mr Bijoy Kumar Das	Independent Non-Executive	-	-	-	-	-

\* in companies other than Indian Metals & Ferro Alloys Limited and excludes Foreign Companies.

# Mr Baijayant Panda, Mr Subhrakant Panda are the son and Mrs Paramita Mahapatra is the daughter of Dr B Panda, Executive Chairman.

\*\* Only Audit Committees and Stake Holder Relationship Committees of Indian Public Limited Companies have been considered for Committee Position.

### No. of Board Meetings, attendance at Board Meetings & previous Annual General Meeting

Name of the Director	No. of Board Meetings attended during 2015-16	Attendance at AGM held on 23rd July, 2015	Remarks
Dr B Panda	4	Yes	
Mr Baijayant Panda	1	No	
Mr Subhrakant Panda	4	Yes	
Mr J K Misra	3	Yes	
Mr Chitta Ranjan Ray	3	No	
Mrs Paramita Mahapatra	4	Yes	
Mr D Bandyopadhyay	1	No	
Maj R N Misra (Retd.)	4	Yes	
Dr S Acharya	3	Yes	
Mr N R Mohanty	3	Yes	
Mr S P Mathur	4	Yes	
General Shankar Roychowdhury (Retd)	3	Yes	
Mr S Nautiyal	4	Yes	
Mr Alex Amrein	1	No	Resigned on 07-01-2016
Mr Stefan Georg Amrein	-	No	Appointed on 07-01-2016
Mr Bijoy Kumar Das	1	No	Appointed on 09-02-2016

Dates on which Board Meetings were held : 14.05.15, 23.07.15, 20.10.15, 09.02.16

### Familiarisation program for Independent Directors

The Company has conducted the familiarisation program for Independent Directors. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the familiarisation program has been disclosed on the website of the Company at [http:// www. imfa.in/ pdfs/ Familiarisation-programme.pdf](http://www.imfa.in/pdfs/Familiarisation-programme.pdf)

### 3. AUDIT COMMITTEE

The Company constituted an Audit Committee under the provisions of Section 292A of the erstwhile Companies Act, 1956, now Section 177 of the Companies Act 2013.

The role of the Audit Committee includes the following areas:

- ◆ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ◆ Recommending the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- ◆ Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - ◆ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 (3) (c) of the Companies Act, 2013.
  - ◆ Changes, if any, in accounting policies and practices and reasons for the same.
  - ◆ Major accounting entries involving estimates based on the exercise of judgment by management.
  - ◆ Significant adjustments made in the financial statements arising out of audit findings.
  - ◆ Compliance with listing and other legal requirements relating to financial statements.
  - ◆ Disclosure of any related party transactions
  - ◆ Qualifications in the draft audit report.
- ◆ Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- ◆ Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control system.
- ◆ Discussion with the internal auditors any significant findings and follow up there on.
- ◆ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- ◆ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- ◆ To review the functioning of the Whistle Blower mechanism.
- ◆ Verifying working results as well as capital expenditure vis-à-vis budgets.
- ◆ Reviewing quarterly progress reports submitted by the Company to the Financial Institutions/Banks.
- ◆ Reviewing effectiveness of the cost accounting, management information and cost control system.
- ◆ Ensuring proper maintenance of books of accounts.
- ◆ Examining procedure of purchases.
- ◆ Examining procedures for inventory control.
- ◆ Examining reasonableness of transactions with the associate companies, if any.
- ◆ Reviewing accounting procedures periodically.
- ◆ Reviewing insurance coverage.
- ◆ Reviewing prevalent systems of payroll.
- ◆ Reviewing systems and procedures in respect of import of raw materials, spares, components and capital equipment and export of finished goods.
- ◆ Reviewing accounting and booking of the expenditure to the correct account head.
- ◆ Reviewing compliance with the provisions of the Income Tax Act in respect of deduction and deposit of tax deducted at source.

Composition of the Audit Committee and the details of meetings attended by the members are given below.

Name of Member	Category	No. of meetings attended during 2015-16
Mr D Bandyopadhyay, Chairman	Independent Non-Executive	1
Mrs Paramita Mahapatra	Non-Independent Non-Executive	3
Major R N Misra (Retd.)	Independent Non-Executive	4
Mr S P Mathur	Independent Non-Executive	4
Dr S Acharya	Independent Non-Executive	3

Audit Committee meetings were attended by Mr Sharat Prakash, Senior Partner, M/s Raghu Nath Rai & Co, Internal Auditor and Statutory Auditors – M/s Haribhakti & Co LLP, Chartered Accountants. CFO & Company Secretary acts as the Secretary of the Audit Committee.

Dates on which meetings were held : 14.05.15, 23.07.15, 20.10.15, 09.02.16

## REPORT ON CORPORATE GOVERNANCE

### 4. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178(1) of the Companies Act, 2013, the Committee was renamed by the Board of Directors on 20th May, 2015 as "Nomination and Remuneration Committee". The broad terms of reference of the Nomination and Remuneration Committee are :

- ♦ To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ♦ To formulate the criteria for evaluation of all the Directors on the Board;
- ♦ To devise a policy on Board diversity; and
- ♦ To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals

The following are the members of the Nomination and Remuneration Committee who are Non-Executive Independent Directors.

Name of Member	Category	No. of meetings attended during 2015-16
D Bandyopadhyay, Chairman	Non-Executive Independent	1
Major R N Misra (Retd.)	Non-Executive Independent	4
Dr S Acharya	Non-Executive Independent	4

Dates on which meetings were held : 14.05.15, 23.07.15, 20.10.15, 27.01.16

### 5. REMUNERATION OF DIRECTORS

Details of remuneration for 2015-16.

#### Non-Executive Directors

Name	Commission	Sitting Fees	Stock Options	(Amt in ₹)
				Total
Mrs Paramita Mahapatra	0	1,45,000	0	1,45,000
Mr D Bandyopadhyay	0	15,000	0	15,000
Major R N Misra	0	60,000	0	60,000
Dr S Acharya	0	1,05,000	0	1,05,000
Mr S P Mathur	0	40,000	0	40,000
Mr N R Mohanty	0	15,000	0	15,000
General Shankar Roychowdhury	0	15,000	0	15,000
Mr S Nautiyal	0	20,000	0	20,000
Mr Alex Amrein	0	5,000	0	5,000
Mr Stefan Georg Amrein	0	0	0	0
Mr Bijoy Kumar Das	0	5,000	0	5,000
<b>Total</b>	<b>0</b>	<b>4,25,000</b>	<b>0</b>	<b>4,25,000</b>

The performance evaluation of independent directors is done by the entire Board of Directors (excluding the director being evaluated). For Remuneration Policy please refer to Annexure-2 of Directors Report.

All Non-Executive Directors are paid sitting fees. In addition, Non-Executive Independent Directors are paid commission at a rate not exceeding 0.5% per annum of the net profits of the Company subject to a maximum of ₹ 50 Lakh computed as per applicable provisions of the Companies Act, 2013.

**Executive Directors**

Name	Salary	Perquisites & Allowances	Commission/ Performance pay	Stock Options	(Amt in ₹)
					Total
Dr B Panda Executive Chairman (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	1,30,56,290	24,86,264	-	-	1,55,42,554
Mr Baijayant Panda Vice Chairman (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	1,25,94,194	35,85,379	-	-	1,61,79,573
Mr Subhrakant Panda Managing Director (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	1,48,45,548	35,93,608	-	-	1,84,39,156
Mr J K Misra Director (Corporate) & COO (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	43,40,094	23,36,670	-	-	66,76,764
Mr C R Ray Whole-time Director (Re-appointed w.e.f. 31st January, 2016 for a period of 3 years)	50,59,596	9,85,684	-	-	60,45,280
<b>Total</b>	<b>4,98,95,722</b>	<b>1,29,87,605</b>	<b>-</b>	<b>-</b>	<b>6,28,83,327</b>

The above figures do not include (a) provisions for encashable leaves, gratuity and there is no separate provision for payment of severance fees.

Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman and Mr Subhrakant Panda, Managing Director are paid commission subject to a maximum of 1.5% each per annum of the net profits of the Company computed in accordance with section 198 of the Companies Act, 2013.

Mr J K Misra, Director(Corporate) & COO and Mr C R Ray, Whole-time Director are paid performance pay subject to a maximum of 100% and 50% of basic salary per annum respectively.

Details of equity shares of the Company held by the Non Executive Directors as on March 31, 2016 are given below.

Name	Number of equity shares
Mrs Paramita Mahapatra	2,18,015

The Company has not issued any convertible debentures and stock options.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

Pursuant to Section 178(5) of the Companies Act, 2013, the Committee was renamed by the Board of Directors on 20th May, 2014 as "Stakeholders Relationship Committee". The Stakeholders Relationship Committee specifically looks into the redressal of shareholder's and investor's complaints like transfer of shares, non-receipt of dividend and non-receipt of balance sheet etc. The composition of the Committee and details of the meeting attended by the Directors are given under:

Name of Member	Category	No. of meetings attended during 2015-16
Paramita Mahapatra, Chairperson	Non-Executive Non-Independent	15
Dr Satyananda Acharya	Non-Executive Independent	8
J K Misra	Executive Non-Independent	23

## REPORT ON CORPORATE GOVERNANCE

Dates on which meetings were held are	: 15.04.15, 30.04.15, 15.05.15, 30.05.15, 15.06.15, 30.06.15, 16.07.15, 31.07.15, 14.08.15, 31.08.15, 15.09.15, 30.09.15, 15.10.15, 31.10.15, 13.11.15, 15.12.15, 31.12.15, 15.01.16, 30.01.16, 15.02.16, 29.02.16, 15.03.16, 31.03.16,
Name, designation & address of Compliance Officer	: Mr Prem Khandelwal CFO & Company Secretary Indian Metals & Ferro Alloys Limited Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751 010 Phone: 0674-2580100, Fax : 0674-2580020 e-mail : pkhandelwal@imfa.in
No. of complaints received from the shareholders From 01.04.2015 to 31.03.2016	: 228
No. not solved to the satisfaction of the shareholders as on 31.03.2016	: Nil
No. of pending complaints as on 31.03.2016	: Nil

In addition to the above referred committees which are mandatory under the Corporate Governance Code, the Board of Directors have also constituted the following committees:

### 7. FINANCE COMMITTEE

The Finance Committee was constituted to specifically look into various credit facilities granted by the Banks/FI's from time to time including the power to borrow moneys within the limits approved by the shareholders, execution of documents thereto, opening and closing of Bank Accounts, changes in authorised signatories, giving operating instructions and all other banking matters, etc. The composition of the Committee is given below:

Name of Member	Category	No. of meetings attended during 2015-16
Dr S Acharya, Chairman	Non-Executive Independent	-
Paramita Mahapatra	Non-Executive Non-Independent	3
J K Misra	Executive Non-Independent	3

Dates on which meetings were held : 15.04.15, 08.10.15, 12.11.15

### 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted to look into the CSR activities & Projects or programs of the Company. The composition of the Committee and details of the meeting attended by the Directors are given below:

Name of Member	Category	No. of meetings attended during 2015-16
Subhrakant Panda, Chairman	Executive Non-Independent	4
Paramita Mahapatra	Non-Executive Non-Independent	4
Dr Satyananda Acharya	Non-Executive Independent	3
J K Misra	Executive Non-Independent	4

Dates on which meetings were held : 14.05.15, 27.07.15, 20.10.15, 09.02.16

### 9. GENERAL BODY MEETINGS

#### Location and time where last three AGMs were held

The last three AGMs were held on 27.07.2013 (at 12.00 Noon), 22.07.2014 (at 3.00 PM) and 23.07.2015 (at 2.30 PM) at the Registered Office of the Company at Bomikhal, P.O. Rasulgarh, Bhubaneswar-751010. No Extraordinary General Meeting of the members was held during FY 2015-16.

Whether any Special Resolution passed in previous 3 AGMs : Yes

At the AGM of the Company held on 22nd July, 2014 a special resolution was passed for obtaining the consent of the

Company to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 2,500 Crore (Rupees twenty five hundred crores only).

At the AGM of the Company held on 23rd July, 2015 a special resolution was passed for obtaining the consent of the Company to pay a sum not exceeding 0.5% per annum of the net profits of the Company calculated in accordance



with the provisions of Sections 198 of the Companies Act, 2013 subject to a maximum of ₹ 50,00,000/- (Rupees fifty lakh only) be paid to and distributed equally amongst the Non Executive Independent Directors of the Company as commission and such payments shall be made out of the profits of the Company of each year for a period of three years commencing from 1st April, 2015.

During FY 2015-16, Special Resolutions for re-appointment and payment of remuneration to Dr B Panda (DIN:00170627),

Mr Baijayant Panda (DIN:00297862) Mr Subhrakant Panda (DIN:00171845), Mr Jayant Kumar Misra (DIN:00146526) and Mr CR Ray (DIN:00241059) were passed by the shareholders through Postal Ballot under Section 196, 197, 198 & 203 of the Companies Act, 2013 and Rules made there-under. The procedure for postal ballot is as per Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014. The details of voting pattern are as under.

Sl No.	Item(s)	No. of Valid Votes polled (%age)	Votes cast in favour of the Resolution (%age)	Votes cast against the Resolution (%age)
1	Special Resolution for re-appointment and payment of remuneration to Dr B Panda (DIN:00170627).	100	99.999	0.001
2	Special Resolution for re-appointment and payment of remuneration to Mr Baijayant Panda (DIN:00297862).	100	99.999	0.001
3	Special Resolution for re-appointment and payment of remuneration to Mr Subhrakant Panda (DIN:00171845).	100	99.999	0.001
4	Special Resolution for re-appointment and payment of remuneration to Mr Jayant Kumar Misra (DIN:00146526)	100	100	0
5	Special Resolution for re-appointment and payment of remuneration to Mr Chitta Ranjan Ray (DIN:00241059)	100	99.999	0.001

The Board appointed Mr Sourjya Prakash Mohapatra, a practicing Chartered Accountant as Scrutinizer to conduct the postal ballot process in a transparent manner.

No special resolution requiring postal Ballot is being proposed at ensuing Annual General Meeting.

## 10. MEANS OF COMMUNICATION

The Company normally publishes the quarterly unaudited results and audited results for the last quarter in 'Business Standard' (English) & 'The Pragativadi' (vernacular). Further the results are provided on the Company's website [www.imfa.in](http://www.imfa.in). The unaudited results of the first, second and third quarter are announced within 45 days of the end of the relevant quarter and the fourth quarter and annual audited results are announced within 60 days of the end of the Financial Year. Press releases made by the Company from time to time are displayed in the Company's website. Presentation made to the institutional investors and analyst after the declaration of quarterly, half yearly & annual results are also displayed on the Company's website.

## 11. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	:	
Date & time	:	26th July, 2016 at 11 AM
Venue	:	At the Registered Office of the Company at Bomikhal, P.O.Rasulgarh, Bhubaneswar – 751 010., Odisha
Financial Year	:	1st April, 2015 to 31st March, 2016
Dates of Book closure	:	20th July, 2016 to 26th July, 2016 (both days inclusive)
Dividend Payment Date	:	No dividend was recommended by the Board for FY 2015-16.
Listing in Stock Exchanges	:	The equity shares are listed at BSE Limited and National Stock Exchange of India Ltd since 28th January 2009 and 23rd July, 2010 respectively. Listing fee for the year 2015-16 has been paid to the above said Stock Exchanges.
Stock Code	:	BSE : 533047 NSE : IMFA

## REPORT ON CORPORATE GOVERNANCE

Market price data

: The high/low market price shown during the period 01.04.2015 to 31.03.2016 at the Bombay Stock Exchange and National Stock Exchange are as under.

(₹)

### BSE:

Month	High	Low
April, 15	269.00	155.80
May, 15	220.40	177.20
June, 15	183.00	152.00
July, 15	171.50	144.00
August, 15	173.00	121.00
September, 15	144.70	116.50
October, 15	162.00	126.00
November, 15	144.50	123.40
December, 15	165.00	128.00
January, 16	158.00	114.30
February, 16	123.80	101.00
March, 16	128.00	108.00

### NSE:

Month	High	Low
April,15	269.75	151.50
May,15	219.00	175.00
June,15	187.00	148.00
July,15	170.00	140.85
August,15	171.15	121.25
September,15	145.00	117.50
October,15	161.00	127.25
November,15	142.00	121.50
December,15	164.40	128.70
January,16	157.00	114.45
February,16	123.45	98.10
March,16	128.40	106.50

### Performance in comparison to Broad-based indices

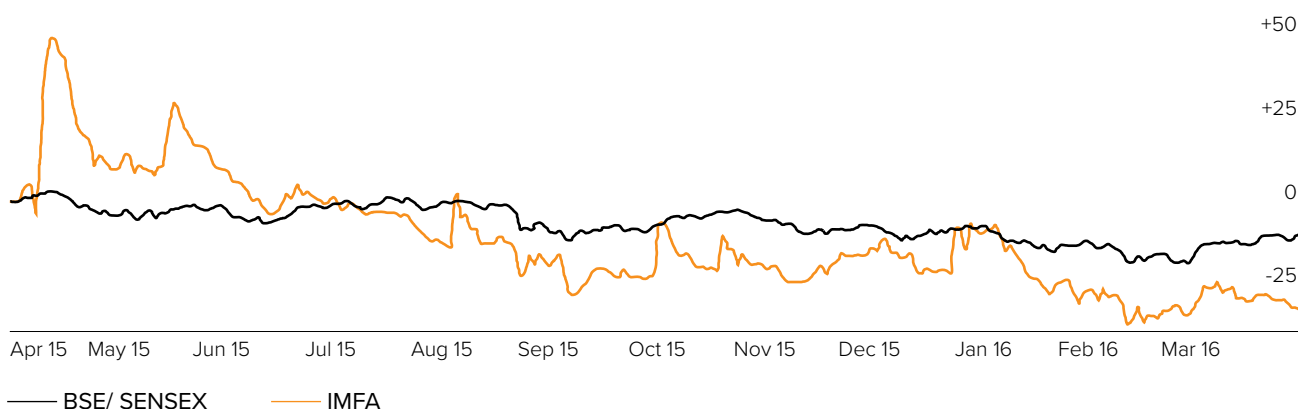
Performance of share price of the Company in comparison to BSE Sensex is as under

#### Indian Metals v/s BSE

Indian Metal - BSE  
110.80 (-33.09%)

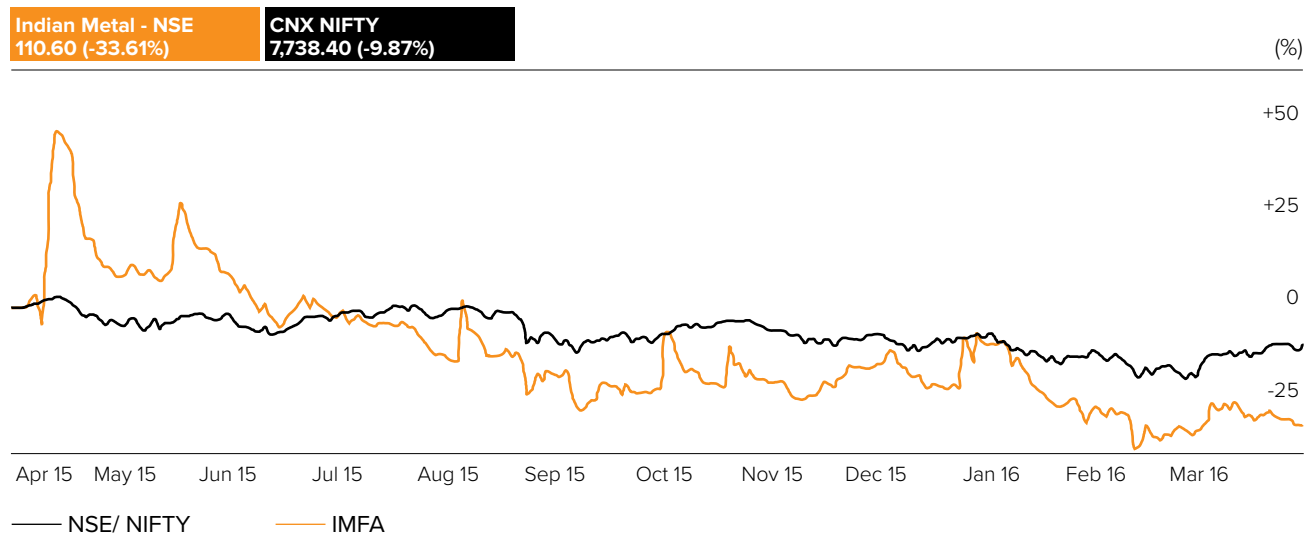
Sensex - BSE  
25,341.86 (-10.33%)

(%)



Performance of share price of the Company in comparison to NSE Nifty is as under

### Indian Metals v/s NSE



Registrar and transfer agents	: The Company does the share transfer work in-house.
Share Transfer system	: Share Transfer requests in physical form should be lodged at the Company's Registered Office at IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar – 751010. The Company's share transfer activity is fully computerised. The Stakeholders Relationship Committee meets twice in a month to approve share transfers and other share related matters.

