INDIAN METALS & FERRO ALLOYS LIMITED

imfa

IMFA Building
Bhubaneswar -751010
Odisha, India

Corporate Identity No.
L27101OR1961PLC000428

TEL +91 674 2611000
+91 674 2580100
FAX +91 674 2580020
+91 674 2580145

mail@imfa.in

www.imfa.in

21st June, 2019

The Listing Department National Stock Exchange of India Ltd. Exchange Plaza Plot No.C/1, G. Block Bandra-Kurla Complex Bandra (E) Mumbai-400051 **Stock Symbol & Series : IMFA, EQ**	The Deputy General Manager (Corporate Services) BSE Limited Floor 25, P.J. Towers Dalal Street , Fort Mumbai-400001 **Stock Code : 533047**

Sub: Notice of 57th AGM & Annual Report

Dear Sir,

Enclosed please find herewith a copy of the Notice of 57th Annual General Meeting of the Company to be held on Wednesday, the 17th July 2019 at 12.00 Noon at its Registered Office at IMFA Building, Bhubaneswar-751010, Odisha along with a copy of Annual Report for the year 2018-19 for your information and record. .

Thanking you,

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD

fr

(PREM KHANDELWAL)
CFO & COMPANY SECRETARY

Encl: As above

THE VALUE OF
VISION

Indian Metals & Ferro Alloys Limited

57TH ANNUAL REPORT
2018-19

Report index

01-20

Strategic Overview

22-56

Statutory Reports

57-144

Financial Statements

Standalone

Consolidated

www.imfa.in

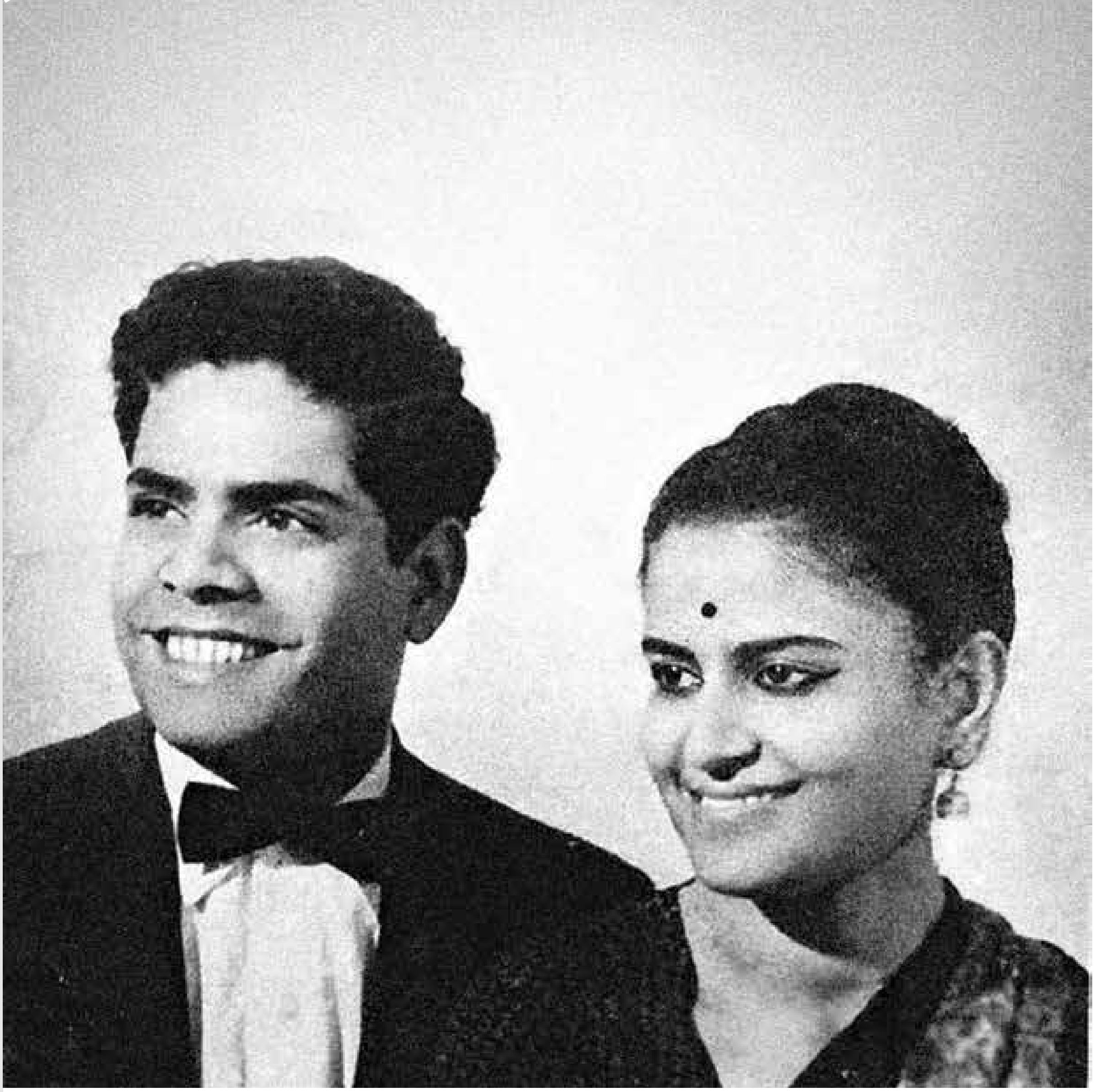
Equity Share Information

Market Capitalisation
(31st March, 2019): ₹ 703.70 crores
Promoters holding: 58.68%
National Stock Exchange (NSE): IMFA
Bombay Stock Exchange (BSE): 533047

Forward-looking Statement

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

Our inspiration



Dr Bansidhar Panda and Mrs Ila Panda

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

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

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

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

Corporate Identity

Robust and resilient leadership

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

We create value sustainably

Stature

Largest

India's largest value-added ferro chrome manufacturer

55+ years

Rich industry experience

Capacities

284,000 TPA

Ferro alloys production capacity

6.51 lakh TPA

Mining capacity

190 MVA

Total capacity of six furnaces

262.50 MW

Captive power generation capacity

Sustainability

4.50 MW

Solar energy

₹0.91 crores

Personnel training investment

₹4.73 crores

Social responsibility expenditure

Our vision

We are committed to:

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

Our captive mines

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

* Lease expired, pending for extension

Our manufacturing plants

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

Our certifications

Integrated Management System incorporating Quality Environment and Occupational Health Safety Certification

Our recognitions

- Recognised as one of India's largest midsize companies and wealth creators at Fortune India's Next 500 Summit
- Bestowed with Corporate Excellence Award for CSR at the second edition of 'Brands of Odisha. Pride of India' event organised by Sambad Group
- Awarded with EEPC India award for 'Top Exporter from eastern region 2015-16 (Silver Trophy) – Large Enterprise' in November 2018
- Received the Certificate of Excellence for Outstanding Export Performance (2016-17) by the Government of Odisha in October 2018
- Received second prize in Occupational Health, Safety and third prize in 'Cleanliness Campaign under First All India Underground Metal Mines Safety, Cleanliness and Silicosis Awareness Week' programme. Eight workers received special mention in different categories
- Sukinda Mines Chromite (SMC) received first prize in Welfare Measures for Contractual Workers and second prize for Emergency Preparedness in Mines at Half Yearly Safety Week celebration
- Mahagiri Mines Chromite (MMC) received first prize for Emergency Preparedness in Mines and second for Welfare Measures for Contractual Workers at Half Yearly Safety Week celebration
- SMC received Kalinga Safety Award (gold medal) for best practices and competitive excellence in the field of safety and health and Therubali won Bronze in Odisha Safety Conclave – 2018
- SMC bagged first prize in Systematic and Scientific Mining, Afforestation, and Overall Performance and second prize in Waste Dump Management at the 20th Mines Environment and Mineral Conservation (MEMC) week event
- MMC bagged first prize in Underground Mining at the 20th Mines Environment and Mineral Conservation (MEMC) week event

Our customers

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

Business Model

Integrated model for holistic value creation

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

Core fundamentals

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

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

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

Integrated business model

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

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

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

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

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

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

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

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

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

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

Regulatory and statutory bodies
- Conformed to compliance guidelines
- Reviewed HSE compliance periodically
- Maintained good relationships with regulatory authorities

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

Key Performance Indicators

A closer look at our numbers

Revenue (₹ in crores)

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

Earnings per share (₹)

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

EBITDA (₹ in crores)

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

Gross block (₹ in crores)

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

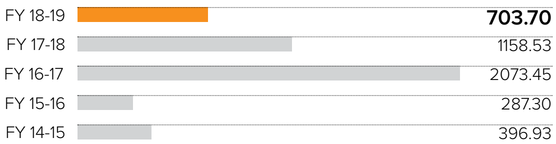
PAT (₹ in crores)

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

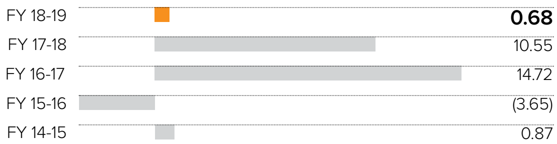
Book value per share (BVPS) (₹)

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

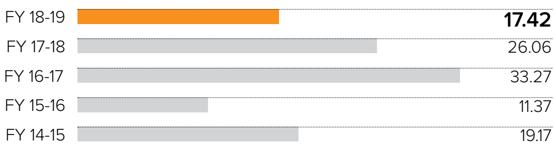
Market capitalisation (₹ in crores)



PAT margin (%)



EBITDA margin (%)



Key ratios

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Debt equity ratio	0.86	0.86	0.62	0.47	0.36
Fixed assets turnover ratio	1.16	1.06	1.54	1.64	1.50
Current ratio	1.38	1.22	1.78	1.79	1.43
Quick ratio	0.74	0.67	1.19	1.12	0.76
Inventory turnover ratio	3.57	3.71	4.99	4.13	3.00
Interest coverage ratio	1.30	0.30	5.28	4.60	2.32

Managing Director's Message

Resilient and forward-looking

We are strengthening our core capabilities to produce significant value for the long term and, in this context, are evaluating acquisition of distressed assets as well as greenfield expansion.

Dear Shareholders,

Before going into the details of our performance, let me first lay out the macro landscape that has a bearing on our broad strategies and their implementation. India continues to remain in the vanguard of global economic growth with supportive fiscal and monetary policies. The Government of India's continued focus on infrastructure development and indigenous entrepreneurship under the 'Make in India' initiative are translating into encouraging outcomes. It is pertinent to mention in this context that our country has significantly improved its ranking in the World Bank's Ease of Doing Business Report 2019. There are challenges and downside risks, but the long-term growth story of our country continues to be optimistic.

Now, let me shed light on our performance during FY 2018-19, which was unfortunately affected by some unforeseen challenges. Our ferro chrome production was impacted as the largest furnace at Therubali, Odisha remained out of operation for around four months on account of a shell puncture as a result of an unplanned shutdown following an agitation by some outsiders. Moreover, our 'mark to market' provision on foreign currency borrowings affected our bottom line as the INR depreciated; however, taking advantage of favourable currency movement, we have now unwound most of the exposure. Finally, the award in the Bilateral Investment Protection Treaty arbitration with the

At IMFA, we upskill our employees through need-based functional and interpersonal training to equip our teams to deliver on our vision and strategies. We are also growing the scale and scope of our Quality Improvement Programmes (QIPs), making it an integral part of our organisational culture.

Government of Indonesia went against us, consequent to which we had to write off the investment and provide for additional expenses which dented our profitability.

Despite such adversity, our integrated business model and deep market insight enabled us to report a resilient performance. We reported revenue of ₹ 1633.78 crores in FY 2018-19 as against ₹ 1769.26 crores in FY 2017-18 while EBITDA stood at ₹ 284.58 crores (previous year: ₹ 461.03 crores). We reported a PAT of ₹ 11.04 crores in FY 2018-19 (previous year: ₹ 186.62 crores) resulting in earnings per share of ₹ 4.09 (previous year: ₹ 69.18). Total ferro chrome production was 216,046 tonnes as compared to 234,443 tonnes the previous year with commensurate power generation of 914.60 million units (previous year: 946.05 million units) and chrome ore raising of 518,615 tonnes (previous year: 550,670 tonnes).

We are strengthening our core capabilities to produce significant value for the long term and, in this context, are evaluating acquisition of distressed assets as well as greenfield expansion. Meanwhile, we have restarted the 48 MVA furnace at Therubali after relining and shell replacement and attended to other areas for enhanced efficiency and output. As always, power generation and mining output will be synchronised to captive requirement with some outside procurement if necessary. We also enhanced our commitment to renewable energy with the commissioning of an additional 1.5 MW solar power project at Therubali taking the total installed capacity to 4.5 MW.

At IMFA, we upskill our employees through need-based functional and interpersonal training to equip our teams to deliver on our vision and strategies. We are also growing the scale and scope of our Quality Improvement Programmes (QIPs), making it an integral part of our organisational culture. These programmes demonstrate our focus on operational excellence and employee engagement. I am happy to share that we have been featured in Fortune India's prestigious list of India's largest midsize companies 'The Next 500' for 2018; at 20th overall and 2nd in the Metals & Mining sector, IMFA is the highest ranked Odisha-based company in the list of prominent businesses.

IMFA was built on the foundation of enduring values of integrity, pursuit of excellence, teamwork and social commitment. These intangibles are the real catalysts that produce measurable outcomes for our Company on all fronts.

Going forward, we will continue to strengthen our corporate governance and act as a change agent for society. Our focus is to continue the good work of the Bansidhar & Ila Panda Foundation (BIPF) in the sphere of education, healthcare, livelihood, and water & sanitation. As a part of our broad sustainability agenda, we are also working proactively to reduce our carbon footprint and help protect the environment.

Global demand for stainless steel is expected to witness consistent growth with rising demand from end-use industries such as automotive, oil & gas, and construction among others. Consequently, while the ferro chrome industry faces some short-term challenges, the long-term outlook remains positive. As a leading producer of ferro chrome in the country, we remain well placed to seize any opportunity that comes our way and benefit from the nation's march from a developing economy to a developed one.

As we move ahead with renewed optimism and greater resilience, I thank our team members, customers, business partners, shareholders and the larger community of stakeholders for their support and faith in our vision.

Thank you.

Subhrakant Panda
Managing Director

Corporate Social Responsibility
Priorities beyond business

Bansidhar & Ila Panda Foundation (BIPF) undertakes multi-fold social responsibilities and community welfare schemes to ensure sustainable development of the marginalised and disadvantaged sections of the community.

Project Arogya Dhara - A healthcare intervention

Project Arogya Dhara is the umbrella under which we administer our healthcare initiatives. During FY 2018-19, we offered community health services at our project sites in Therubali, Sukinda and Choudwar with free medical check-ups, consultation and referral services that benefitted 67,242 patients. Some of our key measures for the region included:

Preventive healthcare measures for villagers

We educated residents of remote villages on preventive healthcare and conducted health camps in Choudwar and Sukinda, treating 2,917 patients during FY 2018-19. Additionally, we arranged mobile health check-up camps (and one special cardiac camp) at Sukinda village. The health camps had qualified physicians, who diagnosed the villagers and offered them requisite treatments for their ailments, benefitting 1,800 school students and community members.

Awareness campaigns for various diseases

We also organised awareness programmes in 52 peripheral villages of Rayagada district, 18 villages of Sukinda and four villages of Choudwar to address issues like Malaria, Dengue and Diarrhoea (MDD), among others. Through awareness meetings, public announcement on mobile vans, health slogans and pamphlet distributions at project sites, we reached 9,962 villagers. We also painted the walls at various public places at Therubali to create mass awareness on MDD, Japanese Encephalitis, heat stroke, sanitation and hygiene, mother and child care and gender equality issues; and distributed 200 mosquito nets at Sukinda as a preventive measure.

We also conducted special programmes for World Breastfeeding Week and National Nutrition Week for the villagers, educating about the merits of breastfeeding and nutrition, respectively.

Sensitising adolescent girls on menstruation and hygiene

We educated adolescent girls on physical and hormonal changes at teenage, menstrual hygiene practices and nutritional must-haves through awareness sessions in 16 villages of Choudwar. These programmes witnessed a turnaround of 500 keenly interested girls and some of them were also tested for anaemia.

Special eyecare clinic

We signed a Memorandum of Understanding (MoU) with Hyderabad Eye Institute (HEI), a trust of L V Prasad Eye Institute (LVPEI), Hyderabad to provide eye care services to all sections of society living in and around Therubali and beyond. We treated 1,938 patients in BIPF-LVPEI Vision Centre in the last fiscal.

Providing equipment for medical emergencies

We also began an ambulance service at Therubali to tackle the lack of emergency infrastructure in the local community and provided first-aid kits to 18 schools and 12 youth clubs at Sukinda, benefitting 1,800 school students and community members.


1 Adolescent Camp for Haemoglobin Testing

2 Health Camp

3 Health Camp

4

Project Adhyayan- A step towards quality education

We view education as the key that unlocks various opportunities for an individual. Therefore, we are enriching the quality of education for our communities, which will eventually enhance their potential.

Smart teaching methods

We facilitated smart teaching methods and upgraded science laboratories in Chinmay Vidyalaya, Therubali. The recent enrichment of teaching methods will enhance the quality of education available to the children during their formative years. Overall, we benefitted 600 students through other such involvements.

The BIPF School

The BIPF School aims to provide 'learning for leadership' to each student through a combination of academic excellence, life skills, extra-curricular and indoor and outdoor sports offerings. We organised the BIPF School Olympiad to promote education as the biggest driver of social change and received participation from students of different schools of Cuttack district.

At BIPF, we wanted to extend support to the students of tribal communities and increase their attendance in schools. Therefore, we distributed school bags among the students of Sukinda and Therubali, along with other essentials such as books and notebooks, writing materials, compass boxes and laboratory equipment. A total of 5,471 students benefitted from this initiative.

Basic literacy and financial training

We provided basic literacy and financial training to adolescent girls and women of Choudwar and opened four community centres to support women of different age groups to develop life skills and become independent. These four centres will train adolescent girls and women and will act as a resource centre for their respective areas, where BIPF supplied all study materials.

Scholarship

We have instituted the 'Professor Ghanashyam Dash Scholarship for Higher Education' for meritorious but economically disadvantaged students domiciled in Odisha. It is a loss to society if a capable student is unable to pursue higher education due to lack of finances, so it is our endeavour to step in and provide a helping hand. We provide six scholarships every year wherein each student gets ₹ 4 lakhs financial support over the duration of the course in their chosen field.

Other initiatives

- Carried out total electrification project at a government school in Therubali, benefitting 175 students
- Enabled easy commute for female college students from mines buffer zone to Sukinda college by providing bus facility
- Organised creative workshops for school students of various villages of Choudwar, which witnessed participation of ~953 talented students.
- Celebrated 2018 Teachers' Day by distributing plant saplings to the teachers in Ashram School, Sukinda in line with the theme 'Green tribute to the nation builders' and conducted creative contests alongside

4 The BIPF School

5 The BIPF School students

5

Corporate Social Responsibility (Contd...)

Sakshyam - A step towards livelihood options

Our Foundation has a two-pronged approach towards livelihood development that comprises women empowerment through 'Project Unnati' and youth empowerment through 'Project Yuva Sakshyam'.

Project Unnati (Women Empowerment)

Project Unnati is an integrated capacity building initiative that enables us to empower women through two empowerment models: economic empowerment and social empowerment. While the economic model focusses on financial and non-financial livelihood skills such as adoption and practice of new technology in agriculture or vegetable cultivation, the social model includes imparting knowledge in maternal and child health, nutrition and hygiene and so on. We build Self-help Groups (SHGs) to impart such trainings and encourage them to re-engage in other voluntary activities to educate more women in the community on environmental, sanitation, pregnancy and nutrition and to campaign against other social evils.

During FY 2018-19, we initiated the following programmes:

- Trained 473 SHG members from Sukinda, Nuasahi and Choudwar villages on new agricultural practices, which have resulted in increased productivity of 1.8 folds per acre and helped raise their income by ~80% against the previous yield
- Organised a National Food Security Mission programme in collaboration with the Department of Agriculture and Farmers Empowerment, Keonjhar, Government of Odisha
- Conducted a training programme on dhanicha cultivation at Choudwar in convergence with Agricultural Technology Management Agency (ATMA) - Department Of Agriculture And Farmers' Empowerment
- Steered a special training programme on mushroom cultivation for the SHG members in collaboration with the State Bank Rural Self-Employed Training Institute (SBRSETI) with an objective of adding another option for income generation as well as to induct the healthy practice of protein consumption
- Organised training on poultry farming and goat rearing to promote animal husbandry as a sustainable initiative for supplementary income; BIPF regularly conducted free animal health camps for livestock healthcare, benefitting 4,163 households
- Trained SHG members on various non-farm technology-related livelihood options such us phenyl making, tailoring, Badi making, and preparing Chandua (patch work of embroidery on cloth)
- Conducted exposure visit programme
- Provided life skill training to women and adolescent girls for social empowerment, focussing on safe and better healthcare for a productive life, which includes both preventive and curative healthcare

1 Training and Fundamentals of SHGs

2 SRI Crop Cutting at Kaliapani,Sukinda

3 Exposure Visit Programme at Samarpan Farm House

Yuva Sakshyam (Youth Empowerment)

This is a programme specially designed for rural youth from Below Poverty Line (BPL) families. Our programme was meticulously designed to ensure that they acquire essential technical knowledge and skills that will enable them to become employable

During FY 2018-19, we initiated the following programmes:

- Industrial training institutes (ITIs) at Therubali and Sukinda were key centres for competence building training of rural youth, where post successful training completion, we ensured to get them placed; the courses offered include those of welder, fitter and electrician, approved by National Council for Vocational Training (NCVT)
- Signed an MoU with Odisha Rural Development and Marketing Society (ORMAS) to implement Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) project in Odisha; under this MoU, we have trained total 735 rural youths in one year as Industrial Sewing Machine Operators (ISMOs), electrician domestics, fitters and turners and hospitality executives
- Organised a sensitisation programme for youth and women entrepreneurs at IMFA in association with Regional Industries Centre (RIC), where ~200 youths, SHG members and development committee members were introduced to various income generation activities, especially aimed at making women self-reliant

Project Su-Swasthya - water and sanitation

This project focusses on good community health that is brought about by behavioural change and better facilities. Two of our major projects in this sphere are:

- Initiated a week-long awareness drive on Global Handwashing Week at the villages of Nuasahi, Sukinda and Choudwar; the programme garnered good response from SHG groups and communities, aanganwadi workers and 398 school students who participated in various engagement activities that were designed around Water, Sanitation and Hygiene (WASH) to impart the knowledge of healthy environment and personal hygiene more effectively
- Implemented various plans to address the issue of drinking water:
    - Installed two mobile tankers to supply water to 15 villages that face severe water scarcity during summer months, which helped 4,500 community members
    - Fitted new tube wells and repaired old ones to ensure continuous water supply to Therubali, Sukinda and other surrounding villages
    - Started solar power drinking project, upgraded tank water capacity and cold-water supply units
    - Initiated drinking water disinfection process and ensured that open drains are cleaned regularly
    - Organised the ‘Swachh Bharat Abhiyan’ campaign in 14 schools and in public areas and saw an overwhelming response from community members across sectors

4 Distribution of Sports Materials

5 Toilet Block at Saraswati Sisu Vidya Mandir, Choudwar

6 Drinking Water Supplied through Mobile Tankers Sukinda

Corporate Social Responsibility (Contd...)

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3

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Rural Infrastructure Development

- At Therubali, Siliput Trinath temple got renovated and one wall at Deopur village mandap got constructed, benefitting a total 3,000 community members
- Construction work of 44 Mandala Raja Dola Melena Mandap at Uttereswar Temple undertaken at Agrahat village, Choudwar
- Construction work in progress for pillar with rooftop pindi at existing Birsa Munda Statue (8' x8' size) at Birsa Nagar, Kaliapani, Sukinda
- One village mandap was constructed at Raisinga sahi, Gurijang which benefitted 350 community members
- Infrastructure developed for water supply for irrigation canal at Kaliapani GP, Sukinda, benefitted 500 community members

Emergency Response

- Helped rebuild the houses that were damaged in the mining valley of Sukinda due to hailstorm. Provided 60 asbestos sheets to the 10 affected families
- Dstributed 370 blankets to the people at 23 villages of Sukinda and four gram panchayats of Therubali block. Considering the unusually cold wave that the state experienced last year, this blanket distribution drive came as a great relief in decreasing the misery of villagers who could not afford these protective covers but were truly in need of it

Other Activities

- Distributed 4,650 fruit-bearing samples mixed with few forest species plants in Sukinda
- Distributed sports materials and two sets of football jerseys to football teams of Sukinda. Also, distributed volleyball and nets to 40 volleyball teams made up of tribal youth at various locations
- Distributed sankirtan dresses to Kumbharguda Sankirtan Mandali in Therubali to promote socio-cultural activities in the area
- Celebrated International Women's Day to discuss the theme of equality and change in women. This year's theme 'Think equal, build smart, innovate for change' was highly appreciated by the participants that included 47 women, adolescent girls along with anganwadi workers
- Observed World Environment Day 2018 under the theme 'Beat the Plastic Pollution' in Sukinda and Choudwar to make people aware of the negative impact of usage of plastic, PVC and polythene on soil, water and air. An interesting van campaign 'Parivesh Rath' was done to create awareness on non-usage of plastic and finding alternatives to curb pollution and to promote clean environment for our future generations

1 Drinking Water Project at Icchapur, Sukinda

2 Blanket Distribution

3 Tubewell Installation

4 Teachers Day, 2018

6th Shambhavi Puraskar

We, at BIPF, have recognised individuals for their outstanding contribution to humanitarian sectors and created a lasting impression on society. Mr Dinabandhu Maharana from Daringbadi was the proud recipient of the prestigious Shambhavi Puraskar 2019. Mr Maharana was chosen for his remarkable contribution in developing the public infrastructure in the tribal areas of Kandhamal District through his organisation Kandhamal Zilla Sabuja Vaidya Sangathan (KZSVS). So far, we have covered 405 villages in Kandhamal district to recognise key contributors through this initiative. Apart from the Shambhavi Puraskar award, BIPF also recognises those individuals who stand out as an example of humanity and are the pillars of strength to the community. This year, we conferred the 'Jury Commendation Certificate 2019' upon Mr Abhimanyu Das for his dedication and selfless service towards the people of Cuttack. A book binder by profession, he provides counselling to those who are disadvantaged and less privileged. He also performs the arduous task of cremating the deceased who are either unidentified or unclaimed, giving these individuals dignity in death. Both the winners were selected by an independent and eminent jury panel with representatives from NGOs, civil society, media and BIPF and were awarded with cash prizes and citation certificates. Dr Bibek Debroy, eminent economist and Chairman of the Prime Minister's Economic Advisory Council, was the Chief Guest of the function.

Ideate 2018

Urbanisation is often seen as a representation of economic growth. It also brings with it complex and myriad socio-economic challenges. Maternal and child health suffer disproportionately. More than 46% children of the country's urban poor are underweight, and almost 60% of poor urban children miss total immunisation before their first birthday. To generate awareness, facilitate a constructive dialogue and find solutions, we organised the 7th Ideate discussion on 'Strengthening of Urban Healthcare through Community Participation: Challenges, Prospects and Avenues' in partnership with international NGO PATH. The talk was attended by eminent panelists who shared their views on the current urban healthcare system and potential measures to develop scalable solutions to fight the urban menace.

Recycling waste

We remain committed to a better environment with a focussed approach towards treatment of wastes. We are using most of the ash generated in our 108 MW power plant for reclamation of waste and degraded land, wherein we use the ash to fill abandoned laterite quarries. Post the filling activity, the ash is covered with soil and utilised for plantations, converting the area to green zones.

The fly ash generated from the Circulating Fluidised Bed Combustion (CBFC) boiler (30 MW and 120 MW power plants) comprises 10% bottom ash and 90% fly ash. It is suitable for brick production. We have already installed two brick production units with a capacity of 1,00,000 brick per day each and one low-density aggregate manufacturing unit with the capacity of 1,75,000 TPA. The fly ash produced in the CBFC boilers is utilised for brick and low-density aggregate manufacturing. Additionally, we also supply fly ash for road construction units, other fly ash brick manufacturers and cement manufacturing units and the leftover waste material is used for reclamation of designated lowlands. We transport the fly ash in steel/tarpaulin covered vehicles to diminish pollution.

During the year under review, we utilised 100% of the 436,678 MT ash generated.

5 6th Shambhavi Puraskar

6 Ideate 2018

Board of Directors


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Independent Non-executive Director

1 Major R N Misra (Retd)
Chairman

Major R N Misra (Retd) holds a degree in Engineering (First Class) from College of Military Engineering, Pune. Additionally, he has an MBA Degree (First Class with Distinction) from University of Pune. He is a fellow member of Institution of Engineers India as well as a certified Chartered Engineer.

Executive Directors

2 Mr Baijayant Panda
Vice Chairman

Mr Baijayant Panda graduated from Michigan Technological University in the United States with a degree in Scientific & Technical Communication. He started his career in the corporate sector and was associated with various industry associations and government bodies. Mr Panda's transition to public life has seen him as a four-term Member of Parliament who served on several committees such as Home Affairs, Finance, Energy, and Urban Development besides chairing the India-USA Forum of Parliamentarians. He also championed causes such as malnutrition and privacy laws.

3 Mr Subhrakant Panda
Managing Director

Mr Subhrakant Panda holds a Bachelor of Science degree in Business Administration from the School of Management, Boston University. He graduated with honours summa cum laude with a dual concentration in Finance and Operations Management. Mr Panda has been recognised with several awards for his outstanding scholastic achievements. His current role in IMFA includes defining broad strategic goals while independently supervising the day-to-day management of the Company. He is the current Chairman of Federation of Indian Chambers of Commerce & Industry (FICCI) - Odisha State Council. Mr Panda is only the third Indian to have been elected President (2013-15) of the International Chromium Development Association (ICDA), which is the voice of the chrome industry with IMFA being one of the founding members.

4 Mr J K Misra
Director (Corporate) & COO

Mr J K Misra holds a degree in Electrical Engineering from erstwhile University of Roorkee (presently IIT, Roorkee) and MEP from IIM, Ahmedabad. He has been associated with the Company for over 30 years. Over the years, he has held various positions and responsibilities. He has headed the Therubali Manufacturing Complex and the Commercial Division. His current role as the Chief Operating Officer is to look after the Company's day-to-day management.

5 Mr Chitta Ranjan Ray
Whole-time Director

Mr Chitta Ranjan Ray has a Bachelor of Science degree in Electronics from Burdwan University. He has a long career spanning over 48 years in IMFA. His successful supervision of all important aspects of operations and projects in IMFA has made him the Company's Whole-time Director. Besides, he is responsible for the overall Health, Safety and Environment (HSE) Compliance.

Independent Directors

6 Mr N R Mohanty, Padma Shri

Mr N R Mohanty, Padma Shri, was university topper in Mechanical Engineering from Regional Engineering College, Rourkela. He retired as Chairman of Hindustan Aeronautics Ltd. (HAL), after a successful career spanning three decades. In recognition of his outstanding contribution in the aviation industry, various awards have been conferred on him such as 'Outstanding Chief Executive' Award, Indira Gandhi Sadbhavana Award, Rashtriya Ratan Award and Visveswarya Samman. In 2004, the Government of India awarded him with the Padma Shri.

7 Mr S P Mathur

Mr S P Mathur has a Bachelor's degree in Commerce and passed Chartered Accountancy from the Institute of Chartered Accountants of India in 1970. He has rich working experience of over 38 years. Mr Mathur has served as the Director (Finance) at IMFA besides shouldering several other responsibilities in the Company.

8 General Shankar Roychowdhury (Retd)

General Shankar Roychowdhury (Retd) is a graduate of National Defence Academy, Indian Military Academy, Defence Services Staff College. He is also an alumnus of Army War College and National Defence College. He is a Doctorate D.Litt (Honoris Causa). He is the former Chief of Army Staff, Indian Army and former Member of Parliament (Rajya Sabha).

9 Mr Bijoy Kumar Das

Mr Bijoy Kumar Das holds a Bachelor's degree in Arts and a Masters in Economic History of Modern India. He joined the Indian Administrative Service (IAS) in the year 1969. During his tenure of service in the IAS, he held several important positions such as Chairperson of Orissa Electricity Regulatory Commission and Chief Secretary to Government of Karnataka. He has also served as Additional Chief Secretary and Principal Secretary of various departments. Additionally, he was Joint Secretary to Government of India, Cabinet Secretariat, New Delhi; Director of Census Operations, Karnataka; Ministry of Home Affairs, Government of India besides holding various other positions in the State.

Directors

10 Mrs Paramita Mahapatra

Mrs Paramita Mahapatra completed her postgraduation in Personnel Management and Industrial Relations from Utkal University with a Gold Medal. She has handled several responsibilities within the Company before becoming the Managing Director of UMSL Ltd.

11 Mr Stefan Georg Amrein

Mr Stefan Georg Amrein has graduated from Commercial School in Switzerland. He has held several important assignments and handled several responsibilities such as internal payment and troubleshooting function in mid-office operations. Additionally, he has served in various capacities in the financial sector with Credit Suisse/Credit Suisse First Boston, Credit Suisse Asset Management and Royal Bank of Canada.

Leadership Team

Mr Prem Khandelwal
CFO & Company Secretary

Mr Bijayananda Mohapatra
Senior Vice President
Head – Power Business Unit &
Executive-in-Charge, Choudwar

Mr Deepak Kumar Mohanty
Senior Vice President
Head – Ferro Alloys Business Unit

Mr Sanjeev Das
Senior Vice President
Head – Mining Business Unit

Mr Dhananjaya Senapati
Vice President – Manufacturing &
Technology

Mr Ashok Kumar Behera
Vice President
Head – Corporate Affairs & Legal

Mr Aashish Kumar Mishra
Vice President
Head – Human Resources

Statutory Reports 22-56

Financial Statements 57-144

Management Discussion and Analysis

What is ferro chrome?
Ferro chrome is an alloy of chrome and iron with 50% to 68% chrome content. It is primarily used in manufacturing stainless steel, although low and medium-carbon ferro chrome find use in the production of special and carbon steel. It is an essential requirement for stainless steel production which imparts corrosion resistance besides strengthening and bringing lustre thereby making it a unique product with multiple applications. Most of the world's ferro chrome is produced in China, South Africa, Kazakhstan and India.

Global chrome ore output
Chrome ore is the main raw material required to manufacture ferro chrome and is found in only a few countries worldwide. South Africa holds the world's largest reserves of chrome ore at ~72%, followed by Zimbabwe (12%) and Kazakhstan (5%). In India, major chrome ore mines are in the state of Odisha in Sukinda valley.

In 2018, global chrome ore output grew significantly by 10.91% to 33.71 million tonnes owing to sustained production in South Africa, Zimbabwe and Kazakhstan.

Going forward, global chrome ore production is expected to increase at a CAGR of 4.8% during 2018-2021E to serve the growing production of ferro chrome (Source: Edelweiss Investment Research).

Chrome ore production by region

(in million tonnes)

Country	2017	2018	% Change (y-o-y) 2017/2018
Africa and Americas	17.824	20.454	14.76
Europe and Middle East	8.184	8.670	5.94
Asia and Australasia	4.388	4.589	4.58
Total	**30.396**	**33.713**	**10.91**

Global ferro chrome production
In line with stainless steel production, global ferro chrome production grew from 12.36 million tonnes in 2017 to 13.41 million tonnes in 2018, registering a growth of 8.53%.

China
China produced 5.2 million tonnes of ferro chrome in 2018 vis-à-vis 4.9 million tonnes in 2017. It is the world's largest producer of ferro chrome and contributes to more than half of global ferro chrome demand. The country is the hub of ferro chrome production but is heavily dependent on chrome ore imports, primarily from South Africa.

South Africa

South Africa produced 4.02 million tonnes of ferro chrome in 2018 as against 3.7 million tonnes in 2017. The country is the second largest producer of ferro chrome and enjoys the world's largest chrome ore reserves of over 8.5 billion tonnes.

Kazakhstan

Kazakhstan produced 1.4 million tonnes of ferro chrome in 2018 compared to 1.36 million tonnes in 2017. In the past decade, Kazakhstan's ferro alloys industry vastly increased mining and processing manganese and chrome ores, thus consolidating its position in the mining and metallurgy sector.

Zimbabwe

Zimbabwe produced 0.2 million tonnes of ferro chrome in 2018 vis-à-vis 0.082 million tonnes in 2017.

Despite having the second highest worldwide reserves of chrome ore (~1.4 billion tonnes) after South Africa, Zimbabwe is unable to produce and export ferro chrome primarily because of political tensions in the country.

Ferro chrome production by region

(in million tonnes)

Country	2017	2018	% Change (y-o-y) 2017/2018
Europe and Middle East	2.226	2.395	7.59
Africa	3.843	4.218	9.76
Americas	0.106	0.136	28.30
Asia	6.189	6.670	7.77
Total	**12.364**	**13.419**	**8.53**

Indian ferro chrome industry

India's ferro chrome production stood at 1.3 million tonnes in 2018 registering a growth of 8.79% from 2017. The country exports ~50% of its annual ferro chrome output, primarily to China, South Korea, Japan and Taiwan.

India's chrome ore production was 4.2 million tonnes in 2018. More than 97% of India's chromite resources are in Sukinda Valley in Odisha's Jajpur district.

Besides chrome ore which is the main raw material required to produce ferro chrome, electricity is the other key input. Thus, access to own chrome ore mines and captive power plants are key differentiators when it comes to reliability and competitiveness.

IMFA is India's leading fully integrated ferro chrome producer accounting for about 18% of the total domestic production.

Global stainless steel industry

The global crude stainless steel production grew by 5.5% to 50.73 million tonnes in 2018 from 48.08 million tonnes in 2017.

The global stainless steel market size is projected to expand at a CAGR of over 5% till 2025 from 2018.

Region-wise performance

(in million tonnes)

Region	2017	2018	% Change (y-o-y) 2017/2018
Europe	7.377	7.385	0.10
USA	2.754	2.808	2.00
China	25.774	26.706	3.60
Asia (w/o China and South Korea)	8.030	8.195	2.10
Others (Brazil, Russia, South Africa, South Korea and Indonesia)	4.146	5.635	35.90
Total	**48.081**	**50.729**	**5.50**

Source: International Stainless Steel Forum (ISSF)

Indian stainless steel industry

India's per capita consumption for stainless steel products was ~2 kg, way below the world average of 6 kg, suggesting that India has a huge unrealised potential for steel demand growth. Recently, India introduced an extensive reform agenda to clear institutional bottlenecks and realise this latent demand. Besides, there is an ongoing thrust for infrastructure development which will further bolster the demand for stainless steel in the country.

These factors, along with favourable demographics, are improving the macroeconomic fundamentals which translate into sustained growth in stainless steel use. Additionally, initiatives such as industrial corridors, Smart Cities and other initiatives to prioritise the manufacturing sector will further reinforce the demand for stainless steel.

Outlook

Ferro chrome is used in varying proportions depending upon the grade of stainless steel being produced and can be as high as 30% of the total input. The demand for ferro chrome is expected to continue to grow consistently driven by increased downstream applications.

Key factors driving this growth are increasing automotive production and the development of construction sector. Owing its high corrosion resistance, stainless steel can be easily fabricated in building structures, where along with aesthetics, it provides strength and support. It is used in roofing, structures, fixings, drainage and water systems, handrails, and wall support products in the construction industry. Rising investment in the infrastructure and real estate sectors and increase in number of construction activities are creating a high demand for stainless steel products.

Management Discussion and Analysis (Contd...)

IMFA: India's largest value added ferro chrome manufacturer

IMFA is the country's leading fully integrated producer of value added ferro chrome with own chrome ore mines and captive power generation. IMFA was established in 1961 in Odisha and in the last nearly 6 decades has become a globally recognised brand in its field.

The Company operates two manufacturing complexes besides Mines and has an integrated management system that encompasses quality, environment and occupational health and safety certification. Over the years, IMFA has driven innovative and cost-effective production to deliver sustainable growth and ranks favourably when compared to even its global peers.

The Company exports its output to the Far East (South Korea, China, Japan and Taiwan) and also caters to domestic stainless players such as Jindal Stainless, AIA Engineering, Shah Alloys and Viraj Profiles, among others.

SWOT analysis

Strengths	Weaknesses
• Own chrome ore mines and captive power generation • Long term production visibility due to chrome ore reserves • Lower freight cost due to proximity of manufacturing units to ports • Offtake assurance due to long term contracts including a joint venture	• Impact of volatility in raw material prices (metallurgical coke) and increase in royalty on chrome ore on overall production cost • Impact of volatile ferro chrome prices on earnings potential
Opportunities	**Threats**
• Growth in global stainless steel demand which is a prime driver for ferro chrome • Supply constraints in South Africa • Low per capita consumption of stainless steel in India	• Industry overcapacity • Diminishing demand in China Stainless steel being substituted by alternate material

Business division

Ferro Alloys

IMFA operates 6 (six) furnaces totaling 190 MVA with a production capacity of 2,84,000 tonnes per annum. At present, the Company exports 89.54% of its output to the Far East which is the epicentre of stainless steel production but is geared to meet domestic demand as it picks up.

Ferro alloys production and sales

(in tonnes)

Particulars	FY 2018-19	FY 2017-18
Production	216046	234443
Sales	212406	238807

Power

The Company has captive power generation capacity of 262.5 MW which is mostly thermal but includes 4.5 MWp solar capacity as it looks to meet its renewable power obligations.

Power generation and sales

(in million units)

Particulars	FY 2018-19	FY 2017-18
Generation	915	946
Sales (in million units)	Nil	Nil

Mining

IMFA has access to own chrome ore mines in Sukinda and Mahagiri with a total output at present of 6.51 lakh tonnes per annum which is entirely used inhouse to produce value added ferro chrome. The Company was the first to start underground mining in Sukinda Valley and drives sustainable mining by implementing best practices.

During FY 2018-19, IMFA inaugurated Sukinda Valley's first Rescue Room equipped with specialised equipment and trained personnel to deal with unforeseen events. The Rescue Room will not be limited to IMFA but will also respond to any eventualities in neighbouring mines.

Mining Output

(in tonnes)

Particulars	FY 2018-19	FY 2017-18
Sukinda	330501	350572
Mahagiri	188114	200098

Financial Review

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Revenue from operations	1,633.78	1,769.26
EBITDA (before exceptional items)	284.58	461.03
Profit after tax	11.04	186.62
Cash profit	204.08	382.80
Earnings per share (EPS) (₹)	4.09	69.18
Cash EPS (₹)	75.65	141.90
Net worth	1,156.65	1,196.03
Capital employed	1,815.63	1,991.46
Fixed assets (including CWIP*)	1,096.06	1,091.12
Net current assets	351.47	503.41

*Capital work in progress

Key ratios and margins

Particulars	FY 2018-19	FY 2017-18
Debtors turnover ratio	26.75	23.10
Inventory turnover ratio	3.00	4.13
Interest coverage ratio	2.32	4.60
Current ratio	1.43	1.79
Debt equity ratio	0.36	0.47
Operating profit margin (%) (before exceptional items)	11.41	20.36
Net profit margin (%) (after exceptional items)	0.68	10.55

Significant change in Financial Ratios

Particulars	FY 2018-19	FY 2017-18	Changes in %	Reasons for Changes
Inventory turnover ratio	3.00	4.13	-27.36%	Higher inventory at year end in view of better sales demand for the next month.
Interest coverage ratio	2.32	4.60	-49.57%	Lower profit because of lower production, higher forex loss & increase in cost of raw materials.
Current ratio	1.43	1.79	-20.11%	Decrease in current assets because of redemption of mutual fund investments to meet the maintenance capex & project expenses.
Operating profit margin (%) (before Exceptional items)	11.41%	20.36%	-43.96%	Lower production & higher forex loss.
Net profit margin (%) (after Exceptional Items)	0.68%	10.55%	-93.55%	Provisioning of impairment loss on investment in Indonesia Coal Block & arbitration expenses.
Return on net worth (%)(after Exceptional Items)	0.95%	15.60%	-93.91%	Lower profit.

Revenues
IMFA's revenues from operations stood at ₹1,633.78 crores in FY 2018-19 as against ₹1,769.26 crores in FY 2017-18.

Exports
The Company earns a significant proportion of its revenues at ~93.14% from exports. During FY 2018-19, IMFA earned foreign exchange worth ₹1,470.02 crores compared with ₹1,506.87 crores in the previous financial year.

Other income
IMFA's other income was recorded at ₹14.51 crores in FY 2018-19 vis-à-vis ₹27.66 crores in FY 2017-18.

Profitability
During FY 2018-19, the Company recorded an EBITDA of ₹284.58 crores and PAT of ₹11.04 crores vis-à-vis ₹461.03 crores and ₹186.62 crores respectively in FY 2017-18.

Tax expense
Net tax charge was ₹18.91 crores in FY 2018-19 vis-à-vis ₹95.38 crores in FY 2017-18.

Sources of fund

Own funds
IMFA's net worth was ₹1,156.65 crores as on 31st March, 2019 vis-à-vis ₹1,196.03 crores as on 31st March, 2018.

Reserves
The Company's reserves were recorded at ₹1,129.67 crores as on 31st March, 2019 from ₹1,169.05 crores as on 31st March, 2018. Free reserves constitute ~86.99% of the total reserves.

Risk management
Risk management at IMFA involves identifying and categorising potential risks, mapping mitigation strategies based on short, medium and long-term outlooks and consistently monitoring the risks. The Company's robust risk management infrastructure is crucial to minimise its risks and aids in strategic decision-making that impacts its business.

Type of risk	Mitigation strategies
Industry Risk Soft demand in the stainless-steel industry influences sales	Stainless steel has a wide range of applications in various industries such as construction, automobile, chemical and household appliances. Increasing population, coupled with growing economies are expected to boost the progress of infrastructure sector, where the construction segment alone consumes ~50% of the manufactured stainless steel. Changing lifestyles and increasing purchasing power are expected to bolster overall demand for automobiles and white goods, driving further demand for stainless steel.
Raw Material Risk Unavailability of raw material can diminish the Company's production capacity	• IMFA enjoys captive mines in Sukinda and Mahagiri that cater to its chrome ore needs • It has a fully integrated production facility with 262.5 MW of power production annually for which it has long standing relationship with coal suppliers and has also entered into long term FSA. IMFA also has long-standing contracts with vendors to supply other raw materials such as low ash and low phosphorus coke, among others.
Regulatory Risk Change in regulations or legislations may derail production strategy	The Company consistently tracks regulations and closely monitors statutory compliances of the industry.
Operational Risk Inefficient operational practices could influence production cost and affect competitive advantage	• The Company regularly maintains all its equipment to avoid breakdowns • It focusses on upgrading technology and processes to enhance efficiency • IMFA employs various safety precautions to reduce accidents
Exchange Risk Currency-market volatilities may bring down margins for the Company	• IMFA hedges its export proceeds using various methods such as forward contracts, derivatives, availing Pre-Shipment Credit in Foreign Currency (PCFC) for its working capital and so on. It is also focussed on obtaining long-term contracts and spot sales that optimise off-take and realisations.

Management Discussion and Analysis (Contd...)

Investing in our people

Human Resource Department (HRD) at IMFA continued to take copious initiatives from collaborating on engagement initiatives to implementing learning and development ingenuities. Throughout 2018-19, the department continued to actively practice its vision of 'promoting an engaged workforce through communication, collaboration and credibility,' producing strong service outcomes. HRD launched several strategic initiatives that focused on employee engagement, learning and performance management bustles. The foundation of the engagement initiatives discussed in this report are categorised in the following primary areas of transformation:

- Leverage expertise build capacity and solidify commitment through training and professional development opportunities that support diversity, inclusion and strategic alignment of resources.
- Improve employee engagement through increased responsiveness, transparent communications and recognition of employees to demonstrate IMFA values.
- Reinforce performance management and retention system to execute the priorities and objectives of strategic planning and goal achievement.

Employee training

The Learning and Development (L&D) wing at IMFA provides a variety of training and development opportunities aimed at building employee capacity to deliver services, meet strategic needs and align with IMFA's values, strategic plan, and overall mission. L&D programs in the areas of management orientation, team building, interpersonal effectiveness and new employee orientation directly support the mission of IMFA.

Highlights, 2018-19

- Imparted 694 trainings; 22,547 manhours of training during the year (26.40 manhours per executive).
- Conducted 'Train the Trainer' workshops for functional trainers in all sites for honing effective presentation and facilitation skills.
- Initiated follow-up interventions on managing change and culture programmes at all locations of IMFA.
- Conducted Neo Employee Orientation (NEO) programme to acclimatise the new joiners with IMFA culture and milieu
- Conducted Management Development programme (MDP) in three phases of six days duration under Leadership Centre of Excellence (LCoE)
- Introduced exclusive two days residential training interventions for non-executives at Gandhi Labour Foundation, Puri

Employee engagement and motivation

IMFA's determination has helped augment the talent lifecycle and engagement initiatives. Its values-based culture and rich heritage plays key to achieve this stance. The Company strives to seek employees' as well as leaders' feedback on a consistent basis to make its work environment and culture an engaged one. Through these initiatives, the department partners with employees and provides them with opportunities to realise their full potential.

Highlights, 2018-19

- Conducted employee wellness programmes at plant site to create health and hygiene awareness
- Around 241 employees received Long and Dedicated Service Award under Plant-Wide Employee Recognition Program
- Reduced attrition rate to 4.74% due to various engagement and motivational initiatives.

Performance management and retention

At IMFA performance management and retention planning is given top priority in. The Company developed transparent job descriptions and curated specific training programs to emphasise the importance of impactful work life. To attract and retain top performing and diverse workforce, an employee retention system was put in place. HRD created a robust framework to recruit the best talent to develop and retain them in the long run.

Highlights, 2018-19

- Implemented Developmental Integrated Respecting Exact Consequential and Transparent (DIRECT) – PMS
- Conducted mid-year and end-year review workshops to create awareness among employees on procedures and systems
- Organised goal setting workshops to help individuals set Specific Measurable Achievable Realistic and Time bound (SMART) goals for FY2019-20

Health, Safety and Environment (HSE)

IMFA conducts its operations in a manner that promotes health and safety of its employees, assets and the public, as well as upholds environmental protection. The Company is certified under integrated management system that comprises quality, environment and occupational health and safety certification.

Highlights, 2018-19

- Conducted third party safety audit and implemented recommendations
- Became a member of British Safety Council in addition to its membership to National Safety Council of India enabling access to advance resource materials for training, auditing and compliance needs
- Adopted two small companies near Choudwar to inculcate safety practices to improve their HSE standard
- Developed model workplace at Choudwar under the Advance Action in Industries to Abate Accidents (AAINA) initiative as per the guidelines of The Directorate of Factories and Boilers, Cuttack Division
- Carried out full scale Mock Drill at Choudwar in the presence of statutory bodies and local administration to assess and improve the preparedness of handling emergency situations such as Low Density Oil fire and evacuating people affected by Carbon Monoxide

- Installed automatic external defibrillators across IMFA to take care of anyone suffering from cardiac arrest. This menu driven guided procedure is simple for a layman to administer Cardiopulmonary resuscitation (CPR) and revive the patient. Manikins were procured to help people practice the CPR technique
- Installed ERP driven HSE monitoring system across IMFA. The system monitors HSE actions and plans and facilitates record retrieval in quick turnaround time
- Imparted trainings to safety committee members to understand their roles and responsibilities and to improve safety performance at workplace
- Launched Safety Champion scheme across all sites of IMFA. Each month, an employee at a site is rewarded as a Safety Champion for his outstanding contribution to safety improvement
- Trained over 100 middle level managers across IMFA to work as change agents and HSE captains for their respective departments
- Predicted production-based incentive for zero fatality
- Reviewed implementation of HSE initiatives at respective sites on a monthly basis. Business unit heads along with safety committee comprising equal members from management and workmen reviewed safety initiatives and addressed needed concerns
- Reviewed HSE performance and approved HSE initiatives, Key Performance Indicators (KPIs) and guidelines on a quarterly basis. The process was undertaken by Apex Safety Council and chaired by the Managing Director
- Accorded zero tolerance to some chronic and high consequence violations. These violations were monitored rigorously to eliminate work place violations
- Imparted HSE training to all employees and contract workmen as per training calendar that was prepared based on need based HSE training matrix
- Converted Critical Standard Operating Procedures (SOPs) to audio-visual presentations to ease understanding
- Conducted Job Cycle Check (JCC) for all the critical SOPs to check the status of implementation of the procedures by direct observation at workplace during the job and by taking feedback from workmen about improvement opportunities
- Eliminated workplace concerns through systematic audit processes
- Eliminated grey areas of workplace upkeep through quarterly housekeeping audits
- Imparted special audio-visual training on behaviour-based safety
- Continued with the new generation inspection tool, Safety Observation and Interaction (SOI), designed to identify and eliminate unsafe acts and conditions in workplace, significantly reducing such potentially hazardous practices
- Initiated safety programs to encourage monthly dialogue between the department heads and their respective contractors. The audit findings of monthly contractor safety audit were reviewed with a view to improve the safety performance
- Installed remote calibration system at power unit Choudwar to monitor continuous emission online
- Installed run off water management system at Therubali to reuse water.
- Provided dedicated waste storage yard for each site of IMFA to manage various kinds of hazardous as well as non-hazardous wastes
- Established centralised environmental laboratory for environmental monitoring at Choudwar.
- Installed organic waste converter (converting food waste to compost) at corporate office
- Installed dust extraction system and mist cannons to keep air pollutant (PM10, PM2.5) within limit
- Installed portable dust sampler to monitor fugitive emission at workplace
- Imparted training on environmental awareness on pollution prevention and control measures with a pledge to not use single use plastics
- Installed sewage treatment plant at Choudwar to treat domestic waste water
- Installed additional weather monitoring system at Mines

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 it from loss or unauthorised use of assets with the help of 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 function. The management and audit committee of the Board observe and then recommend corrective measures following such audits to further improve business operations.

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, exchange 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 are pleased to present the 57th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

Financial Results

Amount in ₹ crores

		FY 2018-19	FY 2017-18
1	Revenue from operations	1,633.78	1,769.26
2	Other Income	14.51	27.66
3	Total Revenue	1,648.29	1,796.92
4	Profit before finance cost, depreciation, taxation, prior period income and exceptional items	284.58	461.03
5	Finance Cost	80.50	78.23
6	Depreciation	98.16	100.80
7	Exceptional items	75.97	-
8	Profit before Tax	29.95	282.00
9	Tax including Deferred Tax	18.91	95.38
10	Profit after Tax	11.04	186.62
11	Other Comprehensive Income/ (Expenses)	(2.05)	(2.35)
12	Total Comprehensive Income/ (Expenses) for the year	8.99	184.27
13	Dividend (including Tax on Dividend)	48.37	23.14
14	Balance carried forward	1,129.67	1,169.05

Your Company's revenue from operations during the year decreased to ₹1,633.78 crores (previous year: ₹1,769.26 crores) including foreign exchange earnings of ₹1,470.02 crores (previous year: ₹1,506.87 crores); EBITDA before exceptional items decreased to ₹284.58 crores (previous year: ₹461.03 crores) and profit after tax stood at ₹11.04 crores (previous year: profit of ₹186.62 crores) mainly on account of lower production, higher input costs and impairment of investment in Indonesia & related arbitration expenses which are exceptional in nature.

Dividend

Your Directors are pleased to recommend a dividend of ₹5/- per equity share (@ 50%) of face value of ₹10/- each for the year ended 31st March, 2019, subject to approval of shareholders at the forthcoming Annual General Meeting of the Company.

State of Company's Affairs

Ferro Alloys

During the year under review, manufacturing operations at the Therubali Unit in Dist. Rayagada, Odisha was disrupted from 23rd April - 10th May 2018 and again from 27th June - 29th June 2018 because of an agitation by a group of people without any ostensible link to the Company. This led to shell puncture of one furnace at Therubali (TCP-3) which remained out of operation for 118 days.

As a result, the production of ferro chrome during the year under review was lower at 216,046 tonnes (previous year: 234,443 tonnes).

Electricity

During the year under review, your Company generated 914.60 MU's of electricity including 4.92 MU from Solar Power (previous year: 946.05 MU's including 3.32 MU's from Solar Power) in accordance with captive requirement.

The Company's second major initiative in renewable energy is now a reality with the 1.5 MWp solar power facility at Therubali being successfully commissioned in December 2018 taking the total solar power capacity to 4.5 MWp.

Mining

Chrome ore production stood at 518,615 tonnes as compared to 550,670 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 with ore raised from its mines being used only for captive consumption thus maximising contribution to the exchequer and generating employment.

Scheme of Amalgamation

During the year under review, Hon'ble National Company Law Tribunal, Cuttack Bench passed an order on 26th March, 2019, approving the scheme of amalgamation amongst Indian Metals & Carbide Limited (IMCL), B Panda & Company Private Limited (BPCO) and Indian Metals & Ferro Alloys Limited (the Company) and their respective shareholders and creditors (''Scheme") under Sections 230 to 232 of the Companies Act, 2013 read with the relevant rules and has become effective on 30th April, 2019 consequent upon filing of a certified copy of the Order with the Registrar of Companies, Cuttack by IMCL, BPCO and the Company.

Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013, the Company has placed a copy of Annual Return of the Company on its website at http://www.imfa.in/pdfs/Annual-Return-2017-18.pdf

Number of Meetings of the Board

The Board met five times in financial year 2018-19 viz. on 21st May, 2018, 17th July, 2018, 23rd October, 2018, 3rd January, 2019 and 12th February 2019. 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, 2019, 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 profit 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, 2019 on a going concern basis;

(v) that 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 regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Policy on Directors' Appointment and Remuneration

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as well as well defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The Policy broadly lays down the guiding principles for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of Companies Act,2013.

During the year under review, no changes were made in the above policy. Salient features of this policy are enumerated in the Corporate Governance Report which forms part of the Annual Report. The above policy is available at the website of the Company at : http://www.imfa.in/pdfs/Nomination-Remuneration-Policy.pdf

Auditors and Auditors' Report

Statutory Auditors

M/s Haribhakti & Co LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing 57th Annual General Meeting (AGM). Based on the recommendation of the Audit Committee, the Board of Directors have recommended to the shareholders the appointment of M/s SCV & Co LLP, Chartered Accountants, (Firm Registration No.000235N/N500089) as Auditors of the Company with effect from conclusion of ensuing 57th AGM till conclusion of 62nd AGM in place of M/s Haribhakti & Co LLP, the retiring Auditors. M/s SCV & Co LLP, Chartered Accountants have given their consent to act as Auditors and also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

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

Secretarial Auditor

The Company has appointed M/s Sunita Mohanty & Associates, Company Secretaries to conduct secretarial audit and their Report is appended to this Report as **Annexure-1**

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

Cost Auditor

Pursuant to section 148 of the Companies Act 2013, the Board of Directors on the recommendation of Audit Committee appointed M/s S.S. Sonthalia & Co. Cost Accountants as the Cost Auditors of the Company for the Financial Year 2019-20 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. M/s S. S. Sonthalia & Co. have given their consent to act as Cost Auditors and also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. Pursuant to Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year 2018 was filed with the Ministry of Corporate Affairs on 14th August, 2018.

Particulars of Loans, Guarantees or Investments Under Section 186

The details of loans, guarantees 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.

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. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

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.

Directors' Report (Contd...)

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-2** 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 - 3** to this Report.

The CSR Policy of the Company is hosted on the Company's website at http://www.imfa.in/pdfs/CSR-Policy.pdf

Annual Evaluation by the Board
The evaluation framework for assessing the performance of Directors comprises of the following key areas:

i) Attendance of Board and 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
Mr Baijayant Panda	44:1	General Shankar Roychowdhury(Retd)	0.82:1
Mr Subhrakant Panda	52:1	Major R N Misra (Retd)	0.94:1
Mr J K Misra	25:1	Mr S P Mathur	0.93:1
Mr C R Ray	15:1	Mr S Nautiyal **	0.78:1
Mrs Paramita Mahapatra	0.24:1	Mr Bijoy Kumar Das	0.89:1
Mr D Bandyopadhyay*	0.78:1	Mr Stefan Georg Amrein	0.71:1
Mr N R Mohanty	0.95:1		

*Ceased to be a Director w.e.f 26th July, 2018
**Ceased to be a Director w.e.f 1st December, 2018

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
Mr Baijayant Panda	(66.84)	General Shankar Roychowdhury (Retd)	(72.25)
Mr Subhrakant Panda	(62.38)	Major R N Misra (Retd)	(69.66)
Mr J K Misra	8.60	Mr S P Mathur	(70.11)
Mr C R Ray	0.86	Mr S Nautiyal**	(73.92)
Mrs Paramita Mahapatra	(15.38)	Mr Stefan Georg Amrein	50.00
Mr D Bandyopadhyay*	(73.73)	Mr Bijoy Kumar Das	(70.48)
Mr N R Mohanty	(69.63)	Mr Prem Khandelwal, CFO & CS	0.93

*Ceased to be a Director w.e.f 26th July, 2018
**Ceased to be a Director w.e.f 1st December, 2018

iii) the percentage increase in the median remuneration of employees in the financial year: 9.27

iv) the number of permanent employees on the rolls of company:2228

v) 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 : 47th
Percentile increase in the managerial remuneration : NIL

vi) 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 top ten employees who were in receipt of remuneration of not less than ₹102,00,000/- (Rupees One Crore and Two Lakhs only) during the financial year or ₹850,000/- (Rupees Eight Lakh Fifty Thousand only) 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/renewed any public deposits during the year under review under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014. There are no deposits that remain unclaimed.

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 Debabrata Bandyopadhya (DIN:00144440) ceased to be a Director of the Company with effect from 26th July, 2018 consequent upon completion of his term and Mr Santosh Nautiyal (DIN: 01127740) ceased to be a Director of the Company w.e.f 1st December, 2018 consequent to resignation due to personal reasons.

The Board placed on record its appreciation for the valuable services rendered by Mr D Bandyopadhyay and Mr Santosh Nautiyal.

Mr Baijayant Panda (DIN:00297862), Mr Subhrakant Panda (DIN: 00171845) and Mr Jayant Kumar Misra (DIN: 00146526) were re-appointed as Vice Chairman, Managing Director and Director (Corporate) & COO respectively for a further period of three years with effect from 28th October, 2018. Further, Mr C R Ray (DIN: 00241059) was re-appointed as Wholetime Director for a further period of 3 years with effect from 31st January, 2019. Their terms of appointment were approved by the members on 3rd December, 2018 through e-voting/postal ballot.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr S P Mathur (DIN: 00173775)) and General Shankar Roy Chowdhury (DIN:01921688) were re-appointed as Independent director for second term of five years and two years respectively with effect from 1st April, 2019. Their terms of appointment were approved by the members on 27th March, 2019 through e-voting/postal ballot. Further as required under Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of Major R N Misra (DIN :00146138) and Mr N R Mohanty (DIN:00237732) as Independent Directors till the expiry of their existing term were approved by the members on 27th March, 2019 through e-voting/postal ballot.

Mr Chitta Ranjan Ray (DIN 00241059), Whole-time Director and Mrs Paramita Mahapatra (DIN: 00143058), Director retire by rotation at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

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.

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, 2019 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, 2018	0*	0*
(ii)	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2018-19	0*	
(iii)	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2018-2019	0*	0*
(iv)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 31st March, 2019	0*	0*

* Pursuant to IEPF Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 all unclaimed shares were transferred to IEPF Authority.

Directors' Report (Contd...)

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.

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-4.**

Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has zero tolerance policy towards sexual harassment at the workplace and during the year, the Company has not received any complaints of sexual harassment.
The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Compliance with Secretarial Standards

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

Industrial Relations

During the year under review, industrial relations at the Company's manufacturing/ operational complexes located at different sites remained cordial.

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 : 18th May, 2019

(Subhrakant Panda)
Managing Director
DIN: 00171845

(Chitta Ranjan Ray)
Whole-time Director
DIN: 00241059

Annexure - 1

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

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 authorised 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, 2019 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, 2019 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 therunder 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, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable to the Company during audit period)

   e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)

   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; (Not applicable to the Company during audit period) and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period)

vi. The Employees Provident Fund and Miscellaneous Provisions Act, 1952, other applicable Labour Laws;

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:

Directors' Report (Contd...)

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

(b) Listing agreements with BSE and NSE as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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 during the year under review, a Scheme of merger amongst Indian Metals and Ferro Alloys Limited (the Company), B Panda & Company Private Limited (BPCO) and Indian Metals & Carbides Limited (IMCL) was approved in NCLT Convened meeting held on 04/09/2018. Hon'ble National Company Law Tribunal, Cuttack Bench passed an order on 26th March 2019, approving the scheme of amalgamation amongst the above mentioned companies and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 read with the relevant rules.

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**
FCS No.: 6556
C P No: 6022

Place: Bhubaneswar
Date: 18th May, 2019

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

Name of the PCS: **CS Jyotirmoy Mishra**
Membership No: FCS No.: 6556
C P No: 6022

Place: Bhubaneswar
Date: 18th May, 2019

Annexure - 2

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) Light emitting diode (LED) light fittings were replaced in place of High-pressure sodium vapor (HPSV) fittings. Energy Saving: 98,994 Kwh/year.