### Distribution of shareholding as on 31st March, 2016

No. of equity shares held	No. of shareholders	% to total
Up to - 250	37,471	97.211
251 - 500	483	1.253
501 - 1,000	272	0.706
1001 - 2,000	145	0.376
2001 - 3,000	69	0.179
3001 - 4,000	20	0.052
4001 - 5,000	21	0.054
5,001 - 10,000	16	0.042
10,001 & above	49	0.127
<b>Total</b>	<b>38,546</b>	<b>100</b>

### Categories of shareholders as on 31st March, 2016

Category	No. of Shares	%
Promoters & Promoter Group	1,44,83,312	55.75
Mutual Fund / UTI	27,35,024	10.52
Financial Institutions & Banks	85,079	0.33
Foreign Institutional Investors	13	00
Bodies Corporate	8,23,302	3.17
Trusts	20	00
Overseas Corporate Bodies	56,34,759	21.69
NRIs	2,09,435	0.81
Individuals	20,06,109	7.73
<b>Total</b>	<b>2,59,77,053</b>	<b>100</b>

## REPORT ON CORPORATE GOVERNANCE

Dematerialisation of shares & liquidity	: The Company's shares are open for dematerialisation through both the Depositories NSDL & CDSL. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE919H01018.
Outstanding GDRs/ADRs/Warrants or any convertible instruments	: NIL
<b>Plant locations:</b>	
Factory	: Therubali, Dist-Rayagada – 765018, Odisha : Choudwar, Dist.-Cuttack – 754 071, Odisha
Mines	: Sukinda Chromite Mines PO Kaliapani, Sukinda, Dist. Jajpur, Odisha : Mahagiri Chromite Mines Sukinda, Dist. Jajpur, Odisha : Nuasahi Chromite Mines Dist-Keonjhar, Odisha
Address for correspondence	: <b>Indian Metals &amp; Ferro Alloys Limited</b> CIN: L27101OR1961PLC000428 Registered & Head Office: Bomikhal, Rasulgarrh (PO) Bhubaneswar - 751 010, Odisha Phone: (0674) 2580100 / 2580125 Fax : (0674) 2580020 / 2580145 email: mail@imfa.in; website: www.imfa.in

## 12. OTHER DISCLOSURES

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:
- The Board has received general disclosure of interest from the Directors under Section 184 of the Companies Act, 2013. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Company has formulated a policy on materiality on Related Party Transaction which has been hosted on the website of the Company at <http://www.imfa.in/pdfs/Materiality-RP-Transactions.pdf>.
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:
- NIL
- (c) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.
- Pursuant to section 177(9) and (10) of the Companies Act, 2013 and the erstwhile revised clause 49 of the Listing Agreement, the Company has a Whistle Blower Policy and has established the necessary mechanism for employees to report concern about unethical behaviour and no personnel is denied access to the Audit Committee. The said Whistle Blower Policy has been hosted on the website of the Company at <http://www.imfa.in/investor-information/others.htm>
- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:
- The Company has complied with all the mandatory requirements and the following non-mandatory requirements :
- The statutory financial statements of the Company are unqualified.
- The position of the Chairman and the MD are separate.
- (e) web link where policy for determining 'material' subsidiaries is disclosed:
- <http://www.imfa.in/pdfs/MaterialSubsidiaries.pdf>
- (f) web link where policy on dealing with related party transactions:
- <http://www.imfa.in/pdfs/Materiality-RP-Transactions.pdf>.
- (g) Disclosure of commodity price risks and commodity hedging activities:
- Ferro chrome price is normally set by South African and Chinese producers being the largest producer of ferro

chrome in the world. Hence other ferro chrome producers are basically followers and have no control as far as prices are concerned.

#### Subsidiary Companies

The Audit Committee reviews consolidated financial statements of the Company. The Minutes of the Board Meetings of the unlisted subsidiaries are periodically placed before the Board of Directors of the Company.

### 13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

None

### 14. DISCLOSURES RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS)

The Statutory financial statements of the Company are unqualified.

The position of the Chairman and the MD are separate.

### 15. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

#### I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	NA

#### II. Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes

## REPORT ON CORPORATE GOVERNANCE

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance requirements	27	Yes

## 16. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all Board Members & Senior Executives of the Company. The Code of Conduct is available on the website of the Company [www.imfa.in](http://www.imfa.in).

## DECLARATION

As provided under Listing Regulations the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2016.

Place: Bhubaneswar  
Date: 17th May, 2016

**Subhrakant Panda**  
Managing Director

## 13. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION, ISSUED PURSUANT TO THE LISTING REGULATIONS

To the Board of Directors

**Indian Metals & Ferro Alloys Limited**

Dear Sirs,

### Sub : CEO & CFO Certificate

A. We have reviewed the financial statements and the cash flow statement of Indian Metals & Ferro Alloys Ltd for the year ended March 31, 2016 and that to the best of our knowledge and belief we state that:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.



- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bhubaneswar  
Date: 17th May, 2016

**Prem Khandelwal**  
CFO & Company Secretary

Yours sincerely  
**Subhrakant Panda**  
Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
**Indian Metals and Ferro Alloys Limited**

We have examined the compliance of conditions of Corporate Governance by Indian Metals and Ferro Alloys Limited, for the year ended on 31st March, 2016, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

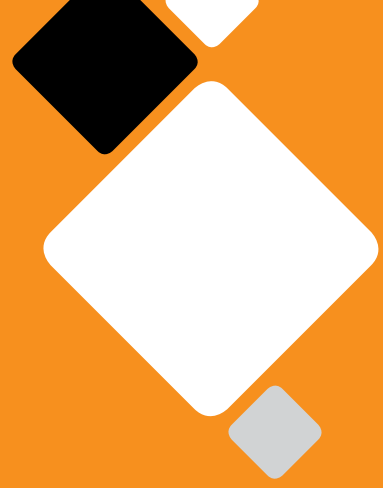
We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sunita Mohanty & Associates**  
Company Secretaries

**Jyotirmoy Mishra**  
Partner

Place: Bhubaneswar  
Date: 17th May, 2016

Membership No.: F 6556



# FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

## To the Members of Indian Metals and Ferro Alloys Limited

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Indian Metals and Ferro Alloys Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

### EMPHASIS OF MATTERS

- (a) We draw attention to Note No. 13.1 to the standalone financial statements relating to the Company's equity investment amounting to ₹ 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

## INDEPENDENT AUDITOR'S REPORT

investment in PT Sumber and the Company has initiated arbitration proceedings for protecting its said investment.

- (b) We draw attention to Note Nos. 31 and 32 to the standalone financial statements relating to the Company's exposure in a subsidiary and non-recognition of income from interest on unsecured loan given to the subsidiary, respectively. These matters have arisen out of the cancellation of allotment of the coal block being held by the subsidiary vide the Hon'ble Supreme Court of India's order dated 24th September, 2014, the subsequent auction process of the coal block and the filing of two writ petitions before the Hon'ble High Court of Delhi by the subsidiary in connection therewith.

Our opinion is not modified in respect of these matters.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

- On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note Nos. 13.1,30,31,32,38,39,40,41 and 42 to the standalone financial statements;
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**  
Partner  
Membership No.056613

Bhubaneswar  
17th May, 2016

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2016]

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, major portion of fixed assets has been physically verified by the Company's Management ("management") during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
  - (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
  - (ii) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
  - (iii) The Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Act.
    - (a) According to the information and explanations given to us, we are of the opinion that the terms and conditions of the grant of the aforesaid loan are not prejudicial to the Company's interest, except that the loan and interest thereon is repayable/payable either on demand or to be adjusted against the supply of coal by the borrower in future, which may be prejudicial to the Company's interest as the borrower's ability to repay/pay such loan/interest is contingent on the outcome of the court cases as detailed in Note No. 31 to the financial statements.
    - (b) According to the information and explanations given to us, the aforesaid loan and interest thereon is repayable/payable either on demand or to be adjusted against the supply of coal by the borrower in future. As no such demand has been raised by the Company till date, clause (b) is not applicable in this case.
    - (c) As explained in (b) aforesaid, there is no amount which is overdue.
  - (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
  - (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
  - (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
  - (vii) (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2016]

- (b) According to the information and explanations given to us, the dues as at 31st March, 2016 of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	19.10	1993-2002	Orissa High Court
Central Excise Act, 1944	Excise Duty	21.89	2005-2009	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise Duty	13.75	2002-2009	Central Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	8.04	2009-10 to 2011-12	Commissioner of Central Excise (Appeals)
Income Tax Act, 1961	Income Tax	118.62	Assessment Years 1987-88, 1989-90 and 2010-11	Orissa High Court
Income Tax Act, 1961	Income Tax	14,488.59	Assessment Years 2009-10, 2012-13 and 2013-14	Commissioner of Income Tax (Appeals)
Orissa Sales Tax Act, 1947	Sales Tax	1.02	1990-91 to 1991-92	Orissa High Court
Orissa Sales Tax Act, 1947	Sales Tax	7.04	2002-03	Addl. Commissioner of Sales Tax
Orissa Sales Tax Act, 1947	Sales Tax	4.19	1994-95	Orissa Sales Tax Tribunal

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government. The Company has not issued any debentures as at the balance sheet date.
- (ix) In our opinion and according to the information and explanations given to us, term loans were prima facie applied during the year for the purposes for which those was raised. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjhunwala**  
Partner  
Membership No.056613

Bhubaneswar  
17th May, 2016

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)g under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)g under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**  
Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjhunwala**  
Partner  
Membership No.056613

Bhubaneswar  
17th May, 2016

# BALANCE SHEET

as at 31st March, 2016

			(₹ in Crore)
	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	25.98	25.98
Reserves and Surplus	3	782.33	836.91
		<b>808.31</b>	<b>862.89</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	692.94	737.40
Deferred Tax Liabilities(Net)	5	69.59	99.65
Other Long-Term Liabilities	6	150.16	127.34
Long-Term Provisions	7	7.95	4.85
		<b>920.64</b>	<b>969.24</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	200.81	213.01
Trade Payables	9	138.92	167.34
Other Current Liabilities	10	261.31	213.91
Short-Term Provisions	11	3.88	10.13
		<b>604.92</b>	<b>604.39</b>
		<b>2,333.87</b>	<b>2,436.52</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
-Tangible Assets		1,082.99	1,108.40
-Intangible Assets		4.46	-
-Capital Work-in-Progress		38.09	40.47
-Intangible Assets under Development		-	4.25
		1,125.54	1,153.12
Non-Current Investments	13	167.88	167.77
Long-Term Loans and Advances	14	219.60	208.90
Other Non-Current Assets	15	64.33	55.86
		<b>1,577.35</b>	<b>1,585.65</b>
<b>Current Assets</b>			
Current Investments	16	20.86	-
Inventories	17	352.83	405.04
Trade Receivables	18	14.80	53.11
Cash and Cash Equivalents	19	46.78	72.54
Short-Term Loans and Advances	20	300.16	280.08
Other Current Assets	21	21.09	40.10
		<b>756.52</b>	<b>850.87</b>
		<b>2,333.87</b>	<b>2,436.52</b>
Significant Accounting Policies and Notes to Financial Statements	1 to 47		

The Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

**Prem Khandelwal**

CFO & Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) & COO

Place: Bhubaneswar

Date: 17th May, 2016

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

		(₹ in Crore)	
	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>REVENUE</b>			
Revenue from Operations	22	1,211.30	1,344.79
Other Income	23	16.25	21.78
<b>Total Revenue</b>		<b>1,227.55</b>	<b>1,366.57</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	655.87	693.55
Changes in Inventories of Finished Goods	25	28.19	16.52
Employee Benefits Expense	26	137.37	126.98
Finance Costs	27	83.07	108.62
Depreciation and Amortisation Expense	12	114.19	121.94
Other Expenses	28	276.53	266.62
<b>Total Expenses</b>		<b>1,295.22</b>	<b>1,334.23</b>
<b>Profit/(Loss) before Prior Period Items, Exceptional Items &amp; Tax</b>		<b>(67.67)</b>	<b>32.34</b>
<b>Prior Period Income</b>		<b>-</b>	<b>6.22</b>
Exceptional Items - Expense (Net)	46	(17.15)	(5.22)
<b>Profit/(Loss) Before Tax</b>		<b>(84.82)</b>	<b>33.34</b>
Tax Expense:			
- Current Tax		-	9.93
- MAT Credit Entitlement (Including earlier years)		-	(9.83)
- Deferred Tax		(30.06)	21.26
<b>Profit/(Loss) After Tax</b>		<b>(54.76)</b>	<b>11.98</b>
<b>Earnings per Equity Share of par value of ₹ 10/- each</b>			
Basic and Diluted (In ₹)	29	(21.08)	4.61
Significant Accounting Policies and Notes to Financial Statements	1 to 47		

The Notes referred to above form an integral part of the Statement of Profit & Loss.  
This is the Statement of Profit and Loss referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

**Prem Khandelwal**

CFO &amp; Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) &amp; COO

Place: Bhubaneswar

Date: 17th May, 2016

# CASH FLOW STATEMENT

for the year ended 31st March, 2016

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(84.82)	33.34
Adjustments for:		
Depreciation and Amortisation Expense	114.19	121.94
Loss/(profit) on sale/disposal of fixed assets (net)	(0.02)	0.01
Loss/(profit) on sale of Investments (net)	(0.13)	(0.47)
Unrealised foreign exchange (gain)/loss	18.71	6.47
Interest Income	(7.02)	(15.81)
Dividend Income	(0.92)	-
Finance Costs	83.07	108.62
Exceptional Items	(5.56)	5.22
Prior Period Income	-	(6.22)
Liability no longer required written back	(0.21)	(0.21)
<b>Operating Profit before Working Capital Changes</b>	<b>117.29</b>	<b>252.89</b>
Adjustments for:		
Trade and other receivables	45.41	(91.81)
Inventories	52.21	(32.38)
Trade payables and other liabilities	27.03	60.48
<b>Cash Generated from Operations</b>	<b>241.94</b>	<b>189.18</b>
Direct Taxes paid	(11.44)	(5.53)
<b>Net Cash Generated from Operating Activities</b>	<b>230.50</b>	<b>183.65</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and Capital Work-in-Progress	(102.17)	(75.97)
Sale of fixed assets	16.45	0.16
Sale / (Purchase) of Investments (net)	(20.84)	12.16
Loan to Subsidiaries (net)	(27.26)	40.93
Dividend received	0.92	-
Interest received	8.05	13.31
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>(124.85)</b>	<b>(9.41)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	83.01	512.42
Repayment of long term borrowings	(119.07)	(590.67)
Proceeds from/(Repayment) of short term borrowings (net)	(8.21)	53.12
Interest and financing charges paid	(88.56)	(122.53)
Dividend paid (including dividend tax)	(4.51)	(9.12)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(137.34)</b>	<b>(156.78)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(31.69)</b>	<b>17.46</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>36.66</b>	<b>19.20</b>
<b>Cash and Cash Equivalents at the end of the year (Note No.19)</b>	<b>4.97</b>	<b>36.66</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 'Cash Flow Statements'
  - Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.
- This is the Cash Flow Statement referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

**Prem Khandelwal**

CFO & Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) & COO

Place: Bhubaneswar

Date: 17th May, 2016

# NOTES

## to Financial Statements

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, under the historical cost convention, on accrual basis. As per Rule 7 of The Companies (Accounts) Rules, 2014, the standards of accounting as specified under the Companies Act, 1956 shall be deemed to be the accounting standards until accounting standards are specified by the Central Government under Section 133 of the Companies Act, 2013. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006] and the relevant provisions of the Companies Act, 2013.

#### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

#### 1.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognised prospectively in the current and future years.

#### 1.3 Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. When recognition of revenue is postponed due to the effect of uncertainties, it is considered as revenue of the period in which it is properly recognised.

- a) Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.
- b) Inter unit transfers are adjusted against respective expenses.
- c) Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Income from Dividend of shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- e) Export Incentives:
  - (i) Export Incentives on account of Duty Drawback Scheme and Focus Product Scheme are accrued in the year when the right to receive as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no uncertainty about its ultimate collection.
  - (ii) Export Incentives on account of Status Holder Incentive Scheme is recognised as and when certainty of its realisable amount is established by the Company, to the extent the scrip value is sold or utilised against duty to be paid on Capital Goods.

#### 1.4 Fixed Assets, Depreciation/Amortisation and Impairment

##### I. Fixed Assets

- (a) Tangible fixed assets are carried at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

# NOTES

## to Financial Statements

(b) In respect of fixed assets acquired on Finance Lease on or after 1st April, 2001, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets at the inception of the lease, with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

(c) Intangible fixed assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

## II. DEPRECIATION / AMORTISATION

(a) Depreciation on tangible assets other than Freehold and Leasehold Land, including assets acquired under finance lease, is provided over the estimated useful life of assets, in accordance with Schedule II to the Companies Act, 2013.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013 except for certain assets for which the useful life has been estimated based on the Company's past experiences in this regard, duly supported by technical advice. Accordingly, the useful lives of tangible assets of the Company which are different from the useful lives as specified by Schedule II are given below :

Asset Description	Estimated useful life duly supported by Technical Advice (Years)	Estimated useful life as per Schedule II (Years)
<b>Plant &amp; Machinery</b>		
- Furnaces	8	25
- Certain items of Continuous Process Plant	26 - 42	25
- Railways Sidings	26	15

Depreciation / Amortisation on assets purchased / sold during the reporting year is recognised on a pro-rata basis.

(b) Leasehold Land is held on various leases whose period ranges from 90 years to perpetuity. The Company does not consider such leases as having "a limited useful life for the enterprise" as envisaged in Accounting Standard 6 on 'Depreciation Accounting' and accordingly the cost thereof is not amortised.

(c) Computer software is amortised on a straight line basis over a period of five years.

impairment loss is recognized in the Statement of Profit and Loss wherever the carrying amount of an asset or the carrying amount of the cash generating unit to which the asset belongs exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on events or changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

## III. IMPAIRMENT

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An

### 1.5 Capital Work-in-Progress

Capital work-in-progress is stated at cost and includes development and other expenses, including interest during construction period.

# NOTES

## to Financial Statements

### 1.6 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings.

Borrowing costs also include exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs. All other costs related to borrowings are recognised as expense in the period in which they are incurred.

### 1.7 Inventories

- (a) Items of inventories are carried at lower of cost and net realisable value, after providing for obsolescence, if any.
- (b) Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads.

### 1.8 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with Accounting Standard 13 on 'Accounting for Investments'. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value.

All non-current investments, including investments in subsidiaries, are carried at cost. However, provision is made for diminution in value, if any, only when such diminution is other than temporary in nature.

### 1.9 Provision for Doubtful Debts and Advances

The Company makes provision for doubtful debts and advances, to the extent considered necessary, based on the management's best estimate.

### 1.10 Foreign Currency Transactions, Translations and Derivative Contracts

The reporting currency of the Company is the Indian Rupee (₹)

#### (a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and foreign currency, as on the date of the transaction.

#### (b) Conversion

Year end foreign currency monetary items are reported using the year end rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

#### (c) Exchange differences

Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise. Exchange differences arising out of foreign currency borrowings are considered as an adjustment to interest cost and recognised in accordance with para 1.6 above.

#### (d) Derivatives

Accounting for derivative contracts is done based on the "marked to market" principle. Derivative Assets and Liabilities are fair valued at each reporting date and the corresponding gain or loss is recognised in the Statement of Profit and Loss.



# NOTES

## to Financial Statements

### 1.11 Leases

#### Where the Company is lessee:

##### Finance Lease

Assets acquired under leases where all the risks and rewards of ownership have been substantially transferred in favour of the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

##### Operating Lease

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Statement of Profit and Loss on accrual basis.

#### Where the Company is lessor:

##### Operating Lease

Leases under which the Company does not transfer substantially all the risks and benefit of ownership of the asset to the lessee are classified as operating leases. Assets given on operating leases are included in fixed assets. Initial direct costs incurred before the asset is ready to be put to use, are included in the cost of the asset and those incurred afterwards, are recognised in the Statement of Profit and Loss as they are incurred. Lease income in respect of operating leases is recognized in the Statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'. Maintenance cost including depreciation is recognised as an expense in the Statement of Profit and Loss.

### 1.12 Employee Benefits

- (a) Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.

- (b) Gratuity liability & Leave Encashment liability are defined benefit plans and are provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date.

- (c) Actuarial gains/losses are charged to the Statement of Profit and Loss.

### 1.13 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) Credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income for the current reporting year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment / substantive enactment date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as

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the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 1.14 Mining Development Expenses

Mining development expenses in respect of operating mines are charged off to revenue as and when incurred.

### 1.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

### 1.16 Prior Period, Exceptional and Extraordinary Items

Prior Period, Exceptional and Extraordinary items having material impact on the financial affairs of the Company are disclosed separately.

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### 2. SHARE CAPITAL

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised:</b>		
<b>Equity Shares:</b>		
3,00,00,000 Equity Shares, ₹ 10/- par value per share (31st March, 2015 : 3,00,00,000 Equity Shares)	30.00	30.00
<b>Preference Shares:</b>		
40,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2015 : 40,000 Preference Shares)	0.40	0.40
2,60,000 IIInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2015 : 2,60,000 Preference Shares)	2.60	2.60
	<b>33.00</b>	<b>33.00</b>
<b>Issued, Subscribed and Paid-up:</b>		
2,59,77,053 Equity Shares, ₹ 10 /- par value per share, fully paid (31st March, 2015 : 2,59,77,053 Equity Shares)	25.98	25.98
	<b>25.98</b>	<b>25.98</b>

#### 2.1 Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
At the beginning of the year	2,59,77,053	25.98	2,59,77,053	25.98
Add: Issued during the year	Nil	Nil	Nil	Nil
At the end of the year	2,59,77,053	25.98	2,59,77,053	25.98

#### 2.2 Rights, preferences & restrictions in respect of each class of shares

The Company's authorised share capital consists of two classes of shares, referred to as Equity Shares and Preference Shares, having par value of ₹ 10/- and ₹ 100/- each respectively.

Each holder of Equity Share is entitled to one vote per share. The preferential shareholders have preferential right over equity shareholders in respect of repayment of capital and payment of dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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### 2.3 Details of Shareholders holding more than 5% of the equity shares each

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
LITEC Company Limited	38,44,259	14.80	38,44,259	14.80
Barabati Investment & Trading Co. Pvt Ltd	26,34,778	10.14	26,34,778	10.14
Paramita Investments & Trading Co. Pvt Ltd	26,34,778	10.14	26,34,778	10.14
KB Investments Pvt Ltd	25,16,401	9.69	25,16,401	9.69
Madhuban Investments Pvt Ltd	23,95,696	9.22	23,95,696	9.22
Reliance Capital Trustee Co. Ltd-A/c Reliance Tax Saver (ELSS) Fund	13,40,974	5.16	13,40,974	5.16
Fox Consulting Services Pte Ltd	17,90,500	6.89	17,90,500	6.89

### 3. RESERVES AND SURPLUS

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserves</b>			
Balance as per last account		0.91	0.91
<b>Capital Redemption Reserve</b>			
Balance as per last account		0.20	0.20
<b>Securities Premium Reserve</b>			
Balance as per last account		131.39	131.39
<b>General Reserve</b>			
Balance as per last account	276.94		276.34
Add: Excess provision for Tax on Proposed Dividend reversed	0.18		-
Add: Transferred from Surplus in the Statement of Profit and Loss	-		0.60
		<b>277.12</b>	<b>276.94</b>
<b>Surplus in the Statement of Profit and Loss</b>			
Opening Balance	427.47		420.78
Add: Profit/(Loss) after Tax for the year	(54.76)		11.98
	372.71		432.76
<b>Less : Appropriations</b>			
Proposed Dividend	-		(3.90)
Tax on proposed dividend	-		(0.79)
Transfer to General Reserve	-		(0.60)
		<b>372.71</b>	<b>427.47</b>
		<b>782.33</b>	<b>836.91</b>

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### 4. LONG-TERM BORROWINGS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Secured</b>		
Term Loans from Banks	645.16	702.39
Term Loans from Others	16.29	3.02
Long Term Maturities of Finance Lease Obligations	31.49	31.99
	<b>692.94</b>	<b>737.40</b>

#### 4.1 Details of securities provided (including for current maturities as stated under "Other Current Liabilities") and their repayment terms :

(EMI - Equated Monthly Instalment; EQI - Equated Quarterly Instalment; UQI : Unequated Quarterly Instalment; PY : Previous Year)

##### Term Loans from Banks :

- (a) Loan of ₹ 31.96 Crore (PY : ₹ 41.10 Crore) for setting up of Coal Handling Plant (CHP) at Choudwar, secured by first charge on the movable assets to be acquired out of the loan for CHP and first charge by way of mortgage on pari-passu basis on immovable properties of the Company situated at Choudwar excluding assets exclusively charged to other lenders. Repayment by 28 EQI of ₹ 2.29 Crore from October'12.
- (b) Loan of ₹ 50.00 Crore (PY : ₹ 50.00 Crore) for general capital expenditure, secured by first pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 35 EMIs of ₹ 1.39 Crore from April'17 and last instalment of ₹ 1.35 Crore.
- (c) Loan of ₹ 50.00 Crore (PY : Nil) for general capital expenditure, secured by first pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 24 EMI of ₹ 0.75 Crore from October '17, thereafter 11 EMI of ₹ 2.66 Crore and last instalment of ₹ 2.74 Crore.
- (d) Loan of ₹ 63.00 Crore (PY : ₹ 81.00 Crore) for general capital expenditure, secured by first pari-passu charge on fixed assets (both moveable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to other lenders. Subservient charge on the current assets of the Company. Repayment by 20 EQI from December'14.
- (e) Loan of ₹ 31.32 Crore (PY : ₹ 41.76 Crore) for setting up of 30 MW Captive Power Plant (CPP) at Choudwar, secured by exclusive charge over the assets of CPP & first pari-passu charge on plot no. 43 on which CPP has been erected at Choudwar, with other term lenders. The loan is collaterally secured by second pari-passu charge on entire current assets of the Company. Repayment by 16 EQI of ₹ 2.175 Crore from June'10 and 20 EQI of ₹ 2.61 Crore from June '14.
- (f) Loan of ₹ 16.00 Crore (PY : ₹ 28.00 Crore) for general capital expenditure, secured by extension of charge over the assets of 30MW Captive Power Plant (CPP) and pari-passu charge on plot no. 43 on which CPP is erected at Choudwar with other term lenders. Repayment by 8 EQI of ₹ 3 Crore from June'14 and 4 EQI of ₹ 4.00 Crore from June'16.
- (g) Loan of ₹ 104.50 Crore (PY : ₹ 110.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable

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properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

- (h) Loan of ₹ 95.00 Crore (PY : ₹ 100.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (i) Loan of ₹ 66.50 Crore (PY : ₹ 70.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (j) Loan of ₹ 95.00 Crore (PY : ₹ 100.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (k) Loan of ₹ 47.48 Crore (PY : ₹ 50.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (l) Loan of ₹ 4.81 Crore (PY : ₹ 1.64 Crore) for setting up of Industrial Training Centre (ITC) at Sukinda, secured by mortgage of lease hold right of property situated at Khata No 100, Plot No 238(P), Mauza-Dudhjhari, Sukinda Dist- Jajpur, admeasuring 5 acres and building to be constructed thereon along with the Furniture & Fixtures, Computers and equipment's to be purchased out of the loan. Repayment by 24 EQI from September'16.
- (m) Loan of ₹ 19.38 Crore (PY : ₹ 9.54 Crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (475675.20 sq fts) situated at Plot No.34/78 & 34/82, Tahsil-Tangi Choudwar, PS-Choudwar, Mouza-

Chhatisa No.2,Cuttack, Odisha and the proposed building to be constructed. Repayment of ₹ 20.00 crores by 24 UQI from June'16 and 5.85 crores in 24 EQI from February '18.

- (n) Vehicle Loan of ₹ 0.18 Crore (PY : ₹ 0.24 Crore) secured by charge on the Vehicle. Repayment by 60 EMI of ₹ 65232/- from January'14.
- (o) Loan of ₹ 43.23 Crore (PY : ₹ 54.45 Crore) for setting up of Briquetting plant, Gas Cleaning plant, Fly Ash Brick plant and Low Density Aggregate plant, secured by first exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar and charge on all the present and future movable fixed assets of Gas Cleaning plant & Briquetting plant at Therubali, Low Density Aggregate plant and Fly Ash Brick plant I and II at Choudwar. Repayment by 16 EQI from January'14.
- (p) Loan of ₹ 58.67 Crore (PY : ₹ 59.07 Crore) for general capital expenditure, secured by first and exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar. First and exclusive charge on all the present and future moveable fixed assets of Gas Cleaning plant & Briquetting plant at Therubali, Low Density Aggregate plant and Fly Ash Brick plant I and II at Choudwar. Repayment by 16 EQI from February'16.

#### Term Loans from Others:

- (a) Loan of ₹ 3.23 Crore (PY : ₹ 7.63 Crore) for setting up of winder at Mahagiri Mines, secured by first charge on winder at Mines. Repayment by EMIs from February'13 to November'16.
- (b) Loan of ₹ 20.00 Crore (PY : Nil) for capital expenditure related to power plants and other ancillary infrastructure, secured by first charge on Aircraft and two helicopters. Subservient charge on current assets of the Company. Repayment by 54 EMIs from June '16.

Note: Term Loans from Banks amounting to ₹ 31.96 Crore (PY : ₹ 82.86 Crore) are further secured by personal guarantees of 2 directors of the Company.

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### 5. DEFERRED TAX LIABILITIES (NET)

[Deferred Tax Liability - DTL ; Deferred Tax Asset - DTA]

In terms of Accounting Standard 22, the net DTA recognised during the year is ₹ 30.06 Crore (Previous Year: DTL ₹ 21.26 Crore). Consequently, the net DTL as at year-end stands at ₹ 69.59 Crore (Previous Year : ₹ 99.65 Crore), as under:

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>(a) Deferred Tax Liabilities:</b>		
Related to Depreciation on Fixed Assets	96.02	103.97
<b>(b) Deferred Tax Assets:</b>		
Related to Unabsorbed Depreciation	(17.55)	-
Related to Disallowances under the Income Tax Act, 1961	(8.88)	(4.32)
<b>Net Deferred Tax Liabilities</b>	<b>69.59</b>	<b>99.65</b>

### 6. OTHER LONG-TERM LIABILITIES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Electricity Duty	128.57	121.35
Derivative Liabilities	20.26	4.66
Others	1.33	1.33
	<b>150.16</b>	<b>127.34</b>

### 7. LONG-TERM PROVISIONS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (Non-Current Portion) (refer Note No.34)	7.95	4.85
	<b>7.95</b>	<b>4.85</b>

### 8. SHORT-TERM BORROWINGS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Secured</b>		
Loans Repayable on Demand		
Working Capital Loans from Banks	174.18	213.01
Buyers' Credit	26.63	-
	<b>200.81</b>	<b>213.01</b>

**8.1** Working Capital Loans from banks and Buyers' Credit are secured by charge over stocks, receivables & current assets.



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### 9. TRADE PAYABLES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Creditors for supplies/services	138.92	167.34
	<b>138.92</b>	<b>167.34</b>

**9.1** The Company has not received any memorandum from 'Suppliers'(as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2016 as micro, small or medium enterprises. Consequently, interest paid/ payable by the Company to such 'Suppliers' during the year is Nil (Previous Year : Nil).

### 10. OTHER CURRENT LIABILITIES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long-Term Borrowings (refer Note No.4.1)	138.81	118.58
Current Maturities of Finance Lease Obligations	0.49	0.45
Liability for Operating and Other Expenses	63.19	44.42
Statutory Liabilities	33.94	12.90
Creditors for Capital Goods	10.42	11.97
Payable to Employees	7.88	7.66
Interest accrued but not due on borrowings	3.17	3.94
Earnest Money and Security Deposits	1.52	12.29
Unclaimed Dividend *	0.80	0.74
Commission / Remuneration Payable to Directors	0.46	0.25
Advance from Customers	0.63	0.71
	<b>261.31</b>	<b>213.91</b>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

### 11. SHORT-TERM PROVISIONS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (Current Portion) (refer Note No.34)	3.88	5.44
Proposed Dividend	-	3.90
Provision for Tax on proposed dividend	-	0.79
	<b>3.88</b>	<b>10.13</b>

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### 12. FIXED ASSETS

(₹ in Crore)

	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions / Adjustments	Deductions / Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions / Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>I. Tangible Assets:</b>										
<b>Own Assets</b>										
Freehold Land	45.53	0.70	-	46.23	-	-	-	-	46.23	45.53
Buildings	431.63	40.00	0.22	471.41	152.86	33.53	0.16	186.23	285.18	278.77
Railway Siding & Runways	19.89	-	-	19.89	9.87	1.91	-	11.78	8.11	10.02
Office Equipments	10.97	0.69	0.05	11.61	8.99	1.09	0.04	10.04	1.57	1.98
Computer System Machineries	13.27	0.48	0.01	13.74	9.77	2.27	0.01	12.03	1.71	3.50
Plant & Machinery	1,150.92	38.41	6.43	1,182.90	454.58	66.67	5.08	516.17	666.73	696.34
Furniture & Fixtures	6.61	0.39	0.01	6.99	4.92	0.72	0.01	5.63	1.36	1.69
Vehicles	20.30	1.00	2.43	18.87	13.58	2.38	1.98	13.98	4.89	6.72
Aircrafts	28.63	-	-	28.63	10.49	2.49	-	12.98	15.65	18.14
<b>Total (A)</b>	<b>1,727.75</b>	<b>81.67</b>	<b>9.15</b>	<b>1,800.27</b>	<b>665.06</b>	<b>111.06</b>	<b>7.28</b>	<b>768.84</b>	<b>1,031.43</b>	<b>1,062.69</b>
<b>Leased Assets</b>										
Leasehold Land	21.91	8.94	-	30.85	-	0.56	-	0.56	30.29	21.91
Plant & Machinery acquired on finance lease	33.28	-	-	33.28	9.48	2.53	-	12.01	21.27	23.80
<b>Total (B)</b>	<b>55.19</b>	<b>8.94</b>	<b>-</b>	<b>64.13</b>	<b>9.48</b>	<b>3.09</b>	<b>-</b>	<b>12.57</b>	<b>51.56</b>	<b>45.71</b>
<b>Total (I) = (A+B)</b>	<b>1,782.94</b>	<b>90.61</b>	<b>9.15</b>	<b>1,864.40</b>	<b>674.54</b>	<b>114.15</b>	<b>7.28</b>	<b>781.41</b>	<b>1,082.99</b>	<b>1,108.40</b>
<b>II. Intangible Assets:</b>										
Computer Software	-	4.50	-	4.50	-	0.04	-	0.04	4.46	-
<b>Total (II)</b>	<b>-</b>	<b>4.50</b>	<b>-</b>	<b>4.50</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>0.04</b>	<b>4.46</b>	<b>-</b>
<b>Total Fixed Assets = (I+II)</b>	<b>1,782.94</b>	<b>95.11</b>	<b>9.15</b>	<b>1,868.90</b>	<b>674.54</b>	<b>114.19</b>	<b>7.28</b>	<b>781.45</b>	<b>1,087.45</b>	<b>1,108.40</b>
Previous Year	1,656.76	128.11	1.93	1,782.94	548.88	127.16	1.50	674.54	1,108.40	1,107.88
<b>III. Capital Work-in-Progress</b>									38.09	40.47
<b>IV. Intangible Assets under Development</b>									-	4.25

Note a : Borrowing costs capitalised during the year ₹7.02 Crore (Previous Year : ₹ 5.95 Crore)

Note b : Capital Work-in-Progress includes ₹ 7.08 Crore relating to CSR Assets, out of which ₹ 4.43 Crore was incurred in the current year (refer Note No.43).

### 13. NON-CURRENT INVESTMENTS

(₹ in Crore)

		As at 31st March, 2016	As at 31st March, 2015
<b>Trade Investments - at Cost</b>			
<b>Investments in Equity Instruments of Subsidiary Companies (Unquoted)</b>			
(a) 10,79,958 Equity Shares of ₹ 10/- each, fully paid-up in Indian Metals & Carbide Ltd (Previous Year : 10,49,960 shares)	1.12		1.09
Less : Provision for diminution in investment	1.06		1.06
		0.06	0.03
(b) 4,50,000 Equity Shares of ₹ 10/- each, fully paid-up in Utkal Power Ltd (Previous Year : 4,50,000 shares)		0.45	0.45
(c) 1,98,00,000 Equity Shares of ₹ 10/- each, fully paid-up in Utkal Coal Ltd (Previous Year : 1,98,00,000 shares)		110.88	110.88
(d) 23,00,000 Equity Shares of ₹ 10/- each, fully paid-up in IMFA Alloys Finlease Ltd (Previous Year : 23,00,000 shares)		2.30	2.30
(e) 10,55,384 Equity Shares of ₹ 10/- each, fully paid-up in Utkal Green Energy Ltd= (Previous Year : 9,80,000 shares)		1.06	0.98
(f) 1,47,38,801 Equity Shares fully paid-up in Indmet Mining Pte Ltd (refer Note No.13.1 (Previous Year : 1,47,38,801 shares)		53.13	53.13
		<b>167.88</b>	<b>167.77</b>

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**13.1** Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has investment of USD 8.75 million (₹ 57.64 Crore) [Previous year USD 8.75 million (₹ 54.41 Crore)] in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised till date.