A higher capacity Bed Ash cooler cum Main Cooling Tower (MCT) make up pump installed in place of existing pump to cater the demand of MCT make up by which running of additional MCT make up pumps can be avoided and cooling water flow for Bed ash coolers enhanced. Energy Saving: 1,47,600 Kwh/ Year.

(b) Total 902 nos. of different wattage light fittings replaced with LED fittings at Unit-I & Unit-II. 5.5 Kilo Watt (KW) pump motor at raw water pump house of Unit-I was stopped without affecting water supply to Unit-II & brushable ceramic coating applied on inner surface of 4 numbers pump casing and impeller for energy saving. Energy Saving: 430.48 Mega watt hour (Mwh).

Therubali

(a) LED light replacement at Therubali Charge Chrome Plant-3 (TCP-3).

(b) Gas cleaning plant-1 (GCP-1) bifurcation for which KW rating of motor is reduced in Induced draft fan-3.

(c) Elimination of Reverse Air (RA) fan oil pump.

(d) 20 Ton per hour capacity briquette compacter bypassing during chute cleaning.

Energy Saving: 237.315 MWh.

Mines:

(a) Replacement of conventional High-pressure sodium vapor/Metal Halloid/Compact fluorescent lamp/Fluorescent lamps with lower wattage LED lamps in phased manner at Sukinda Mines Chromite (SMC), Mahagiri Mines Chromite (MMC) and Nuasahi Chromite Mines (NCM)

(b) Maintaining power factor more than 0.97 in each month by maintaining Automatic power factor correction panel

(c) Low tension over head conductor meant for Admin building, Dispensary, security barrack, non-executive-colony got replaced by 2 run 3.5c 95sqmm Steel Wire Armoured Aluminum cable at SMC.

(d) Effluent Treatment Plant-4 incoming power supply: Overhead conductors and 200 KVA booster transformer were replaced by 2 run 95sqmm 3.5C Aluminum cable at SMC.

(e) Reduction in diesel consumption by auto operation of DG sets at SMC and NCM.

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

Therubali:

(a) Installation and commissioning of 1.5 MW Solar Power Plant.

(b) Installation of 43 numbers of solar street light around the solar plant and its periphery for the illumination of the area.

Mines:

130 KWp Roof Top Off -grid type solar power plant is under construction at SMC, MMC and Mahagiri Enclave.

(iii) Capital investment on energy conservation equipments

Choudwar:

(a) Total cost involvement on energy conservation equipment is ₹17,97,000/-

(b) LED Light fitting: ₹39,00,594/-

(c) Brushable ceramic coating : ₹50,000/-

Therubali:

(a) LED lights in TCP-3 : ₹14,31,587/-

(b) 1.5 MW Solar Power Plant : ₹7,82,00,000/-

B. TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption

Choudwar:

(a) 1.5 MW solar plant was commissioned on 24.12.2018 at Therubali as a step towards renewal energy.

(b) Trip circuit supervision relay was incorporated in Choudwar charge chrome plant-3 (CCP-3) breaker control circuit of 30 MW Power Plant to monitor the healthiness of breaker trip circuit.

(c) 7 numbers of Electronic Over Current Relay were used replacing thermal overload relay in few critical equipment like silo ash conditioner motors,

Directors' Report (Contd...)

screen house motors at 120 MW Power Plant and lime stone crusher at 30 MW Power Plant for better protection.

(d) 180 KW motor with soft starter was installed and commissioned for storm water Evacuation system.

(e) Insulkote was applied over busbars for Choudwar charge chrome plant-1 (CCP-1) feeder at 120 MW switchyard for protection against external short circuit.

(f) Rectangular Core Balancing Current Transformer (CBCT) were installed in 33 KV feeders of Generator, Incomer and CCP-3 of 30 MW Power Plant replacing imported ring type CBCT to ensure proper spacing between cables and reduce high voltage tracking.

(g) Mist water cannon installed at Unit-I: To suppress fugitive dust at Unit-I, installed 4 numbers Mist water cannons having 180- & 350-degree rotation and coverage area of 25 to 50 meters radius. Mist water cannons are operating inside cast house, raw material storage yard & product storage yard.

(h) Leakage current tester is procured for measuring the existence of leakage current if any in electrical installation/circuit.

(i) Earth Leakage Circuit Breaker (ELCB) testing kit (Tester) procured for testing the healthiness of ELCBs installed in welding machine junction boxes, distribution boxes etc., to protect the people from electrocution.

(j) Digital Set point relays 3 numbers installed in furnace control room to provide a pre-tripping set point with audio alarm and to generate automatic electrode up command before the furnace reach its original tripping set value. Alarm will alert the operator to control the increasing current immediately to avoid tripping of furnace.

(k) Programmable logic control (PLC) installed and commissioned at Briquette plant of CCP-1 to operate the plant in auto mode and to provide the equipment operating status from control room Supervisory control and data acquisition (SCADA). Also, any fault in the system is visualised from SCADA and audio alarm will be generated for acknowledgement of operator.

Therubali:

(1) Mist water cannon installed at Chrome fines yard and at RMHS ground hopper.

(2) Introduction of Voltage Regulating Device (VRD) controlled welding machine in place of welding machine without voltage regulation.

(3) Installation & commissioning of Mud gun and drilling machine, in 48 MVA and 24 MVA sub merged arc furnace.

(4) Installation of 02 sets of dust extraction system in Therubali charge chrome plant-3 raw material screening system.

(5) Replacement of oil type diverter switch with vacuum type diverter switch in furnace transformers (4 sets) of Therubali charge chrome plant-3.

(6) Earth leakage circuit breaker (ELCB) Tester is used for checking the healthiness of ELCB which is used for welding machine safety.

Mines:

(1) Introduction of positive isolation system for power shut down at SMC and MMC.

(2) Fixed mist and mobile cannon at SMC and MMC.

(3) Installation of pontoon for 120HP pump at SMC.

(4) Installation of Vacuum circuit breaker at 6 pole at SMC & Mahagiri Enclave Substation.

(5) Aluminum cladding of old DG sets at SMC and MMC.

(6) Automated Wheel Washing unit at SMC.

(7) Installation of Early streamer Emission type lightning arrestor at SMC and Mahagiri Enclave.

(8) Provision of Chemical Earthing at SMC and MMC.

(9) Arrangement of suitable fixed ladder way at Double pole structure at SMC.

(10) Geo membrane installation at magazine sump at SMC.

(11) Implementation of inbuilt VRD welding machine.

(12) Using copper cable & logs for Underground pump from joint box to motor instead of Aluminum at NCM to avoid overheating.

(13) Using Moulded Case Circuit Breaker panel for overhead lines at NCM.

(14) Installation of water level sensor for Underground pumps at NCM.

(15) 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.

(16) Using new cork sheet & rubber washer for 1600 KVA transformer at NCM.

(17) Using Variable frequency drive in screening plant operation & back filling plant operation at MMC.

(18) Cable is being laid in Underground through bore hole from one level to other instead of decline route at MMC.

(19) Higher capacity lighting transformer is being installed in Underground mines of MMC.

(20) Ventilation door open & close status through the indicator in Underground mines at MMC.

(21) Neutral Grounding Resistors is being provided in transformer & DG sets at MMC.

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

Choudwar:

Import substitution and few Quality Improvement Projects (QIPs) implemented are as mentioned below.

(a) Retrofitting of Schneider make 1250Amps, 33KV SF6 breaker was done in 108 MW briquetting plant panels by replacing imported MOCB.

(b) Retrofitting of ABB make 1600Amps, 415 Volt Air Circuit breakers was done in DG back up panel of 108 MW power plant replacing imported breakers.

(c) Vertiv make 2x20KVA UPS was installed and commissioned in 30 MW PP replacing Chinese UPS.

(d) Motor control Centre (MCC) panel for Condensate Extraction Pump (CEP) and OFF gas fan motors was installed and commissioned in 30 MW Power Plant by replacing Chinese starters.

(e) GE make protection relays (MICOM P643, P343, P391) were commissioned for Generator and Generator Transformer protection of 30 MW PP replacing Chinese relays.

(f) ABB make new Digital AVR installed in TG#4 in place of Chinese AVR.

(g) Conversion from imported Chinese drive unit to Indigenous in Belt Conveyor-6 at 30 CHP.

(h) Geared Motor (Netherland) replaced by Motovario Gear Solution, Kolkata at LDA plant

1. Total number of quality improvement projects (QIPs) implemented: 9

2. Total expenditure for implementation of 9 number QIPs : ₹1.94 lakhs

3. Total potential savings/year : ₹3.54 lakhs

Therubali:

Few Quality Improvement Projects (QIPs) implemented are as mentioned below.

(a) Bifurcation of pneumatic dust conveying system in Gas cleaning plant-2.

(b) Ensuring trouble free operation of reverse air cleaning system of Gas cleaning plant-1.

(c) Reduction in replacement cost of cutting edge and end bit of dozer blade.

(d) Improvement in furnace shell cooling arrangement of Therubali charge chrome palnt-3.

(e) Replacement of oil type diverter switch with vacuum type diverter switch in Therubali charge chrome plant-3 furnace transformers (4 sets).

(f) ELCB Tester is used for checking the healthiness of ELCB which is used for welding machine safety.

1. Total number of quality improvement projects (QIPs) implemented: 04.

2. Total expenditure for implementation of 04 number QIPs: ₹11.50 lakhs.

3. Total potential benefit / year: ₹56.42 lakhs.

Mines

(1) Avoiding of Electrical hazard.

(2) Easy dust suppression, less water consumption, less High-Speed Diesel (HSD) consumption for water sprinkling.

(3) Avoiding frequent shifting of 120hp pump from bench to bench.

(4) Avoiding grid trip & fuse burnt out & easy remote shut down operation.

(5) Fast heat dissipation & less corrosion of smoke pipe.

(6) Increasing safety factor from lightning

Directors' Report (Contd...)

(7) Better earthing value & lesser maintenance.

(8) Safer & quick process towards Dropout fuse replacement.

(9) Balanced load distribution, easier fault detection & energy monitoring.

(10) In-house Breakdown voltage calibration of transformer oil.

(11) Avoid sludge contamination.

(12) Better safety to welder during welding.

(13) Reducing the probability of cable damage due to overheating.

(14) Reducing breakdown hours & to locate fault immediately.

(15) Reducing operation hours of dewatering pump at NCM.

(16) Operating the individual motors in desired speed (RPM).

(17) Saving cable quantity and to minimise the voltage drop.

(18) Achieving better illumination and statutory compliance.

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

(a) Technology imported: (i) Installation of vacuum type diverter switch (4 sets) in TCP-03 furnace transformer; (ii) Procurement and installation of forged copper pressure ring in electrode holder no.2 of TCP-3.

(b) Year of import : 2018

(c) Whether the technology been fully absorbed: Yes

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof. Not Applicable

(iv) Expenditure incurred on Research & Development:

(a) Trial of Opencast Mining by Grab in SMC: An amount of ₹26.12 crores has been proposed.

(b) Redesigning Stoping Parameters in MMC: An amount of ₹25 lakhs has been proposed. Advance of ₹17.70 lakhs paid as advance to CIMFR.

(c) Implementation of real time strata monitoring in MMC: An amount of ₹4.63 lakhs paid for block 9. Additional amount of ₹8.38 lakhs proposed for block 01.

(d) Scientific study for optimisation of quarry depth and dump height through CIMFR: An amount of ₹13.57 lakhs paid.

C. Foreign Exchange Earnings And Outgo

Total foreign exchange earned (FOB value) and used

(₹ in Crore)

(a) Foreign Exchange earnings:	1432.67	(previous year: 1487.09)
(b) Foreign Exchange outgo :	399.21	(previous year: 277.06)

Annexure - 3

ANNUAL REPORT ON CSR ACTIVITIES (2018-19)

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: http://www.imfa.in/.	
2	The composition of the CSR Committee :	
	(i) Mr Subhrakant Panda, Managing Director (Chairman of the Committee)	
	(ii) Mrs Paramita Mahapatra	
	(iii) Mr B K Das and	
	(iv) Mr J K Misra	
3	Average net profit of the company for the last three financial years :	₹187.84 crores
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above) :	₹3.76 crores
5	Details of CSR spent during the financial year :	
	(a) Total amount to be spent for the financial year :	₹3.76 crores
	(b) Amount unspent if any :	Nil
	(c) Manner in which the amount spent during the financial year is detailed below :	

₹ in crores

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency	
					Direct expenditure on projects or programs	Overheads		Implementing Agency	Direct
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 : Jajpur,Cuttack & Rayagada	1.40	1.57	-	1.57	0.82	0.75
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 : Jajpur, Keonjhar, Cuttack & Rayagada	2.78	2.70	-	2.70	2.62	0.08
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 : Jajpur, Rayagada & Keonjhar	0.01	0.02	-	0.02	0.01	0.01

₹ in crores

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency	
					Direct expenditure on projects or programs	Overheads		Implementing Agency	Direct
4	Rural development projects, working with Government, Gram Sabhas, Gram/Infrastructure Panchayats, NGOs, CBOs,etc. for improving conditions, in the Communities development where we operate with a focus on continuity and sustainability	Infrastructure Development	State : Odisha District : Jajpur, Cuttack and Rayagada	0.41	0.40	-	0.40	0.38	0.02
5	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	State : Odisha District : Rayagada & Jajpur	0.03	0.03	-	0.03	0.02	0.01
6	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	State : Odisha	0.01	-	-	-	-	-
7	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	Contribution to Relief Fund	State : Odisha District : Rayagada	0.01	0.01	-	0.01	0.00	0.01
	TOTAL			**4.65**	**4.73**	**-**	**4.73**	**3.85**	**0.88**

Note : Of the total CSR expenditure of ₹4.73 crores an amount of ₹3.85 crores 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)

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 spent 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 Metal & Ferro Alloys Ltd.

(Chitta Ranjan Roy)
Whole-time-Director
DIN : 00241059

For and on behalf of
CSR Committee of Indian Metals & Ferro Alloys Ltd

Subhrakant Panda
Chairman of the CSR Committee
DIN: 00171845

Annexure - 4

FORM AOC -I

Statement containing salient features of the financial statement of subsidiaries/associate companies

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

Part "A" : Subsidiaries

₹ in crores

1	Sl. No.	1	2	3	4	5	6
2	Name of the Subsidiary	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	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19
4	Reporting Currency	₹	₹	₹	₹	₹ (Converted)	₹ (Converted)
5	Share Capital	0.68	25.00	3.03	1.06	81.08	3.84
6	Reserves & Surplus	0.67	90.45	31.80	(1.06)	(79.77)	(12.17)
7	Total Assets	0.01	380.13	35.68	-	4.64	0.01
8	Total Liabilities (excluding Share Capital and Reserves & Surplus)		264.68	0.85	-	3.33	8.34
9	Investments	-	-	-	-	-	-
10	Turnover	-	-	2.76	-	-	-
11	Profit before Taxation	(0.65)	(0.05)	2.96	(0.09)	(73.37)	(0.21)
12	Provision for Taxation	-	-	0.77	-	(0.01)	-
13	Profit after Taxation	(0.65)	(0.05)	2.19	(0.09)	(73.36)	(0.21)
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	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 @ ₹69.17/ USD and ₹66.63 /USD respectively.

2 Subsidiaries which are yet to commence operation:

a) Utkal Power Ltd

b) Utkal Coal Ltd

c) Utkal Green Energy Ltd

d) PT Sumber Rahayu Indah

3 The Hon'ble National Company Law Tribunal ("NCLT"), Cuttack Bench vide its Order dated 26th March, 2019, approved the Scheme of Amalgamation made under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving amalgamation of Indian Metals and Carbide Limited ("IMCL"), a wholly owned subsidiary of the Company into the Company. Consequent to the filing of a certified copy of the said Order with the Registrar of Companies, Cuttack on 30th April, 2019, the Scheme has become effective from the Appointed Date i.e. 1st April, 2017. Upon the Scheme coming into effect, the undertakings of IMCL stand transferred to and vested in the Company with effect from the Appointed Date and the Scheme has accordingly been given effect. Therefore, IMCL has not been considered for the purpose of reporting above

Part "B" : Associates

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

in ₹

1	**Name of the Associate**	**Ferro Chrome Producers Association**
2	**Latest audited Balance Sheet Date**	**31st March, 2018**
3	Date on which the Associate was associated	16th September, 2016
4	Shares of Associate held by the Company on the year end	
	No.of shares	2500
	Amount of Investment in Associates	₹25000/-
	Extent of Holding (in percentage)	33.33%
5	Description of how there is significant influence	IMFA holds 33.33% shares of Ferro Chrome Producers Association (FCPA)
6	Reason why the associate is not consolidated	It is a company limited by shares formed under Section 8 of the Companies Act, 2013 and its operations are not significant and hence immaterial for consolidation
7	Networth attributable to shareholding as per latest audited Balance Sheet	₹2,89,712/-
8	Profit/ Loss for the year	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	₹ (33,678)

Associates which are yet to commence operation:

1. Ferro Chrome Producers Association

For and on behalf of the Board of Directors

Place : Bhubaneswar
Date :18th May, 2019

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director
DIN: 00171845

Chitta Ranjan Ray
Whole-time Director
DIN: 00241059

Report on Corporate Governance as on 31st March, 2019

Your Directors are pleased to present the compliance report on Corporate Governance.

1. Philosophy of code of governance:

Your Company prides itself in being a responsible corporate citizen, 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 regular Non-Executive Chairman and more than (1/3) one-third of the Board is 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.

The composition of the Board as on 31st March, 2019 was as under:

Name of the Director	Category of Directorship	No. of Directorships in other* Public Limited Companies.		Committee Position in Mandatory Committees**		Names of the listed entities where the Director holds Directorships (Excluding this entity)	Share Holding
		Chairman	Member	Chairman	Member		
Major Rabinarayan Misra (Retd.) Chairman	Independent Non-Executive	-	1	1	1		-
Mr Baijayant Panda Vice Chairman#	Promoter Non-Independent Executive	-	-	-	-		323064
Mr Subhrakant Panda Managing Director#	Promoter Non-Independent Executive	1	-	-	-		323620(Own) & 12444 (under trusteeship)
Mr Jayant Kumar Misra Director (Corporate) & COO	Non-Independent Executive	1	2	-	1		100
Mr Chitta Ranjan Ray Whole-time Director	Non-Independent Executive	-	4	-	1		46
Mrs Paramita Mahapatra #	Promoter Non-Independent Non-Executive	-	3	1			323540
Mr Stefan Georg Amrein	Non-Independent Non-Executive	-	-	-	-		-
Mr Nalini Ranjan Mohanty	Independent Non-Executive	-	3	1	3	Dynamiatic Technologies Limited	-
Mr Sudhir Prakash Mathur	Independent Non-Executive	-	1	1	1		-
General Shankar Roychowdhury (Retd)	Independent Non-Executive	-	-	-	-		-
Mr Bijoy Kumar Das	Independent Non-Executive	-	-	-	-		-

\# Mr Baijayant Panda, Mr Subhrakant Panda are brothers and Mrs Paramita Mahapatra is their sister.
* in Companies other than Indian Metals & Ferro Alloys Limited and excludes Foreign Companies.
** Only Audit Committees and Stake Holder Relationship Committees of Indian Public Limited Companies have been considered for Committee Position.

Report on Corporate Governance (Contd...)

The chart setting out the skills/expertise/competence of the Board of Directors

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively	:	Expertise in specific functional areas viz: Ferro Alloys, mining, power, corporate management, human resources, logistic, accounts, finance & administration.

Names of Directors who have such Skills/Expertise/Competence

Name of the Director	Category	Skills/Expertise/Competence
Major Rabinarayan Misra (Retd.)	Non-Executive, Independent & Chairman	Vast and rich experience in the field of ferro alloys, mining, power and corporate management
Mr Baijayant Panda	Promoter,Vice Chairman	Vast and rich experience in the field of ferro alloys, mining, power and corporate management
Mr Subhrakant Panda	Promoter,Managing Director	Vast and rich experience in the field of ferro alloys, mining, power and corporate management.
Mr Jayant Kumar Misra	Executive, Director(Corporate) & COO	Vast and rich experience in the field of ferro alloys, mining, power and corporate management
Mr Chitta Ranjan Ray	Executive, Whole-time Director	Vast and rich experience in the field of ferro alloys, mining, power and corporate management.
Mrs Paramita Mahapatra	Promoter, Non-Executive Non-Independent Director	Vast and rich experience in the field of human resources, ferro alloys, logistic and corporate management.
Mr Stefan Georg Amrein	Non-Executive Non-Independent Director	Vast and rich experience in the field of finance and Corporate Management.
Mr Nalini Ranjan Mohanty	Non-Executive, Independent Director	Vast and rich experience in the field of Aeronautics and Corporate Management.
Mr Sudhir Prakash Mathur	Non-Executive Independent Director	Vast and rich experience in accounts, corporate laws, finance, ferro alloys, mining, power and corporate management.
General Shankar Roychowdhury (Retd)	Non-Executive Independent Director	Vast and rich experience in the field of Administration and corporate management.
Mr Bijoy Kumar Das	Non-Executive Independent Director	Vast and rich experience in the field of power, Administration and Corporate Management.

Board Confirmation on Independent Director:

Board hereby confirms that the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Bhubaneswar
18th May, 2019

Subhrakant Panda
Managing Director

Resignation of independent Director
Mr Santosh Nautiyal (Din:01127740), Independent Director had resigned from the Board w.e.f 1st December, 2018 and has confirmed that there are no other material reasons other than his personal health issue

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

Name of the Director	No. of Board Meetings attended during FY 2018-19	Attendance at AGM held on 17th July, 2018	Remarks
Major Rabinarayan Misra (Retd.)	4	Yes	
Mr Baijayant Panda	3	No	
Mr Subhrakant Panda	5	Yes	
Mr Jayant Kumar Misra	5	Yes	
Mr Chitta Ranjan Ray	3	No	
Mrs Paramita Mahapatra	4	Yes	
Mr Nalini Ranjan Mohanty	4	Yes	
Mr Sudhir Prakash Mathur	5	Yes	
General Shankar Roychowdhury (Retd)	2	No	
Mr Stefan Georg Amrein	3	No	
Mr Bijoy Kumar Das	3	Yes	
Mr Debabrata Bandyopadhyay	0	No	Ceased to be a Director w.e.f 26th July, 2018
Mr Santosh Nautiyal	0	No	Ceased to be a Director w.e.f 1st December, 2018

Dates on which Board Meetings were held: 21/05/18, 17/07/18, 23/10/18, 03/01/19, 12/02/19.
Familiarisation programme for Independent Directors:

The Company has conducted the familiarisation programme for Independent Directors. The Programme 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 programme has been disclosed on the website of the Company at http://www.imfa.in/pdfs/Familiarisation-programme.pdf.

3. Audit Committee:

The Company has constituted an Audit Committee with a role in 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 to 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 reasonableness of transactions with the associate companies, if any.
- Reviewing accounting procedures periodically.
- Reviewing insurance coverage.
- 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.

Report on Corporate Governance (Contd...)

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 FY 2018-19
Mr Sudhir Prakash Mathur, Chairman	Independent Non-Executive	4
Major Rabinarayan Misra (Retd.)	Independent Non-Executive	4
Mr Nalini Ranjan Mohanty	Independent Non-Executive	4

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: 21/05/18, 17/07/18, 23/10/18, 12/02/19.

4. Nomination & 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 & Remuneration Committee who are Non-Executive Independent Directors.

Name of the Member	Category	No. of meetings attended during FY 2018-19
Mr Nalini Ranjan Mohanty, Chairman	Non-Executive Independent	3
Major Rabinarayan Misra (Retd.)	Non-Executive Independent	3
Mr Bijoy Kumar Das	Non-Executive Independent	1

Dates on which meetings were held :21/05/18, 23/10/18 and 12/02/19

5. Remuneration of Directors

Details of remuneration for FY 2018-19

Non-Executive Directors

(Amt in ₹)

Name	Commission	Sitting Fees	Stock Options	Total
Major Rabinarayan Misra (Retd.)	357143	75000	---	432143
Mrs Paramita Mahapatra	---	110000	---	110000
Mr Sudhir Prakash Mathur	357143	70000	---	427143
Mr Nalini Ranjan Mohanty	357143	80000	---	437143
General Shankar Roychowdhury	357143	20000	---	377143
Mr Stefan Georg Amrein	---	30000	---	30000
Mr Bijoy Kumar Das	357143	50000	---	407143
Mr Debabrata Bandyopadhyay	357143	---	---	357143
Mr Santosh Nautiyal	357142	---	---	357142
TOTAL	**2500000**	**435000**	**---**	**2935000**

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 http://www.imfa.in/pdfs/Nomination-Remuneration-Policy.pdf.

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 lakhs computed as per applicable provisions of the Companies Act, 2013.

Executive Directors

(Amt in ₹)

Name	Salary	Perquisites & Allowances	Commission/ Performance pay	Stock Options	Total
Mr Baijayant Panda, Vice Chairman	17,582,803	2,480,238	---	--	20,063,041
Mr Subhrakant Panda, Managing Director	21,355,292	2,479,220	---	--	23,834,512
Mr Jayant Kumar Misra, Director (Corporate) & COO	5,698,396	2,975,764	3,000,000	--	11,674,160
Mr Chitta Ranjan Ray, Whole-time Director	5,127,407	931,526	900,000	--	6,958,933
TOTAL	**49,763,898**	**8,866,748**	**3,900,000**		**62,530,646**

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

Mr Baijayant Panda, Vice Chairman and Mr Subhrakant Panda, Managing Director are paid Commission subject to a maximum of 2% each per annum of the net profits of the Company computed in accordance with section 198 of the Companies Act, 2013.

Mr Jayant Kumar Misra, Director(Corporate) & COO and Mr Chitta Ranjan Ray, Whole-time Director are paid Performance Pay subject to a maximum of 100% and 50% of TOTPA-III respectively.

Details of equity shares of the Company held by the Non Executive Directors as on 31st March, 2019 are given below.

Name	Number of equity shares
Mrs Paramita Mahapatra	323540

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

6. 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 the Member	Category	No. of meetings attended during FY 2018-19
Mrs Paramita Mahapatra, Chairperson	Non-Executive Non-Independent	11
Mr Jayant Kumar Misra	Executive Non-Independent	21
Mr Chitta Ranjan Ray	Executive Non-Independent	11
Mr Nalini Ranjan Mohanty	Non-Executive-Independent	1

Dates on which meetings were held are	:	16/04/18, 30/04/18, 15/05/18, 31/05/18, 15/06/18, 30/06/18, 10/07/18, 24/07/18, 24/08/18, 15/09/18, 29/09/18, 15/10/18, 31/10/18, 15/11/18, 30/11/18, 15/12/18, 31/12/18, 15/01/19, 31/01/19, 15/02/19, 28/02/19, 30/03/19
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 01.04.2018 to 31.03.2019	:	219
No. not solved to the satisfaction of the Shareholders as on 31.03.2019	:	NIL
No. of pending complaints as on 31.03.2019	:	NIL

Report on Corporate Governance (Contd...)

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

7. Corporate Social Responsibility Committee:

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

Name of the Member	Category	No. of meetings attended during FY 2018-19
Mr Subhrakant Panda, Chairman	Executive Non-Independent	4
Mrs Paramita Mahapatra	Non-Executive Non-Independent	3
Mr Jayant Kumar Misra	Executive Non-Independent	4
Mr Bijoy Kumar Das	Non-Executive Independent	3

Dates on which meetings were held : 21/05/18, 17/07/18, 23/10/18,12/02/19

8. 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 the Member	Category	No. of meetings attended during FY 2018-19
Mr Subhrakant Panda, Chairman	Executive Non-Independent	0
Mr Jayant Kumar Misra	Executive Non-Independent	2
Mr Chitta Ranjan Ray	Executive Non-Independent	2

Dates on which meetings were held : 25/05/18, 29/01/19

9. Allotment Committee:

The Allotment Committee was constituted to specifically look into allotment of Shares as and when required within the limits approved by the shareholders etc. The composition of the Committee is given below:

Name of the Member	Category	No. of meetings attended during FY 2018-19
Mr Jayant Kumar Misra	Executive Non-Independent	-
Mr Chitta Ranjan Ray	Executive Non-Independent	-

Dates on which meetings were held : NIL

10. Immovable Property Disposal Committee:

The Immovable Property Disposal Committee was constituted to specifically look into disposal of Company's immovable property as and when required subject to necessary statutory approvals. The composition of the Committee is given below:

Name of the Member	Category	No. of meetings attended during FY 2018-19
Mr Jayant Kumar Misra	Executive Non-Independent	-
Mr Chitta Ranjan Ray	Executive Non-Independent	-

Dates on which meetings were held : NIL

11. General Body Meetings:

Location and time where last three AGMs were held:

The last three AGMs were held on 26.07.2016 (at 11.00 AM), 17.07.2017 (at 3.00 PM) and 17.07.2018 (at 3.00 PM) at the Registered Office of the Company at Bomikhal, P.O. Rasulgarh, Bhubaneswar–751010. No Extraordinary General Meeting of the members took place during FY 2018-19.

Whether any Special Resolution passed in previous 3 AGMs : Yes

At the AGM of the Company held on 26th July, 2016 Special Resolutions for re-appointment of Dr Debabrata Bandyopadhyay (DIN:00144440), Mr Nalini Ranjan Mohanty (DIN:00237732) and Major Rabi Narayan Misra(Retd) (DIN:00146138) were passed by the shareholders under Section 149,150 & 152 of the Companies Act, 2013 and Rules made thereunder.

At the AGM of the Company held on 17nd July, 2017 a special resolution was passed for obtaining the consent of the Company for increase of payment of commission to Non-Executive Independent Directors to a sum not exceeding ₹1 crore for FY 2016-17 only.

At the AGM of the Company held on 17nd July, 2018 a special resolution was passed for obtaining the consent of the Company for increase of payment of commission to Non-Executive Independent Directors to a sum not exceeding ₹75 lakhs for FY 2017-18 only, and payment of 0.5% commission to Non-Executive Independent Directors to a sum not exceeding ₹50 lakhs for a period of 3(Three) years commencing from 1st April, 2018.

During FY 2018-19, Special Resolutions have been passed through postal ballot to obtain consent of the members for

(1) Re-appointment of Mr Baijayant Panda as Vice-Chairman of the Company.

(2) Re-appointment of Mr Subhrakant Panda as Managing Director of the Company.

(3) Re-appointment of Mr Jayant Kumar Misra as Director (Corporate) & COO of the Company.

(4) Re-appointment of Mr Chitta Ranjan Ray as Whole-time Director of the Company.

(5) Re-appointment of Mr Sudhir Prakash Mathur (DIN:00173775) as an independent director of the Company.

(6) Re-appointment of General Shankar Roychowdhury (Retd.) (DIN:01921688) as an independent director of the Company.

(7) Approval for continuation of Major Rabinarayan Misra (Retd.) (DIN 00146138) as an independent director of the Company.

(8) Approval for continuation of Mr Nalini Ranjan Mohanty (DIN 00237732) as an independent director of the Company.

The details of voting pattern are as under.

Sl No.	Item(s)	No. of Valid Votes polled	Votes cast in favour of the Resolution (%age)	Votes cast against the Resolution (%age)
1	Special Resolution for Re-appointment of Mr Baijayant Panda as Vice-Chairman of the Company.	54,73,078	54,25,089 (99.12)	47,989 (0.88)
2	Special Resolution for Re-appointment of Mr Subhrakant Panda as Managing Director of the Company.	54,73,028	54,25,021 (99.12)	48,007 (0.88)
3	Special Resolution for Re-appointment of Mr Jayant Kumar Misra as Director (Corporate) & COO of the Company.	1,99,99,051	1,99,53,785 (99.77)	45,226 (0.23)
4	Special Resolution for Re-appointment of Mr Chitta Ranjan Ray as Whole-time Director of the Company.	1,99,99,099	1,99,53,713 (99.77)	45,386 (0.23)
5	Special Resolution for Re-appointment of Mr Sudhir Prakash Mathur (DIN:00173775) as an independent director of the Company.	1,98,55,828	1,98,09,519 (99.77)	46,309 (0.23)
6	Special Resolution for Re-appointment of General Shankar Roychowdhury(Retd.) (DIN:01921688) as an independent director of the Company.	1,98,55,833	1,97,95,146 (99.69)	60,687 (0.31)
7	Special Resolution for continuation of Major Rabinarayan Misra(Retd.) (DIN 00146138) as an independent director.	1,98,57,565	1,98,10,886 (99.76)	46,679 (0.24)
8	Special Resolution for continuation of Mr Nalini Ranjan Mohanty (DIN 00237732) as an independent director of the Company.	1,98,55,849	1,98,09,135 (99.76)	46,714 (0.24)

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

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

Report on Corporate Governance (Contd...)

12. Means of communication:

The Company normally publishes the quarterly unaudited results for the first three quarters 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. The unaudited results of the first three quarters 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 & annual results are also displayed on the Company's website.

13. General Shareholder Information:

Annual General Meeting		
Date & time	:	17th July, 2019 at 12 Noon
Venue	:	At the Registered Office of the Company at Bomikhal, P.O.Rasulgarh, Bhubaneswar – 751 010,Odisha
Financial Year	:	1st April, 2018 to 31st March, 2019
Dates of Book closure	:	10th July, 2019 to 17th July, 2019 (both days inclusive)
Dividend Payment Date	:	Dividend warrants will be despatched within 30 days from the date of Annual General Meeting
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 FY 2018-19 has been paid to the above said Stock Exchanges.
Stock Code	:	BSE : 533047 NSE : IMFA
Market price data	:	The high/low market price shown during the period 01.04.2018 to 31.03.2019 at the Bombay Stock Exchange and National Stock Exchange are as under.

BSE:

Month	High	Low
April, 2018	588.75	433.75
May, 2018	504.85	334.05
June, 2018	362.40	288.45
July, 2018	384.90	295.00
August, 2018	346.00	311.50
September, 2018	342.45	262.00
October, 2018	300.00	242.60
November, 2018	283.75	251.00
December, 2018	260.65	213.00
January, 2019	257.50	210.00
February, 2019	240.70	204.40
March, 2019	279.15	235.70

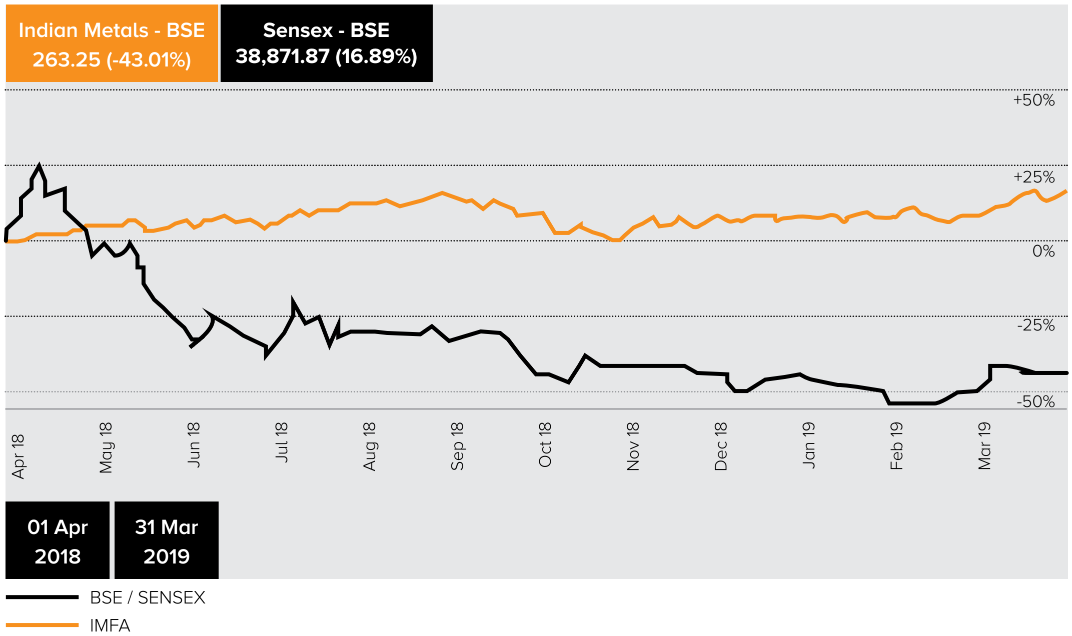
NSE:

Month	High	Low
April, 2018	589.00	431.00
May, 2018	504.00	333.00
June, 2018	361.70	287.25
July, 2018	384.90	296.05
August, 2018	345.00	310.00
September, 2018	341.80	260.00
October, 2018	300.75	243.00
November, 2018	283.95	251.10
December, 2018	260.20	216.80
January, 2019	257.60	209.70
February, 2019	241.00	203.20
March, 2019	277.75	232.70

Performance in comparison to Broad-based indices:

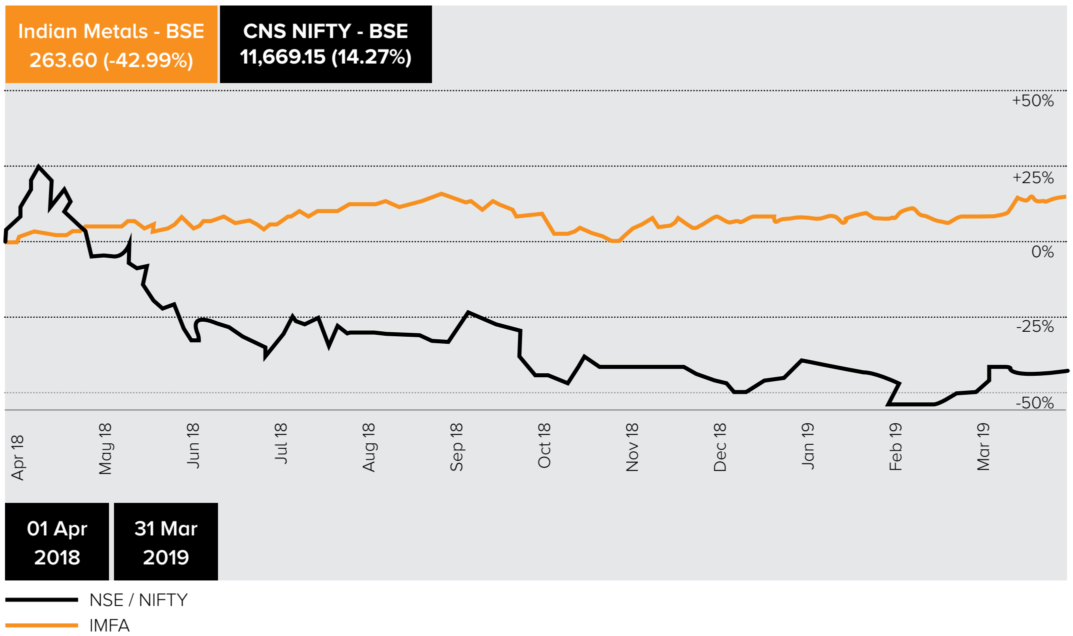
Performance of share price of the Company in comparison to BSE Sensex is as under:

Indian Metals v/s BSE



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.

Report on Corporate Governance (Contd...)

Distribution of shareholding as on 31st March, 2019:

No. of equity shares held	No. of shareholders	% to total
Up to - 500	41311	96.63
501 - 1000	754	1.77
1001 - 2000	322	0.75
2001 - 3000	133	0.31
3001 - 4000	55	0.13
4001 - 5000	46	0.11
5001 - 10000	62	0.14
10001 & above	68	0.16
Total	42751	100.00

Categories of shareholders as on 31st March, 2019 :

Category	No. of shares	%
Promoters & Promoter Group	15831856	58.68
Mutual Fund / UTI	4837	0.02
Financial Institutions & Banks	19151	0.07
Foreign Institutional Investors	45218	0.17
Bodies Corporate	833808	3.09
Trusts	54	0
Overseas Corporate Bodies	5234759	19.40
NRIs	276348	1.03
Individuals	4731022	17.54
Total	26977053	100.00

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
Plant locations:	:	
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	:	Indian Metals & Ferro Alloys Limited CIN: L27101OR1961PLC000428 Registered & Head Office: Bomikhal, Rasulgarh (PO) Bhubaneswar - 751 010, Odisha Phone: (0674) 2580100 / 2580125 Fax : (0674) 2580020 / 2580145 email: mail@imfa.in; website: www.imfa.in
List of all Credit Ratings	:	Long Term: [ICRA]A {Pronounced ICRA A) with Positive Outlook Short Term: [ICRA]Al (Pronounced ICRA A one)
		It may please be noted that the earlier credit rating was done by ICRA Limited in the month of February 2018 and they had assigned A as the long term rating with Stable Outlook. Now they have reaffirmed the long term rating at [ICRA]A and the outlook has been changed from Stable to Positive. The short term rating has been reaffirmed at A1.

14. 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.

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 Whiste 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:

The Company has complied with all the mandatory requirements and none of the Non-mandatory requirements.

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

(h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement : Not Applicable

(i) A certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.:

Certified under Certificate on Corporate Governance issued by Sunita Mohanty & Associates, practicing Company Secretary.

(j) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required: NIL

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.: ₹5,157,993/-

(i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
NIL	NIL	NIL

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.

15. Non-compliance of any requirement of corporate governance report: None

16. 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): None

Report on Corporate Governance (Contd...)

17. 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 familiarisation 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
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
Familiarisation 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

18. 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.

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, 2019.

Bhubaneswar
18th May, 2019

Subhrakant Panda
Managing Director

19. 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 Ltd.

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 31st March, 2019 and that to the best of our knowledge and belief we state that:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) 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.

Yours sincerely

Prem Khandelwal
CFO & Company Secretary

(Subhrakant Panda)
Managing Director

Place : Bhubaneswar
Date :18th May, 2019

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, 2019, 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.

We further certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

For **Sunita Mohanty & Associates**
Company Secretaries

Jyotirmoy Mishra
Partner
Membership No.: F 6556

Place : Bhubaneswar
Date :18th May, 2019

Independent Auditor's Report

To the Members of Indian Metals and Ferro Alloys Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Emphasis of Matter

We draw attention to Note Nos. 46 and 47 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 and the subsequent events in connection therewith.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response – Principal Audit Procedures
Derivative Financial Instruments As the Company's revenue majorly accrues from exports, many raw materials/consumables are imported and there are borrowings in foreign currency, derivative financial instrument contracts are used by the Company to manage and hedge foreign currency exchange risks and interest rate risks. The Company is mainly using forward contracts and swaps for this purpose and these instruments are measured at fair value at each reporting date, as required by the relevant accounting standard. The Company has not designated any derivative contract for hedge accounting purposes. The accounting of derivative financial instruments is significant to our audit due to the high volume of contracts and their potential material impact on the standalone financial statements. Inappropriate application of accounting requirements in this regard could lead to a material effect on the standalone financial statements.	Our audit approach and procedures included, but were not limited to, testing of the design and operative effectiveness of the internal controls and performing substantive procedures, as follows:- • Obtaining an understanding of the risk management policies of the Company and testing key controls for the use, recognition and the measurement of derivative financial instruments; • Verifying outstanding derivative financial instruments at each reporting date with the confirmations received from counterparties ; • Checking the gain/loss on fair valuation of derivative financial instruments with reference to the fair valuation statements as on the reporting date; • Considering the appropriateness of disclosures in relation to financial risk management and derivative financial instruments, as required by the relevant accounting standards; • Verifying the underlying exposure for derivative financial instruments;

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

Independent Auditor's Report (Contd...)

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The standalone financial statements include the financial information of erstwhile Indian Metals and Carbide Limited ("IMCL") and erstwhile B. Panda and Company Private Limited ("BPCO") consequent to their amalgamation into the Company which has been effected on 30th April, 2019, with the appointed date of 1st April, 2017 (Refer Note No. 54 to the standalone financial statements). We did not audit the financial information of erstwhile IMCL and erstwhile BPCO, included in the standalone financial statements of the Company, which have been audited by other auditors whose reports have been furnished to us by the management of the Company. Our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of erstwhile IMCL and erstwhile BPCO and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to erstwhile IMCL and erstwhile BPCO is based solely on the reports of such other auditors.

Our opinion on the standalone financial statements 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

(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.

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

   a. 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;

   b. 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;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. The matters described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   f. On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";

   h. 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:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer Note Nos. 39,48,49,and 50 to the standalone financial statements;

      (ii) 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;

      (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

(3) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. Further, the remuneration paid by the Company to its directors during the year is in excess of the limits laid down under sub-section 1 of Section 197 of the Act and the requisite approval in accordance with the said Section read with Schedule V to the Act has been obtained by the Company – refer Note No. 45(e) to the standalone financial statements.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/ W100048

Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Bhubaneswar
18th May, 2019

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, 2019]

(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 except as detailed herein below:-

Land/ Buildings	Total number of cases	Leasehold/ Freehold	Gross Block as at 31stMarch, 2019 (₹ In Lakh)	Net Block as at 31stMarch, 2019 (₹ In Lakh)	Remarks
Land	6	Freehold	3.63	3.63	Held in the name of an erstwhile subsidiary company of the Company, which has amalgamated with the Company (Refer Note No. 54 to the standalone financial statements).

(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 loans to Companies 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 loans are not prejudicial to the Company's interest, except that the loans and interest thereon are repayable/payable on demand, which may be prejudicial to the Company's interest as one of the borrowing Company's ability to repay/pay such loan/interest is contingent on the outcome of certain matters as detailed in Note Nos. 46 and 47 to the standalone financial statements.

(b) According to the information and explanations given to us, the aforesaid loans and interest thereon are repayable/payable on demand. 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 Section148 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, goods and services tax, duty of customs, 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, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues as at 31st March, 2019 of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax, which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	17.45	Assessment Years 1987-88 to 1989-90	Orissa High Court
Odisha Sales Tax Act, 1947	Sales Tax	1.02	1990-91 to 1991-92	Orissa High Court
Odisha Sales Tax Act, 1947	Sales Tax	4.19	1994-95	Odisha Sales Tax Tribunal
Finance Act, 1994	Service Tax	48.26	2012-2017	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Excise Duty	19.10	1993-2002	Orissa High Court
Central Excise Act, 1944	Excise Duty	1.45	2012-2013	Appeal in the process of being filed before Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	0.11	2011-2012	Assistant Commissioner, Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	1,818.16	2009-2014	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	7.58	2012-2014	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	4.64	2012-2013	Appeal in the process of being filed before Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	126.12	April, 2015 to September, 2015	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	526.04	2014-2015	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	26.51	2010-2017	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	1.62	2016-17	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	8.53	November, 2004 to January, 2005	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	32.92	2012-13 to 2016-17	Commissioner (Appeals), Central Excise, Customs & Service Tax
Odisha Value Added Tax Act, 2004	Value Added Tax	2.76	October, 2011 to March, 2015	Odisha Sales Tax Tribunal

Annexure 1 to the Independent Auditor's Report (Contd...)

(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 were 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 standalone 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 Section197 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 Sections177 and 188 of the Act where applicable and the details have been disclosed in the standalone 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 Section45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/ W100048

Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Bhubaneswar
18th May, 2019

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph (2)g 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, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of the Company as of 31st March, 2019 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements 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/ W100048

Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Bhubaneswar
18th May, 2019

Balance Sheet

as at 31st March, 2019

(₹ in crore)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	965.59	987.84
Capital Work-in-Progress	3	118.05	89.66
Investment Property	4	10.66	10.96
Intangible Assets	5	1.76	2.66
Investments in Subsidiaries and Associate	6	115.46	168.59
Financial Assets			
- Investments	7	0.10	0.10
- Trade Receivables	8	11.39	11.39
- Loans	9	24.59	23.67
- Other Financial Assets	10	1.31	3.40
Other Non-Current Assets	11	173.44	165.41
Non-Current Tax Assets (Net)		41.81	24.76
Current Assets			
Inventories	12	544.91	428.06
Financial Assets			
- Investments	13	65.32	144.82
- Trade Receivables	14	49.68	65.20
- Cash and Cash Equivalents	15	16.78	17.60
- Other Bank Balances	16	35.08	22.29
- Loans	17	263.48	263.15
- Other Financial Assets	18	7.63	1.44
Other Current Assets	19	190.46	200.83
Total Assets		**2,637.50**	**2,631.83**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	20	13.06	13.06
Equity Share Suspense Account	20	13.92	13.92
Other Equity		1,129.67	1,169.05
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	21	414.76	546.52
- Other Financial Liabilities	22	10.43	11.94
Provisions	23	15.17	9.11
Deferred Tax Liabilities (Net)	24	86.73	96.01
Other Non-Current Liabilities	25	131.89	132.24
Current liabilities			
Financial Liabilities			
- Borrowings	26	258.80	194.68
- Trade Payables			
a) total outstanding dues of micro enterprises and small enterprises	27	4.90	2.20
b) total outstanding dues of creditors other than micro enterprises and small enterprises	27	267.12	194.23
- Other Financial Liabilities	28	272.04	230.78
Other Current Liabilities	29	11.82	11.47
Provisions	30	7.19	6.62
Total Equity and Liabilities		**2,637.50**	**2,631.83**
Notes to Financial Statements	1 to 58		

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 / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in crore)

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from Operations	31	1,633.78	1,769.26
Other Income	32	14.51	27.66
Total Income		**1,648.29**	**1,796.92**
EXPENSES			
Cost of Materials Consumed	33	823.89	813.44
Changes in Inventories of Finished Goods	34	(48.46)	1.40
Excise Duty		-	3.66
Employee Benefits Expense	35	174.12	176.74
Finance Costs	36	80.50	78.23
Depreciation and Amortisation Expense	3 to 5	98.16	100.80
Foreign Exchange Fluctuation (Gain)/Loss (including MTM) (Net)		53.13	(9.69)
Other Expenses	37	361.03	350.34
Total Expenses		**1,542.37**	**1514.92**
Profit before Exceptional Items and Tax		105.92	282.00
Exceptional Items - (Income)/Expense (Net)	56	75.97	-
Profit Before Tax		**29.95**	**282.00**
Tax Expense:			
- Current Tax		27.09	95.74
- Deferred Tax		(8.18)	(0.36)
Profit After Tax		**11.04**	**186.62**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plans		(3.15)	(3.61)
- Income Tax		1.10	1.26
Total Comprehensive Income for the year		**8.99**	**184.27**
[comprising profit and other comprehensive income for the year]			
Earnings per Equity Share of par value of ₹ 10/- each			
Basic and Diluted (In ₹)	38	**4.09**	**69.18**
Notes to Financial Statements	1 to 58		

The Notes referred to above form an integral part of the Statement of Profit and 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 / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity Share Capital

(₹ in crore)

Balance at the beginning		Changes in equity share capital during the year		Balance at the end	
As at 1st April, 2017	As at 1st April, 2018	2017-18	2018-19	As at 31st March, 2018	As at 31st March, 2019
13.06	13.06	-	-	13.06	13.06

B. Equity Share Suspense Account (Refer Note No.54)

(₹ in crore)

Balance at the beginning		Changes in equity share suspense during the year		Balance at the end	
As at 1st April, 2017	As at 1st April, 2018	2017-18	2018-19	As at 31st March, 2018	As at 31st March, 2019
13.92	13.92	-	-	13.92	13.92

C. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus					Total
	Capital Reserves	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	
Balance as at 1st April, 2017	**0.91**	**146.72**	**0.20**	**277.12**	**591.27**	**1,016.22**
Pursuant to Amalgamation of IMCL and BPCO into the Company w.e.f. the Appointed Date i.e. 1st April, 2017 (refer Note No. 54)	(0.91)	-	-	0.24	(7.63)	(8.30)
Profit for the year	-	-	-	-	186.62	186.62
Other comprehensive income (net of tax)	-	-	-	-	(2.35)	(2.35)
Dividend	-	-	-	-	(17.93)	(17.93)
Tax on Dividend	-	-	-	-	(5.21)	(5.21)
Balance as at 31st March, 2018	-	146.72	0.20	277.36	744.77	1,169.05
Profit for the year	-	-	-	-	11.04	11.04
Other comprehensive income (net of tax)	-	-	-	-	(2.05)	(2.05)
Dividend	-	-	-	-	(40.27)	(40.27)
Tax on Dividend	-	-	-	-	(8.10)	(8.10)
Balance as at 31st March, 2019	-	146.72	0.20	277.36	705.39	1129.67

This is the Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash Flow from Operating Activities		
Profit before tax	29.95	282.00
Adjustments for:		
Depreciation and Amortisation Expense	98.16	100.80
Profit on sale/disposal of Property, Plant and Equipment (net)	(0.40)	(1.91)
Profit on sale of Current Investments	(8.63)	(8.97)
(Gain)/loss on fair valuation of Current Investments	6.86	(4.27)
Unrealised foreign exchange loss	12.57	3.01
Interest Income	(3.97)	(4.55)
Dividend Income	(1.09)	(1.38)
Finance Costs	80.50	78.23
Impairment Loss Allowance	0.03	0.01
Other Operating Revenue	(1.81)	(17.96)
Exceptional Items - (Income)/Expense (Net)	87.36	-
Liabilities no longer required written back	(1.87)	(0.85)
Operating Profit before Working Capital Changes	**297.66**	**424.16**
Adjustments for:		
Trade and other receivables	(5.98)	(39.23)
Inventories	(116.85)	(87.98)
Trade payables and other liabilities	83.08	71.32
Cash Generated from Operations	**257.91**	**368.27**
Direct Taxes paid	(44.13)	(78.11)
Net Cash Generated from Operating Activities	**213.78**	**290.16**
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(104.45)	(120.35)
Sale of Property, Plant and Equipment	1.40	3.37
Sale / (Purchase) of Investments (net)	71.27	26.69
Loan to Subsidiaries (net)	0.33	0.62
Movement in Other Bank Balances	2.09	(2.63)
Dividend received	1.09	1.38
Interest received	3.97	4.46
Net Cash Used in Investing Activities	**(24.30)**	**(86.46)**

Statement of Cash Flows (Contd...)
for the year ended 31st March, 2019

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
C. Cash Flow from Financing Activities		
Proceeds from Non-current borrowings	-	83.23
Repayment of Non-current borrowings	(123.56)	(184.59)
Proceeds from/(Repayment) of Current borrowings (net)	61.54	10.67
Interest and financing charges paid	(79.91)	(79.10)
Dividend paid (including dividend distribution tax)	(48.37)	(23.14)
Net Cash Used in Financing Activities	**(190.30)**	**(192.93)**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(0.82)	10.77
Cash and Cash Equivalents at the beginning of the year	17.60	6.83
Cash and Cash Equivalents at the end of the year (refer Note No. 15)	**16.78**	**17.60**
Notes:		
1. Cash and Cash Equivalents at the end of the year comprises of:		
Cash on hand	0.65	0.18
Balance with Banks:		
- In Current Accounts	16.13	17.42
Total	**16.78**	**17.60**

2. The above Statement of Cash Flows has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 “Statement of Cash Flows”.

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

This is the Statement of Cash Flows referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Notes

to Financial Statements for the year ended 31st March, 2019

1. General information

Indian Metals and Ferro Alloys Limited ('IMFA' or 'the Company') is a Public Limited Company incorporated in India. IMFA's shares are listed on BSE and the National Stock Exchange ('NSE'). The address of the registered office is IMFA Building, Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751010, Odisha.

The Company, incorporated in 1961, is a leading, fully integrated producer of ferro chrome in India. Located in the State of Odisha known for its natural resources, IMFA is India's largest producer of ferro chrome with 190 MVA installed furnace capacity backed up by 262.50 MW captive power facilities and extensive chrome ore mining tracts. The Company's ferro chrome output is primarily exported to Korea, China, Japan and Taiwan.

These financial statements were approved for issue by the board of directors of the Company on 18th May, 2019.

2. Significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

2.2 Basis of preparation

(i) Historical Cost Convention

These financial statements have been prepared on the historical cost basis except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(ii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Functional and presentational currency

These financial statements are presented in Indian Rupee (INR) which is also the functional currency.

(iv) Rounding off amounts

All amounts disclosed in the financial statements have been rounded off to the nearest rupees in Crore, as per the requirments of Schedule III of the Act, unless otherwise stated.

(v) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

Notes

to Financial Statements for the year ended 31st March, 2019

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

2.4 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable.

a) Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, it no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised net of taxes collected on behalf of third parties.

The performance obligation in case of sale of goods is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

b) Inter unit transfers are adjusted against respective expenses.

c) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate ("EIR") applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

d) Dividend income from investments in equity shares and mutual funds is recognised when the right to receive the dividend is established.

e) Export Incentives

(i) Export Incentives on account of Duty Drawback Scheme and Merchandise Exports from India Scheme (MEIS) 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.

f) Insurance claim is accrued in the year when the right to receive is established and is recognised to the extent there is no uncertainty about its ultimate collection.

2.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

For transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 ('transition date'), measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the transition date.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values, over their useful lives. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated/amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of lease term, assets are depreciated over the shorter of lease term and their useful lives.

The Company has adopted the useful life as specified in Schedule II to the Act 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 (in years)	Estimated useful life as per Schedule II (in years)
Furnaces	8	25
Certain items of Continuous Process Plant	26 – 42	25
Railways Sidings	26	15

Further, assets costing ₹ 10,000/- each are fully depreciated in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Notes

to Financial Statements for the year ended 31st March, 2019

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

2.6 Investment Property

Investment properties are properties held to earn rentals or for capital appreciation or both (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 – Property, Plant and Equipment, for cost model.

For transition to Ind AS, the Company had elected to continue with the carrying value of its investment property recognised as the (transition date) measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the transition date.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

The Company amortises/depreciates the leasehold land /building components of Investment property over their separate useful lives. The useful life of the leasehold land is taken as the lease period specified in the lease agreement and the useful life of the building constructed on the said leasehold land is based on Schedule II of the Act.

2.7 Intangible Assets

Intangible assets are recognised 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.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives, if any other method which reflects the pattern in which the asset's future economic benefit are expected to be consumed by the entity cannot be determined reliably. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

For transition to Ind AS, the Company had elected to continue with the carrying value of all its intangible assets recognised as the transition date, measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the transition date.

2.8 Borrowing Costs

Borrowing costs include interest expense calculated using the EIR method, other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets are dependent on initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Notes

to Financial Statements for the year ended 31st March, 2019

Financial assets measured at amortised cost

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss. Company's Current Investments in equity shares and mutual funds are measured at FVTPL.

Derecognition of financial assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Financial guarantee contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Notes

to Financial Statements for the year ended 31st March, 2019

2.11 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated as hedging instrument.

2.12 Impairment

Financial assets

The Company recognises loss allowances, if any, using the expected credit loss (ECL) model for the financial assets which are not fair valued. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL is measured at an amount equal to the 12 - month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Non-financial assets

Non financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.13 Investment in Subsidiaries and Associate

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in subsidiaries and associate are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

For transition to Ind AS, the Company had elected to continue with the carrying value of its investment in subsidiaries recognised as at the transition date, measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the transition date.

2.14 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the Ind AS transition date, the Company had determined whether the arrangements contained a lease on the basis of the facts and circumstances existing on the transition date.

a) **Arrangements where the Company is the lessee**

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) **Arrangements where the Company is the lessor**

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Notes

to Financial Statements for the year ended 31st March, 2019

2.15 Foreign currency transactions and translations

Transactions in foreign currencies are translated to the functional currency of the Company (i.e., INR) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date, except for those derivative balances that are within the scope of Ind AS 109 – "Financial Instruments", are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are recognise in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to interest costs are recognised in the Statement of Profit and Loss. Realised or unrealised gain in respect of the settlement or translation of borrowing is recognised as an adjustment to interest cost to the extent of the loss previously recognised as an adjustment to interest cost.

2.16 Employee benefits

a) Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognizes contribution payable to a defined contribution plan as an expense, when an employee renders the related service. If the contribution payable to the scheme for services received before the balance sheet date exceeds the contribution already paid, the contribution payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Gratuity liability and Leave encashment liability are defined benefit plans. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

c) Remeasurements of the net defined benefit liability/asset comprise:

   i) actuarial gains and losses;

   ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset; and

   iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

   Remeasurements of net defined benefit liability/asset are charged or credited to other comprehensive income.

2.17 Taxes on Income

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases, the tax is also recognised directly in equity or in other comprehensive income.

Current 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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT)

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 i.e. the period for which MAT credit is allowed to be carried forward. 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.

Notes
to Financial Statements for the year ended 31st March, 2019

3. Property, Plant and Equipment and Capital Work-in-Progress

(₹ in crore)

Particulars	Tangible Assets - Owned										Tangible Assets - Leased		Total	Capital Work-in-Progress
	Freehold Land	Buildings	Railway Siding & Runways	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipments	Motor Vehicles	Aircrafts	CSR Assets	Land	Plant and Equipment		
Gross Carrying Amount														
As at 1st April, 2017	**46.76**	**328.62**	**10.02**	**742.96**	**2.35**	**4.87**	**4.08**	**9.63**	**18.14**	**10.80**	**10.56**	**33.09**	**1,221.88**	**56.45**
Additions/Adjustments	8.75	23.28	-	39.08	0.38	1.23	2.57	2.49	9.10	0.26	-	-	87.14	97.56
Disposals / Adjustments	0.63	0.21	-	0.42	0.02	0.02	0.07	0.87	-	-	-	-	2.24	64.35
As at 31st March, 2018	**54.88**	**351.69**	**10.02**	**781.62**	**2.71**	**6.08**	**6.58**	**11.25**	**27.24**	**11.06**	**10.56**	**33.09**	**1,306.78**	**89.66**
Additions/Adjustments	-	22.15	-	33.14	0.46	1.17	1.90	2.56	-	0.05	-	14.28	75.71	94.80
Disposals / Adjustments	-	0.14	-	0.57	-	0.08	0.03	1.48	-	-	-	0.09	2.39	66.41
As at 31st March, 2019	**54.88**	**373.70**	**10.02**	**814.19**	**3.17**	**7.17**	**8.45**	**12.33**	**27.24**	**11.11**	**10.56**	**47.28**	**1,380.10**	**118.05**
Accumulated Depreciation & Amortisation														
As at 1st April, 2017	-	**64.64**	**3.42**	**129.23**	**1.22**	**3.43**	**1.98**	**3.78**	**4.64**	**0.17**	**0.33**	**7.28**	**220.12**	-
Charge for the year	-	28.54	1.22	56.51	0.44	1.13	1.71	2.28	2.55	1.21	0.17	3.84	99.60	-
Disposals / Adjustments	-	0.04	-	0.13	0.02	0.02	0.06	0.51	-	-	-	-	0.78	-
As at 31st March, 2018	-	**93.14**	**4.64**	**185.61**	**1.64**	**4.54**	**3.63**	**5.55**	**7.19**	**1.38**	**0.50**	**11.12**	**318.94**	-
Charge for the year	-	26.78	0.99	54.87	0.47	1.28	2.05	2.48	2.77	1.08	0.17	4.02	96.96	-
Disposals / Adjustments	-	0.04	-	0.12	-	0.08	0.03	1.10	-	-	-	0.02	1.39	-
As at 31st March, 2019	-	**119.88**	**5.63**	**240.36**	**2.11**	**5.74**	**5.65**	**6.93**	**9.96**	**2.46**	**0.67**	**15.12**	**414.51**	-
Net Carrying Amount :														
As at 31st March, 2019	**54.88**	**253.82**	**4.39**	**573.83**	**1.06**	**1.43**	**2.80**	**5.40**	**17.28**	**8.65**	**9.89**	**32.16**	**965.59**	**118.05**
As at 31st March, 2018	**54.88**	**258.55**	**5.38**	**596.01**	**1.07**	**1.54**	**2.95**	**5.70**	**20.05**	**9.68**	**10.06**	**21.97**	**987.84**	**89.66**

1. Gross carrying amount of CSR assets includes Buildings (₹ 9.43 crore), Plant and Equipment (₹ 1.56 crore) and Motor Vehicle (₹ 0.12 crore).
2. Capital Work-in-Progress includes ₹ 0.14 crore relating to CSR assets out of which ₹ 0.03 crore has been incurred during the year.
3. Borrowing costs capitalised during the year ₹ 0.14 crore (Previous Year : ₹ 0.78 crore)
4. Freehold land includes 0.04 crore arising on account of amalgamation of IMCL with the Company (Refer Note No. 54).

Notes
to Financial Statements for the year ended 31st March, 2019

4. Investment Property

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Gross Carrying Amount	11.90	11.90
Additions/Adjustments	-	-
Disposals / Adjustments	-	-
Closing Gross Carrying Amount	**11.90**	**11.90**
Accumulated Depreciation		
Opening Accumulated Depreciation	0.94	0.64
Charge for the year	0.30	0.30
Closing Accumulated Depreciation	1.24	0.94
Net Carrying Amount	**10.66**	**10.96**

Direct Income/Expenses recognised in the Statement of Profit and Loss for Investment Property

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rental Income*	-	0.01
Direct operating expenses that generated rental income	0.01	0.01
Direct operating expenses that did not generate rental income	0.27	**0.15**

* Rental Income for the year ended 31st March, 2019 is ₹ 38,016.