Consequently, the Company has initiated arbitration proceedings against the Government of the Republic of Indonesia on 24th July, 2015 pursuant to Article 3 of the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and Article 9 of the Agreement between the Governments of the Republic of Indonesia and the Republic of India for the Promotion and Protection of Investments (the "Treaty"), raising claims of breach of the protections granted under the Treaty. Hearing on the arbitration proceedings is yet to commence.

No provision is considered necessary by the Company at this stage towards any diminution in the carrying value of its investment in Indmet amounting to ₹ 53.13 Crore.

## 14. LONG-TERM LOANS & ADVANCES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Capital Advances	1.62	11.71
Security and Other Deposits	12.35	10.73
Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No.40 )	100.75	93.02
Advance Income Tax (Net of Provision for Tax ₹ 178.86 Crore / Previous Year ₹ 178.47 Crore)	72.94	60.96
MAT Credit Entitlement	31.94	32.48
	<b>219.60</b>	<b>208.90</b>

## 15. OTHER NON-CURRENT ASSETS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Long-Term Trade Receivables*	11.39	11.39
Unamortised Ancillary Borrowing Costs	15.15	17.16
Interest accrued but not due on Fixed Deposits with Banks	37.74	27.26
Non-Current portion of Other Bank Balances		
- Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien**)	0.05	0.05
	<b>64.33</b>	<b>55.86</b>

\* due pending resolution of sub-judice matters

\*\* Margin money deposits

# NOTES

## to Financial Statements

### 16. CURRENT INVESTMENTS

(At lower of Cost and Fair value)

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Investments in Mutual Fund - Unquoted</b>		
78,634.44 units (Previous Year : Nil) of Birla Sunlife Cash Manager-Growth-Direct Plan, Market Value ₹ 2.93 Crore	2.86	-
6,16,433.29 units (Previous Year : Nil) of Birla Sunlife Savings Fund-Growth-Direct Plan, Market Value ₹18.11 Crore	18.00	-
	<b>20.86</b>	<b>-</b>

### 17. INVENTORIES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Raw Materials	157.89	165.86
(b) Raw Materials in transit	32.26	43.77
(c) Finished Goods (refer Note No.17.1)(Includes Finished Goods-in-Transit ₹ 31.20 Crore /Previous Year ₹ 34.75 Crore)	108.55	136.74
(d) Stores and Spares	54.02	58.56
(e) Loose Tools	0.11	0.11
	<b>352.83</b>	<b>405.04</b>

#### 17.1 Finished goods comprise of :

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Charge Chrome	108.03	136.12
(b) Fly Ash Bricks	0.24	0.45
(e) Low Density Aggregate	0.28	0.17
	<b>108.55</b>	<b>136.74</b>

# NOTES

## to Financial Statements

### 18. TRADE RECEIVABLES

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured</b>			
<b>(a) Outstanding for more than six months</b>			
- Considered good	4.74		17.11
- Considered doubtful	0.38		0.38
Less : Provision for doubtful debts	(0.38)		(0.38)
		4.74	17.11
<b>(b) Others</b>			
- Considered good		10.06	36.00
		<b>14.80</b>	<b>53.11</b>

### 19. CASH AND CASH EQUIVALENTS

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
<b>Balances with Banks:</b>			
In Current Accounts (includes unclaimed dividend of ₹0.80 Crore / Previous Year ₹ 0.74 Crore)	4.33		7.54
Fixed Deposits with Banks having balance maturity of three months or less:			
- Not under Lien	-		25.74
- Under Lien**	0.08		2.67
		4.41	35.95
Cash on hand		0.56	0.71
		4.97	36.66
<b>Other Bank Balances:</b>			
Fixed Deposits with Banks having balance maturity of twelve months or less:			
- Not under Lien	21.78		14.85
- Under Lien**	20.03		21.03
		<b>41.81</b>	<b>35.88</b>
Fixed Deposits with Banks having balance maturity of more than twelve months:			
- Under Lien	0.05		0.05
Less: Non-Current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (refer Note No.15)	(0.05)		(0.05)
		<b>46.78</b>	<b>72.54</b>
** includes			
Margin money deposits			
- 3 months or less		0.08	0.07
- 12 months or less		1.75	0.35

# NOTES

## to Financial Statements

### 19. CASH AND CASH EQUIVALENTS (CONTD.)

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
Deposits pledged with banks against borrowings		
- 3 months or less	-	2.60
- 12 months or less	18.28	20.68

### 20. SHORT-TERM LOANS & ADVANCES

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Loans and Advances to Related Parties	174.65	147.31
Deposits with Excise and Customs	80.45	68.42
Advances to Suppliers	27.65	37.41
Advance Royalty	6.10	8.03
Advance Custom Duty	4.09	9.50
Prepaid Expenses	3.34	3.04
VAT Credit Receivable	0.89	2.05
Employee Advances	0.41	0.83
Others Advances	2.58	3.49
	<b>300.16</b>	<b>280.08</b>

### 21. OTHER CURRENT ASSETS

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Export Incentives Receivable	13.09	30.37
Interest accrued but not due on Fixed Deposits with Banks	1.45	2.56
Unamortised Ancillary Borrowing Costs	2.54	2.42
Fixed Assets held for Disposal	0.09	1.40
(Valued at lower of Net Book Value and Net Realisable Value)		
Derivative Assets	3.92	3.35
	<b>21.09</b>	<b>40.10</b>

# NOTES

## to Financial Statements

### 22. REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Sale of products:</b>		
Ferro Chrome	1,176.55	1,301.97
Ferro Silicon	-	0.08
Power	-	4.11
Fly Ash Bricks	2.19	1.68
Low Density Aggregate	0.03	0.01
<b>Total Sales</b>	<b>1,178.77</b>	<b>1,307.85</b>
Less: Excise Duty	14.55	26.31
<b>Net Sales</b>	<b>1,164.22</b>	<b>1,281.54</b>
<b>Other Operating Revenue:</b>		
Export Incentives	39.84	58.78
Sale of Scrap	7.24	4.47
	<b>1,211.30</b>	<b>1,344.79</b>

### 23. OTHER INCOME

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest		
- Fixed Deposits	4.67	2.97
- Others	2.35	12.84
Rent received	0.11	0.10
Profit on Sale of Fixed Assets [including profit on sale of assets held for disposal ₹ 0.13 Crore (Previous Year: ₹ 0.08 Crore)]	1.61	0.16
Claims Received	0.41	0.05
Dividend	0.92	-
Profit on sale of Current Investments	0.13	0.47
Liability no longer required written back	0.21	0.21
Other non-operating Income	5.84	4.98
	<b>16.25</b>	<b>21.78</b>



# NOTES

## to Financial Statements

### 24. COST OF MATERIALS CONSUMED

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Coal	212.33	242.06
Chrome Ore	259.57	218.86
Quartz	6.61	6.12
Coke	162.91	205.35
Carbon paste	16.36	17.60
Other materials	14.57	32.43
	<b>672.35</b>	<b>722.42</b>
Less: Inter Unit transfer of Chrome Ore (Net)	16.48	28.87
	<b>655.87</b>	<b>693.55</b>

### 25. CHANGES IN INVENTORIES OF FINISHED GOODS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Closing stock of finished goods	108.55	136.74
Opening stock of finished goods	136.74	153.26
	<b>28.19</b>	<b>16.52</b>

### 26. EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Bonus, Allowances etc.	123.54	112.32
Contribution to Provident and Other Funds	11.06	10.80
Workmen and Staff Welfare Expenses	2.77	3.86
	<b>137.37</b>	<b>126.98</b>

### 27. FINANCE COSTS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Expense	74.70	97.79
Other Borrowing Costs	6.59	10.51
Applicable loss on foreign currency transactions & translations	1.78	0.32
	<b>83.07</b>	<b>108.62</b>

# NOTES

## to Financial Statements

### 28. OTHER EXPENSES

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Manufacturing expenses</b>		
Consumption of stores, spares and loose tools	17.18	24.12
Consumption of electricity	17.99	3.85
Electricity Duty	20.16	17.39
Energy transmission charges	5.51	6.28
Repairs and Maintenance :		
- Plant and Machinery	22.42	25.21
- Buildings	2.79	3.04
- Others	5.36	6.24
Finished stock and slag handling expenses	13.66	18.36
Other factory expenses	22.51	26.28
Excise duty on closing stock of finished goods	(2.40)	(2.35)
	<b>125.18</b>	<b>128.42</b>
<b>Selling &amp; Distribution expenses</b>		
Carriage outward and handling expenses	52.11	62.95
Export promotion expenses	2.32	1.96
Other selling expenses	17.51	18.91
	<b>71.94</b>	<b>83.82</b>
<b>Establishment and other expenses</b>		
Insurance	3.17	2.83
Rent	3.51	3.13
Rates and taxes	2.06	1.17
Travelling and conveyance	6.16	8.15
Legal and professional fees	9.22	19.80
Payments to the Auditor (refer Note No.28.1)	0.37	0.33
Director's Fees	0.04	0.05
Applicable loss on foreign currency transactions & translations	35.37	0.45
Corporate Social Responsibility Expenses (refer Note No.43)	1.83	1.84
Miscellaneous expenses	17.68	16.63
	<b>79.41</b>	<b>54.38</b>
<b>Total Other Expenses</b>	<b>276.53</b>	<b>266.62</b>

#### 28.1 PAYMENTS TO THE AUDITOR (excluding service tax)

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
As Auditor - Statutory Audit & Limited Reviews	0.33	0.30
For Other Services	0.01	0.01
For reimbursement of expenses	0.03	0.02
	<b>0.37</b>	<b>0.33</b>

# NOTES

## to Financial Statements

### 29. EARNINGS PER SHARE

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Profit/(Loss) after tax attributable to Equity Shareholders (₹ in Crore)	(54.76)	11.98
(b) Weighted Average number of Equity Shares	2,59,77,053	2,59,77,053
(c) Basic and diluted earnings per share (in ₹)	(21.08)	4.61
(d) Nominal value per Equity Share (in ₹)	10.00	10.00

### 30. CONTINGENT LIABILITIES AND COMMITMENTS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>A. Contingent Liabilities</b>		
<b>(a) Claims against the Company not acknowledged as debts:</b>		
Government Claims		
(i) (a) Income Tax (deposits made under protest ₹ 31.33 Crore / Previous Year ₹ 16.47 Crore)	40.68	24.74
(b) Demands in respect of the Assessment Years 2009-10 and 2012-13 aggregating to ₹ 181.30 Crore (Previous Year ₹ 181.30 Crore) pursuant to disallowances under Section 40(a)(i) of the Income Tax Act, 1961 in respect of import of raw materials and spares etc. has not been considered as 'contingent liability' as the CIT (Appeals) has granted relief to the Company on a similar issue while disposing appeals for Assessment Years 2007-08, 2008-09 and 2011-12 (deposits made under protest ₹ 44.57 Crore / Previous Year Nil)	-	-
(ii) Excise Duty (deposits made under protest ₹ 0.23 Crore / Previous Year ₹ 0.19 Crore )	0.85	0.84
(iii) Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable
(iv) Entry tax (deposits made under protest ₹ 4.92 Crore / Previous Year ₹ 4.78 Crore)	14.23	13.82
(v) Sales tax (deposits made under protest ₹ 1.62 Crore / Previous Year ₹ 1.60 Crore)	1.74	1.74
(vi) State Govt./Local Authority rent, duties, levies & cess etc.	59.08	28.49
<b>Other Claims</b>		
Legal suits filed against the Company	1.54	0.74
<b>(b) Guarantees :</b>		
Guarantee given by the Company to a financial institution on behalf of Utkal Coal Ltd, a subsidiary	78.09	91.00

## NOTES

### to Financial Statements

#### (c) Other money for which the Company is contingently liable :

Demand notices in respect of six mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 225.14 Crore for the alleged excess extraction of minerals over the quantity permitted under the mining plan/scheme, environmental clearance or consent to operate and other statutory permissions during the period from 1993 to 2010 under Section 21(5) of Mines & Minerals (Development and Regulation) Act, 1957 ('Act'). However, Section 21(5) of the Act specifies that demand can be raised only when the minerals were extracted from the land which is occupied without lawful authority i.e. outside leasehold area. The Company is of the view that Section 21(5) of the Act is not applicable as the mining is done within the leasehold area under the supervision and approval of the State and Central Govt. Hence, the Company filed Revision Applications before Mines Tribunal, New Delhi against all such demands. Stay has been granted by the Mines Tribunal against such Demand Notices and the matters are pending.

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>B. Commitments:</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	43.30	55.71

**31.** The Hon'ble Supreme Court of India vide judgment dated 25th August, 2014 read with its order dated 24th September, 2014 cancelled the allocation of coal blocks to various companies, including the 'Utkal C' coal block held by Utkal Coal Ltd ('UCL'), an SPV in which the Company holds 79.2% equity. Subsequently, on 21st October, 2014 The Coal Mines (Special Provisions) Ordinance, 2014 was promulgated to facilitate, inter alia, auction of coal blocks and compensation to a prior allottee of a coal block. To give continuity to the provisions of the said Ordinance and save the actions taken thereunder, on 26th December, 2014 The Coal Mines (Special Provisions) Second Ordinance, 2014 was promulgated, which was deemed to have come into force on 21st October, 2014 and the earlier Ordinance stood repealed. Further, the Ministry of Coal issued orders dated 18th December, 2014 and 6th January, 2015 to initiate the auction process and change the end use of 'Utkal C' from captive use (non-regulated sector) to independent power producer (regulated sector). Aggrieved by the above actions of the government, on 13th February, 2015 UCL filed a Writ Petition before the Hon'ble High Court of Delhi challenging, inter alia, the said orders. UCL has also filed a separate Writ Petition before the Hon'ble

High Court of Delhi on 23rd February, 2015 challenging the basis of valuation of compensation and the restrictive interpretation of 'Mine Infrastructure'. The arguments in both the aforesaid writ petitions have been heard by the Hon'ble High Court of Delhi and the judgments have been reserved. Pending final orders on the aforesaid writ petitions, no accounting adjustments have been made by UCL in its books of account and no provision is deemed necessary in these financial statements against the Company's exposure in UCL as at 31st March, 2016 amounting to ₹ 110.88 Crore invested as equity, ₹ 173.77 Crore given as an unsecured loan and ₹ 78.09 Crore as a guarantee to a financial institution for loan availed by UCL.

**32.** In view of the circumstances detailed in Note No.31 above and considering the effect of uncertainties as envisaged in paragraph 9 of Accounting Standard 9 on "Revenue Recognition", with effect from 1st October, 2014 the Company has postponed recognition of income from interest on unsecured loan given to UCL. Due to this, profit before tax for the year ended 31st March, 2016 is lower by ₹ 21.08 Crore (Previous Year ₹ 9 Crore). The interest income would be considered as revenue of the period in which it is properly recognised.

# NOTES

## to Financial Statements

### 33. ADDITIONAL INFORMATION PERTAINING TO STATEMENT OF PROFIT AND LOSS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>(a) Value of Imports on C.I.F basis :</b>		
Raw Materials	202.40	180.89
Components and spare parts	1.26	14.37
Capital Goods	1.88	0.14
<b>(b) Expenditure in Foreign Currency :</b>		
Interest	10.33	7.47
Travelling	2.60	2.02
Others	30.41	20.30
<b>(c) Earnings in Foreign Currency :</b>		
F.O.B. value of exports	1,034.03	1,032.47
<b>(d) Remittance in Foreign Currency :</b>		
On account of dividend to non-resident investors:		
(i) Year to which dividend pertains	2014-15	2013-14
(ii) Number of Shareholders	2	2
(iii) Number of Equity Shares	56,34,759	56,34,759
(iv) Amount remitted (₹ in Crore)	0.85	1.69

**(e) Directly imported and indigenously available raw materials, spare parts, components & stores consumed and the percentage of each to the total consumption :**

	(₹ in Crore)			
	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>(i) Raw materials</b>				
Directly Imported	225.18	34.33%	231.71	33.41%
Indigenously available	430.69	65.67%	461.84	66.59%
<b>(ii) Spare parts, components &amp; stores</b>				
Directly Imported	2.93	4.02%	12.17	15.18%
Indigenously available	69.93	95.98%	67.98	84.82%

### 34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 - EMPLOYEE BENEFITS

**(a) Defined Contribution plan:**

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows:

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Employer's contribution towards:</b>		
- Provident Fund	3.81	3.83
- Employee Pension Scheme	2.35	2.17
- Employee State Insurance	0.80	0.79
- Superannuation Fund	1.14	1.11

## NOTES

### to Financial Statements

#### (b) Defined Benefit Plan:

The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

##### (i) The amounts recognised in the Balance Sheet are as under:

	Gratuity		Leave Encashment	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Present Value of obligation	22.37	19.83	6.43	4.90
Fair value of plan assets	19.80	19.11	-	-
Net Assets / (liabilities) recognised in balance sheet	(2.57)	(0.72)	(6.43)	(4.90)
Non Current	(2.57)	(0.72)	(5.39)	(4.14)
Current	-	-	(1.04)	(0.76)

(₹ in Crore)

##### (ii) Changes in present value of obligation:

	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2015-16	2014-15	2015-16	2014-15
Present Value of obligation at the beginning of the year	19.83	18.46	4.90	4.20
Interest Cost	1.69	1.53	0.45	0.36
Current service cost	1.70	1.46	1.21	1.10
Benefits paid	(1.95)	(1.41)	(2.05)	(1.90)
Actuarial (gain)/loss on obligation	1.10	(0.21)	1.92	1.14
Present value of obligation as at the end of the year	22.37	19.83	6.43	4.90

(₹ in Crore)

##### (iii) Changes in plan assets:

	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2015-16	2014-15	2015-16	2014-15
Fair Value of plan assets as at the beginning of the year	19.11	17.78	-	-
Return on plan assets	1.56	1.47	-	-
Contributions	1.58	1.47	2.05	1.90
Benefits paid	(1.95)	(1.41)	(2.05)	(1.90)
Actuarial gain/ (loss) on plan assets	(0.50)	(0.20)	-	-
Fair value of plan assets as at the end of the year	19.80	19.11	-	-

(₹ in Crore)

# NOTES

## to Financial Statements

(iv) Principle actuarial assumptions at the Balance Sheet date are as follows:

	(₹ in Crore)			
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Discount rate per annum compounded	8.00%	8.00%	8.00%	8.00%
Rate of increase in salaries	6.00%	5.00%	6.00%	5.00%
Rate of return on plan assets	8.00%	8.00%	-	-
Expected average remaining working lives of employees (years)	16.40	16.59	16.40	16.59
Withdrawal rates	Varying between 8% per annum to 1% per annum depending on duration & age of the employees			
Mortality table	Standard table: Indian Assured Lives Mortality (2006-2008) (modified)			

(v) The amount for current and previous four years are as follows:

	(₹ in Crore)				
	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	22.37	19.83	18.46	16.61	15.37
Plan assets	19.80	19.11	17.78	16.58	15.24
Surplus/(deficit)	(2.57)	(0.72)	(0.68)	(0.03)	(0.13)
Experience adjustments on plan liabilities	1.29	0.31	(0.46)	0.15	(15.37)
Experience adjustments on plan assets	(0.50)	(0.20)	(0.15)	0.05	0.13

	(₹ in Crore)				
	Leave Encashment				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	6.43	4.90	4.20	3.52	3.95
Plan assets	-	-	-	-	-
Surplus/(deficit)	(6.43)	(4.90)	(4.20)	(3.52)	(3.95)
Experience adjustments on plan liabilities	0.50	0.10	1.31	0.83	(5.23)
Experience adjustments on plan assets	-	-	-	-	-

35. As per Accounting Standard 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.



# NOTES

## to Financial Statements

### 36. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 18 - RELATED PARTY DISCLOSURES

#### (a) Names of the Related Parties :

(i) Subsidiaries	Country of Origin
1 Indian Metals and Carbides Ltd	India
2 Utkal Power Ltd	India
3 Utkal Coal Ltd	India
4 IMFA Alloys Finlease Ltd	India
5 Utkal Green Energy Ltd	India
6 Indmet Mining Pte Ltd	Singapore
7 PT Sumber Rahayu Indah [Subsidiary of Indmet Mining Pte Ltd]	Indonesia

#### (ii) Key Management Personnel (KMP)

Name	Designation
1 Dr Bansidhar Panda	Executive Chairman
2 Mr Bajjayant Panda	Vice Chairman
3 Mr Subhrakant Panda	Managing Director
4 Mr Jayant Kumar Misra	Director (Corporate) & COO
5 Mr Chitta Ranjan Ray	Whole Time Director

#### (iii) Relatives of Key Management Personnel

1 Mrs Paramita Mahapatra - Daughter of Dr Bansidhar Panda and sister of Mr Bajjayant Panda and Mr Subhrakant Panda.
2 Mrs Jagi Mangat Panda - Wife of Mr Bajjayant Panda.
3 Mrs Shaifalika Panda - Wife of Mr Subhrakant Panda.
4 Mrs Nivedita Ganapathi - Daughter of Dr Bansidhar Panda and sister of Mr Bajjayant Panda and Mr Subhrakant Panda.

#### (iv) Enterprises over which KMP and/or relative of such KMP is able to exercise significant influence (with whom transactions have taken place during the year)

1 B.Panda and Company Pvt Ltd
2 UMSL Ltd (erstwhile Utkal Manufacturing & Services Ltd)
3 Esquire Realtors Pvt Ltd
4 Kishangarh Environmental Development Action Pvt Ltd
5 Ortel Communications Ltd
6 Odisha Television Ltd
7 Palios Corporation
8 Rutayan Ila Trust
9 Bansidhar & Ila Panda Foundation
10 Utkal Charitable Trust
11 Indian Metals Public Charitable Trust
12 Raila Enterprises Pvt Ltd
13 Orissa Coal And Services Pvt Ltd

# NOTES

## to Financial Statements

### (b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous year.)

					(₹ in Crore)
Sl. No.	Nature of Transactions	Subsidiaries	KMP	Relatives of KMP	Enterprises over which KMP and/or relative of such KMP is able to exercise significant influence
1	Purchase of raw materials and stores etc.	-	-	-	0.14
		(-)	(-)	(-)	(9.17)
2	Services received	0.47	0.22	0.03	57.51
		(-)	(0.21)	(0.03)	(84.32)
3	Services rendered	-	-	-	0.08
		(-)	(-)	(-)	(-)
4	Managerial remuneration	-	6.29	0.54	-
		(-)	(5.95)	(0.19)	(-)
5	Donations given	-	-	-	0.70
		(-)	(-)	(-)	(0.73)
6	Corporate Social Responsibility expenses	-	-	-	1.65
		(-)	(-)	(-)	(1.57)
7	Lease rentals paid	3.85	-	-	-
		(3.84)	(-)	(-)	(-)
8	Interest income on loan	0.08	-	-	-
		(9.56)	(-)	(-)	(-)
9	Investments made	0.11	-	-	-
		(0.40)	(-)	(-)	(-)
10	Loan given	27.87	-	-	-
		(27.30)	(-)	(-)	(-)
11	Loan repayment received	0.62	-	-	-
		(66.69)	(-)	(-)	(-)
12	Reimbursement of expenses	-	-	-	0.23
		(-)	(-)	(-)	(-)
13	Outstanding balances as at 31st March, 2016 :				
	a. Receivables	174.65	-	-	0.08
		(147.31)	(-)	(-)	(0.02)
	b. Payables	31.98	0.46	0.08	26.36
		(32.44)	(0.25)	(-)	(34.12)
	c. Guarantees given	78.09	-	-	-
		(91.00)	(-)	(-)	(-)
	d. Guarantees received	-	-	-	-
		(7.06)	(-)	(-)	(-)

### (c) Disclosure in respect of Material Related Party Transactions during the year (excluding reimbursements) :

1. Purchase of raw materials and stores etc from UMSL Ltd ₹ 0.14 Crore (Previous Year : ₹ 9.17 Crore).
2. Services received includes services from UMSL Ltd ₹ 52.27 Crore (Previous Year : ₹ 78.89 Crore).
3. Services rendered to UMSL Ltd of ₹ 0.08 Crore (Previous Year : Nil).

## NOTES

### to Financial Statements

4. Managerial remuneration includes amount paid to Dr Bansidhar Panda ₹ 1.55 Crore (Previous Year : ₹ 1.44 Crore), Mr Baijayant Panda ₹ 1.62 Crore (Previous Year : ₹ 1.45 Crore), Mr Subhrakant Panda ₹ 1.84 Crore (Previous Year : ₹ 1.63 Crore), Mr Jayant Kumar Misra ₹ 0.67 Crore (Previous Year : ₹ 0.80 Crore) and Mr Chitta Ranjan Ray ₹ 0.61 Crore (Previous Year : ₹ 0.63 Crore).
5. Donations include amount given to Bansidhar & Ila Panda Foundation ₹ 0.69 Crore (Previous Year : ₹ 0.73 Crore).
6. Corporate Social Responsibility Expenses paid to Bansidhar & Ila Panda Foundation ₹ 1.36 Crore (Previous Year : ₹ 1.23 Crore) and Indian Metals Public Charitable Trust of ₹ 0.29 Crore (Previous Year : ₹ 0.34 Crore).
7. Lease rentals paid to IMFA Alloys Finlease Limited ₹ 3.85 Crore (Previous Year : ₹ 3.84 Crore).
8. Interest income on loan is from Utkal Power Limited of ₹ 0.07 Crore (Previous Year : ₹ 0.10 Crore), from Utkal Green Energy Limited of ₹ 0.01 Crore (Previous Year : ₹ 0.01 Crore) and from Utkal Coal Limited Nil (Previous Year : ₹ 9.45 Crore).
9. Investments made in Utkal Green Energy Limited of ₹ 0.08 Crore (Previous Year : Nil), Indian Metals and Carbide Limited ₹ 0.03 Crore (Previous Year : Nil) and Utkal Power Limited Nil (Previous Year : ₹ 0.40 Crore)
10. Loan given includes amount paid to Utkal Coal Limited ₹ 27.80 Crore (Previous Year : ₹ 27.20 Crore).
11. Loan repayment received includes amount from Utkal Power Limited ₹ 0.06 Crore (Previous Year : ₹ 0.40 Crore), Utkal Green Energy Limited to ₹ 0.06 Crore (Previous Year : Nil) and Utkal Coal Limited ₹ 0.47 Crore (Previous Year : ₹ 66.30 Crore).
12. Guarantee provided to Financial Institution for loan availed by Utkal Coal Limited ₹ 78.09 Crore (Previous Year : ₹ 91.00 Crore)
13. Guarantee received from Indmet Mining Pte Limited Nil (Previous Year : ₹ 7.06 Crore)

### 37. DETAILS OF LOANS AND GUARANTEES GIVEN

Name of the Company	Relationship with the Company	Nature	Amount outstanding		Maximum amount outstanding during		Purpose for which the loan / Guarantee utilised / to be utilised	Rate of Interest Per Annum
			As at 31st March, 2016	As at 31st March, 2015	2015-16	2014-15		
Utkal Coal Limited	Subsidiary	Loan	173.77	146.44	173.77	185.53	Setting up of Coal Mining Project.	12.60%
Utkal Coal Limited	Subsidiary	Guarantee	78.09	91.00	91.00	91.00	Guarantee utilised for obtaining loan from a Financial Institution	N.A.
Utkal Power Limited	Subsidiary	Loan	0.88	0.80	0.88	1.19	To meet operational requirements	9.00%
Utkal Green Energy Limited	Subsidiary	Loan	0.00	0.06	0.06	0.06	To meet operational requirements	9.00%
Indian Metals and Carbide Limited	Subsidiary	Loan	0.00	0.01	0.01	0.01	To meet operational requirements	9.00%

The aforesaid loans are repayable on demand and carry a rate of interest which is not below that as mentioned in section 186 of the Companies Act, 2013.

38. Disputes between the Company and Grid Corporation of Orissa Ltd ("GRIDCO") relating to methodology for billing of power, wheeling of power, back-up power drawn during period of grid disturbance etc. were settled in favour of the Company vide a unanimous award of an Arbitral Tribunal dated 23rd March, 2008, by virtue of which GRIDCO was directed to pay ₹ 57.07 lakh alongwith interest and ₹ 30 lakh towards costs. Subsequently, GRIDCO filed a petition

before the District Judge, Bhubaneswar objecting the award and obtained an interim stay on the operation of the said award. The Company filed its objection thereto on 19th February, 2009 and the matter is pending for hearing.

The Company has not given effect of the aforesaid award in its books of account on the principles of prudence, as the matter is sub-judice.

# NOTES

## to Financial Statements

**39.** In the arbitration proceedings relating to a party's conversion contract, an interim award was passed on 9th January, 2003 upholding issues in the Company's favour, without quantification of the amount payable to the Company towards its various claims of losses/damages, which is to be determined by the appointment of a Chartered Accountant or other expert. The Party filed a petition before the Hon'ble High Court at Calcutta on 4th February, 2004 praying to set aside the interim award and the Company filed its objection thereto. The matter is pending before the Hon'ble High Court at Calcutta.

**40.** Pursuant to the order of Hon'ble Orissa High Court dated 21st April 2005, the Company was paying electricity duty at 6 paise per unit to the Govt. of Orissa and keeping the differential duty of 14 paise per unit in a separate 'no lien account' till final disposal of its writ petition. The Hon'ble Orissa High Court disposed the said writ petition vide judgment dated 6th May, 2010 by directing the Company to deposit the differential amount of duty lying in no lien account with the State Exchequer. The Company preferred an appeal before the Hon'ble Supreme Court of India against the judgment of Orissa High Court. The Hon'ble Supreme Court vide its order dated 7th February, 2011 directed the company to continue the payment in the same manner but to deposit the differential amount of 14 paise per unit in an Escrow account instead of 'no lien account' till final disposal of the appeal. Accordingly, the Company paid the balance 14 paise per unit in an escrow account (non-interest bearing current account) with State Bank of India from January, 2011. Subsequently, based on a direction received on 9th January, 2015 from Govt. of Odisha, the Company kept the Escrow amount in an interest bearing fixed deposit linked to escrow current account with effect from 21st March, 2015.

On the principles of prudence, the Company fully provided for Electricity Duty @ 20 paise per unit in its books of account, on accrual basis till September, 2015. Subsequent to the Department of Energy, Govt. of Odisha's Notification No. 8309 dated 1st October 2015, wherein the amended rate of Electricity Duty for a Captive Power Generator was specified at par with that of a Licensee, the Company is paying the applicable duty @ 30 paise per unit to the Govt. of Odisha with effect from October, 2015.

**41.** With reference to a Right of Recompense ('ROR') dispute with Andhra Bank, the Hon'ble Orissa High Court, based on Company's application, vide its Order dated 18th March, 2015, directed the Company and Andhra Bank to resolve the issues relating to the amount of recompense payable to Andhra Bank on the basis of the principles laid down in the Order, preferably within a period of two months and thereafter the bank shall consider the issue of No Objection Certificate and vacate the charge by following its own procedures. To give effect to the directions of the Hon'ble High Court, the Company had initiated discussions with Andhra Bank. Subsequently, Andhra Bank has filed an appeal against the aforesaid Order dated 18th March, 2015.

The Company has paid ₹ 1.35 Crore to the bank, on the basis of the earlier orders passed by the Hon'ble Orissa High Court from time to time, prior to the aforesaid final order dated 18th March, 2015 and is of the opinion that the final recompense amount will not exceed the amount which has been already paid to the bank.

**42.** The Company had filed a petition before the Hon'ble Orissa High Court under Section 392 of the Companies Act, 1956 to modify the Scheme of Arrangement & Amalgamation and confirm the reduction of share capital by cancellation of 3,49,466 equity shares of ₹ 10/- each held by erstwhile 'ICCL Shareholders Trust'. The petition was approved by the Hon'ble High Court vide its order dated 16th March, 2011 and registered with the Registrar of Companies (ROC), Orissa on 1st April, 2011. Accordingly, the paid up equity share capital reduced from ₹ 26,32,65,190/- divided into 2,63,26,519 equity shares of ₹ 10/- each to ₹ 25,97,70,530/- divided into 2,59,77,053 equity shares of ₹ 10/- each. Subsequently, several shareholders challenged the reduction of share capital before a Division Bench of the Hon'ble High Court which, vide its judgement dated 19th July 2011, directed the Company, inter-alia, to restore the aforesaid shares to the Trust and allot it to interested shareholders. The Company then moved the Hon'ble Supreme Court which issued notice in the matter and granted interim stay on the subscription or cancellation of the said 3,49,466 shares. As such, status quo is to be maintained until further orders.

# NOTES

## to Financial Statements

### 43. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES IS AS FOLLOWS:

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
- Expenditure included under "Other Expenses" (refer Note No. 28)	1.83	1.84
- Expenditure relating to CSR Asset included under "Capital Work-in-Progress" (refer Note No.12)	4.43	2.21
	6.26	4.05

### 44. DERIVATIVE INSTRUMENTS

- (a) The Company uses derivative instruments to hedge foreign currency and interest rate risks and not for speculative purposes. The outstanding contracts entered into by the Company are given below :

	As at 31st March, 2016		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	79 (92)	21.75 (24.00)	143.27 (149.23)
Interest Rate Swap with USD/INR Call Option	1 (1)	6.56 (10.31)	43.23 (64.12)
Interest Rate Swap	1 (1)	8.91 (9.50)	58.67 (59.07)
Cross Currency Swap with Call Spread	- (1)	- (1.24)	- (7.68)
Cross Currency Swap	6 (3)	63.09 (40.07)	415.55 (249.14)

Note: Figures in brackets represent corresponding numbers / amounts as at 31st March, 2015

- (b) The foreign currency exposures that are not hedged by a derivative instrument as at year end are given below :

	As at 31st March, 2016		As at 31st March, 2015	
	Loans Payable	Payable for import of goods	Loans Payable	Payable for import of goods
US Dollar (in million)	35.65	5.24	43.94	9.34
EURO (in million)	-	0.06	-	-
INR (in Crore)	234.79	34.93	273.21	58.08

# NOTES

## to Financial Statements

### 45. LEASES

#### Operating Lease:

The Company's significant operating lease arrangements are in respect of premises only which are renewable at the option of both the lessor & the lessee.

#### Future minimum lease rents payable are summarized below:

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 year	1.01	2.26
Later than 1 year but not later than 5 years	0.78	0.88
Later than 5 years	0.61	0.72

Total lease rent payments recognised in the Statement of Profit and Loss for the year is ₹ 2.74 Crore (Previous Year ₹ 2.97 Crore).

#### Future minimum lease rents receivable are summarized below:

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 year	0.05	0.02
Later than 1 year but not later than 5 years	0.20	0.07
Later than 5 years	0.32	0.17

#### Finance Lease:

#### Company as a Lessee :

	(₹ in Crore)			
	Future Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 year	3.35	3.35	3.20	3.20
Later than 1 year but not later than 5 years	13.41	13.41	10.26	10.26
Later than 5 years	56.43	59.79	18.52	18.98
<b>Total</b>	<b>73.19</b>	<b>76.55</b>	<b>31.98</b>	<b>32.44</b>
Future Finance Charges	41.21	44.11		
Present Value of Minimum Lease Payments	31.98	32.44		

# NOTES

## to Financial Statements

### 46. EXCEPTIONAL ITEMS CONSTITUTE THE FOLLOWING EXPENSE / (INCOME):

		(₹ in Crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Provision made on best estimate basis for the shortfall towards Renewable Purchase Obligation upto 31st March, 2015 under the OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010, pursuant to the judgment of the Hon'ble Supreme Court of India dated 13th May, 2015. Cost towards meeting the obligation for the current year is forming part of Consumption of electricity, under "Other Expenses" (Note No. 28).	19.98	-
(b) Provision towards Contribution to District Mineral Foundation (DMF) relating to the period 12th January - 31st March, 2015 in accordance with The MMDR Amendment Act, 2015 notified on 27th March, 2015 and the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 notified on 17th September, 2015 which provide for contribution to DMF @ 30% of royalty for mining leases granted before 12th January, 2015. DMF contribution for the current year is forming part of the cost of raw materials.	2.73	-
(c) Forfeiture of retention money (net of advances) due to non-fulfilment of contractual terms of a contractor.	(5.56)	-
(d) In accordance with the requirements of Schedule II to the Companies Act, 2013, as on 1st April, 2014, the carrying amount of assets (after retaining the residual value) where remaining useful life is nil as on that date, has been recognised in the Statement of Profit and Loss.	-	5.22
	<b>17.15</b>	<b>5.22</b>

47. Previous year's figures have been rearranged/ regrouped to conform to the classification of the current year, wherever considered necessary.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 17th May, 2016

**Prem Khandelwal**

CFO & Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) & COO

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Indian Metals and Ferro Alloys Limited

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Indian Metals and Ferro Alloys Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, its consolidated loss and its consolidated cash flows for the year ended on that date.

### EMPHASIS OF MATTERS

- (a) We draw attention to Note No. 31 to the consolidated financial statements relating to the Company's equity investment amounting to ₹ 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 and the Company has initiated arbitration proceedings for protecting its said investment.
- (b) We draw attention to Note No. 33 to the consolidated financial statements relating to the Company's exposure in a subsidiary. The matter has arisen out of the cancellation of allotment of



# INDEPENDENT AUDITOR'S REPORT

the coal block being held by the subsidiary vide the Hon'ble Supreme Court of India's order dated 24th September, 2014, the subsequent auction process of the coal block and the filing of two writ petitions before the Hon'ble High Court of Delhi by the subsidiary in connection therewith.

Our opinion is not modified in respect of these matters.