Fair value

(₹ in crore)

Particulars	Level	As at 31st March, 2019	As at 31st March, 2018
Investment Property	Level 2	50.80	50.78

Brief description of the valuation technique and inputs used to value Investment Property:

The Company's investment property consists of a commercial property situated in Kolkata, which had been partly let-out for part of the year. The fair values as aforesaid are based on a valuation performed by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

There is a restriction on the realisability of the investment property regarding the transfer of title as it is taken on lease. There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Notes
to Financial Statements for the year ended 31st March, 2019

5. Intangible assets (Internally Generated)

(₹ in crore)

Particulars	Computer Software
Gross Carrying Amount	
As at 1st April, 2017	**4.50**
Additions/Adjustments	-
Disposals / Adjustments	-
As at 31st March, 2018	**4.50**
Additions/Adjustments	-
Disposals / Adjustments	-
As at 31st March, 2019	**4.50**
Accumulated Amortisation	
As at 1st April, 2017	**0.94**
Charge for the year	0.90
Disposals/Adjustments	-
As at 31st March, 2018	**1.84**
Charge for the year	0.90
Disposals/Adjustments	-
As at 31st March, 2019	**2.74**
Net Carrying Amount :	
As at 31st March, 2019	1.76
As at 31st March, 2018	2.66

5.1 Computer Software is amortised on a straight line basis over a period of 5 years.

6. Investments in Subsidiaries and Associate

(₹ in crore)

	As at 31st March, 2019		As at 31st March, 2018
Non-Current Investments			
Investments in Equity Instruments of Subsidiary Companies (Unquoted)			
(a) 6,75,000 Equity Shares of ₹ 10/- each,		0.68	0.68
fully paid-up in Utkal Power Limited.			
(31st March, 2018 : 6,75,000 shares)			
(b) 1,98,00,000 Equity Shares of ₹ 10/-each,		111.42	111.42
fully paid-up in Utkal Coal Limited.			
(31st March, 2018 : 1,98,00,000 shares)			
(Also refer Note No. 46)			
(c) 23,00,000 Equity Shares of ₹ 10/- each,		2.30	2.30
fully paid-up in IMFA Alloys Finlease Limited.			
(31st March, 2018 : 23,00,000 shares)			
(d) 10,55,384 Equity Shares of ₹ 10/- each,		1.06	1.06
fully paid-up in Utkal Green Energy Limited.			
(31st March, 2018 : 10,55,384 shares)			
(e) 1,47,38,801 Equity Shares			
fully paid-up in Indmet Mining Pte Limited. (Refer Note 6.1 below)	53.13		
(31st March, 2018 : 1,47,38,801 shares)			
Less : Impairment loss Allowance (Refer Note No. 56)	53.13	-	53.13
Investments in Equity Instruments of Associate Company (Unquoted)			
2,500 Equity Shares of ₹ 10/- each,		-	-
fully paid-up in Ferro Chrome Producers Association. (Refer Note No. 6.2 below)			
(31st March, 2018 : 2500 shares)			
		115.46	**168.59**

Aggregate amount of unquoted investments	115.46	168.59
Aggregate amount of impairment in value of investments	53.13	-

Notes
to Financial Statements for the year ended 31st March, 2019

Notes:

6.1 Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has an Indonesian subsidiary company, 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. Consequently, the Company 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 invoked 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. The Arbitral Tribunal, vide its award dated 29th March, 2019 rejected the claim filed by the Company and also awarded costs to the opposite party.

In view of the above, as on 31st March, 2019, the Company has fully impaired the carrying value of its investment in Indmet amounting to ₹ 53.13 crore.

6.2 Investment in equity shares of Ferro Chrome Producers Association amounts to ₹ 25,000 (31st March, 2018: ₹ 25,000)

6.3 On transition to Ind AS, the Company had availed the exemption available under Ind AS 101 - "First-time adoption of Indian Accounting Standards" to use previous Indian GAAP carrying value as deemed cost to measure investments in subsidiaries.

7. Investment

(₹ in crore)

		As at 31st March, 2019	As at 31st March, 2018
Non-Current Investments			
Investments in Equity Instruments (Unquoted)		0.10	0.10
95,054 Equity Shares of ₹ 10 each, fully paid-up in Kalinga Hospital Ltd.			
(31st March, 2018, 95054 shares)			
Investment in Preference Shares (Unquoted)			
1,00,00,000 Non-Convertible Redeemable Cumulatiive Preference shares of ₹ 10 each fully paid-up in Ortel Communication Ltd. (31st March, 2018 : Nil)	10.00		
Less : Expected Credit Loss	(10.00)	-	-
		0.10	**0.10**
Aggregate amount of unquoted investments		0.10	0.10
Aggregate amount of impairment in value of investments		10.00	-

8. Trade Receivables

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good*	11.39	11.39
	11.39	**11.39**

* due pending resolution of sub-judice matter

9. Loans

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good		
Security and Other Deposits	24.59	23.67
	24.59	**23.67**

10. Other Financial Assets

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Non-Current portion of Other Bank Balances		
- Fixed Deposits with Banks having balance maturity of more than twelve months (Under Lien*)	1.31	3.40
	1.31	**3.40**
* includes		
Margin money deposits	1.31	1.27
Deposits pledged with banks against borrowings	-	2.13

Notes

to Financial Statements for the year ended 31st March, 2019

11. Other Non-Current Assets

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	2.78	3.52
Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No. 50)	100.75	100.75
Interest accrued but not due on Fixed Deposits with Banks	63.96	54.57
Prepaid Rent for Operating Leases	5.95	6.57
	173.44	**165.41**

12. Inventories

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	280.48	255.09
Raw Materials-in-Transit	62.45	25.10
Finished Goods	116.27	76.15
Finished Goods-in-Transit	40.91	32.57
Stores and Spares	44.68	39.03
Loose Tools	0.12	0.12
	544.91	**428.06**

13. Investments

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Current Investments		
Investments in Equity Instruments (Quoted)		
5,65,000 shares (31st March, 2018: 5,65,000 shares) of Bharat Road Network Limited	5.19	10.92
Investments in Mutual Funds (Unquoted)		
10,70,947.41 units (31st March, 2018: 2,43,915.98 units) of Aditya Birla Sunlife Low Duration Fund - Growth - Direct Plan	50.68	10.64
2,14,666.28 units (31st March, 2018: Nil) of Aditya Birla Sunlife Liquid Fund-Growth-Direct Plan	6.45	-
6,579.99 units (31st March, 2018: 5,14,764.04 units) of Reliance Liquid Fund - Direct Growth Plan Growth Option	3.00	123.26
	65.32	**144.82**
Aggregate amount of quoted investments	5.19	10.92
Aggregate amount of unquoted investments	60.13	133.90

14. Trade Receivables

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good	49.68	65.20
Doubtful	0.38	0.38
Less: Provision for doubtful debts	(0.38)	(0.38)
	49.68	**65.20**

Notes

to Financial Statements for the year ended 31st March, 2019

15. Cash and Cash Equivalents

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks:		
In Current Accounts [includes unclaimed dividend of ₹ 1.25 crore (31st March, 2018: ₹ 1.12 crore)]	16.13	17.42
Cash on hand	0.65	0.18
	16.78	**17.60**

16. Other Bank Balances

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits with Banks having balance maturity of twelve months or less:		
- Not under Lien	8.00	-
- Under Lien*	27.08	22.29
	35.08	**22.29**

* includes

Margin money deposits		
- 12 months or less	8.80	6.14
Deposits pledged with banks against borrowings		
- 12 months or less	18.28	16.15

17. Loans

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good		
Loan to subsidiaries (refer Note No. 17.1)	263.48	263.15
	263.48	**263.15**

Note

17.1. Details of Loans given to Subsidiaries

(₹ in crore)

Name of the Company	Amount outstanding		Maximum amount outstanding during		Purpose for which the loan utilised/to be utilised	Rate of Interest Per Annum
	As at 31st March, 2019	As at 31st March, 2018	2018-19	2017-18		
Utkal Coal Limited*	263.48	263.15	263.49	263.18	Setting up of Coal Mining Project	12.60% upto 30th June, 2018 and 9.00% from thereafter
Utkal Power Limited	-	-	-	0.96	To meet operational fund requirements	9.00%
Utkal Green Energy Ltd**	-	-	-	-	To meet operational fund 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.

*Also refer Note Nos. 46 & 47

** Amount outstanding as at 31st March, 2019 and maximum amount outstanding during 2018-19 is ₹ 40,000

Notes

to Financial Statements for the year ended 31st March, 2019

18. Other Financial Assets

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Interest accrued but not due on Fixed Deposits with Banks	0.77	0.52
Derivative Assets		
- Foreign currency forward contracts not designated as hedge	6.86	0.92
	7.63	**1.44**

19. Other Current Assets

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Goods & Services Tax (GST)	105.75	91.08
Advances to Suppliers	42.40	70.77
Advance Royalty	1.10	3.46
Deposits / Advances with Excise & Customs	10.56	6.26
Employee Advances	0.43	0.52
Other Advances	0.19	0.36
Export Incentives Receivable	18.55	17.15
VAT Credit Receivable	0.12	0.54
Prepaid Expenses	10.71	10.00
Prepaid Rent for Operating Leases	0.61	0.63
Assets classified as held for sale	0.04	0.06
	190.46	**200.83**

20. Share Capital

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Authorised:		
Equity Shares:		
3,52,50,000 Equity Shares, ₹ 10/- par value per share (refer Note No. 54)	35.25	35.25
(31st March, 2018 : 3,52,50,000 Equity Shares)		
Preference Shares:		
90,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (refer Note No. 54)	0.90	0.90
(31st March, 2018 : 90,000 Preference Shares)		
2,60,000 IInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share	2.60	2.60
(31st March, 2018 : 2,60,000 Preference Shares)		
	38.75	**38.75**
Issued, Subscribed and Paid-up:		
1,30,59,007 Equity Shares, ₹ 10/- par value per share, fully paid (refer Note No. 54)	13.06	13.06
(31st March, 2018 : 1,30,59,007 Equity Shares)		
	13.06	**13.06**

Equity Share Suspense Account

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Equity Shares of ₹ 10/- par value per share fully paid-up, pending allotment (issued and allotted to the shareholders of B. Panda and Company Private Limited on 30th April, 2019, pursuant to the Scheme of Amalgamation coming into effect) (refer Note No. 54)	13,918,046	13.92	13,918,046	13.92

Notes
to Financial Statements for the year ended 31st March, 2019

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	1,30,59,007	13.06	1,30,59,007	13.06
Add: Issued during the year	-	-	-	-
At the end of the year	1,30,59,007	13.06	1,30,59,007	13.06

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.

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

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
B Panda trust (through Mr. Subhrakant Panda, Trustee)* (refer Note No.54)	1,39,18,046	51.59	1,39,18,046	51.59
LITEC Company Limited	34,44,259	12.77	34,44,259	12.77
Fox Consulting Services Pte. Limited	17,90,500	6.64	17,90,500	6.64

* Issued and allotted on 30th April, 2019 ₹ 13.92 crore being reflected as Equity Share Suspense Account in the Balance Sheet.

21. Borrowings

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Secured		
Rupee Term Loans from:		
Banks	492.52	586.17
Others	-	11.79
Foreign Currency Term Loans from:		
Banks	12.32	26.93
Finance Lease Obligations	30.37	30.95
Vehicle Loans	1.90	2.51
	537.11	**658.35**
Less: Current Maturities		
Banks	121.72	106.83
Others	-	4.41
Finance Lease Obligations	0.63	0.59
	122.35	**111.83**
Total Non-Current Borrowings	**414.76**	**546.52**

Notes

to Financial Statements for the year ended 31st March, 2019

21.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 28) and their repayment terms:

Amounts carried in Note No. 21 and 28 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

(EMI - Equated Monthly Instalment; EQI - Equated Quarterly Instalment; UQI : Unequated Quarterly stalment)

Term Loans from Banks :

(a) Loan of ₹ 16.64 crore (31st March, 2018 : ₹ 33.32 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.

(b) Loan of ₹ 44.45 crore (31st March, 2018 : 50.00 crore) for general capital expenditure, secured by first pari-passu charge by way of mortgage on the land (about 167 acres) situated at Chhatisa 3 and Kapaleswar mouza, Choudwar, Cuttack along with movable fixed assets and buildings and structures thereon excluding the assets which are exclusively charged to other lenders. Repayment by 8 EQI of ₹ 5.55 crore from February '19 and last instalment of ₹ 5.56 crore.

(c) Loan of ₹ 3.00 crore (31st March, 2018 : ₹ 9.00 crore) for general capital expenditure, secured by first pari-passu charge on fixed assets (both movable & 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.

(d) Loan of ₹ 135.00 crore (31st March, 2018 : ₹ 145.50 crore) for 30 MW Captive Power Plant (CPP) at Choudwar and general capital expenditure, secured by first pari-passu charge over all that piece and parcel of land admeasuring about 2.975 acres at plot no. 43 at Choudwar Cuttack, (not forming part of the 60 acres land for 120MW power plant lenders) together with buildings and structures, all plants and machineries and other movable fixed assets situated thereon, both present and future and first pari-passu charge on fixed assets (both movable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to other lenders. Repayment by 4 EQI of ₹ 2.25 crore from December '17, 4 EQI of ₹ 3.00 crore from December '18, 8 EQI of ₹ 3.75 crore from December '19 and 22 EQI of ₹ 4.50 crore from December '21.

(e) Loan of ₹ 69.95 crore (31st March, 2018 : ₹ 82.67 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.

(f) Loan of ₹ 63.59 crore (31st March, 2018 : ₹ 75.16 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.

(g) Loan of ₹ 44.52 crore (31st March, 2018 : ₹ 52.61 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 ₹ 63.59 crore (31st March, 2018 : ₹ 75.16 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 ₹ 31.72 crore (31st March, 2018 : ₹ 37.52 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 ₹ 16.30 crore (31st March, 2018 : ₹ 21.38 crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (4,75,675.20 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 crore by 24 UQI from June'16 and ₹ 5.85 crore in 72 EMI from November '17.

k) Vehicle Loan of ₹ 1.90 crore 31st March, 2018 : ₹ 2.51 crore) secured by charge on the Vehicles. Repayment in EMI as per the repayment schedules of respective vehicles.

(l) Loan of ₹ 13.65 crore (31st March, 2018 : ₹ 13.65 crore) for setting up of 3 MW Solar Power Plant secured by first exclusive charge by way of hypothecation over plant & machinery and other movable and immovable assets of 3 MW Solar Power Plant and mortgage of 16.42 acres of land on which the plant is installed at Therubali. Repayment by 31 EQI of ₹ 0.43 crore from May '19 and last instalment of ₹ 0.42 crore.

(m) Loan of ₹ 12.32 crore (31st March, 2018 : ₹ 26.64 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 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 February'16.

Notes
to Financial Statements for the year ended 31st March, 2019

22. Other Financial Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Derivative Liabilities		
- Swaps not designated as hedge	9.10	10.61
Others	1.33	1.33
	10.43	**11.94**

23. Provisions

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits (refer Note No. 44)	15.17	9.11
	15.17	**9.11**

24. Deferred Tax Liabilities (Net)

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
(a) Deferred Tax Liabilities:		
Difference between tax base and book base of Property, Plant and Equipment, Investment Property and Intangible Assets	102.11	104.28
(b) Deferred Tax Assets:		
Financial assets at Fair value through profit or loss	(1.36)	(0.24)
Defined Benefit Obligations	(5.45)	(3.91)
Others	(8.57)	(4.12)
Net Deferred Tax Liabilities	**86.73**	**96.01**

25. Other Non-Current Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Electricity Duty	131.89	132.24
	131.89	**132.24**

26. Borrowings

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Secured:		
Loans Repayable on Demand		
Working Capital Loans from Banks	252.43	194.68
Unsecured:		
Deferred Payment Liability	6.37	-
	258.80	**194.68**

26.1 Working Capital Loans from banks are secured by charge over inventories, trade receivables & current assets.

Notes
to Financial Statements for the year ended 31st March, 2019

27. Trade Payables

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises and small enterprises (refer Note No. 27.1)	4.90	2.20
Others	267.12	194.23
	272.02	**196.43**

27.1 Micro Enterprises and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) The principal amount and interest due thereon remaining unpaid to any supplier	4.63	2.20
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	0.27	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		
	4.90	**2.20**

Dues as above, to the Micro Enterprises and Small Enterprises have been determined by the Management. This has been relied upon by the auditors.

28. Other Financial Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Borrowings (refer Note No. 21)	121.72	111.24
Current Maturities of Finance Lease Obligations (refer Note No. 21)	0.63	0.59
Interest accrued but not due on borrowings	1.46	0.87
Unclaimed Dividend*	1.25	1.12
Earnest Money and Security Deposits	3.26	2.23
Liabilities for Operating and Other Expenses	120.03	90.38
Creditors for Capital Goods	15.95	6.57
Commission / Remuneration Payable to Directors	0.39	10.81
Payable to Employees	7.31	6.96
Financial Guarantee Liability	0.04	0.01
	272.04	**230.78**

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

Notes
to Financial Statements for the year ended 31st March, 2019

29. Other Current Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Advance from Customers	0.24	0.18
Liability for Operating and Other Expenses	0.68	1.41
Statutory Liabilities	10.90	9.88
	11.82	**11.47**

30. Provisions

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits (refer Note No. 44)	7.19	6.62
	7.19	**6.62**

31. Revenue from Operations

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products		
Ferro Chrome	1,578.30	1,697.85
Fly Ash Bricks	2.01	1.63
Low Density Aggregate	0.33	0.29
	1,580.64	**1,699.77**
Other Operating Revenues:		
Export Incentives	41.68	45.23
Sale of Scrap	9.65	6.30
Others	1.81	17.96
	1,633.78	**1,769.26**

32. Other Income

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest		
- Fixed Deposits	2.10	1.67
- Others	1.87	2.88
Dividend	1.09	1.38
Rent	0.31	0.25
Profit on Sale of Property, Plant and Equipment [including profit on sale of assets classified as held for sale ₹ 0.18 crore (Previous Year: ₹ 0.09 crore)]	1.46	2.27
Claims Received	1.44	2.80
Profit on sale of Current Investments	8.63	8.97
Gain/(loss) on fair valuation of Current Investments	(6.86)	4.27
Liabilities no longer required written back	1.87	0.85
Other non-operating Income	2.60	2.32
	14.51	**27.66**

Notes

to Financial Statements for the year ended 31st March, 2019

33. Cost of Materials Consumed

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Coal	214.93	231.81
Chrome Ore	341.06	372.77
Quartz	5.47	5.67
Coke	273.37	210.72
Carbon paste	16.76	15.00
Other materials	12.39	12.06
	863.98	**848.03**
Less: Inter Unit transfer of Chrome Ore (Net)	40.09	34.59
	823.89	**813.44**

34. Changes in Inventories of Finished Goods

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Closing stock of finished goods	157.18	108.72
Opening stock of finished goods	108.72	110.12
	(48.46)	**1.40**

35. Employee Benefits Expense

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, Wages, Bonus, Allowances etc.	159.50	163.39
Contribution to Provident and Other Funds	10.52	9.77
Workmen and Staff Welfare Expenses	4.10	3.58
	174.12	**176.74**

36. Finance Costs

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Expense	74.56	72.29
Exchange differences regarded as an adjustment to borrowing costs	0.91	0.02
Other Borrowing Costs	5.03	5.92
	80.50	**78.23**

Notes

to Financial Statements for the year ended 31st March, 2019

37. Other Expenses

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Manufacturing expenses		
Consumption of stores, spares and loose tools	20.58	19.81
Consumption of electricity	56.30	60.76
Electricity Duty	48.87	47.35
Energy transmission charges	5.13	6.63
Repairs and Maintenance :		
- Plant and Machinery	27.93	26.34
- Buildings	5.27	4.81
- Others	7.33	6.55
Finished stock and slag handling expenses	15.20	22.61
Other factory expenses	27.10	28.28
Excise duty on closing stock of finished goods	-	(7.21)
	213.71	**215.93**
Selling and Distribution expenses		
Carriage outward and handling expenses	60.98	59.18
Export promotion expenses	1.51	1.79
Other selling expenses	21.01	21.67
	83.50	**82.64**
Establishment and other expenses		
Insurance	5.25	5.00
Rent	4.45	4.10
Rates and taxes	2.44	4.19
Travelling and conveyance	8.45	7.14
Legal and professional fees	14.41	11.58
Payments to the Auditor (refer Note No. 37.1)	0.46	0.42
Directors' Fees	0.04	0.05
Corporate Social Responsibility Expenses (refer Note No. 53)	4.65	3.85
Impairment Loss Allowance	0.03	0.01
Donations*	6.37	0.41
Miscellaneous expenses	17.27	15.02
	63.82	**51.77**
Total Other Expenses	**361.03**	**350.34**

* Donations includes political contribution of ₹ 2 crore (Previous Year : Nil)

37.1 Payments to the Auditor (excluding taxes)

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
As Auditor - Statutory Audit & Limited Reviews	0.40	0.37
For Other Services	0.02	0.02
For reimbursement of expenses	0.04	0.03
	0.46	**0.42**

Notes
to Financial Statements for the year ended 31st March, 2019

38. Earnings Per Share

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Profit after tax attributable to Equity Shareholders (₹ in crore)	11.04	186.62
(b) Number of Equity Shares at the beginning of the year	1,30,59,007	1,30,59,007
(c) Add: Equity Shares to be issued pursuant to Amalgamation	1,39,18,046	1,39,18,046
(d) Weighted Average number of Equity Shares [(b) + (c)]	**2,69,77,053**	**2,69,77,053**
(e) Basic and diluted earnings per share (in ₹)	4.09	69.18
(f) Nominal value per Equity Share (in ₹)	10.00	10.00

39. Contingent Liabilities and Commitments

(₹ in crore)

Particulars		As at 31st March, 2019	As at 31st March, 2018
A. Contingent Liabilities			
(a) Claims against the Company not acknowledged as debts:			
Government Claims			
(i)	Income Tax (deposits made under protest 31st March, 2019 : ₹ 38.03 crore, 31st March, 2018 : ₹ 44.06 crore)	38.21	44.53
(ii)	Cenvat Credit reversal and penalty thereon (deposits made under protest 31st March, 2019 : ₹ 1.33 crore, 31st March, 2018 : ₹ 1.31 crore)	26.86	26.13
(iii)	Excise Duty and penalty thereon (deposits made under protest 31st March, 2019 : ₹ 0.21 crore, 31st March, 2018 : ₹ 0.21 crore)	0.41	0.41
(iv)	Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable
(v)	Entry tax (deposits made under protest 31st March, 2019 : ₹ 6.43 crore, 31st March, 2018 : ₹ 4.82 crore)	15.05	15.05
(vi)	Sales tax (deposits made under protest 31st March, 2019 : ₹ 0.07 crore, 31st March, 2018 : ₹ 0.07 crore)	0.12	0.12
(vii)	Value Added Tax and penalty thereon (deposits made under protest 31st March, 2019 : ₹ 3.15 crore, 31st March, 2018 : ₹ 3.15 crore)	3.18	3.18
(viii)	Service tax and penalty thereon (deposits made under the protest 31st March, 2019: ₹ 0.02 crore, 31st March, 2018: Nil.)	0.50	-
(ix)	State Govt./Local Authority rent, duties, levies & cess etc. (deposits made under protest 31st March, 2019 : ₹ 13.64 crore, 31st March, 2018 : ₹ 13.58 crore)	72.39	72.37
Other Claims			
Legal suits filed against the Company		0.89	0.87

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

Demand notices in respect of six mines had been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 237.06 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'). The Company filed Revision Applications before Mines Tribunal, New Delhi against all such demands. Vide Common Order dated 11.10.2017, Revisionary Authority of Mines Tribunal had set aside the impugned demands in respect of all six mines and remanded back to Government of Odisha for taking necessary action in light of Supreme Court Judgment dated 02.08.2017 in Common Cause-vs-Union of India. Subsequently, demand notices in respect of four mines viz., Sukinda Chromite Mines, Chingudipal Chromite Mines, Bangur Chromite Mines and Nuasahi Chromite Mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 122.90 crore for alleged excess extraction of minerals over the quantity permitted under environment clearance during 2000-01 to 2010-11 under Section 21(5) of the Act. Aggrieved by the said notices, the Company filed Revision Applications before Mines Tribunals, New Delhi challenging the said demand notices. The Revisionary Authority of Mines Tribunal vide order dated 10.05.2018 stayed the demand notices with a direction that the State Government shall not take any coercive measures to recover the amounts demanded and the matters are pending.

Notes
to Financial Statements for the year ended 31st March, 2019

B. Commitments:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances)	84.85	63.71

40. Financial risk management

40.1 Financial risk factors

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include loans and advances, investment in equity instruments and mutual funds, trade receivables and cash and bank balances that arise directly from its operations. The Company also enters into derivative transactions to hedge foreign currency and interest rate risks and not for speculative purposes. The Company is exposed to market risk, credit risk and liquidity risk and the Company's senior management oversees the management of these risks.

i) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) **Currency risk**

Foreign currency risk is the risk that fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. For mitigating exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on the risk perception of the management. The Company has entered into foreign currency forward contracts and cross currency swap contracts.

The following table demonstrates the sensitivity in the USD to the Indian Rupee and the resulting impact on the Company's Profit before tax, due to changes in the fair value of monetary assets and liabilities :

(₹ in crore)

Particulars	Change in currency exchange rate		Effect on Profit Before Tax	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
USD	+5%	+5%	(17.66)	(11.23)
	-5%	-5%	17.66	11.23

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. To manage this, the Company has entered into interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the fixed and floating rate borrowings of the Company:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate borrowings	757.27	819.57
Fixed rate borrowings	**38.64**	**33.46**

ii) **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

Notes
to Financial Statements for the year ended 31st March, 2019

(a) **Trade receivables**

The Company extends credit to customers in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent. An impairment analysis is performed at each reporting date on an individual basis for major customers.

The ageing of trade receivables is as follows:

(₹ in crore)

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables				
As at 31st March 2019				
Secured	-	-	-	-
Unsecured	41.22	0.01	20.22	61.45
Gross total	**41.22**	**0.01**	**20.22**	**61.45**
Provision for doubtful debts	-	-	(0.38)	(0.38)
Net total	**41.22**	**0.01**	**19.84**	**61.07**
As at 31st March 2018				
Secured	-	-	-	-
Unsecured	55.48	-	21.49	76.97
Gross total	**55.48**	**-**	**21.49**	**76.97**
Provision for doubtful debts	-	-	(0.38)	(0.38)
Net total	**55.48**	**-**	**21.11**	**76.59**

(b) **Deposits with banks and other financial instruments**

The Company considers factors such as track record, market reputation and service standards to select the mutual funds for investments and banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company does not maintain significant cash balances other than those required for its day to day operations.

iii) **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, letter of credit and working capital limits. The Company ensures it has sufficient cash to meet operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate		
- Expiring within one year - Working Capital Loans	106.34	243.78
- Expiring within one year - Term Loans	0.58	0.59
- Expiring beyond one year - Term Loans	-	**1.93**

Subject to the continuance of satisfactory credit ratings, the bank facilities may be drawn upon at any time. Average maturity of undrawn facilities of term loans expiring beyond one year is Nil (As at 31st March, 2018: 4.25 years).

40.2 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, equity share suspense, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

Notes
to Financial Statements for the year ended 31st March, 2019

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

41. Fair value of Financial Assets and Liabilities
Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(₹ in crore)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at fair value through profit or loss				
Investment in Equity Instruments and Mutual Funds	65.42	65.42	144.92	144.92
Derivative assets	6.86	6.86	0.92	0.92
Financial Assets designated at amortised cost				
Trade Receivables	61.07	61.07	76.59	76.59
Security and Other Deposits	24.59	24.59	23.67	23.67
Loan to Subsidiaries	263.48	263.48	263.15	263.15
Cash and Cash Equivalents	16.78	16.78	17.60	17.60
Fixed Deposits with Banks	36.39	36.39	25.69	25.69
Interest accrued but not due on Fixed Deposits with Banks	0.77	0.77	0.52	0.52
Total Financial Assets	**475.36**	**475.36**	**553.06**	**553.06**
Financial Liabilities designated at fair value through profit or loss				
Derivative Liabilities	9.10	9.10	10.61	10.61
Financial Guarantee Liability	0.04	0.04	0.01	0.01
Financial Liabilities designated at amortised cost				
Borrowings (including current maturities)	795.91	795.91	853.03	853.03
Trade Payables	272.02	272.02	196.43	196.43
Interest accrued but not due on borrowings	1.46	1.46	0.87	0.87
Unclaimed Dividend	1.25	1.25	1.12	1.12
Earnest Money and Security Deposits	3.26	3.26	2.23	2.23
Liability for Operating and Other Expenses	120.03	120.03	90.38	90.38
Creditors for Capital Goods	15.95	15.95	6.57	6.57
Commission / Remuneration Payable to Directors	0.39	0.39	10.81	10.81
Payable to Employees	7.31	7.31	6.96	6.96
Other Financial Liabilities	1.33	1.33	1.33	1.33
Total Financial Liabilities	**1,228.05**	**1,228.05**	**1,180.35**	**1,180.35**

Fair valuation techniques
The Company maintains policies and procedures to value financial assets and financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

i) The fair values of investment in quoted equity instrument is based on its quoted market price at the reporting date. The fair values of investment in unquoted equity instrument approximates its carrying amount which is the most appropriate estimate of fair value in the absence of recent information to measure fair value.

ii) The fair values of the mutual funds are based on their published Net Asset Values at the reporting date.

iii) The fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short- term maturities of these instruments.

Notes

to Financial Statements for the year ended 31st March, 2019

iv) The fair values of derivatives are based on marked to market valuation statements received from banks with whom the Company has entered into the relevant contracts.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i) Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.

iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Instruments and Mutual Funds	65.32	-	-	144.82	-	-
Derivative Assets	-	6.86	-	-	0.92	-
Total Financial Assets	**65.32**	**6.86**	**-**	**144.82**	**0.92**	**-**
Financial Liabilities						
Derivative Liabilities	-	9.10	-	-	10.61	-
Financial Guarantee Liability	-	0.04	-	-	0.01	-
Total Financial Liabilities	**-**	**9.14**	**-**	**-**	**10.62**	**-**

During the year ended 31st March, 2019 and 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under Level 3.