## OTHER MATTER

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 111.56 Crores as at 31st March, 2016, total revenues of ₹ 3.08 Crores and net cash outflows amounting to ₹ 1.53 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note Nos. 30,31,33,35,36,37,38 and 39 to the consolidated financial statements;
  - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**  
Partner  
Membership No.056613

Bhubaneswar  
17th May, 2016

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated financial statements for the year ended 31st March, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of the Group, in respect of companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the entities of the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to the respective company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated financial statements for the year ended 31st March, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Group, in respect of companies incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to four subsidiaries of the Holding Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

**Anand Kumar Jhunjunwala**

Partner

Membership No.056613

Bhubaneswar

17th May, 2016

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2016

			(₹ in Crore)
	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	25.98	25.98
Reserves and Surplus	3	803.86	855.34
		<b>829.84</b>	<b>881.32</b>
Minority Interest		<b>31.34</b>	<b>30.96</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	719.04	782.42
Deferred Tax Liabilities (Net)	5	69.58	99.62
Other Long-Term Liabilities	6	150.30	127.62
Long-Term Provisions	7	8.00	4.89
		<b>946.92</b>	<b>1,014.55</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	200.81	213.01
Trade Payables	9	138.92	167.34
Other Current Liabilities	10	282.06	229.18
Short-Term Provisions	11	6.08	11.59
		<b>627.87</b>	<b>621.12</b>
		<b>2,435.97</b>	<b>2,547.95</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
- Tangible Assets		1,274.78	1,300.22
- Intangible Assets		4.46	-
- Capital Work-in-Progress		200.26	188.95
- Intangible Assets under Development		-	4.25
		1,479.50	1,493.42
Goodwill on Consolidation		74.61	71.53
Non-Current Investments	13	0.10	0.10
Long-Term Loans and Advances	14	219.72	208.99
Other Non-Current Assets	15	64.33	55.86
		<b>1,838.26</b>	<b>1,829.90</b>
<b>Current Assets</b>			
Current Investments	16	23.03	-
Inventories	17	352.89	405.09
Trade Receivables	18	14.80	53.11
Cash and Cash Equivalents	19	58.90	85.53
Short-Term Loans and Advances	20	126.90	134.15
Other Current Assets	21	21.19	40.17
		<b>597.71</b>	<b>718.05</b>
		<b>2,435.97</b>	<b>2,547.95</b>
Significant Accounting Policies and Notes to Consolidated Financial Statements	1 to 45		

The Notes referred to above form an integral part of the Consolidated Balance Sheet.  
This is the Consolidated Balance Sheet referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

**Prem Khandelwal**

CFO &amp; Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) &amp; COO

Place: Bhubaneswar

Date: 17th May, 2016

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

			(₹ in Crore)
	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>REVENUE</b>			
Revenue from Operations	22	1,211.30	1,344.79
Other Income	23	15.45	12.34
<b>Total Revenue</b>		<b>1,226.75</b>	<b>1,357.13</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	655.87	693.55
Changes in Inventories of Finished Goods	25	28.19	16.52
Employee Benefits Expense	26	137.06	127.13
Finance Costs	27	80.23	105.68
Depreciation and Amortisation Expense	12	114.20	121.94
Other Expenses	28	276.94	266.84
<b>Total Expenses</b>		<b>1,292.49</b>	<b>1,331.66</b>
<b>Profit/(Loss) before Prior Period Items, Exceptional Items &amp; Tax</b>		(65.74)	25.47
Prior Period Income		-	6.22
Exceptional Items - Expense (Net)	44	(17.15)	(5.22)
<b>Profit/(Loss) Before Tax</b>		(82.89)	26.47
Tax Expense:			
- Current Tax		0.95	10.86
- MAT Credit Entitlement (Including earlier years)		-	(9.83)
- Deferred Tax		(30.04)	21.29
<b>Profit/(Loss) After Tax (before adjustment for Minority Interest)</b>		(53.80)	4.15
Minority Interest		(0.47)	(0.47)
<b>Profit/(Loss) After Tax (after adjustment for Minority Interest)</b>		<b>(54.27)</b>	<b>3.68</b>
<b>Earnings per Equity Share of par value of ₹ 10/- each</b>	29	(20.89)	1.42
Basic and Diluted (In ₹)			
Significant Accounting Policies and Notes to Consolidated Financial Statements	1 to 45		

The Notes referred to above form an integral part of the Consolidated Statement of Profit and Loss.  
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

**Prem Khandelwal**

CFO & Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) & COO

Place: Bhubaneswar

Date: 17th May, 2016

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2016

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	(82.89)	26.47
Adjustments for:		
Depreciation and Amortisation Expense	114.20	121.94
Loss/(profit) on sale/disposal of fixed assets (net)	(0.02)	0.01
Loss/(profit) on sale of Investments (net)	(0.13)	(0.47)
Unrealised foreign exchange (gain)/loss	18.71	6.47
Interest Income	(7.02)	(15.89)
Dividend Income	(0.04)	-
Finance Costs	80.23	105.68
Exceptional Items	(5.56)	5.22
Prior Period Income	-	(6.22)
Liability no longer required written back	(0.21)	(0.21)
<b>Operating Profit before Working Capital Changes</b>	<b>117.27</b>	<b>243.00</b>
Adjustments for:		
Trade and other receivables	34.20	(90.99)
Inventories	52.21	(32.38)
Trade payables and other liabilities	<b>26.31</b>	<b>61.12</b>
<b>Cash Generated from Operations</b>	<b>229.99</b>	<b>180.75</b>
Direct Taxes paid	(12.10)	(6.40)
<b>Net Cash generated from Operating Activities</b>	<b>217.89</b>	<b>174.35</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and Capital Work-in-Progress	(103.36)	(72.15)
Sale of fixed assets	16.45	0.16
Fixed Deposits	-	2.48
Sale / (Purchase) of Investments (net)	(22.90)	12.56
Interest received	8.05	13.39
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>(101.76)</b>	<b>(43.56)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	83.01	578.92
Repayment of long term borrowings	(131.99)	(593.67)
Proceeds from/(Repayment) of short term borrowings (net)	(8.21)	53.12
Interest and financing charges paid	(98.47)	(142.15)
Dividend paid (including dividend tax)	(5.05)	(9.12)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(160.71)</b>	<b>(112.90)</b>
<b>Net increase / (decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(44.58)</b>	<b>17.89</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>49.65</b>	<b>31.28</b>
Effect of Exchange Rate on Translation of Foreign Currency	0.67	0.48
<b>Cash and Cash Equivalents at the end of the year (Note No.19)</b>	<b>5.74</b>	<b>49.65</b>

## Notes:

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 'Cash Flow Statements'.
  - Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.
- This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

**Prem Khandelwal**

CFO & Company Secretary

**Subhrakant Panda**

Managing Director

**Jayant Kumar Misra**

Director (Corporate) & COO

Place: Bhubaneswar

Date: 17th May, 2016

# NOTES

## to Consolidated Financial Statements

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Principles of Consolidation

The Consolidated Financial Statements ("CFS") relate to Indian Metals and Ferro Alloys Limited ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, in accordance with Accounting Standard 21- "Consolidated Financial Statements".
- In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".
- The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the CFS as Goodwill or Capital Reserve, as the case may be.

- In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.

Minority Interest in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
  - The minority share of movements in equity since the date the parent-subsidiary relationship came into existence.
- Minority's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the profit/loss after tax of the Group, in order to arrive at the profit/loss after tax attributable to shareholders of the Company.
  - As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
  - The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2016.

The list of subsidiary companies which are included in the consolidation and the Company's holding therein are as under:

Sl. No.	Name of the Company	Ownership / voting power in % as at		Country of Incorporation
		31st March, 2016	31st March, 2015	
1	Indian Metals and Carbide Ltd	99.99%	99.99%	India
2	Utkal Power Ltd	100.00%	100.00%	India
3	Utkal Coal Ltd	79.20%	79.20%	India
4	IMFA Alloys Finlease Ltd	76.00%	76.00%	India
5	Utkal Green Energy Ltd	100.00%	100.00%	India
6	Indmet Mining Pte Ltd	100.00%	100.00%	Singapore
7	PT. Sumber Rahayu Indah, [70 % Subsidiary of Indmet Mining Pte Ltd]	-	-	Indonesia

#### 1.2 Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate (standalone) financial statements.

# NOTES

## to Consolidated Financial Statements

### 2. SHARE CAPITAL

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised:</b>		
<b>Equity Shares:</b>		
3,00,00,000 Equity Shares, ₹ 10/- par value per share (31st March, 2015 : 3,00,00,000 Equity Shares)	30.00	30.00
<b>Preference Shares:</b>		
40,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2015 : 40,000 Preference Shares)	0.40	0.40
2,60,000 IInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2015 : 2,60,000 Preference Shares)	2.60	2.60
	<b>33.00</b>	<b>33.00</b>
<b>Issued, Subscribed and Paid-up:</b>		
2,59,77,053 Equity Shares, ₹ 10 /- par value per share, fully paid (31st March, 2015 : 2,59,77,053 Equity Shares)	25.98	25.98
	<b>25.98</b>	<b>25.98</b>

#### 2.1 Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Shares outstanding at the beginning of the year	2,59,77,053	25.98	2,59,77,053	25.98
Add: Issued during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	2,59,77,053	25.98	2,59,77,053	25.98

#### 2.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised share capital consists of two classes of shares, referred to as Equity Shares and Preference Shares, having par value of ₹ 10/- and ₹ 100/- each respectively.

Each holder of Equity Share is entitled to one vote per share. The preferential shareholders have preferential right over equity shareholders in respect of repayment of capital and payment of dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



# NOTES

## to Consolidated Financial Statements

### 2.3 Details of Shareholders holding more than 5% of the equity shares each

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
LITEC Company Limited	38,44,259	14.80	38,44,259	14.80
Barabati Investment & Trading Co. Pvt Ltd	26,34,778	10.14	26,34,778	10.14
Paramita Investments & Trading Co. Pvt Ltd	26,34,778	10.14	26,34,778	10.14
KB Investments Pvt Ltd	25,16,401	9.69	25,16,401	9.69
Madhuban Investments Pvt Ltd	23,95,696	9.22	23,95,696	9.22
Reliance Capital Trustee Co. Ltd-A/c Reliance Tax Saver (ELSS) Fund	13,40,974	5.16	13,40,974	5.16
Fox Consulting Services Pte Ltd	17,90,500	6.89	17,90,500	6.89

## 3. RESERVES AND SURPLUS

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserves</b>			
Balance as per last account		1.01	1.01
<b>Capital Redemption Reserve</b>			
Balance as per last account		0.20	0.20
		0.20	0.20
<b>Securities Premium Reserve</b>			
Balance as per last account		153.12	153.12
		153.12	153.12
<b>Foreign Currency Translation Reserve</b>			
Balance as per last account		17.95	15.24
Add: Adjustment for translation of Non Integral Foreign Operations		4.80	2.71
		22.75	17.95
<b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>			
Balance as per last account		0.84	0.44
Add: Transferred from Surplus in the Consolidated Statement of Profit and Loss		0.40	0.40
		1.24	0.84
<b>General Reserve</b>			
Balance as per last account	276.42		275.82
Add: Excess provision for Tax on Proposed Dividend reversed	0.18		
Add: Transferred from Surplus in the Consolidated Statement of Profit and Loss	-		0.60
		276.60	276.42
<b>Surplus in the Consolidated Statement of Profit and Loss</b>			
Opening Balance	405.80		409.28
Add : Profit/(Loss) after Tax (after adjustment of Minority Interest) for the year	(54.27)		3.68

# NOTES

## to Consolidated Financial Statements

### 3. RESERVES AND SURPLUS (CONTD.)

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
	351.53	412.96
<b>Less : Appropriations</b>		
Proposed Dividend	(1.82)	(5.11)
Tax on Proposed Dividend	(0.37)	(1.04)
Transfer to General Reserve	-	(0.60)
Transfer to Special Reserve	(0.40)	(0.40)
Adjustment of carrying value of assets after retaining the residual value where the remaining useful life of an assets is Nil as at 1st April, 2014	-	(0.01)
	348.94	405.80
	<b>803.86</b>	<b>855.34</b>

### 4. LONG-TERM BORROWINGS

	(₹ in Crore)
	As at 31st March, 2016
	As at 31st March, 2015
<b>Secured</b>	
Term Loans from Banks	645.16
Term Loans from Others	73.88
	<b>719.04</b>
	<b>782.42</b>

#### 4.1 Details of securities provided (including for current maturities as stated under "Other Current Liabilities") and their repayment terms :

(EMI - Equated Monthly Instalment; EQI - Equated Quarterly Instalment; UQI : Unequated Quarterly Instalment; PY: Previous Year)

#### Term Loans from Banks :

- (a) Loan of ₹ 31.96 Crore (PY : ₹ 41.10 Crore) for setting up of Coal Handling Plant (CHP) at Choudwar, secured by first charge on the movable assets to be acquired out of the loan for CHP and first charge by way of mortgage on pari-passu basis on immovable properties of the Company situated at Choudwar excluding assets exclusively charged to other lenders. Repayment by 28 EQI of ₹ 2.29 Crore from October'12.
- (b) Loan of ₹ 50.00 Crore (PY : ₹ 50.00 Crore) for general capital expenditure, secured by first

pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 35 EMIs of ₹ 1.39 Crore from April'17 and last instalment of ₹ 1.35 Crore.

- (c) Loan of ₹ 50.00 Crore (PY : Nil) for general capital expenditure, secured by first pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 24 EMI of ₹ 0.75 Crore from October '17, thereafter 11 EMI of ₹ 2.66 Crore and last instalment of ₹ 2.74 Crore.
- (d) Loan of ₹ 63.00 Crore (PY : ₹ 81.00 Crore) for general capital expenditure, secured by first pari-passu charge on fixed assets (both moveable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to other lenders. Subservient charge on

## NOTES

### to Consolidated Financial Statements

the current assets of the Company. Repayment by 20 EQI from December'14.

- (e) Loan of ₹ 31.32 Crore (PY : ₹ 41.76 Crore) for setting up of 30 MW Captive Power Plant (CPP) at Choudwar, secured by exclusive charge over the assets of CPP & first pari-passu charge on plot no. 43 on which CPP has been erected at Choudwar, with other term lenders. The loan is collaterally secured by second pari-passu charge on entire current assets of the Company. Repayment by 16 EQI of ₹ 2.175 Crore from June'10 and 20 EQI of ₹ 2.61 Crore from June '14.
- (f) Loan of ₹ 16.00 Crore (PY : ₹ 28.00 Crore) for general capital expenditure, secured by extension of charge over the assets of 30MW Captive Power Plant (CPP) and pari-passu charge on plot no. 43 on which CPP is erected at Choudwar with other term lenders. Repayment by 8 EQI of ₹ 3 Crore from June'14 and 4 EQI of ₹ 4.00 Crore from June'16.
- (g) Loan of ₹ 104.50 Crore (PY : ₹ 110.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (h) Loan of ₹ 95.00 Crore (PY : ₹ 100.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (i) Loan of ₹ 66.50 Crore (PY : ₹ 70.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (j) Loan of ₹ 95.00 Crore (PY : ₹ 100.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (k) Loan of ₹ 47.48 Crore (PY : ₹ 50.00 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.
- (l) Loan of ₹ 4.81 Crore (PY : ₹ 1.64 Crore) for setting up of Industrial Training Centre (ITC) at Sukinda, secured by mortgage of lease hold right of property situated at Khata No 100, Plot No 238(P), Mauza-Dudhjhari, Sukinda Dist- Jajpur, admeasuring 5 acres and building to be constructed thereon along with the Furniture & Fixtures, Computers and equipment's to be purchased out of the loan. Repayment by 24 EQI from September'16.
- (m) Loan of ₹ 19.38 Crore (PY : ₹ 9.54 Crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (475675.20 sq fts) situated at Plot No.34/78 & 34/82, Tahsil-Tangi Choudwar, PS-Choudwar, Mouza-Chhatisa No.2, Cuttack, Odisha and the proposed building to be constructed. Repayment of ₹ 20.00 crores by 24 UQI from June'16 and 5.85 crores in 24 EQI from February '18.
- (n) Vehicle Loan of ₹ 0.18 Crore (PY : ₹ 0.24 Crore) secured by charge on the Vehicle. Repayment by 60 EMI of ₹ 65,232/- from January'14.
- (o) Loan of ₹ 43.23 Crore (PY : ₹ 54.45 Crore) for setting up of Briquetting plant, Gas Cleaning plant, Fly Ash Brick plant and Low Density Aggregate plant, secured by first exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar and charge on all the present and future movable fixed assets of Gas Cleaning plant & Briquetting plant at Therubali, Low Density Aggregate plant and Fly Ash Brick plant I and II at Choudwar. Repayment by 16 EQI from January'14.
- (p) Loan of ₹ 58.67 Crore (PY : ₹ 59.07 Crore) for general capital expenditure, secured by first and exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar. First and exclusive charge on all the present and

# NOTES

## to Consolidated Financial Statements

future moveable fixed assets of Gas Cleaning plant & Briquetting plant at Therubali, Low Density Aggregate plant and Fly Ash Brick plant I and II at Choudwar. Repayment by 16 EQI from February'16.

### Term Loans from Others:

- (a) Loan of ₹ 3.23 Crore (PY : ₹ 7.63 Crore) for setting up of winder at Mahagiri Mines, secured by first charge on winder at Mines. Repayment by EMIs from February'13 to November'16.
- (b) Loan of ₹ 20.00 Crore (PY : Nil) for capital expenditure related to power plants and other ancillary infrastructure, secured by first charge on Aircraft and two helicopters. Subservient charge on current assets of the Company. Repayment by 54 EMIs from June' 16.

- (c) Loan of ₹ 78.09 Crore (PY : ₹ 91.00 Crore), secured by first charge over all the fixed assets of Utkal Coal Limited ("UCL"), both present and future on pari-passu basis. An unconditional and irrevocable corporate guarantee has been given by the Holding Company, Indian Metals and Ferro Alloys Limited ("IMFA") in respect of such loan. Further, 100% shares of UCL have been pledged by the shareholders in favour of the lender. The loan outstanding for ₹ 26.59 crore is repayable in 60 EMIs starting from 29th February, 2016 and the loan outstanding for ₹ 51.50 crore is repayable in 27 Quarterly instalments starting from 30th September 2014.

Note: Term Loans from Banks amounting to ₹ 31.96 Crore (PY: ₹ 82.86 Crore) are further secured by personal guarantees of 2 directors of the Company.

## 5. DEFERRED TAX LIABILITIES (NET)

[Deferred Tax Liability - DTL ; Deferred Tax Asset - DTA]

In terms of Accounting Standard 22, the net DTA recognised during the year is ₹ 30.04 Crore (Previous Year: DTL ₹ 21.29 Crore). Consequently, the net DTL as at year-end stands at ₹ 69.58 Crore (Previous Year : ₹ 99.62 Crore), as under:

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>(a) Deferred Tax Liabilities:</b>		
Related to depreciation on fixed assets	96.02	103.97
Related to others	0.02	0.02
	<b>96.04</b>	<b>103.99</b>
<b>(b) Deferred Tax Assets:</b>		
Related to Unabsorbed Depreciation	(17.55)	-
Related to disallowances under the Income-Tax Act, 1961	(8.91)	(4.37)
<b>Net Deferred Tax Liabilities</b>	<b>69.58</b>	<b>99.62</b>

## 6. OTHER LONG-TERM LIABILITIES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Electricity Duty	128.57	121.35
Derivative Liabilities	20.26	4.66
Security Deposits	0.13	0.27
Others	1.34	1.34
	<b>150.30</b>	<b>127.62</b>

# NOTES

## to Consolidated Financial Statements

### 7. LONG-TERM PROVISIONS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (Non-Current Portion)	8.00	4.89
	<b>8.00</b>	<b>4.89</b>

### 8. SHORT-TERM BORROWINGS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Loans Repayable on Demand		
Working Capital Loans from Banks	174.18	213.01
Buyers' Credit	26.63	-
	<b>200.81</b>	<b>213.01</b>

8.1 Working Capital Loans from banks and Buyers' Credit are secured by charge over stocks, receivables & current assets.

### 9. TRADE PAYABLES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Secured</b>		
Creditors for supplies/services	138.92	167.34
	<b>138.92</b>	<b>167.34</b>

### 10. OTHER CURRENT LIABILITIES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long-Term Borrowings (refer Note No. 4.1)	159.31	132.58
Liability for Operating and Other Expenses	63.46	45.26
Statutory Liabilities	34.05	13.14
Creditors for Capital Goods	10.72	12.54
Payable to Employees	7.91	7.70
Interest accrued but not due on borrowings	3.20	3.97
Earnest Money and Security Deposits	1.52	12.29
Unclaimed Dividend *	0.80	0.74
Commission / Remuneration Payable to Directors	0.46	0.25
Advance from Customers	0.63	0.71
	<b>282.06</b>	<b>229.18</b>

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund .

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## to Consolidated Financial Statements

### 11. SHORT-TERM PROVISIONS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits (Current Portion)	3.89	5.44
Proposed Dividend	1.82	5.11
Provision for Tax on proposed dividend	0.37	1.04
	<b>6.08</b>	<b>11.59</b>

### 12. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions / Adjustments	Deductions / Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions / Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>I. Tangible Assets:</b>										
<b>Own Assets</b>										
Freehold Land	55.54	0.70	-	56.24	-	-	-	-	56.24	55.54
Buildings	431.75	40.00	0.22	471.53	152.97	33.53	0.16	186.34	285.19	278.78
Railway Siding & Runways	19.89	-	-	19.89	9.87	1.91	-	11.78	8.11	10.02
Office Equipments	10.98	0.69	0.05	11.62	9.00	1.09	0.04	10.05	1.57	1.98
Computer System Machineries	13.35	0.48	0.01	13.82	9.85	2.28	0.01	12.12	1.70	3.50
Plant & Machinery	1,151.14	38.41	6.43	1,183.12	454.74	66.69	5.09	516.35	666.77	696.40
Furniture & Fixtures	6.64	0.40	0.01	7.03	4.94	0.72	0.01	5.65	1.38	1.70
Vehicles	20.43	1.00	2.43	19.00	13.69	2.40	1.98	14.10	4.90	6.74
Aircrafts	28.63	-	-	28.63	10.49	2.49	-	12.98	15.65	18.14
<b>Total (A)</b>	<b>1,738.35</b>	<b>81.68</b>	<b>9.15</b>	<b>1,810.88</b>	<b>665.55</b>	<b>111.11</b>	<b>7.29</b>	<b>769.37</b>	<b>1,041.51</b>	<b>1,072.80</b>
<b>Leased Assets</b>										
Leasehold Land	203.62	8.94	-	212.56	-	0.56	-	0.56	212.00	203.62
Plant & Machinery acquired on finance lease	33.28	-	-	33.28	9.48	2.53	-	12.01	21.27	23.80
<b>Total (B)</b>	<b>236.90</b>	<b>8.94</b>	<b>-</b>	<b>245.84</b>	<b>9.48</b>	<b>3.09</b>	<b>-</b>	<b>12.57</b>	<b>233.27</b>	<b>227.42</b>
<b>Total (I) = (A+B)</b>	<b>1,975.25</b>	<b>90.62</b>	<b>9.15</b>	<b>2,056.72</b>	<b>675.03</b>	<b>114.20</b>	<b>7.29</b>	<b>781.94</b>	<b>1,274.78</b>	<b>1,300.22</b>
<b>II. Intangible Assets:</b>										
Computer Software	-	4.50	-	4.50	-	0.04	-	0.04	4.46	-
<b>Total (II)</b>	<b>-</b>	<b>4.50</b>	<b>-</b>	<b>4.50</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>0.04</b>	<b>4.46</b>	<b>-</b>
<b>Total Fixed Assets = (I+II)</b>	<b>1,975.25</b>	<b>95.12</b>	<b>9.15</b>	<b>2,061.22</b>	<b>675.03</b>	<b>114.24</b>	<b>7.29</b>	<b>781.98</b>	<b>1,279.24</b>	<b>1,300.22</b>
Previous Year	1,820.50	156.68	1.93	1,975.25	549.26	127.27	1.50	675.03	1,300.22	1,271.24
<b>III. Capital Work-in-Progress</b>									200.26	188.95
<b>IV. Intangible Assets under Development</b>									-	4.25

Note a : Borrowing costs capitalised during the year ₹ 19.83 Crore (Previous Year : ₹ 28.41 Crore)

Note b : Capital Work-in-Progress includes ₹ 7.08 Crore relating to CSR Assets, out of which ₹ 4.43 Crore was incurred in the current year (refer Note No.40).

Note c : Depreciation amounting to ₹ 0.04 Crore (Previous year : ₹ 0.10 Crore) has been transferred to Capital Work-in-Progress

# NOTES

to Consolidated Financial Statements

## 13. NON-CURRENT INVESTMENTS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Non-Trade Investment - at Cost</b>		
Investments in Equity Instruments (Unquoted)		
95,054 Equity Shares of ₹ 10/- each fully paid-up in Kalinga Hospital Ltd (Previous Year : 95,054 Shares)	0.10	0.10
	<b>0.10</b>	<b>0.10</b>

## 14. LONG-TERM LOANS AND ADVANCES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Capital Advances	1.63	11.71
Security and Other Deposits	12.40	10.78
Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No.37)	100.75	93.02
Advance Income Tax (Net of Provision for Tax ₹ 179.81 Crore / Previous Year ₹ 180.55 Crore)	73.00	61.00
MAT Credit Entitlement	31.94	32.48
	<b>219.72</b>	<b>208.99</b>

## 15. OTHER NON-CURRENT ASSETS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Long-Term Trade Receivables*	11.39	11.39
Unamortised Ancillary Borrowing Costs	15.15	17.16
Interest accrued but not due on Fixed Deposits with Banks	37.74	27.26
Non-Current portion of Other Bank Balances		
- Fixed Deposit with bank having balance maturity of more than twelve months (Under Lien**)	0.05	0.05
	<b>64.33</b>	<b>55.86</b>

\* due pending resolution of sub-judice matters

\*\* Margin money deposits

# NOTES

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## 16. CURRENT INVESTMENTS

(At lower of Cost and Fair value)

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Investments in Mutual Fund - Unquoted</b>		
78,634.436 units (Previous Year : Nil) of Birla Sunlife Cash Manager-Growth-Direct Plan, Market Value ₹ 2.93 Crore	2.86	-
6,16,433.290 units (Previous Year : Nil) of Birla Sunlife Savings Fund-Growth-Direct Plan, Market Value ₹ 18.11 Crore	18.00	-
11,56,565.446 units (Previous Year : Nil) of Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan, Market Value ₹ 1.23 Crore	1.21	-
9,33,179.643 units (Previous Year : Nil) of Reliance Arbitrage Advantage Fund - Monthly Dividend Plan, Market Value ₹ 0.98 Crore	0.95	-
46.893 units (Previous Year : Nil) units of Reliance Liquid Fund - Treasury Plan - Directly Daily Dividend Option, Market Value ₹ 0.01 Crore	0.01	-
	<b>23.03</b>	<b>-</b>

## 17. INVENTORIES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Raw Materials	157.89	165.86
(b) Raw Materials in transit	32.26	43.77
(c) Finished Goods (refer Note No.17.1) (Includes Finished Goods-in-Transit ₹ 31.20 Crore /Previous Year ₹ 34.75 Crore)	108.55	136.74
(d) Stores and Spares	54.08	58.61
(e) Loose Tools	0.11	0.11
	<b>352.89</b>	<b>405.09</b>

### 17.1 Finished goods comprise of :

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Charge Chrome	108.03	136.12
(b) Fly Ash Bricks	0.24	0.45
(e) Low Density Aggregate	0.28	0.17
	<b>108.55</b>	<b>136.74</b>



# NOTES

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## 18. TRADE RECEIVABLES

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured</b>			
<b>(a) Outstanding for more than six months</b>			
- Considered good	4.74		17.11
- Considered doubtful	0.38		0.38
Less : Provision for doubtful debts	(0.38)		(0.38)
		4.74	17.11
<b>(b) Others</b>			
- Considered good		10.06	36.00
		<b>14.80</b>	<b>53.11</b>

## 19. CASH AND CASH EQUIVALENTS

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
<b>Balances with Banks:</b>			
In Current Accounts (includes unclaimed dividend of ₹ 0.80 Crore / Previous Year ₹ 0.74 Crore)	5.10		8.69
Fixed Deposits with Banks having balance maturity of three months or less:			
- Not under Lien	-		37.57
- Under Lien**	0.08		2.67
		5.18	48.93
Cash on hand		0.56	0.72
		5.74	49.65
<b>Other Bank Balances:</b>			
Fixed Deposits with Banks having balance maturity of twelve months or less:			
- Not under Lien	33.13		14.85
- Under Lien**	20.03		21.03
		53.16	35.88
Fixed Deposits with Banks having balance maturity of more than twelve months:			
- Under Lien**	0.05		0.05
Less: Non-Current portion of other bank balances disclosed separately under 'Other Non-Current Assets' (refer Note No.15)	(0.05)		(0.05)
		-	-
		<b>58.90</b>	<b>85.53</b>
<b>** includes</b>			
Margin money deposits			
- 3 months or less		0.08	0.07
- 12 months or less		1.75	0.35
Deposits pledged with banks against borrowings			
- 3 months or less		-	2.60
- 12 months or less		18.28	20.68

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## 20. SHORT-TERM LOANS & ADVANCES

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Deposits with Excise and Customs	81.06	69.00
Advances to Suppliers	27.65	37.41
Advance Royalty	6.10	8.03
Advance Custom Duty	4.09	9.50
Prepaid Expenses	3.35	3.06
VAT Credit Receivable	0.89	2.05
Employee Advances	0.41	0.83
Capital Advances	-	0.03
Others Advances	3.35	4.24
	<b>126.90</b>	<b>134.15</b>

## 21. OTHER CURRENT ASSETS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured, Considered good</b>		
Export Incentives Receivable	13.09	30.37
Interest accrued but not due on Fixed Deposits with Banks	1.51	2.63
Unamortised Ancillary Borrowing Costs	2.54	2.42
Fixed Assets held for Disposal (Valued at lower of Net Book Value and Net Realisable Value)	0.09	1.40
Derivative Assets	3.92	3.35
Other Receivables	0.04	-
	<b>21.19</b>	<b>40.17</b>

## 22. REVENUE FROM OPERATIONS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Sale of products:</b>		
Ferro Chrome	1,176.55	1,301.97
Ferro Silicon	-	0.08
Power	-	4.11
Fly Ash Bricks	2.19	1.68
Low Density Aggregate	0.03	0.01
<b>Total Sales</b>	<b>1,178.77</b>	<b>1,307.85</b>
Less: Excise Duty	14.55	26.31
<b>Net Sales</b>	<b>1,164.22</b>	<b>1,281.54</b>
<b>Other Operating Revenue:</b>		
Export Incentives	39.84	58.78
Sale of Scrap	7.24	4.47
	<b>1,211.30</b>	<b>1,344.79</b>

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### 23. OTHER INCOME

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest		
- Fixed Deposits	4.81	3.08
- Others	2.28	3.28
Rent received	0.12	0.10
Profit on Sale of Fixed Assets [including profit on sale of assets held for disposal ₹ 0.13 Crore (Previous Year: ₹ 0.08 Crore)]	1.61	0.16
Claims Received	0.41	0.05
Dividend	0.04	0.01
Profit on Sale of Current Investments	0.13	0.47
Liability no longer required written back	0.21	0.21
Other non-operating Income	5.84	4.98
	<b>15.45</b>	<b>12.34</b>

### 24. COST OF MATERIALS CONSUMED

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Coal	212.33	242.06
Chrome Ore	259.57	218.86
Quartz	6.61	6.12
Coke	162.91	205.35
Carbon paste	16.36	17.60
Other materials	14.57	32.43
	<b>672.35</b>	<b>722.42</b>
Less: Inter Unit transfer of Chrome Ore (Net)	16.48	28.87
	<b>655.87</b>	<b>693.55</b>

### 25. CHANGES IN INVENTORIES OF FINISHED GOODS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Closing stock of finished goods	108.55	136.74
Opening stock of finished goods	136.74	153.26
	<b>28.19</b>	<b>16.52</b>

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## 26. EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Bonus, Allowances etc.	123.23	112.47
Contribution to Provident and Other Funds	11.06	10.80
Workmen and Staff Welfare Expenses	2.77	3.86
	<b>137.06</b>	<b>127.13</b>

## 27. FINANCE COSTS

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Expense	71.86	94.85
Other Borrowing Costs	6.59	10.51
Applicable loss on foreign currency transactions & translations	1.78	0.32
	<b>80.23</b>	<b>105.68</b>

## 28. OTHER EXPENSES

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Manufacturing expenses</b>		
Consumption of stores, spares and loose tools	17.18	24.12
Consumption of electricity	17.99	3.85
Electricity Duty	20.16	17.39
Energy transmission charges	5.51	6.28
Repairs and Maintenance :		
- Plant and Machinery	22.42	25.21
- Buildings	2.79	3.04
- Others	5.36	6.24
Finished stock and slag handling expenses	13.66	18.36
Other factory expenses	22.51	26.28
Excise duty on closing stock of finished goods	(2.40)	(2.35)
	<b>125.18</b>	<b>128.42</b>
<b>Selling &amp; Distribution expenses</b>		
Carriage outward and handling expenses	52.11	62.95
Export promotion expenses	2.32	1.96
Other selling expenses	17.51	18.91
	<b>71.94</b>	<b>83.82</b>
<b>Establishment and other expenses</b>		
Insurance	3.17	2.83
Rent	3.72	3.15
Rates and taxes	2.07	1.17
Travelling and conveyance	6.16	8.16
Legal and professional fees	9.28	19.87

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	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Payments to the Auditor (refer Note No. 28.1)	0.45	0.41
Director's Fees	0.05	0.05
Applicable loss on foreign currency transactions & translations	35.37	0.45
Corporate Social Responsibility Expenses (refer Note No. 40)	1.83	1.84
Miscellaneous expenses	17.72	16.67
<b>Total Other Expenses</b>	<b>79.82</b>	<b>54.60</b>
	<b>276.94</b>	<b>266.84</b>

#### 28.1 PAYMENTS TO THE AUDITOR (excluding service tax)

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
As Auditor - Statutory Audit & Limited Reviews	0.41	0.38
For Other Services	0.01	0.01
For reimbursement of expenses	0.03	0.02
	<b>0.45</b>	<b>0.41</b>

### 29. EARNINGS PER SHARE

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Profit / (Loss) after tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (₹ in Crore)	(54.27)	3.68
(b) Weighted Average number of Equity Shares	2,59,77,053	25,977,053
(c) Basic and diluted earnings per share (in ₹)	(20.89)	1.42
(d) Nominal value per Equity Share (in ₹)	10.00	10.00

### 30. CONTINGENT LIABILITIES AND COMMITMENTS

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>A. Contingent Liabilities</b>		
<b>(a) Claims against the Company not acknowledged as debts:</b>		
Government Claims		
(i) (a) Income Tax (deposits made under protest ₹ 31.33 Crore / Previous Year ₹ 16.47 Crore)	77.06	24.74
(b) Demands in respect of the Assessment Years 2009-10 and 2012-13 aggregating to ₹ 181.30 Crore (Previous Year ₹ 181.30 Crore) pursuant to disallowances under Section 40(a)(i) of the Income Tax Act, 1961 in respect of import of raw materials and spares etc. has not been considered as 'contingent liability' as the CIT (Appeals) has granted relief to the Company on a similar issue while disposing appeals for Assessment Years 2007-08, 2008-09 and 2011-12 (deposits made under protest ₹ 44.57 Crore / Previous Year Nil)	-	-

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### 30. CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
(ii) Excise Duty (deposits made under protest ₹ 0.23 Crore / Previous Year ₹ 0.19 Crore)	0.85	0.84
(iii) Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable
(iv) Entry tax (deposits made under protest ₹ 4.92 Crore / Previous Year ₹ 4.78 Crore)	14.23	13.82
(v) Sales tax (deposits made under protest ₹ 1.62 Crore / Previous Year ₹ 1.60 Crore)	1.74	1.74
(vi) State Govt./Local Authority rent, duties, levies & cess etc.	59.08	28.49
<b>Other Claims</b>		
Legal suits filed against the Company	2.10	1.30

**(b) Other money for which the Company is contingently liable :**

Demand notices in respect of six mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 225.14 Crore for the alleged excess extraction of minerals over the quantity permitted under the mining plan/scheme, environmental clearance or consent to operate and other statutory permissions during the period from 1993 to 2010 under Section 21(5) of Mines & Minerals (Development and Regulation) Act, 1957 ('Act'). However, Section 21(5) of the Act specifies that demand can be raised only when the minerals were extracted from the land which is occupied without lawful authority i.e. outside leasehold area. The Company is of the view that Section 21(5) of the Act is not applicable as the mining is done within the leasehold area under the supervision and approval of the State and Central Govt. Hence, the Company filed Revision Applications before Mines Tribunal, New Delhi against all such demands. Stay has been granted by the Mines Tribunal against such Demand Notices and the matters are pending.

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
<b>B. Commitments:</b>		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	43.30	55.71

**31.** Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has investment of USD 8.75 million (₹ 57.64 Crore) [Previous year USD 8.75 million (₹ 54.41 Crore)] in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised till date.

Consequently, the Company has initiated arbitration proceedings against the Government of the Republic of Indonesia on 24th July, 2015 pursuant to Article 3 of the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and Article 9 of the Agreement between the Governments of the Republic of Indonesia and the Republic of India for the Promotion and Protection

of Investments (the "Treaty"), raising claims of breach of the protections granted under the Treaty. Hearing on the arbitration proceedings is yet to commence.

No provision has been considered necessary by the Company at this stage in its Standalone Financial Statements, towards any diminution in the carrying value of its investment in Indmet amounting to ₹ 53.13 Crore. Accordingly, these Consolidated Financial Statements of the Group do not include any adjustments that might result from the outcome of this uncertainty.

### 32. SEGMENT INFORMATION

The Group has identified two broad reportable segments viz. 'Ferro Alloys' and 'Power'. Segments have been identified

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## to Consolidated Financial Statements

and reported taking into account nature of products, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group with following additional policies for Segment Reporting :

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which

relate to the group as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

- b) Segment Assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

### Primary Segment Information (Business Segment)

	Ferro Alloys		Power		Others		Unallocable		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>1. Segment Revenue</b>										
External Sales	1,162.32	1,276.00	-	4.11	1.90	1.43	-	-	1,164.22	1,281.54
Inter Segment Sales	-	-	389.59	383.57	1.12	0.80	-	-	390.71	384.37
Elimination	-	-	(389.59)	(383.57)	(1.12)	(0.80)	-	-	(390.71)	(384.37)
Total Revenue	1,162.32	1,276.00	0.00	4.11	1.90	1.43	-	-	1,164.22	1,281.54
<b>2. Segment Result before Finance Cost, Prior Period Items, Exceptional Items and Taxes</b>	62.05	236.00	(11.85)	(12.63)	(10.04)	(6.18)	(25.67)	(86.04)	14.49	131.15
Finance Costs	-	-	-	-	-	-	-	-	80.23	105.68
Prior Period Income	-	-	-	-	-	-	-	-	-	6.22
Exceptional Items - Expense (Net)	-	-	-	-	-	-	-	-	17.15	5.22
Profit/(Loss) Before Tax	-	-	-	-	-	-	-	-	(82.89)	26.47
Tax Expenses	-	-	-	-	-	-	-	-	(29.09)	22.32
Profit/(Loss) After Tax (before adjustment for Minority Interest)	-	-	-	-	-	-	-	-	(53.80)	4.15
<b>3. Other Information</b>										
Segment Assets	713.58	803.25	1,281.29	1,299.68	74.63	81.84	366.47	363.18	2,435.97	2,547.95
Segment Liabilities	170.90	180.56	205.30	192.47	1.31	3.96	149.46	161.63	526.97	538.62
Capital Expenditure	61.08	44.12	37.25	64.97	1.92	14.85	1.93	8.59	102.18	132.53
Depreciation and Amortisation	38.17	41.88	59.87	65.26	8.42	4.59	7.74	10.21	114.20	121.94
Non-cash Expenses other than Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-

As per Accounting Standard 17 'Segment Reporting', the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

- 33.** The Hon'ble Supreme Court of India vide judgment dated 25th August, 2014 read with its order dated 24th September, 2014 cancelled the allocation of coal blocks to various companies, including the 'Utkal C' coal block held by Utkal Coal Ltd ('UCL'), an SPV in which the Company holds 79.2% equity. Subsequently, on 21st October, 2014 The Coal Mines (Special Provisions) Ordinance, 2014 was promulgated to facilitate, inter alia, auction of coal blocks and compensation to a prior allottee of a coal block. To give continuity to the provisions of the said Ordinance and save the actions taken thereunder, on 26th December, 2014 The Coal Mines (Special Provisions) Second Ordinance, 2014 was promulgated, which was deemed to have come into force on 21st October, 2014 and the earlier Ordinance stood repealed. Further, the Ministry of Coal issued orders dated 18th December, 2014 and 6th January, 2015 to initiate the auction process and change the end use of 'Utkal C' from captive use (non-regulated sector) to independent power producer (regulated sector). Aggrieved by the above actions of the government, on 13th February, 2015 UCL filed a Writ

Petition before the Hon'ble High Court of Delhi challenging, inter alia, the said orders.