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy, as at 31st March, 2019 and 31st March, 2018 :

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial Assets			
Derivative Assets			
- Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flow
Financial Liabilities			
Derivative Liabilities			
- Interest rate and cross currency swaps	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, interest rates to discount future cash flow
Financial Guarantee Liability	Level 2	Discounted cash flow of probable cash shortfall	Risk free rate of return as provided by Fixed Income Money Market and Derivatives Association of India (FIMMDA), ICRA transition matrix

Notes

to Financial Statements for the year ended 31st March, 2019

42. 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 :

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in crore)	Nos.	US Dollar equivalent (in million)	INR equivalent (in crore)
Forward Contracts	74	25.65	177.42	123	34.75	222.71
Interest Rate Swap	1	1.78	12.32	1	4.16	26.66
Cross Currency Swap	4	15.05	104.10	6	42.12	269.94

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Loans Payable	Payable for import of goods	Loans Payable	Payable for import of goods
US Dollar (in million)	33.36	21.91	34.46	8.66
INR (in crore)	230.75	151.53	220.87	55.50

43. Disclosure pursuant to Indian Accounting Standard 12 - Income Taxes

(i) Numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate :

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit Before Taxes (Accounting Profit)	29.95	282.00
Applicable tax rate (as enacted by the relevant Finance Act)	34.944%	34.608%
Computed tax expense	10.47	97.59
Increase/(reduction) in the aforesaid computed tax expense on account of:		
Tax holiday u/s 80-IA	(16.80)	(7.94)
Dividend, being exempt from tax	(0.38)	(0.48)
Profit on sale of Property, Plant & Equipment (Net), not taxable	(0.56)	(1.29)
Expenses not deductible	26.37	2.12
Tax at lower rate	-	0.20
Adjustment arising on account of amalgamation (refer Note No 54)	(0.52)	0.08
Earlier year tax adjustments	(1.46)	-
Deduction u/s 80G	(1.28)	-
Deferred tax related adjustments (including impact on deferred tax for the year due to change in applicable tax rate)	3.07	5.10
Income tax expense (Current tax + Deferred tax)	**18.91**	**95.38**

ii) Movement in Deferred Tax Liabilities /(Assets) :

(₹ in crore)

Particulars	Property, plant and equipment and investment property	Intangible assets	Financial assets at FVTPL	Defined benefit plan	Others	Total
As at 1st April 2017	**103.28**	**0.45**	**0.86**	**(3.37)**	**(3.59)**	**97.63**
Charged /(credited)						-
- to profit or loss	0.34	0.21	(1.10)	0.72	(0.46)	(0.31)
- to other comprehensive income	-	-	-	(1.26)	-	(1.26)
- Adjustment arising on account of amalgamation (refer Note No 54)					(0.05)	(0.05)
As at 31st March, 2018	103.62	0.66	(0.24)	(3.91)	(4.12)	96.01
Charged/(credited)						
- to profit or loss	(1.96)	(0.21)	(1.12)	(0.44)	(4.45)	(8.18)
- to other comprehensive income	-	-	-	(1.10)	-	(1.10)
As at 31st March, 2019	**101.66**	**0.45**	**(1.36)**	**(5.45)**	**(8.57)**	**86.73**

Notes

to Financial Statements for the year ended 31st March, 2019

44. Disclosure pursuant to Indian Accounting Standard 19 - 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)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Employer's contribution towards:		
- Provident Fund (refer Note No 56)	7.62	3.03
- Employee Pension Scheme	2.73	2.73
- Employee State Insurance	1.16	1.09
- Superannuation Fund	1.06	1.06

(b) Defined Benefit Plan:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Life Insurance Corporation of India (LIC). The Employees Leave Encashment Scheme, which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognises each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

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:

(₹ in crore)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Present Value of obligation	34.37	26.91	8.76	8.02
Fair value of plan assets	(24.67)	(23.73)	-	-
Net (Assets) / liabilities recognised in balance sheet	9.70	3.18	8.76	8.02
Non Current	27.70	21.96	6.36	5.93
Current	6.67	4.95	2.40	2.09

(ii) Changes in present value of obligation:

(₹ in crore)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2018-19	2017-18	2018-19	2017-18
Present Value of obligation at the beginning of the year	26.91	23.97	8.02	6.81
Interest Cost	1.98	1.83	0.58	0.46
Current service cost	2.23	1.81	1.21	0.20
Past service cost	5.24	-	-	0.66
Benefits paid	(4.45)	(2.06)	(1.59)	(2.11)
Actuarial (gain)/loss on obligation	2.46	1.36	0.54	2.00
Present value of obligation as at the end of the year	34.37	26.91	8.76	8.02

Notes
to Financial Statements for the year ended 31st March, 2019

(iii) Changes in plan assets:

(₹ in crore)

Particulars	Gratuity As at 31st March, 2019	Gratuity As at 31st March, 2018	Leave Encashment As at 31st March, 2019	Leave Encashment As at 31st March, 2018
Fair Value of plan assets as at the beginning of the year	23.73	21.04	-	-
Return on plan assets	1.75	1.73	-	-
Contributions	3.79	3.27	-	-
Benefits paid	(4.45)	(2.06)	-	-
Actuarial gain/ (loss) on plan assets	(0.15)	(0.25)	-	-
Fair value of plan assets as at the end of the year	24.67	23.73	-	-

(iv) Recognised in profit and loss

(₹ in crore)

Particulars	Gratuity Year ended 31st March, 2019	Gratuity Year ended 31st March, 2018	Leave Encashment Year ended 31st March, 2019	Leave Encashment Year ended 31st March, 2018
Current service cost	2.23	1.81	1.21	0.20
Past service cost	5.24	-	-	0.66
Net Interest cost	0.23	0.10	0.58	0.46

(v) Recognised in other comprehensive income

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Remeasurement actuarial gain/(loss)	(3.15)	(3.61)

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

(₹ in crore)

Particulars	Gratuity As at 31st March, 2019	Gratuity As at 31st March, 2018	Leave Encashment As at 31st March, 2019	Leave Encashment As at 31st March, 2018
Discount rate per annum compounded	7.65%	8.00%	7.65%	8.00%
Rate of increase in salaries	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	7.65%	8.00%	-	-
Expected average remaining working lives of employees (years)	15.51	15.52	15.51	15.52
Withdrawal rates	4.00%			
Mortality table	Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate.	Standard table: Indian Assured Lives Mortality (2006-2008) Ultimate.	Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate.	Standard table: Indian Assured Lives Mortality (2006-2008) Ultimate.

Note : In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage and amount for each category of the fair value of plan assets has not been disclosed.

(vii) Risk exposure

These plans are exposed to the actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk : The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields on government bonds at the end of the reporting period. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Notes

to Financial Statements for the year ended 31st March, 2019

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(viii) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions as per Note 44 (b) (vi) are as follows:-

(₹ in crore)

Particulars	Change in assumption	Effect on Gratuity obligation	Effect on Leave Encashment
For the year ended 31st March, 2018			
Discount rate	+1%	(1.32)	(0.25)
	-1%	1.47	0.27
Salary rate	+1%	1.57	0.32
	-1%	(1.44)	(0.30)
Attrition rate	+1%	0.25	0.01
	-1%	(0.28)	(0.01)
For the year ended 31st March, 2019			
Discount rate	+1%	(1.64)	(0.27)
	-1%	1.83	0.29
Salary rate	+1%	2.00	0.35
	-1%	(1.82)	(0.33)
Attrition rate	+1%	0.27	-
	-1%	(0.30)	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to prior year.

Presentation in the Statement of Profit and Loss, Other Comprehensive Income and Balance Sheet

Gratuity and leave encashment benefits are in the nature of defined benefit plans and re-measurement gains/(losses) on defined benefit plans are shown under OCI as 'Items that will not be reclassified to profit or loss', including the income tax effect on the same.

Expense for service cost, net interest on net defined benefit liability/(asset) is recognised in the Statement of Profit and Loss.

Ind AS 19 does not require segregation of net defined liability/(asset) into current and non-current, however net defined liability/(asset) is bifurcated into current and non-current portions in the balance sheet, as per Ind AS 1 on "Presentation of Financial Statements".

Notes

to Financial Statements for the year ended 31st March, 2019

45. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures

(a) Names of Related Parties :	
(i) Subsidiaries	**Country of Origin**
1 Utkal Power Ltd.	India
2 Utkal Coal Ltd.	India
3 IMFA Alloys Finlease Ltd.	India
4 Utkal Green Energy Ltd.	India
5 Indmet Mining Pte Ltd.	Singapore
6 PT. Sumber Rahayu Indah [Subsidiary of Indmet Mining Pte. Ltd]	Indonesia
(ii) Associate	**Country of Origin**
Ferro Chrome Producers Association (registered under Section 8 of the Act)	India
(iii) Key Management Personnel (KMP)	
Name	**Designation**
1 Major Rabinarayan Misra (Retd) (w.e.f 3rd January, 2019)	Chairman - Independent Non-Executive Director
2 Mr. Baijayant Panda	Vice Chairman - Non-Independent Executive Director
3 Mr. Subhrakant Panda	Managing Director - Non-Independent Executive Director
4 Mr. Jayant Kumar Misra	Director (Corporate) & COO - Non-Independent Executive Director
5 Mr. Chitta Ranjan Ray	Whole-time Director - Non-Independent Executive Director
6 Mr. D Bandyopadyay (upto 25th July, 2018)	Independent Non-Executive Director
7 Mr. Nalini Ranjan Mohanty	Independent Non-Executive Director
8 Mr. Sudhir Prakash Mathur	Independent Non-Executive Director
9 General Shankar Roychoudhury (Retd.)	Independent Non-Executive Director
10 Mr. Santosh Nautiyal (upto 30th November, 2018)	Independent Non-Executive Director
11 Mr. Bijoy Kumar Das	Independent Non-Executive Director
12 Mrs. Paramita Mahapatra	Non-Independent Non-Executive Director
13 Mr. Stefan Georg Amrein	Non-Independent Non-Executive Director
14 Mr. Prem Khandelwal	CFO & Company Secretary
(iv) Close family members of KMP	
1 Late Dr. Bansidhar Panda - Upto 21st May, 2018 - Father 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 Late Dr. Bansidhar Panda and sister of Mr. Baijayant Panda and Mr. Subhrakant Panda.	
5 Mr. Rajen Mahapatra - Husband of Mrs. Paramita Mahapatra	
(v) Other entities with whom transactions have taken place during the year	
1 UMSL Ltd.	Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
2 Esquire Realtors Pvt. Ltd.	
3 Kishangarh Environmental Development Action Pvt. Ltd.	
4 Ortel Communications Ltd.	
5 Odisha Television Ltd.	
6 Palios Corporation	
7 Rutayan Ila Trust	
8 Bansidhar & Ila Panda Foundation	
9 Utkal Charitable Trust	
10 Indian Metals Public Charitable Trust	
11 Raila Enterprises Pvt. Ltd.	
12 Orissa Coal and Services Pvt. Ltd.	
13 Barabati Realtors Pvt. Ltd.	

Notes

to Financial Statements for the year ended 31st March, 2019

(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	Close family members of KMP	Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
1	Investment in Preference Shares	-	-	-	10.00
		(-)	(-)	(-)	(-)
2	Dividend paid	-	0.86	1.08	0.91
		(-)	(0.86)	(0.44)	(0.61)
3	Dividend Received	1.09	-	-	-
		(1.38)	(-)	(-)	(-)
4	Sale of Goods	-	-	-	0.22
		(-)	(-)	(-)	(0.05)
5	Services received	-	0.25	0.34	93.27
		(0.10)	(0.24)	(1.47)	(120.67)
6	Service Rendered	-	-	-	0.16
		(-)	(-)	(-)	(0.15)
7 a	Remuneration (including Commission)	-	7.35	0.54	-
		(-)	(17.80)	(0.54)	(-)
7 b	Gratuity and Leave Encashment	-	2.10	-	-
		(-)	(6.03)	(-)	(-)
8	Sitting Fees	-	0.04	-	-
		(-)	(0.05)	(-)	(-)
9	Donations given	-	-	-	3.84
		(-)	(-)	(-)	(-)
10	Corporate Social Responsibility expenses	-	-	-	3.81
		(-)	(-)	(-)	(3.11)
11	Lease rentals paid	4.29	-	-	-
		(4.19)	(-)	(-)	(-)
12	Investments made	-	-	-	-
		(0.23)	(-)	(-)	(-)
13	Sale of Property, Plant and Equipment	-	-	-	-
		(-)	(-)	(-)	(3.87)
14	Loan Given	0.35	-	-	-
		(0.50)	(-)	(-)	(-)
15	Loan repayment received	0.03	-	-	-
		(1.12)	(-)	(-)	(-)
16	Reimbursement of Expenses	-	-	-	0.07
		(-)	(-)	(-)	(0.12)
17 a	Outstanding balances as at 31st March, 2019 :				
	a. Receivables	263.49	-	-	0.07
	b. Payables	30.37	0.91	0.15	23.56
	c. Guarantees given	-	-	-	10.73
17 b	Outstanding balances as at 31st March, 2018 :				
	a. Receivables	263.16	-	-	0.12
	b. Payables	30.95	10.53	0.17	27.20
	c. Guarantees given	-	-	-	4.21

Outstanding balances receivable at the year-end are unsecured and settlement occurs in cash.

Oustanding balance payable in respect of assets taken by the Company under finance lease is secured. The terms of payment carry on interest rate of 9% p.a

Notes
to Financial Statements for the year ended 31st March, 2019

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

1. Investment in 1,00,00,000 Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up amounting to ₹ 10 crore (Previous Year: Nil) in Ortel Communications Ltd.
2. Dividend received from IMFA Alloys Finlease Ltd. ₹ 1.09 crore (Previous Year : ₹ 1.38 crore).
3. Sale of Goods to Bansidhar & Ila Panda Foundation ₹ 0.22 crore (Previous Year : ₹ 0.05 crore).
4. Services Received includes services from UMSL Ltd. ₹ 85.21 crore (Previous Year : ₹ 114.08 crore).
5. Services Rendered includes services to UMSL Ltd. ₹ 0.15 crore (Previous Year : ₹ 0.15 crore).
6. Remuneration (including commission) includes amount paid to Late Dr. Banshidhar Panda Nil (Previous Year: ₹ 1.75 crore) Mr. Baijyant Panda ₹ 2.01 crore (Previous Year : ₹ 6.05 crore), Mr. Subhrakant Panda ₹ 2.38 crore (Previous Year : ₹ 6.34 crore), Mr. Jayant Kumar Misra ₹ 1.17 crore (Previous Year : ₹ 1.17 crore), Mr. Chitta Ranjan Ray ₹ 0.70 crore (Previous Year : ₹ 0.72 crore) and Mr. Prem Khandelwal ₹ 0.84 crore (Previous Year : ₹ 0.83 crore), Major Rabinarayan Misra ₹ 0.04 crore (Previous Year: ₹ 0.14 crore), Mr. D Bandyopadhyay ₹ 0.04 crore (Previous Year : ₹ 0.14 crore, Mr. Nalini Ranjan Mohanty ₹ 0.04 crore (Previous Year : ₹ 0.14 crore), Mr. Sudhir Prakash Mathur ₹ 0.04 crore (Previous Year : ₹ 0.13 crore), General Shankar Roychoudhury ₹ 0.03 crore (Previous Year: ₹ 0.13 crore), Mr. Santosh Nautiyal ₹ 0.03 crore (Previous Year: ₹ 0.13 crore) and Mr. Bijoy Kumar Das ₹ 0.03 crore (Previous Year: ₹ 0.13 crore).
7. Donations includes amount given to Bansidhar & Ila Panda Foundation of ₹ 3.49 crore (Previous Year : Nil) and Indian Metals and Public Charitable Trust ₹ 0.35 crore (Previous Year : Nil).
8. Corporate Social Responsibility Expenses include amount given to Bansidhar & Ila Panda Foundation of ₹ 3.81 crore (Previous Year : 2.76 crore) and Indian Metals Public Charitable Trust Nil (Previous Year : ₹ 0.35 crore).
9. Lease rentals paid to IMFA Alloys Finlease Limited ₹ 4.29 crore (Previous Year : ₹ 4.19 crore).
10. Loan given to Utkal Coal Limited ₹ 0.35 crore (Previous Year : ₹ 0.49 crore).
11. Loan repayment received includes amount from Utkal Coal Limited ₹ 0.03 crore (Previous Year : ₹ 0.15 crore) and Utkal Power Limited Nil (Previous Year: ₹ 0.97 crore).
12. Guarantee provided to Bank for loan availed by Bansidhar & Ila Panda Foundation ₹ 10.73 crore (Previous Year: ₹ 4.21 crore).

d) Compensation to Key Management Personnel

The compensation to key managerial personnel during the year was as follows:-

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Short-term employee benefits	7.39	17.85
Post-employment benefits	2.10	6.03
	9.49	23.88

The amounts disclose in the table are the amounts recognised as an expense during the reporting period.

e) The remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act,. Further, the remuneration paid by the Company to it directors during the year is in excess of the limits laid down under sub-section 1 of Section 197 of the Act by ₹ 1.25 crore, for which requisite approval in accordance with the said Section read with Schedule V to the Act has been obtained by the Company.

46. 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. Subsequently, the Coal Mines (Special Provisions) Act, 2015 was enacted on 30th March, 2015 which was deemed to have come into force on 21st October, 2014, repealing the second Ordinance. 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,

Notes

to Financial Statements for the year ended 31st March, 2019

inter alia, the said orders. The judgment in respect of this Writ Petition was delivered on 5th October, 2016 not granting any relief to UCL which, aggrieved, filed a Special Leave Petition on ('SLP') 11th January, 2017 before the Hon'ble Supreme Court challenging the above order dated 5th October, 2016. During the year ended 31st March, 2019, the SLP was withdrawn by UCL after the Central Government issued orders for the auction process of Utkal 'C' block along with five other blocks to be allotted to Government Companies.

UCL had 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 judgment was delivered on 9th March, 2017 considering leasehold land [under Coal Bearing Areas (Acquisition and Development) Act, 1957] to be under Mines Infrastructure and not under Freehold Land category for the purpose of compensation. Aggrieved, UCL filed a SLP on 15th May, 2017, before the Hon'ble Supreme Court challenging the aforesaid order. During the year ended 31st March, 2019, the SLP was withdrawan by UCL.

Ministry of Coal vide its letter to UCL dated 2nd April, 2019 to UCL had again sought for the details of investments in UCL's coal block for valuation of compensation. Hence, UCL is hopeful of an amicable resolution of the said compensation matter with Government of India, pending which, no accounting adjustments have been made by UCL in it's books of account and no provision is deemed necessary against the Company's net exposure in UCL as at 31st March, 2019 amounting to ₹ 111.42 crore invested as equity and ₹ 263.48 crore given as unsecured loan.

47. In view of the circumstances detailed above in Note No.46 and considering the probability of economic benefit associated with transaction flowing to the Company, with effect from 1st October, 2014 the Company postponed recognition of income from interest on unsecured loan given to UCL. Due to this, profit before tax for the year ended 31st March, 2019 is lower by ₹ 35.43 crore (Previous Year : ₹ 40.72 crore). The interest income would be considered as revenue of the period in which it is properly recognised.

48. 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 it's objection thereto on 19th February, 2009 and the Court of the District Judge, Bhubaneswar pronounced judgment dated 8th January, 2018 in favour of the Company dismissing the petition filed by GRIDCO. Subsequently, GRIDCO filed an appeal before Hon'ble High Court of Odisha challenging the award, which is pending.

49. 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 it's 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.

50. 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 it's 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 it's 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. Further, Department of Energy, Govt of Odisha vide notification No. 3442 dated 12th May, 2017 has enhanced the rate of Electricity Duty from 30 paise to 55 paise per unit for a Captive Power Generator and the Company continues to pay the enhanced duty.

Notes
to Financial Statements for the year ended 31st March, 2019

51. 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 judgment 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.

The Hon'ble Supreme Court, vide order dated 25th October, 2018 referred the parties to mediation by Justice A.P Shah, a retired Justice of the Hon'ble Delhi High Court, to have a detailed look into the matter and submit a report to the Hon'ble Supreme Court. Subsequently, Justice A.P Shah filed his report dated 1st April, 2019 before the Hon'ble Supreme Court, along with the settlement agreement dated 30th March, 2019 signed by the parties pursuant to which the Company made a payment of ₹ 0.55 crore towards settlement of the said matter(included under 'Other Expenses'). Final order from the Hon'ble Supreme Court is awaited.

52. As per Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements, as Note No. 39

53. Expenditure incurred on Corporate Social Responsibility activities is as follows:

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
- Expenditure included under "Other Expenses" (refer Note No. 37)	4.65	3.85
- Expenditure relating to CSR Assets included under "Capital Work-in-Progress" (refer Note No. 3)	0.03	0.11
- Expenditure relating to CSR Assets included under "Property, Plant and Equipment" (refer Note No. 3)	0.05	0.26
	4.73	4.22

54. Amalgamation of Indian Metals and Carbide Limited ('IMCL') and B. Panda and Company Private Limited ('BPCO') into the Company

The Hon'ble National Company Law Tribunal (""NCLT""), Cuttack Bench vide its Order dated 26th March, 2019, approved the Scheme of Amalgamation made under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (""the Scheme"") involving amalgamation of (a) IMCL, a wholly owned subsidiary of the Company and (b) BPCO, the holding company of the Company, into the Company. The Scheme was approved by the Board of Directors of the Company on 28th September, 2017. Consequent to the filing of a certified copy of the said Order with the Registrar of Companies, Cuttack on 30th April, 2019, the Scheme has become effective from the Appointed Date i.e. 1st April, 2017. Upon the Scheme coming into effect, the undertakings of IMCL and BPCO stand transferred to and vested in the Company with effect from the Appointed Date and the Scheme has accordingly been given effect to in these financial statements.

As this is a business combination of entities under common control, the amalgamation has been accounted for using the 'Pooling of interests' method (in accordance with the approved Scheme) as envisaged in Appendix C of Ind AS 103 on 'Business Combinations'. The figures for the previous year ended 31st March, 2018 have been restated as if the amalgamation had occurred from the beginning of the previous year i.e. 1st April, 2017. Accordingly, the Company has recorded all the assets, liabilities and reserves of IMCL and BPCO at their respective book values as appearing in their books of account as at 1st April, 2017.

Consequent to the scheme of amalgamation, the authorised equity share capital of the Company stands increased from 3,00,00,000 equity shares of ₹ 10 each, aggregating to ₹ 30 crore to 3,52,50,000 equity shares of ₹ 10 each aggregating to ₹ 35.25 crore and the authorised preference share capital of the Company stands increased from 40,000 redeemable cumulative preference shares of ₹ 100 each, aggregating to ₹ 0.40 crore to 90,000 redeemable cumulative preference shares of ₹ 100 each aggregating to ₹ 0.90 crore.

Equity Share Suspense Account amounting to ₹ 13.92 crore represents 1,39,18,046 Equity Shares of ₹ 10 each fully paid, issued and allotted to the shareholders of BPCO on 30th April, 2019 pursuant to the Scheme coming into effect.

Notes
to Financial Statements for the year ended 31st March, 2019

55. 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)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than 1 year	1.02	1.53
Later than 1 year but not later than 5 years	1.26	0.49
Later than 5 years	0.24	0.37

Total lease rent payments recognised in the Statement of Profit and Loss for the year is ₹ 2.23 crore (Previous Year : ₹ 3.11 crore).

Future minimum lease rents receivable are summarized below:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than 1 year	0.05	0.06
Later than 1 year but not later than 5 years	0.15	0.17
Later than 5 years	0.20	0.25

Notes
to Financial Statements for the year ended 31st March, 2019

Finance Lease:

Company as a Lessee:

(₹ in crore)

Particulars	Future Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
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	46.38	49.73	16.91	17.49
Total	**63.14**	**66.49**	**30.37**	**30.95**
Future Finance Charges	32.77	35.54		
Present Value of Minimum Lease Payments	30.37	30.95		

56. Exceptional Items constitute the following expense / (income):

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Impairment loss on investment in Equity Shares of Indmet (refer Note No. 6.1)	53.13	-
(b) Provision towards arbitration costs and expenses payable to the Government of the Republic of Indonesia (refer Note No. 6.1)	20.58	-
(c) Pursuant to a clarification dated 13th August, 2018 by Commissionerate of CT and GST, Odisha, ₹ 17.66 crore relating to GST Compensation Cess paid on Coal procured during the period 1st July, 2017 to 30th June, 2018 to the extent relatable to export of finished goods, which had earlier been charged off to the Statement of Profit and Loss, has been recognised as income and received during the year. Out of the aforesaid amount, ₹ 13.73 crore relating to the period 1st July, 2017 - 31st March, 2018 is included under "Exceptional Items" and balance ₹ 3.93 crore relating to the period 1st April, 2018 to 30th June, 2018 under ''Cost of Materials Consumed''. W.e.f. 1st July, 2018, GST Compensation Cess paid on coal (to the extent relatable to export of finished goods) is not routed through the Statement of Profit and Loss as it is being claimed as an input tax credit, in terms of the aforesaid clarification.	(13.73)	-
(d) Expected credit loss on investment in Non-Convertible Redeemable Cumulative Preference Shares	10.00	-
(e) Retrenchment compensation paid to employees of Nuasahi Chromite Mines	2.34	-
(f) Pursuant to Hon'ble Supreme Court's judgment dated 28th February, 2019, a provision of ₹ 4.39 crore has been made during the year towards arrears of Provident Fund liability under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Out of the aforesaid amount, ₹ 3.65 crore relating to the period upto 31st March, 2018 is included under "Exceptional Items" and balance ₹ 0.74 crore relating to the financial year 2018-19 under "Employee Benefits Expense".	3.65	-
	75.97	-

57. The Board has recommended dividend of ₹ 5 per equity share subject to approval of the shareholders in the forthcoming Annual General Meeting. If approved, it is expected to result in a cash outflow of ₹ 16.26 crore including corporate dividend tax.

58. Previous year/period figures have been regrouped/rearranged, wherever considered necessary, to make them comparable with those of current year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Independent Auditor's Report

To the Members of Indian Metals and Ferro Alloys Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Indian Metals and Ferro Alloys Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as " consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, its consolidated profit (including consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 Matters" paragraph herein below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

1. We draw attention to the following "Material Uncertainty Related to Going Concern" paragraph in our Independent Auditor's Report dated 17th May, 2019 on the separate financial statements of Utkal Coal Ltd., a subsidiary of the Company, for the financial year 2018-19:

   "We draw attention to Note No.23 in the financial statements which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

   Our opinion is not modified in respect of this matter".

2. We draw attention to the following Emphasis of Matter in the Independent Auditor's Report dated 2nd May, 2019 on the financial statements of Indmet Mining Pte. Ltd., a subsidiary of the Company, for the financial year 2018-19 :

   "We draw your attention to Note 1 to the financial statements which mentioned that the directors of the Company intend to apply for a strike-off of the Company in the future. Therefore, the going concern basis would then be inappropriate. Our opinion is not modified in respect of this matter."

3. We draw attention to the following Emphasis of Matter in the Independent Auditor's Report dated 22nd April, 2019 on the financial statements of PT Sumber Rahayu Indah, a subsidiary company of the Company, for the financial year 2018-19:

   "We draw your attention to Note 1 to the financial statements wherein the directors of the Company intend to apply for closing down the operations in the Company in the future. Therefore, the going concern basis would then be inappropriate. Our opinion is not modified in respect of this matter."

4. We draw attention to the following Emphasis of Matter in the Independent Auditor's Report dated 10th May, 2019 on the financial statements of Utkal Power Ltd., a subsidiary of the Company, for the financial year 2018-19 :

   "The Company has not started its operation since inception. We draw attention to Note No.07 to the standalone Ind AS financial statement, where it has been described that the Company's net worth has substantially eroded. The Company has no projects in hand. The continuity of the Company depends entirely on the financial support from its holding company".

5. We draw attention to the following Emphasis of Matter in the Independent Auditor's Report dated 10th May, 2019 on the financial statements of Utkal Green Energy Ltd., a subsidiary of the Company, for the financial year 2018-19:

   "The Company since inception has not started its operation. We draw attention to Note No.09 to the standalone Ind AS financial statement, where it has been described that the Company's net worth has substantially eroded. The Company has no projects in hand. The continuity of the Company depends entirely on the financial support from its holding company"

Our opinion is not modified in respect of these matters.

Emphasis of Matter

We draw attention to Note No. 40 to the consolidated financial statements relating to the Company's exposure in Utkal Coal Ltd., a subsidiary of the Company. The matter has 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 and the subsequent events in connection therewith.

We, as independent auditors of the aforesaid subsidiary, have also emphasized the matter in our Independent Auditor's Report on the separate financial statements of the subsidiary for the financial year 2018-19, dated 17th May, 2019.

Independent Auditor's Report (Contd...)

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response – Principal Audit Procedures
Derivative Financial Instruments As the Company's revenue majorly accrues from exports, many raw materials/consumables are imported and there are borrowings in foreign currency, derivative financial instrument contracts are used by the Company to manage and hedge foreign currency exchange risks and interest rate risks. The Company is mainly using forward contracts and swaps for this purpose and these instruments are measured at fair value at each reporting date, as required by the relevant accounting standard. The Company has not designated any derivative contract for hedge accounting purposes. The accounting of derivative financial instruments is significant to our audit due to the high volume of contracts and their potential material impact on the consolidated financial statements. Inappropriate application of accounting requirements in this regard could lead to a material effect on the consolidated financial statements.	Our audit approach and procedures included, but were not limited to, testing of the design and operative effectiveness of the internal controls and performing substantive procedures, as follows:- • Obtaining an understanding of the risk management policies of the Company and testing key controls for the use, recognition and the measurement of derivative financial instruments; • Verifying outstanding derivative financial instruments at each reporting date with the confirmations received from counterparties ; • Checking the gain/loss on fair valuation of derivative financial instruments with reference to the fair valuation statements as on the reporting date; • Considering the appropriateness of disclosures in relation to financial risk management and derivative financial instruments, as required by the relevant accounting standards; • Verifying the underlying exposure for derivative financial instruments;

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 39.57 crore as at 31st March, 2019, total revenues of ₹ 3.04 crore and net cash outflows amounting to ₹ 4.44 crore 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 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 including report on 'Information Other than the Consolidated Financial Statements and Auditor's Report Thereon' , in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Two of these subsidiaries are located outside India whose financial statements have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries (refer Note No. 42 to the consolidated financial statements). The Company's management has converted the financial statements of such subsidiaries located outside India to Ind AS financial statements (i.e. from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and relevant for preparation of the aforesaid consolidated financial statements). Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company.

The financial statements of one of the subsidiaries of the Company, located in India, have been prepared in accordance with the Accounting Standards (Indian GAAP) [as it is a Non Banking Financial Company and Ind AS is not yet applicable to it] and which have been audited by other auditors. Such Indian GAAP financials have been restated into Ind AS financials by the Company's management, for the purposes of consolidation (refer Note No.

Independent Auditor's Report (Contd...)

42 to the consolidated financial statements). Our opinion, in so far as it relates to the balances and affairs of such subsidiary located in India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.

The consolidated financial statements also include the financial information of erstwhile Indian Metals and Carbide Limited ("IMCL") and erstwhile B. Panda and Company Private Limited ("BPCO") consequent to their amalgamation into the Company which has been effected on 30th April, 2019, with the appointed date of 1st April, 2017 (Refer Note No. 52 to the consolidated financial statements). We did not audit the financial information of erstwhile IMCL and erstwhile BPCO for the year ended 31st March, 2019, included in the standalone financial statements of the Company, which have been audited by other auditors whose reports have been furnished to us by the Management of the Company. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of erstwhile IMCL and erstwhile BPCO and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to erstwhile IMCL and erstwhile BPCO is based solely on the reports of such 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 matters with respect to our reliance on the work done by and the reports of the other auditors and the conversion adjustments prepared by the management of the Company.

Report on Other Legal and Regulatory Requirements

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

a. 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;

b. 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;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 ;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. The matters described in the 'Material Uncertainty Related to Going Concern' and 'Emphasis of Matter' paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group;

f. On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the 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, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in the "Annexure ";

h. 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:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note Nos. 37,43,44 and 45 to the consolidated financial statements;

(ii) 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;

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

(2) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us and based on our reading of the reports of the statutory auditors of the Company's subsidiary companies incorporated in India, the remuneration paid by the Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of Section 197 of the Act. Further, the remuneration paid by the Company to its directors during the year is in excess of the limits laid down under sub-section 1 of Section 197 of the Act and the requisite approval in accordance with the said Section read with Schedule V to the Act has been obtained by the Company – refer Note No. 41(e) to the consolidated financial statements.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/ W100048

Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Bhubaneswar
18th May, 2019

Annexure to the Independent Auditor's Report

[Referred to in paragraph (1)g 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 consolidated financial statements for the year ended 31st March, 2019]

Report on the Internal Financial Controls with reference to Financial Statements 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 Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to financial statements 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 with reference to financial statements 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 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 Company's internal financial controls with reference to financial statements of the entities of the Group which are companies incorporated in India 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the 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 with reference to financial statements, in so far as it relates to three subsidiary companies of the 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/ W100048

Anand Kumar Jhunjhunwala
Partner
Membership No.056613

Bhubaneswar
18th May, 2019

Consolidated Balance Sheet

as at 31st March, 2019

(₹ in crore)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	1,144.15	1,169.69
Capital Work-in-Progress	2	304.44	273.08
Investment Property	3	10.66	10.96
Goodwill		20.50	73.12
Other Intangible Assets	4	1.76	2.66
Investments in Associate	5	-	-
Financial Assets			
- Investments	6	0.10	0.10
- Trade Receivables	7	11.39	11.39
- Loans	8	24.61	23.69
- Other Financial Assets	9	1.31	3.40
Other Non-Current Assets	10	173.44	165.41
Non-Current Tax Assets (Net)		42.82	25.78
Current Assets			
Inventories	11	544.92	428.07
Financial Assets			
- Investments	12	69.36	147.86
- Trade Receivables	13	50.06	65.24
- Cash and Cash Equivalents	14	17.69	17.98
- Other Bank Balances	15	38.96	30.52
- Other Financial Assets	16	7.63	1.44
Other Current Assets	17	191.07	201.42
Total Assets		**2,654.87**	**2,651.81**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	13.06	13.06
Equity Share Suspense Account	18	13.92	13.92
Other Equity		1,143.23	1,189.07
Non-Controlling Interests		30.47	30.43
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	19	385.02	516.16
- Other Financial Liabilities	20	10.45	11.96
Provisions	21	15.17	9.11
Deferred Tax Liabilities (Net)	22	86.86	96.11
Other Non-Current Liabilities	23	131.89	132.24
Current Liabilities			
Financial Liabilities			
- Borrowings	24	258.80	194.68
- Trade Payables			
a) total outstanding dues of micro enterprises and small enterprises	25	4.90	2.20
b) total outstanding dues of creditors other than micro enterprises and small enterprises	25	267.12	194.23
- Other Financial Liabilities	26	274.87	230.45
Other Current Liabilities	27	11.92	11.57
Provisions	28	7.19	6.62
Total Equity and Liabilities		**2,654.87**	**2,651.81**
Notes to Consolidated Financial Statements	1 to 54		

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 / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in crore)

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from Operations	29	1,633.78	1,769.26
Other Income	30	13.77	26.54
Total Income		**1,647.55**	**1,795.80**
EXPENSES			
Cost of Materials Consumed	31	823.89	813.44
Changes in Inventories of Finished Goods	32	(48.46)	1.40
Excise Duty		-	3.66
Employee Benefits Expense	33	174.20	176.73
Finance Costs	34	77.74	75.41
Depreciation and Amortisation Expense	2 to 4	98.16	100.80
Foreign Exchange Fluctuation (Gain)/Loss (including MTM) (Net)		53.13	(9.69)
Other Expenses	35	369.10	351.29
Total Expenses		**1,547.76**	**1,513.04**
Profit before Exceptional Items and Tax		99.79	282.76
Exceptional Items - (Income)/Expense (Net)	53	80.67	-
Profit Before Tax		19.12	282.76
Tax Expense:			
-Current Tax		27.85	96.52
-Deferred Tax		(8.15)	(0.28)
Profit After Tax		**(0.58)**	**186.52**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plans		(3.15)	(3.61)
- Income Tax		1.10	1.26
Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of a foreign operation		5.81	0.12
Total Comprehensive Income for the year (before adjustment for Non-Controlling Interest)		**3.18**	**184.29**
[Comprising profit and other comprehensive income for the year]			
Profit/(Loss) attributable to :			
(a) Owners of the Parent		(1.02)	186.10
(b) Non-Controlling Interest		0.44	0.42
Other Comprehensive Income/(Expense) (net of tax) attributable to :			
(a) Owners of the Parent		3.76	(2.23)
(b) Non-Controlling Interest		-	-
Total Comprehensive Income/(Expense) after tax attributable to :			
(a) Owners of the Parent		2.74	183.87
(b) Non-Controlling Interest		0.44	0.42
Earnings per Equity Share of par value of ₹ 10/- each			
Basic and Diluted (In ₹)	36	(0.38)	68.98
Notes to Consolidated Financial Statements	1 to 54		

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 / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity Share Capital

(₹ in crore)

Balance at the beginning		Changes in equity share capital during the year		Balance at the end	
As at 1st April, 2017	As at 1st April, 2018	2017-18	2018-19	As at 31st March, 2018	As at 31st March, 2019
13.06	13.06	-	-	13.06	13.06

B. Equity Share Suspense Account (Refer Note No. 52)

(₹ in crore)

Balance at the beginning		Changes in equity share capital during the year		Balance at the end	
As at 1st April, 2017	As at 1st April, 2018	2017-18	2018-19	As at 31st March, 2018	As at 31st March, 2019
13.92	13.92	-	-	13.92	13.92

C. Other Equity and Non-Controlling Interest

(₹ in crore)

Particulars	Attributable to the equity shareholders of the Parent								Non-Controlling Interest (b)	Total (a) + (b)
	Reserves and Surplus						Exchange differences on translating the financial statements of a foreign operation	Total other equity (a)		
	Capital Reserves	Securities Premium Reserve	Capital Redemption Reserve	Special Reserve	General Reserve	Retained Earnings				
Balance as at 1st April, 2017	**1.01**	**168.45**	**0.20**	**1.65**	**276.60**	**566.91**	**22.23**	**1,037.05**	**30.54**	**1,067.59**
Pursuant to Amalgamation of IMCL and BPCO into the Company w.e.f. the Appointed Date i.e. 1st April, 2017 (refer Note No. 52)	(1.01)	-	-	-	-	(7.42)	-	(8.43)	-	-
Restated Balance as at 1st April, 2017	**-**	**168.45**	**0.20**	**1.65**	**276.60**	**559.49**	**22.23**	**1,028.62**	**30.54**	**1,059.16**
Profit/(Loss) for the year	-	-	-	-	-	186.10	-	186.10	0.42	-
Other comprehensive income (net of tax)	-	-	-	-	-	(2.35)	0.12	(2.23)	-	-
Dividend	-	-	-	-	-	(17.93)	-	(17.93)	(0.44)	-
Tax on Dividend	-	-	-	-	-	(5.49)	-	(5.49)	(0.09)	
Transfer from retained earnings to special reserve	-	-	-	0.42	-	(0.42)	-	-	-	
Balance as at 31st March, 2018	**-**	**168.45**	**0.20**	**2.07**	**276.60**	**719.40**	**22.35**	**1,189.07**	**30.43**	**1,219.50**
Profit/(Loss) for the year	-	-	-	-	-	(1.02)	-	(1.02)	0.44	
Other comprehensive income (net of tax)	-	-	-	-	-	(2.05)	5.81	3.76	-	
Dividend	-	-	-	-	-	(40.27)	-	(40.27)	(0.33)	
Tax on Dividend	-	-	-	-	-	(8.31)	-	(8.31)	(0.07)	
Transfer from retained earnings to special reserve	-	-	-	0.44	-	(0.44)	-	-	-	
Balance as at 31st March, 2019	**-**	**168.45**	**0.20**	**2.51**	**276.60**	**667.31**	**28.16**	**1,143.23**	**30.47**	**1,173.70**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in crore)

		Year ended 31st March, 2019	Year ended 31st March, 2018
A.	**Cash Flow from Operating Activities**		
	Profit before tax	19.12	282.76
	Adjustments for:		
	Depreciation and Amortisation Expense	98.16	100.80
	Profit on sale/disposal of Property, Plant and Equipment (net)	(0.40)	(1.91)
	Profit on sale of Current Investments (net)	(8.63)	(8.97)
	Gain on fair valuation of Current Investments	6.86	(4.27)
	Unrealised foreign exchange loss	12.57	3.01
	Interest Income	(4.05)	(4.64)
	Dividend Income	(0.26)	(0.17)
	Finance Costs	77.74	75.41
	Impairment Loss Allowance	0.03	0.01
	Other Operating Revenue (refer Note No. 55)	(1.81)	(17.96)
	Exceptional Items - (Income)/Expense (Net)	92.06	-
	Liability no longer required written back	(1.87)	(0.86)
	Operating Profit before Working Capital Changes	**289.52**	**423.21**
	Adjustments for:		
	Trade and other receivables	(2.59)	(37.79)
	Inventories	(116.85)	(87.93)
	Trade payables and other liabilities	86.21	71.23
	Cash Generated from Operations	**261.47**	**368.72**
	Direct Taxes paid	(44.90)	(78.91)
	Net Cash Generated from Operating Activities	**216.57**	**289.81**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(104.74)	(120.61)
	Sale of Property, Plant and Equipment	1.40	3.39
	Sale / (Purchase) of Investments (net)	71.27	26.80
	Movement in Other Bank Balances	(1.78)	(2.63)
	Dividend received	0.06	0.01
	Interest received	4.05	4.55
	Net Cash Used in Investing Activities	**(29.74)**	**(88.49)**

Consolidated Statement of Cash Flows (Contd...)

for the year ended 31st March, 2019

(₹ in crore)

		Year ended 31st March, 2019	Year ended 31st March, 2018
C.	**Cash Flow from Financing Activities**		
	Proceeds from Non-current borrowings	-	83.23
	Repayment of Non-current borrowings	(123.56)	(184.59)
	Proceeds from/(Repayment) of Current borrowings (net)	62.20	10.67
	Interest and financing charges paid	(77.15)	(76.28)
	Dividend paid (including dividend distribution tax)	(48.98)	(23.95)
	Net Cash Used in Financing Activities	**(187.49)**	**(190.92)**
Net increase in Cash and Cash Equivalents (A+B+C)		**(0.66)**	10.40
Cash and Cash Equivalents at the beginning of the year		**17.98**	7.57
Effect of Exchange Rate on Translation of Foreign Currency		**0.37**	0.01
Cash and Cash Equivalents at the end of the year (refer Note No. 14)		**17.69**	**17.98**
Notes:			
1.	Cash and Cash Equivalents at the end of the year comprises of:		
	Cash on hand	0.65	0.18
	Balance with Banks:		
	- In Current Accounts	17.04	17.47
	- Cheques on Hand	-	0.33
	Total	**17.69**	**17.98**

2. The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 “Statement of Cash Flows”.

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

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

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 it's subsidiary companies (the Company and it's subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and it's 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 unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".

b) In case of foreign subsidiaries, 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. Exchange differences on translating the financial statements of foreign subsidiaries are recognised in other comprehensive income.

c) The excess of the cost of investment in a subsidiary over the Company's share of net assets at the time of acquisition of shares in the subsidiary is recognised in the CFS as Goodwill. However, resultant gain (bargain purchase) is recognised in other comprehensive income on the acquisition date and accumulated to capital reserve, in equity.

d) In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling 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.

Non-Controlling Interest in the net assets of consolidated subsidiaries consists of:

(i) The amount of equity attributable to Non-Controlling Interest at the date on which investment in a subsidiary is made; and

(ii) The Non-Controlling Interest's share of movements in equity since the date the parent-subsidiary relationship came into existence.

e) Non-Controlling Interest'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.

f) 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.

g) 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, 2019.

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		Principal place of Business/Country of Incorporation
		31st March, 2019	31st March, 2018	
1	Utkal Power Ltd.	100.00%	100.00%	India
2	Utkal Coal Ltd.	79.20%	79.20%	India
3	IMFA Alloys Finlease Ltd.	76.00%	76.00%	India
4	Utkal Green Energy Ltd.	100.00%	100.00%	India
5	Indmet Mining Pte. Ltd.	100.00%	100.00%	Singapore
6	PT. Sumber Rahayu Indah, [70 % Subsidiary of Indmet Mining Pte. Ltd.]	-	-	Indonesia

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

h) The Company has an investment of ₹ 25,000 in 2500 equity shares of ₹ 10/- each of Ferro Chrome Producers Association ("FCPA"), an Associate Company registered under Section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholders by FCPA. The operations of FCPA are not material from the perspective of the Company's CFS and hence not considered for consolidation.

1.2 These Consolidated Financial Statements were approved for issue by the board of directors of the Company on 18th May, 2019.

1.3 Other significant accounting policies

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

2. Property, Plant and Equipment and Capital Work-in-Progress

(₹ in crore)

Particulars	Tangible Assets - Owned										Tangible Assets - Leased		Total	Capital Work-in-Progress
	Freehold Land	Buildings	Railway Siding & Runways	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipments	Motor Vehicles	Aircrafts	CSR Assets	Land	Plant and Equipment		
Gross Carrying Amount														
As at 1st April, 2017	**56.74**	**328.00**	**10.02**	**743.01**	**2.36**	**4.87**	**4.08**	**9.63**	**18.14**	**10.80**	**192.27**	**33.09**	**1,413.63**	**236.18**
Additions/Adjustments	8.75	23.28	-	39.09	0.38	1.23	2.57	2.50	9.10	0.26	-	-	87.16	101.03
Disposals /Adjustments	0.63	0.21	-	0.45	0.02	0.02	0.07	0.88	-	-	-	-	2.28	64.13
As at 31st March, 2018	**64.86**	**351.69**	**10.02**	**781.65**	**2.72**	**6.08**	**6.58**	**11.25**	**27.24**	**11.06**	**192.27**	**33.09**	**1,498.51**	**273.08**
Additions/Adjustments	-	22.15	-	33.14	0.46	1.17	1.90	2.56	-	0.05	-	14.28	75.71	98.50
Disposals /Adjustments	-	0.14	-	0.57	-	0.08	0.03	1.48	-	-	-	0.09	2.39	67.14
As at 31st March, 2019	**64.86**	**373.70**	**10.02**	**814.22**	**3.18**	**7.17**	**8.45**	**12.33**	**27.24**	**11.11**	**192.27**	**47.28**	**1,571.83**	**304.44**
Accumulated Depreciation & Amortisation														
As at 1st April, 2017	**-**	**64.64**	**3.42**	**129.26**	**1.22**	**3.43**	**1.98**	**3.79**	**4.64**	**0.17**	**6.89**	**7.28**	**226.72**	**-**
Charge for the year	-	28.54	1.22	56.52	0.44	1.13	1.71	2.29	2.55	1.21	3.45	3.84	102.90	-
Disposals /Adjustments	-	0.04	-	0.14	0.02	0.02	0.06	0.52	-	-	-	-	0.80	-
As at 31st March, 2018	**-**	**93.14**	**4.64**	**185.64**	**1.64**	**4.54**	**3.63**	**5.56**	**7.19**	**1.38**	**10.34**	**11.12**	**328.82**	**-**
Charge for the year	-	26.78	0.99	54.87	0.48	1.28	2.05	2.48	2.77	1.08	3.45	4.02	100.25	-
Disposals /Adjustments	-	0.04	-	0.12	-	0.08	0.03	1.10	-	-	-	0.02	1.39	-
As at 31st March, 2019	**-**	**119.88**	**5.63**	**240.39**	**2.12**	**5.74**	**5.65**	**6.94**	**9.96**	**2.46**	**13.79**	**15.12**	**427.68**	**-**
Net Carrying Amount :														
As at 31st March, 2019	**64.86**	**253.82**	**4.39**	**573.83**	**1.06**	**1.43**	**2.80**	**5.39**	**17.28**	**8.65**	**178.48**	**32.16**	**1,144.15**	**304.44**
As at 31st March, 2018	**64.86**	**258.55**	**5.38**	**596.01**	**1.08**	**1.54**	**2.95**	**5.69**	**20.05**	**9.68**	**181.93**	**21.97**	**1,169.69**	**273.08**

1. Gross carrying amount of CSR assets include Buildings (₹ 9.43 crore), Plant and Equipment (₹ 1.56 crore) and Vehicle (₹ 0.12).
2. Capital Work-in-Progress includes ₹ 0.14 crore relating to CSR assets out of which ₹ 0.03 crore has been incurred during the year.
3. Borrowing costs capitalised during the year ₹ 0.14 crore (Previous Year : ₹ 0.78 crore)
4. Depreciation and Amortisation amounting to ₹ 3.29 crore (Previous Year ₹ 3.30 crore) has been transferred to Capital Work-in-Progress.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

3. Investment Property

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Gross Carrying Amount	11.90	11.90
Additions/Adjustments	-	-
Disposals / Adjustments	-	-
Closing Gross Carrying Amount	**11.90**	**11.90**
Accumulated Depreciation		
Opening Accumulated Depreciation	0.94	0.64
Charge for the year	0.30	0.30
Closing Accumulated Depreciation	1.24	0.94
Net Carrying Amount	**10.66**	**10.96**

Direct Income/Expenses recognised in the Statement of Profit and Loss for Investment Property

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rental Income*	-	0.01
Direct operating expenses that generated rental income	0.01	0.01
Direct operating expenses that did not generate rental income	0.27	**0.15**

*Rental income for the year ended 31st March, 2019 is ₹ 38,016/-

Fair value

(₹ in crore)

Particulars	Level	As at 31st March, 2019	As at 31st March, 2018
Investment Property	Level 2	50.80	50.78

Brief description of the valuation technique and inputs used to value Investment Property :

The Group's investment property consists of a commercial property situated in Kolkata, which was partly let-out during the year. The fair values as aforesaid are based on a valuation performed by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

There is a restriction on the realisability of the investment property regarding the transfer of title as it is taken on lease. There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

4. Other Intangible assets (Internally Generated)

(₹ in crore)

Particulars	Computer Software
Gross Carrying Amount	
As at 1st April, 2017	**4.50**
Additions/Adjustments	-
Disposals / Adjustments	-
As at 31st March, 2018	**4.50**
Additions/Adjustments	-
Disposals / Adjustments	-
As at 31st March, 2019	**4.50**
Accumulated Amortisation	
As at 1st April, 2017	**0.94**
Charge for the year	0.90
Disposals/Adjustments	-
As at 31st March, 2018	**1.84**
Charge for the year	**0.90**
Disposals / Adjustments	-
As at 31st March, 2019	**2.74**
Net Carrying Amount :	
As at 31st March, 2019	**1.76**
As at 31st March, 2018	2.66

4.1 Computer Software is amortised on a straight line basis over a period of 5 years.

5. Investments in Associate

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current Investments		
Investments in Equity Instruments of Associate Company (Unquoted)		
2,500 Equity Shares of ₹ 10/- each, fully paid-up in Ferro Chrome Producers Association. (Refer Note No 5.1 below)	-	-
(31st March, 2018: 2 500 Equity Shares)		
Aggregate amount of unquoted investments	-	-

5.1 Investment in equity shares of Ferro Chrome Producers Association amounts to ₹ 25,000 (31st March, 2018 : ₹ 25,000).

6. Investments

(₹ in crore)

		As at 31st March, 2019	As at 31st March, 2018
Non- Current Investments			
(a) Investments in Equity Instruments (Unquoted)		0.10	0.10
95,054 Equity Shares of ₹ 10 each, fully paid-up in Kalinga Hospital Ltd.			
(31st March, 2018, 95054 shares)			
(b) Investment in Preference Shares (Unquoted)			
1,00,00,000 Non-Convertible Redeemable Cumulatiive Preference shares of ₹ 10 each fully paid-up in Ortel Communication Ltd. (31st March, 2018 : Nil)	10.00		
Less : Expected Credit Loss	(10.00)	-	-
		0.10	**0.10**
Aggregate amount of unquoted investments		0.10	0.10
Aggregate amount of impairment in value of investments		10.00	-

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

7. Trade Receivables

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good*	11.39	11.39
	11.39	**11.39**

* due pending resolution of sub-judice matters

8. Loans

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good:		
Security and Other Deposits	24.61	23.69
	24.61	**23.69**

9. Other Financial Assets

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current portion of Other Bank Balances		
- Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien*)	1.31	3.40
	1.31	**3.40**
*includes		
Margin money deposits	**1.31**	**1.27**
Deposits pledged with banks against borrowings	-	2.13

10. Other Non-Current Assets

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	2.78	3.52
Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No. 45)	100.75	100.75
Interest accrued but not due on Fixed Deposits with Banks	63.96	54.57
Prepaid Rent for Operating Leases	5.95	6.57
	173.44	**165.41**

11. Inventories

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	280.48	255.09
Raw Materials-in-Transit	62.45	25.10
Finished Goods	116.27	76.15
Finished Goods-in-Transit	40.91	32.57
Stores and Spares	44.69	39.04
Loose Tools	0.12	0.12
	544.92	**428.07**

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

12. Investments

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Current Investments		
Investments in Equity Instruments (Quoted)		
5,65,000 shares (31st March, 2018: 5,65,000 shares) of Bharat Road Network Limited	5.19	10.92
Investments in Mutual Funds (Unquoted)		
10,70,947.41 units (31st March, 2018: 2,43,915.98 units) of Aditya Birla Sunlife Low duration fund - Growth Direct Plan	50.68	10.64
2,14,666.28 units (31st March, 2018: Nil) of Aditya Birla Sunlife Liquid fund - Growth-Direct Plan	6.45	-
36,68,701.09 units (31st March, 2018: 27,59,425.16 units) of Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	4.03	2.99
6,579.99 units (31st March, 2018: 5,14,764.04 units) of Reliance Liquid Fund Direct Growth Plan - Growth Option	3.00	123.26
38.53 units (31st March, 2018 : 306.38 units) of Reliance Liquid Fund - Treasury Plan - Directly Daily Dividend Option	0.01	0.05
	69.36	**147.86**
Aggregate amount of quoted investments	5.19	10.92
Aggregate amount of unquoted investments	64.17	136.94

13. Trade Receivables

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered good	50.06	65.24
Doubtful	0.38	0.38
Less: Provision for doubtful debts	(0.38)	(0.38)
	50.06	**65.24**

14. Cash and Cash Equivalents

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks:		
In Current Accounts [includes unclaimed dividend of ₹ 1.25 crore (31st March, 2018: ₹ 1.12 crore)]	17.04	17.47
Cheques on hand	-	0.33
Cash on hand	0.65	0.18
	17.69	**17.98**

15. Other Bank Balances

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Fixed Deposits with Banks having balance maturity of twelve months or less:		
- Not under Lien	11.88	8.23
- Under Lien*	27.08	22.29
	38.96	**30.52**
* includes		
Margin money deposits		
- 12 months or less	8.80	6.14
Deposits pledged with banks against borrowings		
- 12 months or less	18.28	16.15

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

16. Other Financial Assets

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Interest accrued but not due on Fixed Deposits with Banks	0.77	0.52
Derivative Assets		
- Foreign currency forward contracts not designated as hedge	6.86	0.92
	7.63	**1.44**

17. Other Current Assets

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Goods & Services Tax (GST)	105.75	91.66
Advances to Suppliers	42.40	70.77
Advance Royalty	1.10	3.46
Deposits / Advances with Excise & Customs	11.17	6.26
Employee Advances	0.43	0.52
Other Advances	0.19	0.36
Export Incentives Receivable	18.55	17.15
VAT Credit Receivable	0.12	0.54
Prepaid Expenses	10.71	10.01
Prepaid Rent for Operating Leases	0.61	0.63
Assets classified as held for sale	0.04	0.06
	191.07	**201.42**

18. Share Capital

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Authorised:		
Equity Shares:		
3,52,50,000 Equity Shares, ₹ 10/- par value per share (refer Note No. 52)	35.25	35.25
(31st March, 2018 : 3,52,50,000 Equity Shares)		
Preference Shares:		
90,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (refer Note No. 52)	0.90	0.90
(31st March, 2018 : 90,000 Preference Shares)		
2,60,000 IInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share	2.60	2.60
(31st March, 2018 : 2,60,000 Preference Shares)		
	38.75	**38.75**
Issued, Subscribed and Paid-up:		
1,30,59,007 Equity Shares, ₹ 10/- par value per share, fully paid (refer Note No. 52)	13.06	13.06
(31st March, 2018 : 1,30,59,007 Equity Shares)		
	13.06	**13.06**

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

Equity Share Suspense Account

Particulars	As at		As at	
	No. of share	₹ in crore	No. of share	₹ in crore
Equity Shares of ₹ 10/- par value per share fully paid-up, pending allotment (issued and allotted to the shareholders of B.Panda and Company Private Limited on 30th April, 2019, pursuant to the Scheme of Amalgamation coming into effect) (refer Note No. 52)	1,39,18,046	13.92	1,39,18,046	13.92

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	1,30,59,007	13.06	1,30,59,007	13.06
Add: Issued during the year	-	-	-	-
At the end of the year	1,30,59,007	13.06	1,30,59,007	13.06

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.

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

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
B Panda Trust (through Mr. Subhrakant Panda, Trustee)* (refer Note No. 52)	1,39,18,046	51.59	1,39,18,046	51.59
LITEC Company Limited	34,44,259	12.77	34,44,259	12.77
Fox Consulting Services Pte. Limited	17,90,500	6.64	17,90,500	6.64

*Issued and allotted on 30th April, 2019, ₹ 13.92 Crore being reflected as Equity Share Suspense Account in the Balance Sheet.

19. Borrowings

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Secured		
Rupee Term Loans from:		
Banks	492.52	586.17
Others	-	11.79
Foreign Currency Term Loans from:		
Banks	12.32	26.93
Vehicle Loans	1.90	2.51
Total Borrowings	**506.74**	**627.40**
Less: Current Maturities		
Banks	121.72	106.83
Others	-	4.41
	121.72	**111.24**
Total Non-Current Borrowings	**385.02**	**516.16**

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

19.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 26) and their repayment terms :

Amounts carried in Note No. 19 and 26 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

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

Term Loans from Banks :

(a) Loan of ₹ 16.64 crore (31st March, 2018 : ₹ 33.32 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.

(b) Loan of ₹ 44.45 crore (31st March, 2018 : 50.00 crore) for general capital expenditure, secured by first pari-passu charge by way of mortgage on the land about 167 acres situated at Chhatisa 3 and Kapaleswar mouza, Choudwar, Cuttack along with movable fixed assets and buildings and structures thereon excluding the assets which are exclusively charged to other lenders. Repayment by 8 EQI of ₹ 5.55 crore from February '19 and last instalment of ₹ 5.56 crore.

(c) Loan of ₹ 3.00 crore (31st March, 2018 : ₹ 9.00 crore) for general capital expenditure, secured by first pari-passu charge on fixed assets (both movable & 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.

(d) Loan of ₹ 135.00 crore (31st March, 2018 : ₹ 145.50 crore) for 30 MW Captive Power Plant (CPP) at Choudwar and general capital expenditure, secured by first pari-passu charge over all that piece and parcel of land admeasuring about 2.975 acres at plot no. 43 at Choudwar Cuttack, (not forming part of the 60 acres land for 120MW power plant lenders) together with buildings and structures, all plants, machineries and other movable fixed assets situated thereon, both present and future and first pari-passu charge on fixed assets (both movable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to other lenders. Repayment by 4 EQI of ₹ 2.25 crore from December '17, 4 EQI of ₹ 3.00 crore from December '18, 8 EQI of ₹ 3.75 crore from December '19 and 22 EQI of ₹ 4.50 crore from December '21.

(e) Loan of ₹ 69.95 crore (31st March, 2018 : ₹ 82.67 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.

(f) Loan of ₹ 63.59 crore (31st March, 2018 : ₹ 75.16 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.

(g) Loan of ₹ 44.52 crore (31st March, 2018 : ₹ 52.61 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 ₹ 63.59 crore (31st March, 2018 : ₹ 75.16 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 ₹ 31.72 crore (31st March, 2018 : ₹ 37.52 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 ₹ 16.30 crore (31st March, 2018 : ₹ 21.38 crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (4,75,675.20 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 crore by 24 UQI from June'16 and ₹ 5.85 crore in 72 EMI from November '17.

(k) Vehicle Loan of ₹ 1.90 crore (31st March, 2018 : ₹ 2.51 crore) secured by charge on the Vehicles. Repayment in EMI as per the repayment schedules of respective vehicles.

(l) Loan of ₹ 13.65 crore (31st March, 2018 : ₹ 13.65 crore) for setting up of 3 MW Solar Power Plant secured by first exclusive charge by way of hypothecation over plant & machinery and other movable and immovable assets of 3 MW Solar Power Plant and mortgage of 16.42 acres of land on which the plant is installed at Therubali. Repayment by 31 EQI of ₹ 0.43 crore from May '19 and last instalment of ₹ 0.42 crore.

(m) Loan of ₹ 12.32 crore (31st March, 2018 : ₹ 26.64 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 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 February'16.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

20. Other Financial Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Derivative Liabilities		
- Swaps not designated as hedge	9.10	10.61
Security Deposits	0.02	0.02
Others	1.33	1.33
	10.45	**11.96**

21. Provisions

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits	15.17	9.11
	15.17	**9.11**

22. Deferred Tax Liabilities (Net)

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
(a) Deferred Tax Liabilities:		
Difference between tax base and book base of Property, Plant and Equipment, Investment Property and Intangible Assets	102.11	104.28
Others	0.13	0.02
(b) Deferred Tax Assets:		
Financial assets at Fair value through profit or loss	(1.36)	(0.16)
Defined Benefit Obligations	(5.45)	(3.91)
Others	(8.57)	(4.12)
Net Deferred Tax Liabilities	**86.86**	**96.11**

23. Other Non-Current Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Electricity Duty	131.89	132.24
	131.89	**132.24**

24. Borrowings

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Loans Repayable on Demand		
Secured:		
Working Capital Loans from Banks	252.43	194.68
Unsecured:		
Deferred Payment Liability	6.37	-
	258.80	**194.68**

24.1 Working Capital Loans from banks are secured by charge over inventories, trade, receivables & current assets.

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

25. Trade Payables

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises and small enterprises (refer Note No. 25.1)	4.90	2.20
Others	267.12	194.23
	272.02	**196.43**

25.1 Micro Enterprises and Small Enterprises under the Micro,Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Group and the required disclosures are given below:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) The principal amount and interest due thereon remaining unpaid to any supplier	4.63	2.20
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	0.27	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	
	4.90	**2.20**

Dues as above, to the Micro Enterprises and Small Enterprises have been determined by the Management. This has been relied upon by the auditors.

26. Other Financial Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Borrowings (refer Note No. 19)	121.72	111.24
Interest accrued but not due on borrowings	1.46	0.87
Unclaimed Dividend *	1.25	1.12
Earnest Money and Security Deposits	3.26	2.23
Liability for Operating and Other Expenses	123.49	90.62
Creditors for Capital Goods	15.95	6.59
Commission / Remuneration Payable to Directors	0.39	10.81
Payable to Employees	7.31	6.96
Financial Guarantee Liability	0.04	0.01
	274.87	**230.45**

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

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

27. Other Current Liabilities

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Advance from Customers	0.24	0.18
Liability for Operating and Other Expenses	0.69	1.42
Statutory Liabilities	10.99	9.97
	11.92	**11.57**

28. Provisions

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits	7.19	6.62
	7.19	**6.62**

29. Revenue from Operations

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products		
Ferro Chrome	1,578.30	1,697.85
Fly Ash Bricks	2.01	1.63
Low Density Aggregate	0.33	0.29
	1,580.64	**1,699.77**
Other Operating Revenues:		
Export Incentives	41.68	45.23
Sale of Scrap	9.65	6.30
Others	1.81	17.96
	1,633.78	**1,769.26**

30. Other Income

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest		
- Fixed Deposits	2.18	1.76
- Others	1.87	2.88
Dividend	0.26	0.16
Rent	0.31	0.25
Profit on Sale of Property, Plant and Equipment [including profit on sale of assets classified as held for sale ₹ 0.18 crore (Previous Year: ₹ 0.09 crore)]	1.46	2.27
Claims Received	1.44	2.80
Profit on sale of Current Investments	8.63	8.97
Gain/(loss) on fair valuation of Current Investments	(6.86)	4.27
Liability no longer required written back	1.87	0.86
Other non-operating Income	2.61	2.32
	13.77	**26.54**

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

31. Cost of Materials Consumed

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Coal	214.93	231.81
Chrome Ore	341.06	372.77
Quartz	5.47	5.67
Coke	273.37	210.72
Carbon paste	16.76	15.00
Other materials	12.39	12.06
	863.98	**848.03**
Less: Inter Unit transfer of Chrome Ore (Net)	40.09	34.59
	823.89	**813.44**

32. Changes in Inventories of Finished Goods

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Closing stock of finished goods	157.18	108.72
Opening stock of finished goods	108.72	110.12
	(48.46)	**1.40**

33. Employee Benefits Expense

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, Wages, Bonus, Allowances etc.	159.58	163.38
Contribution to Provident and Other Funds	10.52	9.77
Workmen and Staff Welfare Expenses	4.10	3.58
	174.20	**176.73**

34. Finance Costs

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Expense	71.80	69.47
Exchange differences regarded as an adjustment to borrowing costs	0.91	0.02
Other Borrowing Costs	5.03	5.92
	77.74	**75.41**

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

35. Other Expenses

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Manufacturing expenses		
Consumption of stores, spares and loose tools	20.58	19.81
Consumption of electricity	56.30	60.76
Electricity Duty	48.87	47.35
Energy transmission charges	5.13	6.63
Repairs and Maintenance :		
- Plant and Machinery	27.93	26.34
- Buildings	5.27	4.81
- Others	7.33	6.55
Finished stock and slag handling expenses	15.20	22.61
Other factory expenses	27.10	28.28
Excise duty on closing stock of finished goods	-	(7.21)
	213.71	**215.93**
Selling and Distribution expenses		
Carriage outward and handling expenses	60.98	59.18
Export promotion expenses	1.51	1.79
Other selling expenses	21.01	21.67
	83.50	**82.64**
Establishment and other expenses		
Insurance	5.25	5.00
Rent	4.45	4.21
Rates and taxes	2.44	4.19
Travelling and conveyance	8.45	7.14
Legal and professional fees	21.49	12.24
Payments to the Auditor (refer Note No. 35.1)	0.55	0.51
Director's Fees	0.04	0.06
Corporate Social Responsibility Expenses (refer Note No. 47)	4.65	3.85
Impairment Loss Allowance	0.03	0.01
Donations*	6.37	0.41
Miscellaneous expenses	18.17	15.10
	71.89	**52.72**
Total Other Expenses	**369.10**	**351.29**

* Donations includes political contribution of ₹ 2 crore (Previous Year: Nil)

35.1 Payments to the Auditor (excluding taxes)

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
As Auditor - Statutory Audit & Limited Reviews	0.48	0.46
For Other Services	0.02	0.02
For reimbursement of expenses	0.05	0.03
	0.55	**0.51**

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

36. Earnings Per Share

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Profit/(Loss) after tax as per Consolidated Statement of Profit and Loss attributable to Owners of the Parent (₹ in crore)	(1.02)	186.10
(b) Number of Equity Shares at the beginning of the year	1,30,59,007	1,30,59,007
(c) Add: Equity Shares to be issued pursuant to Amalgamation	1,39,18,046	1,39,18,046
(d) Weighted Average number of Equity Shares [(b) + (c)]	**2,69,77,053**	**2,69,77,053**
(e) Basic and diluted earnings per share (in ₹)	(0.38)	68.98
(f) Nominal value per Equity Share (in ₹)	**10.00**	**10.00**

37. Contingent Liabilities and Commitments

(₹ in crore)

Particulars		As at 31st March, 2019	As at 31st March, 2018
A. Contingent Liabilities			
(a) Claims against the Company not acknowledged as debts:			
Government Claims			
(i)	Income Tax (deposits made under protest 31st March, 2019 : ₹ 39.03 crore, 31st March, 2018: ₹ 45.06 crore)	47.71	54.03
(ii)	Cenvat Credit reversal and penalty thereon (deposits made under protest 31st March, 2019: ₹ 1.33 crore, 31st March, 2018 : ₹ 1.31 crore)	26.86	26.13
(iii)	Excise Duty and penalty thereon (deposits made under protest 31st March, 2019: ₹ 0.21 crore, 31st March, 2018 : ₹ 0.21 crore)	0.41	0.41
(iv)	Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable
(v)	Entry tax (deposits made under protest 31st March, 2019 : ₹ 6.43 crore, 31st March, 2018: ₹ 4.82 crore)	15.05	15.05
(vi)	Sales tax (deposits made under protest 31st March, 2019 : ₹ 0.07 crore, 31st March, 2018: ₹ 0.07 crore)	0.12	0.12
(vii)	Value Added Tax (deposits made under protest 31st March, 2019 : ₹ 3.15 crore, 31st March, 2018: ₹ 3.15 crore)	3.18	3.18
(viii)	Service tax & penalty thereon (deposits made under protection 31st March, 2019 ₹ 0.02 crore, 31st March 2018, Nil.	0.50	-
(ix)	State Govt./Local Authority rent, duties, levies & cess etc. (deposits made under protest 31st March, 2019 : ₹ 13.64 crore, 31st March, 2018: ₹ 13.58 crore)	72.39	72.37
Other Claims			
Legal suits filed against the Group		1.45	1.43

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

Demand notices in respect of six mines had been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 237.06 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'). The Company filed Revision Applications before Mines Tribunal, New Delhi against all such demands. Vide Common Order dated 11.10.2017, Revisionary Authority of Mines Tribunal has set aside the impugned demands in respect of all six mines and remanded back to Government of Odisha for taking necessary action in light of Supreme Court Judgment dated 02.08.2017 in Common Cause-vs-Union of India. Subsequently, demand notices in respect of four mines viz., Sukinda Chromite Mines, Chingudipal Chromite Mines, Bangur Chromite Mines and Nuasahi Chromite Mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 122.90 crore for alleged excess extraction of minerals over the quantity permitted under environment clearance during 2000-01 to 2010-11 under Section 21(5) of the Act. Aggrieved by the said notices, the Company filed Revision Applications before the Mines Tribunal, New Delhi challenging the said demand notices. The Revisionary Authority of Mines Tribunal vide order dated 10.05.2018 stayed the demand notices with a direction that the State Government shall not take any coercive measures to recover the amounts demanded and the matters are pending.