UCL has also filed a separate Writ Petition before the Hon'ble High Court of Delhi on 23rd February, 2015 challenging the basis of valuation of compensation and the restrictive interpretation of 'Mine Infrastructure'. The arguments in both the aforesaid writ petitions have been heard by the Hon'ble High Court of Delhi and the judgments have been reserved. Pending final orders on the aforesaid writ petitions, no accounting adjustments have been made by UCL in its books of account and no provision is deemed necessary in these financial statements against the Company's exposure in UCL as at 31st March, 2016 amounting to ₹ 110.88 Crore invested as equity, ₹ 173.77 Crore given as an unsecured loan and ₹ 78.09 Crore as a guarantee to a financial institution for loan availed by UCL. Accordingly, these Consolidated Financial Statements of the Group do not include any adjustments that might result from the outcome of this uncertainty.

# NOTES

## to Consolidated Financial Statements

### 34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 18- RELATED PARTY DISCLOSURES

#### (a) Names of the Related Parties :

(i) Key Management Personnel (KMP)	
Name	Designation
1 Dr Bansidhar Panda	Executive Chairman
2 Mr Baijayant Panda	Vice Chairman
3 Mr Subhrakant Panda	Managing Director
4 Mr Jayant Kumar Misra	Director (Corporate) & COO
5 Mr Chitta Ranjan Ray	Whole Time Director
(ii) Relatives of Key Management Personnel	
1 Mrs Paramita Mahapatra - Daughter of Dr Bansidhar Panda and sister of Mr Baijayant Panda and Mr Subhrakant Panda.	
2 Mrs Jagi Mangat Panda - Wife of Mr Baijayant Panda.	
3 Mrs Shaifalika Panda - Wife of Mr Subhrakant Panda.	
4 Mrs Nivedita Ganapathi - Daughter of Dr Bansidhar Panda and sister of Mr Baijayant Panda and Mr Subhrakant Panda.	
(iii) Enterprises over which KMP and/or relative of such KMP is able to exercise significant influence (with whom transactions have taken place during the year)	
1 B.Panda and Company Pvt Ltd	
2 UMSL Ltd (erstwhile Utkal Manufacturing & Services Ltd)	
3 Esquire Realtors Pvt Ltd	
4 Kishangarh Environmental Development Action Pvt Ltd	
5 Ortel Communications Ltd	
6 Odisha Television Ltd	
7 Palios Corporation	
8 Rutayan Ila Trust	
9 Bansidhar & Ila Panda Foundation	
10 Utkal Charitable Trust	
11 Indian Metals Public Charitable Trust	
12 Raila Enterprises Pvt Ltd	
13 Orissa Coal And Services Pvt Ltd	

#### (b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous year)

				(₹ in Crore)
Sl. No.	Nature of Transactions	KMP	Relatives of KMP	Enterprises over which KMP and/or relative of such KMP is able to exercise significant influence
1	Purchase of raw materials and stores etc.	-	-	0.14
		(-)	(-)	(9.17)
2	Services received	0.22	0.03	57.51
		(0.21)	(0.03)	(84.32)
3	Services rendered	-	-	0.08
		(-)	(-)	(-)
4	Managerial remuneration	6.29	0.54	-
		(5.95)	(0.19)	(-)
5	Donations given	-	-	0.70
		(-)	(-)	(0.73)
6	Corporate Social Responsibility Expenses	-	-	1.65
		(-)	(-)	(1.57)
7	Reimbursement of expenses	-	-	0.23
		(-)	(-)	(-)
8	Outstanding balances as at 31st March, 2016 :			
a.	Receivables	-	-	0.08
		(-)	(-)	(0.02)
b.	Payables	0.46	0.08	26.36
		(0.25)	(-)	(34.12)



## NOTES

### to Consolidated Financial Statements

(c) Disclosure in respect of Material Related Party Transactions during the year (excluding reimbursements) :

1. Purchase of raw materials and stores etc from UMSL Ltd ₹ 0.14 Crore (Previous Year : ₹ 9.17 Crore).
2. Services received includes services from UMSL Ltd ₹ 52.27 Crore (Previous Year : ₹ 78.89 Crore).
3. Services rendered to UMSL Ltd of ₹ 0.08 Crore (Previous Year : Nil).
4. Managerial remuneration includes amount paid to Dr Bansidhar Panda ₹ 1.55 Crore (Previous Year : ₹ 1.44 Crore), Mr Baijayant Panda ₹ 1.62 Crore (Previous Year : ₹ 1.45 Crore), Mr Subhrakant Panda ₹ 1.84 Crore (Previous Year : ₹ 1.63 Crore), Mr Jayant Kumar Misra ₹ 0.67 Crore (Previous Year : ₹ 0.80 Crore) and Mr Chitta Ranjan Ray ₹ 0.61 Crore (Previous Year : ₹ 0.63 Crore).
5. Donations include amount given to Bansidhar & Ila Panda Foundation ₹ 0.69 Crore (Previous Year : ₹ 0.73 Crore).
6. Corporate Social Responsibility Expenses paid to Bansidhar & Ila Panda Foundation ₹ 1.36 Crore (Previous Year : ₹ 1.23 Crore) and Indian Metals Public Charitable Trust of ₹ 0.29 Crore (Previous Year : ₹ 0.34 Crore).

**35.** Disputes between the Company and Grid Corporation of Orissa Ltd ("GRIDCO") relating to methodology for billing of power, wheeling of power, back-up power drawn during period of grid disturbance etc. were settled in favour of the Company vide a unanimous award of an Arbitral Tribunal dated 23rd March, 2008, by virtue of which GRIDCO was directed to pay ₹ 57.07 lakh alongwith interest and ₹ 30 lakh towards costs. Subsequently, GRIDCO filed a petition before the District Judge, Bhubaneswar objecting the award and obtained an interim stay on the operation of the said award. The Company filed its objection thereto on 19th February, 2009 and the matter is pending for hearing.

The Company has not given effect of the aforesaid award in its books of account on the principles of prudence, as the matter is sub-judice.

**36.** In the arbitration proceedings relating to a party's conversion contract, an interim award was passed on 9th January, 2003 upholding issues in the Company's favour, without quantification of the amount payable to the Company towards its various claims of losses/damages, which is to be determined by the appointment of a Chartered Accountant or other expert. The Party filed a petition before the Hon'ble High Court at Calcutta on 4th February, 2004 praying to set aside the interim award and the Company filed its objection

thereto. The matter is pending before the Hon'ble High Court at Calcutta.

**37.** Pursuant to the order of Hon'ble Orissa High Court dated 21st April 2005, the Company was paying electricity duty at 6 paise per unit to the Govt. of Orissa and keeping the differential duty of 14 paise per unit in a separate 'no lien account' till final disposal of its writ petition. The Hon'ble Orissa High Court disposed the said writ petition vide judgment dated 6th May, 2010 by directing the Company to deposit the differential amount of duty lying in no lien account with the State Exchequer. The Company preferred an appeal before the Hon'ble Supreme Court of India against the judgment of Orissa High Court. The Hon'ble Supreme Court vide its order dated 7th February, 2011 directed the company to continue the payment in the same manner but to deposit the differential amount of 14 paise per unit in an Escrow account instead of 'no lien account' till final disposal of the appeal. Accordingly, the Company paid the balance 14 paise per unit in an escrow account (non-interest bearing current account) with State Bank of India from January, 2011. Subsequently, based on a direction received on 9th January, 2015 from Govt. of Odisha, the Company kept the Escrow amount in an interest bearing fixed deposit linked to escrow current account with effect from 21st March, 2015.

On the principles of prudence, the Company fully provided for Electricity Duty @ 20 paise per unit in its books of account, on accrual basis till September, 2015. Subsequent to the Department of Energy, Govt. of Odisha's Notification No. 8309 dated 1st October 2015, wherein the amended rate of Electricity Duty for a Captive Power Generator was specified at par with that of a Licensee, the Company is paying the applicable duty @ 30 paise per unit to the Govt. of Odisha with effect from October, 2015.

**38.** With reference to a Right of Recompense ('ROR') dispute with Andhra Bank, the Hon'ble Orissa High Court, based on Company's application, vide its Order dated 18th March, 2015, directed the Company and Andhra Bank to resolve the issues relating to the amount of recompense payable to Andhra Bank on the basis of the principles laid down in the Order, preferably within a period of two months and thereafter the bank shall consider the issue of No Objection Certificate and vacate the charge by following its own procedures. To give effect to the directions of the Hon'ble High Court, the Company had initiated discussions with Andhra Bank. Subsequently, Andhra Bank has filed an appeal against the aforesaid Order dated 18th March, 2015.

The Company has paid ₹ 1.35 Crore to the bank, on the basis of the earlier orders passed by the Hon'ble Orissa High Court from time to time, prior to the aforesaid final order dated 18th March, 2015 and is of the opinion that the final recompense amount will not exceed the amount which has been already paid to the bank.

# NOTES

## to Consolidated Financial Statements

**39.** The Company had filed a petition before the Hon'ble Orissa High Court under Section 392 of the Companies Act, 1956 to modify the Scheme of Arrangement & Amalgamation and confirm the reduction of share capital by cancellation of 3,49,466 equity shares of ₹ 10/- each held by erstwhile 'ICCL Shareholders Trust'. The petition was approved by the Hon'ble High Court vide its order dated 16th March, 2011 and registered with the Registrar of Companies (ROC), Orissa on 1st April, 2011. Accordingly, the paid up equity share capital reduced from ₹ 26,32,65,190/- divided into 2,63,26,519 equity shares of ₹ 10/- each to ₹ 25,97,70,530/- divided

into 2,59,77,053 equity shares of ₹ 10/- each. Subsequently, several shareholders challenged the reduction of share capital before a Division Bench of the Hon'ble High Court which, vide its judgement dated 19th July 2011, directed the Company, inter-alia, to restore the aforesaid shares to the Trust and allot it to interested shareholders. The Company then moved the Hon'ble Supreme Court which issued notice in the matter and granted interim stay on the subscription or cancellation of the said 3,49,466 shares. As such, status quo is to be maintained until further orders.

## 40. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES IS AS FOLLOWS:

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
- Expenditure included under "Other Expenses" (refer Note No. 28)	1.83	1.84
- Expenditure relating to CSR Asset included under "Capital Work-in-Progress" (refer Note No. 12)	4.43	2.21
	<b>6.26</b>	<b>4.05</b>

## 41. DERIVATIVE INSTRUMENTS

(a) The Company uses derivative instruments to hedge foreign currency and interest rate risks and not for speculative purposes. The outstanding contracts entered into by the Company are given below :

	As at 31st March, 2016		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	79 (92)	21.75 (24.00)	143.27 (149.23)
Interest Rate Swap with USD/INR Call Option	1 (1)	6.56 (10.31)	43.23 (64.12)
Interest Rate Swap	1 (1)	8.91 (9.50)	58.67 (59.07)
Cross Currency Swap with Call Spread	- (1)	- (1.24)	- (7.68)
Cross Currency Swap	6 (3)	63.09 (40.07)	415.55 (249.14)

Note: Figures in brackets represent corresponding numbers / amounts as at 31st March, 2015

(b) The foreign currency exposures that are not hedged by a derivative instrument as at year end are given below :

	As at 31st March, 2016		As at 31st March, 2015	
	Loans Payable	Payable for import of goods	Loans Payable	Payable for import of goods
US Dollar (in million)	35.65	5.24	43.94	9.34
EURO (in million)	-	0.06	-	-
INR (in Crore)	234.79	34.93	273.21	58.08

## NOTES

### to Consolidated Financial Statements

**42.** The audited financial statements of Indmet Mining Pte Ltd for the year 2015-16 have been prepared in accordance with Singapore Financial Reporting Standards(FRS) generally followed in the country of its incorporation. Differences in accounting policies as between FRS and Indian GAAP are not material, in the context of consolidation of the said entity in the consolidated financial statements

The audited financial statements of PT Sumber Rahayu Indah for the year 2015-16 have been prepared in accordance with Accounting Service and Review Standard established by the Indonesian Institute of Public Accountants (IAP) generally followed in the country of its incorporation. Differences in accounting policies as between Accounting Service and Review Standard and Indian GAAP are not material, in the context of consolidation of the said entity in the consolidated financial statements.

### 43. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

#### I. Net Assets, i.e. total assets minus total liabilities

Name of the Entity	As at 31st March, 2016		As at 31st March, 2015	
	As % of consolidated net assets	Amount (₹ In Crore)	As % of consolidated net assets	Amount (₹ In Crore)
<b>Parent</b>				
1 Indian Metals and Ferro Alloys Ltd	60.07	517.34	65.75	599.79
<b>Subsidiaries</b>				
<b>Indian:</b>				
1 Indian Metals and Carbide Ltd	0.02	0.20	0.03	0.25
2 Utkal Power Ltd	0.13	1.14	0.12	1.14
3 Utkal Coal Ltd	29.17	251.21	24.50	223.50
4 IMFA Alloys Finlease Ltd	(0.97)	(8.40)	(0.90)	(8.22)
5 Utkal Green Energy Ltd	0.01	0.07	0.01	0.07
<b>Foreign:</b>				
1 Indmet Mining Pte Ltd	7.77	66.94	6.96	63.54
2 PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd)	0.16	1.34	0.14	1.25
<b>Minority Interests in all subsidiaries</b>	3.64	31.34	3.39	30.96
<b>Total</b>	<b>100.00</b>	<b>861.18</b>	<b>100.00</b>	<b>912.28</b>

#### II. Share in profit or (loss)

Name of the Entity	As at 31st March, 2016		As at 31st March, 2015	
	As % of consolidated profit or loss	Amount (₹ In Crore)	As % of consolidated profit or loss	Amount (₹ In Crore)
<b>Parent</b>				
1 Indian Metals and Ferro Alloys Ltd	97.47	(52.44)	129.16	5.36
<b>Subsidiaries</b>				
<b>Indian:</b>				
1 Indian Metals and Carbide Ltd	0.13	(0.07)	-	-
2 Utkal Power Ltd	-	-	-	-
3 Utkal Coal Ltd	0.07	(0.04)	(1.20)	(0.05)
4 IMFA Alloys Finlease Ltd	2.54	(1.36)	(34.46)	(1.43)
5 Utkal Green Energy Ltd	-	-	-	-

# NOTES

## to Consolidated Financial Statements

Name of the Entity	As at 31st March, 2016		As at 31st March, 2015	
	As % of consolidated profit or loss	Amount (₹ In Crore)	As % of consolidated profit or loss	Amount (₹ In Crore)
<b>Foreign:</b>				
1 Indmet Mining Pte Ltd	0.02	(0.01)	0.72	0.03
2 PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd)	0.65	(0.35)	(5.54)	(0.23)
<b>Minority Interests in all subsidiaries</b>	(0.88)	0.47	11.32	0.47
<b>Total</b>	<b>100.00</b>	<b>(53.80)</b>	<b>100.00</b>	<b>4.15</b>

### 44. EXCEPTIONAL ITEMS CONSTITUTE THE FOLLOWING EXPENSE / (INCOME)

	(₹ in Crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Provision made on best estimate basis for the shortfall towards Renewable Purchase Obligation upto 31st March, 2015 under the OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010, pursuant to the judgment of the Hon'ble Supreme Court of India dated 13th May, 2015. Cost towards meeting the obligation for the current year is forming part of Consumption of electricity, under "Other Expenses" (Note No. 28).	19.98	-
(b) Provision towards Contribution to District Mineral Foundation (DMF) relating to the period 12th January - 31st March, 2015 in accordance with The MMDR Amendment Act, 2015 notified on 27th March, 2015 and the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 notified on 17th September, 2015 which provide for contribution to DMF @ 30% of royalty for mining leases granted before 12th January, 2015. DMF contribution for the current year is forming part of the cost of raw materials.	2.73	-
(c) Forfeiture of retention money (net of advances) due to non-fulfilment of contractual terms of a contractor.	(5.56)	-
(d) In accordance with the requirements of Schedule II to the Companies Act, 2013, as on 1st April, 2014, the carrying amount of assets (after retaining the residual value) where remaining useful life is nil as on that date, has been recognised in the Consolidated Statement of Profit and Loss.	-	5.22
	<b>17.15</b>	<b>5.22</b>

45. Previous year's figures have been rearranged/ regrouped to conform to the classification of the current year, wherever considered necessary.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

**Anand Kumar Jhunjunwala**  
Partner  
Membership No. 056613

**Prem Khandelwal**  
CFO & Company Secretary

**Subhrakant Panda**  
Managing Director

**Jayant Kumar Misra**  
Director (Corporate) & COO

Place: Bhubaneswar  
Date: 17th May, 2016

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Chairman

Dr B Panda

### Vice Chairman

Mr Baijayant Panda

### Managing Director

Mr Subhrakant Panda

### Director (Corporate) & COO

Mr J K Misra

### Whole-time Director

Mr C R Ray

### Directors

Mrs Paramita Mahapatra

Mr D Bandyopadhyay

Major R N Misra (Retd.)

Dr S Acharya

Mr N R Mohanty, Padma Shri

Mr Stefan Georg Amrein

Mr S P Mathur

General Shankar Roychowdhury (Retd.)

Mr Santosh Nautiyal

Mr Bijoy Kumar Das

### CFO & Company Secretary

Mr Prem Khandelwal

## AUDITORS

Haribhakti & Co. LLP  
Chartered Accountants

## BANKERS/TERM LENDERS

Allahabad Bank

Corporation Bank

Export-Import Bank of India

ICICI Bank Limited

IDBI Bank Limited

Indian Overseas Bank

Srei Infrastructure Finance Limited

Srei Equipment Finance Private Limited

Standard Chartered Bank

State Bank of India

Syndicate Bank

The South Indian Bank Limited

## REGISTERED OFFICE

IMFA Building, Bomikhal, P.O. Rasulgarh  
Bhubaneswar - 751010, Odisha

## PLANTS

Therubali, Dist: Rayagada, Odisha

Choudwar, Dist: Cuttack, Odisha

## MINES

Sukinda, Dist: Jajpur, Odisha

Mahagiri, Dist: Jajpur, Odisha

Nuasahi, Dist: Keonjhar, Odisha

## REGISTRATION & SHARE TRANSFER WORK

Members are requested to correspond  
directly with Company Secretary at the  
Registered Office of the Company  
e-mail: investor-relation@imfa.in

BOOK-POST  
Printed Matter



**If undelivered please return to :**

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CIN: L27101OR1961PLC000428