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

B. Commitments:

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances)	84.85	63.71

38. Indmet Mining Pte. Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has an Indonesian subsidiary company, 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. Consequently, the Company 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 invoked 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. The Arbitral Tribunal, vide its award dated 29th March, 2019 rejected the claim filed by the Company and also awarded costs to the opposite party.

In view of the above, as on 31st March, 2019, the Company has fully impaired the carrying value of its investment in Indmet amounting to ₹ 53.13 crore, in its standalone financial statements.

Further, as on 31st March, 2019, goodwill amounting ₹ 57.83 crore, being the excess of the cost of investment in PT Sumber over Indmet's share in the net assets of PT Sumber, has been fully impaired in these Consolidated Financial Statements of the Group .

39. Segment Information

The Group has identified three broad reportable segments viz. 'Ferro Alloys', 'Power' & 'Mining'. Segments have been identified and reported taking into account nature of products, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the Chief Operating Officer of the Group (Chief Operating Decision Maker). Activities not meeting the quantitative threshold as specified in Ind AS 108 "Operating Segments" are reported as "Others". The accounting policies adopted for segment reporting are in line with the accounting policies of the Group with following additional policies for Segment Reporting:

– 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".

– 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".

As per Ind AS 108 'Operating Segments', the Company has reported segment information on consolidated basis including business conducted through its subsidiaries.

a. Primary Segment Information (Business Segment)

i) Segment Revenue and Results

(₹ in crore)

Particulars	Ferro Alloys		Power		Mining		All Other Segments		Unallocable		Total	
	Year ended 31st March, 2019	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018
Segment Revenue												
External Sales	1,578.30	1,697.85	-	-	-	-	2.34	1.92	-	-	1,580.64	1,699.77
Inter Segment Sales	-	-	415.30	443.45	217.08	189.94	0.75	0.50	-	-	633.13	633.89
Elimination	-	-	(415.30)	(443.45)	(217.08)	(189.94)	(0.75)	(0.50)	-	-	(633.13)	(633.89)
Total Revenue	1,578.30	1,697.85	-	-	-	-	2.34	**1.92**	-	-	1,580.64	**1,699.77**
Segment Result before Finance Cost, Exceptional Items and Taxes	265.77	358.85	(7.03)	(9.35)	(15.15)	(7.54)	(8.51)	(8.95)	(57.55)	25.16	177.53	358.17
Finance Costs											77.74	75.41
Exceptional Items-(Income)/Expense (Net)											80.67	-
(Income)/Profit/(Loss) Before Tax											19.12	282.76
Tax Expenses											19.70	96.24
Profit/(Loss) After Tax											**(0.58)**	**186.52**

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

ii) Segment Assets and Liabilities

(₹ in crore)

Particulars	Segment Assets		Segment Liabilities	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Ferro Alloys	925.53	765.51	242.91	153.39
Power	912.88	944.93	248.84	253.16
Mining	477.21	488.74	40.50	36.53
Others	54.34	61.14	1.06	0.84
Unallocable	284.91	391.49	155.37	139.31
Total	**2654.87**	**2651.81**	**688.68**	**583.23**

iii) Other Segment Information

(₹ in crore)

Particulars	Additions to Non-Curent Assets		Depreciation and Amortisation		Non Cash Expenses other than Depreciation and Amortisation	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Ferro Alloys	47.60	66.37	25.81	26.86	-	-
Power	43.57	26.35	51.28	53.94	-	-
Mining	15.86	20.99	6.08	5.08	-	-
Others	0.16	1.54	6.61	7.17	-	-
Unallocable	-	8.82	8.38	7.75	104.66	3.01
Total	**107.19**	**124.07**	**98.16**	**100.80**	**104.66**	**3.01**

iv) Unallocated Assets comprises of :

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Property, Plant and Equipment	78.55	84.42
Investments	69.46	147.96
Capital Work-in-progress	0.64	1.26
Goodwill	20.50	73.12
Income Tax Assets (Net)	42.82	25.78
Other Assets	72.94	58.95
Total Assets	**284.91**	**391.49**

v) Unallocated Liabilities comprises of

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities (Net)	86.86	96.11
Other Liabilities	68.51	43.20
Total Assets	**155.37**	**139.31**

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

b. Information about major customers

Revenue under the segment 'Ferro Alloys' includes revenue from three external customers amounting to ₹ 1,233.94 crore (Previous Year: ₹ 1,332.25 crore) each contributing to more than 10% of total revenue. The details are given below:

(₹ in crore)

	Year ended 31st March, 2019	Year ended 31st March, 2018
I	636.19	641.13
II	450.75	523.26
III	147.00	167.86
Total	**1,233.94**	**1,332.25**

40. 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. Subsequently, the Coal Mines (Special Provisions) Act, 2015 was enacted on 30th March, 2015 which was deemed to have come into force on 21st October, 2014, repealing the second Ordinance. 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. The judgment in respect of this Writ Petition was delivered on 5th October, 2016 not granting any relief to UCL which, aggrieved, filed a Special Leave Petition ("SLP") on 11th January, 2017 before the Hon'ble Supreme Court challenging the above order dated 5th October, 2016. During the year ended 31st March, 2019 the SLP was withdrawn by UCL after the Central Government issued orders for auction process of Utkal 'C' block along with five other coal blocks to be allotted to Government Companies.

UCL had 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 judgment was delivered on 9th March, 2017 considering leasehold land [under Coal Bearing Areas (Acquisition and Development) Act, 1957] to be under Mines Infrastructure and not under Freehold Land category for the purpose of compensation. Aggrieved, UCL filed a SLP on 15th May, 2017, before the Hon'ble Supreme Court challenging the aforesaid order. During the year ended 31st March, 2019 the SLP was withdrawn by UCL. Ministry of Coal vide its letter dated 2nd April, 2019 to UCL had again sought for the details of investments in UCL's coal block for valuation of compensation. Hence, UCL is hopeful of an amicable resolution of the compensation matter with Government of India, pending which, no accounting adjustments have been made by UCL in it's books of account and no provision is deemed necessary by the Company in its standalone financial statements against the Company's net exposure in UCL as at 31st March, 2019 amounting to ₹ 111.42 crore invested as equity and ₹ 263.48 crore given as unsecured loan. Accordingly, these consolidated Financial statements of the Group do not include any adjustment that might result from the outcome of these uncertainties.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

41. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures

(a) Names of Related Parties :

(i)	**Associate**	**Country of Origin**
	Ferro Chrome Producers Association (registered under Section 8 of the Act)	India

(ii)	**Key Management Personnel (KMP)**	
	Name	**Designation**
1	Major Rabinarayan Misra (Retd.) (w.e.f 3rd January, 2019)	Chairman - Independent Non-Executive Director
2	Mr. Baijayant Panda	Vice Chairman - Non-Independent Executive Director
3	Mr. Subhrakant Panda	Managing Director - Non-Independent Executive Director
4	Mr. Jayant Kumar Misra	Director (Corporate) & COO - Non-Independent Executive Director
5	Mr. Chitta Ranjan Ray	Whole time Director - Non-Independent Executive Director
6	Mr. D Bandyopadhyay (upto 25th July, 2018)	Independent Non-Executive Director
7	Mr. Nalini Ranjan Mohanty	Independent Non-Executive Director
8	Mr. Sudhir Prakash Mathur	Independent Non-Executive Director
9	General Shankar Roychoudhury (Retd.)	Independent Non-Executive Director
10	Mr. Santosh Nautiyal (upto 30th November, 2018)	Independent Non-Executive Director
11	Mr. Bijoy Kumar Das	Independent Non-Executive Director
12	Mrs. Paramita Mahapatra	Non-Independent Non-Executive Director
13	Mr. Stefan Georg Amrein	Non-Independent Non-Executive Director
14	Mr. Prem Khandelwal	CFO & Company Secretary

(ii) Close Family Members of KMP

1 Late Dr. Bansidhar Panda - (Upto 21st May, 2018) - Father 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 Late Dr. Bansidhar Panda and sister of Mr. Baijayant Panda and Mr. Subhrakant Panda.
5 Mr. Rajen Mohapatra - Husband of Mrs. Paramita Mahapatra

(iv) Other entities with whom transactions have taken place during the year

1	UMSL Ltd.	Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
2	Esquire Realtors Pvt. Ltd.	
3	Kishangarh Environmental Development Action Pvt. Ltd.	
4	Ortel Communications Ltd.	
5	Odisha Television Ltd.	
6	Palios Corporation	
7	Rutayan Ila Trust	
8	Bansidhar & Ila Panda Foundation	
9	Utkal Charitable Trust	
10	Indian Metals Public Charitable Trust	
11	Raila Enterprises Pvt. Ltd.	
12	Orissa Coal and Services Pvt. Ltd.	
13	Barabati Realtors Pvt. Ltd.	

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

(b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous year)

(₹ in crore)

Sl. No.	Nature of Transactions	KMP	Close family members of KMP	Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
1	Investment in Preference Shares	-	-	10.00
		(-)	(-)	(-)
2	Dividend paid	0.86	1.08	0.91
		(0.86)	(0.44)	(0.61)
3	Sale of Goods	-	-	0.22
		(-)	(-)	(0.05)
4	Services Received	0.25	0.34	93.27
		(0.24)	(1.47)	(120.67)
5	Services Rendered	-	-	0.16
		(-)	(-)	(0.15)
6 a	Remuneration (Including Commission)	7.35	0.54	-
		(17.80)	(0.54)	(-)
6 b	Gratuity and Leave Encashment	2.10	-	-
		(6.03)	(-)	(-)
7	Sitting Fees	0.04	-	-
		(0.05)	(-)	(-)
8	Donations Given	-	-	3.84
		(-)	(-)	(-)
9	Corporate Social Responsibility expenses	-	-	3.81
		(-)	(-)	(3.11)
10	Sale of Property, Plant and Equipment	-	-	-
		(-)	(-)	(3.87)
11	Reimbursement of Expenses	-	-	0.07
		(-)	(-)	(0.12)
12 a	Outstanding balances as at 31st March, 2019 :			
	a. Receivables	-	-	0.07
	b. Payables	0.91	0.15	23.56
	c. Guarantees given	-	-	10.73
12 b	Outstanding balances as at 31st March, 2018 :			
	a. Receivables	-	-	0.12
	b. Payables	10.53	0.17	27.20
	c. Guarantees given	-	-	4.21

Outstanding balances receivable at the year end are unsecured and settlement occurs in cash.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

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

1. Investment in 1,00,00,000 Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up amounting to ₹ 10 crore (Previous Year: Nil) in Ortel Communications Ltd.
2. Sale of Goods to Bansidhar & Ila Panda Foundation ₹ 0.22 crore (Previous Year : ₹ 0.05 crore)
3. Services Received includes services from UMSL Ltd. ₹ 85.21 crore (Previous Year : ₹ 114.08 crore)
4. Services Rendered includes services to UMSL Ltd. ₹ 0.15 crore (Previous Year : ₹ 0.15 crore)
5. Remuneration (including commission) includes amount paid to Late Dr. Bansidhar Panda Nil (Previous Year: ₹ 1.75 crore), Mr. Baijayant Panda ₹ 2.01 crore (Previous Year: ₹ 6.05 crore), Mr. Subhrakant Panda ₹ 2.38 crore (Previous Year: ₹ 6.34 crore), Mr. Jayant Kumar Misra ₹ 1.17 Crore (Previous Year: ₹ 1.17 crore), Mr. Chitta Ranjan Ray ₹ 0.70 crore (Previous Year: ₹ 0.72 crore) and Mr. Prem Khandelwal ₹ 0.84 crore (Previous Year: ₹ 0.83 crore), Major Rabinarayan Misra ₹ 0.04 crore (Previous Year : ₹ 0.14 crore), Mr. D. Bandyopadhyay ₹ 0.04 crore (Previous Year : ₹ 0.14 crore), Mr. Nalini Ranjan Mohanty ₹ 0.04 crore (Previous Year : ₹ 0.14 crore), Mr. Sudhir Prakash Mathur ₹ 0.04 crore (Previous Year : ₹ 0.13 crore), General Shankar Roychoudhury ₹ 0.03 crore (Previous Year : 0.13 crore), Mr. Santosh Nautiyal ₹ 0.03 crore (Previous Year : ₹ 0.13 crore) and Mr. Bijoy Kumar Das ₹ 0.03 crore (Previous Year : ₹ 0.13 crore).
6. Donations include amount given to Bansidhar & Ila Panda Foundation ₹ 3.49 crore (Previous Year : Nil) and Indian Metals Public Charitable Trust ₹ 0.35 crore (Previous Year : Nil).
7. Corporate Social Responsibility Expenses include amount given to Bansidhar & Ila Panda Foundation ₹ 3.81 crore (Previous Year : 2.76 crore) and Indian Metals Public Charitable Trust Nil (Previous Year : ₹ 0.35 crore)
8. Guarantee provided to Bank for loan availed by Bansidhar & Ila Panda Foundation ₹ 10.73 crore (Previous Year : ₹ 4.21 crore).

(d) Compensation to Key Management Personnel

The compensation to key management personnel during the year was as follows:-

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Short-term employee benefits	7.39	17.85
Post-employment benefits	2.10	6.03
	9.49	**23.88**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

(e) The remuneration paid by the Company and it's subsidiary companies incorporated in India, to their directors during the year is in accordance with the provisions of Section 197 of the Act. Further, the remuneration paid by the Company to it directors during the year is in excess of the limits laid down under sub-section 1 of Section 197 of the Act, by ₹ 1.25 crore for which requisite approval in accordance with the said Section read with Schedule V to the Act has been obtained by the Company.

42. The audited financial statements of IMFA Alloys Finlease Ltd. are prepared in accordance with the Accounting Standards (Indian GAAP), as it is an NBFC and Ind AS is not yet applicable to it. Such Indian GAAP financials have been restated into Ind AS financials by the Holding Company's management, for the purposes of consolidation.

The audited financial statements of Indmet Mining Pte. Ltd. are prepared in accordance with Financial Reporting Standards in Singapore (FRS), generally followed in the country of its incorporation. Such Singapore FRS financials have been restated into Ind AS financials by the Holding Company's management, for the purposes of consolidation.

The audited financial statements of PT Sumber Rahayu Indah are prepared in accordance with the Financial Accounting Standards in Indonesia, generally followed in the country of its incorporation. Such financial statements have been restated into Ind AS financials by the Holding Company's management, for the purposes of consolidation.

43. 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 it's objection thereto on 19th February, 2009 and the Court of the District Judge, Bhubaneswar pronounced judgment dated 8th January, 2018 in favour of the Company dismissing the petition filed by GRIDCO. Subsequently, GRIDCO filed an appeal before Hon'ble High Court of Odisha challenging the award which is pending.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

44. 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 it's 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.

45. 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 it's 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 it's 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. Further, Department of Energy, Govt of Odisha vide notification No. 3442 dated 12th May, 2017 has enhanced the rate of Electricity Duty from 30 paise to 55 paise per unit for a Captive Power Generator and the Company continues to pay the enhanced duty.

46. 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 judgment 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.

The Hon'ble Supreme Court, vide order dated 25th October, 2018 referred to parties to mediation by Justice A.P Shah, a retired Justice of the Hon'ble Delhi High Court, to have detailed look into the matter & submit report to the Hon'ble Supreme Court. Subsequently, Justice A.P Shah filed his report dated 1st April, 2019 before the Hon'ble Supreme Court, along with the settlement agreement dated 30th March, 2019 signed by the parties pursuant to which the Company has made a payment of ₹ 0.55 crore towards settlement of the said matter (included under 'Other Expenses'). Final order from the Hon'ble Supreme Court is awaited.

47. Expenditure incurred on Corporate Social Responsibility activities is as follows:

(₹ in crore)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
- Expenditure included under "Other Expenses" (refer Note No. 35)	4.65	3.85
- Expenditure relating to CSR Assets included under "Capital Work-in-Progress" (refer Note No. 2)	0.03	0.11
- Expenditure relating to CSR Assets included under " Property, Plant and Equipment" (refer Note No. 2)	0.05	0.26
	4.73	**4.22**

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

48. Additional Information as per Schedule III of the Companies Act, 2013

As at and for the year ended 31st March, 2019

Name of the Entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of total comprehensive income	Amount (₹ in crore)
Parent								
Indian Metals and Ferro Alloys Ltd.	69.01	828.62	(11,363.79)	65.91	100.00	3.76	2190.88	69.67
Subsidiaries								
Indian :								
1. Utkal Power Ltd.	-	0.01	112.07	(0.65)	-	-	(20.44)	(0.65)
2. Utkal Coal Ltd.	28.52	342.41	6.90	(0.04)	-	-	(1.26)	(0.04)
3. IMFA Alloys Finlease Ltd.	(0.36)	(4.32)	194.83	(1.13)	-	-	(35.53)	(1.13)
4. Utkal Green Energy Ltd.	-	-	15.52	(0.09)	-	-	(2.83)	(0.09)
Foreign :								
1. Indmet Mining Pte Ltd.	0.10	1.26	11,184.47	(64.87)	-	-	(2039.94)	(64.87)
2. PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd.)	0.19	2.23	25.86	(0.15)	-	-	(4.72)	(0.15)
Non-Controlling Interest in all subsidiaries	2.54	30.47	(75.86)	0.44	-	-	13.84	0.44
TOTAL	**100.00**	**1,200.68**	**100.00**	**(0.58)**	**100.00**	**3.76**	**100.00**	**3.18**

As at and for the year ended 31st March, 2018

Name of the Entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of total comprehensive income	Amount (₹ in crore)
Parent								
Indian Metals and Ferro Alloys Ltd.	65.36	814.74	100.88	188.16	100.00	(2.23)	100.88	185.93
Subsidiaries								
Indian :								
1. Utkal Power Ltd.	0.04	0.49	-	-	-	-	-	-
2. Utkal Coal Ltd.	27.45	342.13	(0.02)	(0.04)	-	-	(0.02)	(0.04)
3. IMFA Alloys Finlease Ltd.	(0.42)	(5.20)	(0.65)	(1.20)	-	-	(0.65)	(1.20)
4. Utkal Green Energy Ltd.	0.01	0.08	-	-	-	-	-	-
Foreign :								
1. Indmet Mining Pte Ltd.	4.96	61.79	(0.34)	(0.63)	-	-	(0.34)	(0.63)
2. PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd.)	0.16	2.02	(0.10)	(0.19)	-	-	(0.10)	(0.19)
Non-Controlling Interest in all subsidiaries	2.44	30.43	0.23	0.42	-	-	0.23	0.42
TOTAL	**100.00**	**1,246.48**	**100.00**	**186.52**	**100.00**	**(2.23)**	**100.00**	**184.29**

Notes
to Consolidated Financial Statements for the year ended 31st March, 2019

49. Derivative Instruments

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

Particulars	As at 31st March, 2019		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in crore)
Forward Contracts	74	25.65	177.42
Interest Rate Swap	1	1.78	12.32
Cross Currency Swap	4	15.05	104.10

Particulars	As at 31st March, 2018		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in crore)
Forward Contracts	123	34.75	222.71
Interest Rate Swap	1	4.16	26.66
Cross Currency Swap	6	42.12	269.94

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Loans Payable	Payable for import of goods	Loans Payable	Payable for import of goods
US Dollar (in million)	33.36	21.91	34.46	8.66
INR (in crore)	230.76	151.53	220.87	55.50

50. Financial risk management

50.1 Financial risk factors

The Group's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include loans and advances, investment in equity instruments and mutual funds, trade receivables and cash and bank balances that arise directly from its operations. The Group also enters into derivative transactions to hedge foreign currency and interest rate risks and not for speculative purposes. The Group is exposed to market risk, credit risk and liquidity risk and the Group's senior management oversees the management of these risks.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

(a) Currency risk

Foreign currency risk is the risk that fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. For mitigating exposure to foreign exchange risk, the Group adopts a policy of selective hedging based on the risk perception of the management. The Group has entered into foreign currency forward contracts and cross currency swap contracts.

The following table demonstrates the sensitivity in the USD to the Indian Rupee and the resulting impact on the Group's Profit before tax, due to changes in the fair value of monetary assets and liabilities :

(₹ in crore)

Particulars	Change in currency exchange rate		Effect on Profit Before Tax	
	Year ended 31st March, 2019	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018
USD	+5%	+5%	(17.66)	(11.23)
	-5%	-5%	17.66	11.23

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings. To manage this, the Group has entered into interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount.

The following table demonstrates the fixed and floating rate borrowings of the Group:

(₹ in crore)

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
Floating rate borrowings	757.27	819.57
Fixed rate borrowings	8.27	2.51

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

(a) Trade receivables

The Group extends credit to customers in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent. An impairment analysis is performed at each reporting date on an individual basis for major customers.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

The ageing of trade receivables is as follows:

(₹ in crore)

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables				
As at 31st March 2019				
Secured	-	-	-	-
Unsecured	41.60	0.01	20.22	61.83
Gross total	**41.60**	**0.01**	**20.22**	**61.83**
Provision for doubtful debts	-	-	(0.38)	(0.38)
Net total	**41.60**	**0.01**	**19.84**	**61.45**
As at 31st March 2018				
Secured	-	-	-	-
Unsecured	55.52	-	21.49	77.01
Gross total	**55.52**	**-**	**21.49**	**77.01**
Provision for doubtful debts	-	-	(0.38)	(0.38)
Net total	**55.52**	**-**	**21.11**	**76.63**

(b) Deposits with banks and other financial instruments

The Group considers factors such as track record, market reputation and service standards to select the equity instruments and mutual funds for investments and banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Group has also availed borrowings. The Group does not maintain significant cash balances other than those required for its day to day operations.

iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, letters of credit and working capital limits. The Group ensures it has sufficient cash to meet operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate		
- Expiring within one year - Working Capital Loans	106.34	243.78
- Expiring within one year - Term Loans	0.58	0.59
- Expiring beyond one year - Term Loans	-	1.93

Subject to the continuance of satisfactory credit ratings, the bank facilities may be drawn upon any time. Average maturity of undrawn facilities of term loans expiring beyond one year is Nil (As at 31st March, 2018: 4.25 years).

50.2 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, equity share suspense, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Group's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

51. Fair value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements.

(₹ in crore)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at fair value through profit or loss				
Investment in Equity Instruments and Mutual Funds	69.46	69.46	147.96	147.96
Derivative assets	6.86	6.86	0.92	0.92
Financial Assets designated at amortised cost				
Trade Receivables	61.45	61.45	76.63	76.63
Security and Other Deposits	24.61	24.61	23.69	23.69
Cash and Cash Equivalents	17.69	17.69	17.98	17.98
Fixed Deposits with Banks	40.27	40.27	33.92	33.92
Interest accrued but not due on Fixed Deposits with Banks	0.77	0.77	0.52	0.52
Total Financial Assets	**221.11**	**221.11**	**301.62**	**301.62**
Financial Liabilities designated at fair value through profit or loss				
Derivative Liabilities	9.10	9.10	10.61	10.61
Financial Guarantee Liability	0.04	0.04	0.01	0.01
Financial Liabilities designated at amortised cost				
Borrowings (including current maturities)	765.54	765.54	822.08	822.08
Trade Payables	272.02	272.02	196.43	196.43
Interest accrued but not due on borrowings	1.46	1.46	0.87	0.87
Unclaimed Dividend	1.25	1.25	1.12	1.12
Earnest Money and Security Deposits	3.28	3.28	2.25	2.25
Liability for Operating and Other Expenses	123.49	123.49	90.62	90.62
Creditors for Capital Goods	15.95	15.95	6.59	6.59
Commission / Remuneration Payable to Directors	0.39	0.39	10.81	10.81
Payable to Employees	7.31	7.31	6.96	6.96
Other Financial Liabilities	1.33	1.33	1.33	1.33
Total Financial Liabilities	**1201.16**	**1201.16**	**1149.68**	**1149.68**

Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

i) The fair values of investment in quoted equity instruments is based on its quoted market price at the reporting date. The fair values of the investment in unquoted equity instrument approximates its carrying amount which is the most appropriate estimate fair value in the absence of recent information to measure fair value.

ii) The fair values of the mutual funds are based on their published Net Asset Values at the reporting date.

iii) Fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

iv) The fair values of derivatives are based on marked to market valuation statements received from banks with whom the Group has entered into the relevant contracts.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

i) Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.

iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Instruments and Mutual Funds	69.36	-	-	147.86	-	-
Derivative assets	-	6.86	-	-	0.92	-
Total Financial Assets	**69.36**	**6.86**	**-**	**147.86**	**0.92**	**-**
Financial Liabilities						
Derivative liabilities	-	9.10	-	-	10.61	-
Financial Guarantee Liability	-	0.04	-	-	0.01	-
Total Financial Liabilities	**-**	**9.14**	**-**	**-**	**10.62**	**-**

During the year ended 31st March, 2019 and 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under Level 3.

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy, as at 31st March, 2019 and 31st March, 2018 :

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial Assets			
Derivative Assets			
- Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flow
Financial Liabilities			
Derivative Liabilities			
- Interest rate and cross currency swaps	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, interest rates to discount future cash flow
Financial Guarantee Liability	Level 2	Discounted cash flow of probable cash shortfall	Risk free rate of return as provided by Fixed Income Money Market and Derivatives Association of India (FIMMDA), ICRA transition matrix

52. The Hon'ble National Company Law Tribunal ("NCLT"), Cuttack Bench vide its Order dated 26th March, 2019, approved the Scheme of Amalgamation made under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving amalgamation of (a) IMCL, a wholly owned subsidiary of the Company and (b) BPCO, the holding company of the Company, into the Company. The Scheme was approved by the Board of Directors of the Company on 28th September, 2017. Consequent to the filing of a certified copy of the said Order with the Registrar of Companies, Cuttack on 30th April, 2019, the Scheme has become effective from the Appointed Date i.e. 1st April, 2017. Upon the Scheme coming into effect, the undertakings of IMCL and BPCO stand transferred to and vested in the Company with effect from the Appointed Date and the Scheme has accordingly been given effect to in these financial statements.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2019

As this is a business combination of entities under common control, the amalgamation has been accounted for using the 'Pooling of interests' method (in accordance with the approved Scheme) as envisaged in Appendix C of Ind AS 103 on 'Business Combinations'. The figures for the previous year ended 31st March, 2018 have been restated as if the amalgamation had occurred from the beginning of the previous year i.e. 1st April, 2017. Accordingly, the Company has recorded all the assets, liabilities and reserves of IMCL and BPCO at their respective book values as appearing in their books of account as at 1st April, 2017.

Consequent to the scheme of amalgamation, the authorised equity share capital of the Company stands increased from 3,00,00,000 equity shares of ₹ 10 each, aggregating to ₹ 30 crore to 3,52,50,000 equity shares of ₹ 10 each aggregating to ₹ 35.25 crore and the authorised preference share capital of the Company stands increased from 40,000 redeemable cumulative preference shares of ₹ 100 each, aggregating to ₹ 0.40 crore to 90,000 redeemable cumulative preference shares of ₹ 100 each aggregating to ₹ 0.90 crore.

Equity Share Suspense Account amounting to ₹ 13.92 crore represents 1,39,18,046 Equity Shares of ₹ 10 each fully paid, issued and allotted to the shareholders of BPCO on 30th April, 2019 pursuant to the Scheme coming into effect.

53. Exceptional Items constitute the following expense / (income):

(₹ in crore)

		Year ended 31st March, 2019	Year ended 31st March, 2018
(a)	Impairment loss on Goodwill relating to PT Sumber (refer No. 38)	57.83	-
(b)	Provision towards arbitration costs and expenses payable to the Government of the Republic of Indonesia (refer No. 38)	20.58	-
(c)	Pursuant to a clarification dated 13th August, 2018 by Commissionerate of CT and GST, Odisha, ₹ 17.66 crore relating to GST Compensation Cess paid on Coal procured during the period 1st July, 2017 to 30th June, 2018 to the extent relatable to export of finished goods, which had earlier been charged off to the Statement of Profit and Loss, has been recognised as income and received during the year. Out of the aforesaid amount, ₹ 13.73 crore relating to the period 1st July, 2017 - 31st March, 2018 is included under "Exceptional Items" and balance ₹ 3.93 crore relating to the period 1st April, 2018 to 30th June, 2018 under ''Cost of Materials Consumed''. W.e.f. 1st July, 2018, GST Compensation Cess paid on coal (to the extent relatable to export of finished goods) is not routed through the Statement of Profit and Loss as it is being claimed as an input tax credit, in terms of the aforesaid clarification.	(13.73)	-
(d)	Expected credit loss on investment in Non-Convertible Redeemable Cumulative Preference Shares.	10.00	-
(e)	Retrenchment compensation paid to employees of Nuasahi Chromite Mines.	2.34	-
(f)	Pursuant to Hon'ble Supreme Court's judgment dated 28th February, 2019, a provision of ₹ 4.39 crore has been made during the year towards arrears of Provident Fund liability under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Out of the aforesaid amount, ₹ 3.65 crore relating to the period upto 31st March, 2018 is included under "Exceptional Items" and balance ₹ 0.74 crore relating to the financial year 2018-19 under "Employee Benefits Expense".	3.65	
		80.67	-

54. Previous year / period figures have been regrouped/rearranged, wherever considered necessary, to make them comparable with those of current year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 18th May, 2019

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director
(DIN-00171845)

Chitta Ranjan Ray
Whole-time Director
(DIN-00241059)

Prem Khandelwal
CFO & Company Secretary

Corporate Information

Board of Directors

Chairman
Major R N Misra (Retd)

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 N R Mohanty, Padma Shri

Mr Stefan Georg Amrein

Mr S P Mathur

General Shankar Roychowdhury (Retd)

Mr Bijoy Kumar Das

CFO & Company Secretary

Mr Prem Khandelwal

Auditors

Haribhakti & Co. LLP
Chartered Accountants

Bankers/Term Lenders

Allahabad Bank

Axis Bank Ltd.

Corporation Bank

Bank of India

Export-Import Bank of India

ICICI Bank Limited

IDBI Bank Limited

Indian Overseas Bank

Lakshmi Vilas Bank

RBL Bank Limited

HDFC Bank Limited

Standard Chartered Bank

State Bank of India

Syndicate Bank

The South Indian Bank Limited

UCO Bank

Yes Bank Ltd.

Registered Office

IMFA Building, Bomikhal, P.O. Rasulgarh
Bhubaneswar - 751 010, 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:

INDIAN METALS & FERRO ALLOYS LIMITED

IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar - 751 010, Odisha

Phone : +91 674 2611000, 2580100; Fax: +91 674 2580020, 2580145

Email: mail@imfa.in; Website: www.imfa.in

CIN: L27101OR1961PLC000428