



INDIAN METALS & FERRO ALLOYS LIMITED

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Odisha, India

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20th July, 2018

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

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

Dear Sir,

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find herewith copy of the Annual Report for the year 2017-18 for your information and record.

Thanking you

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD.

(PREM KHANDELWAL)
CFO & COMPANY SECRETARY

Encl : As above



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Equity Share Information

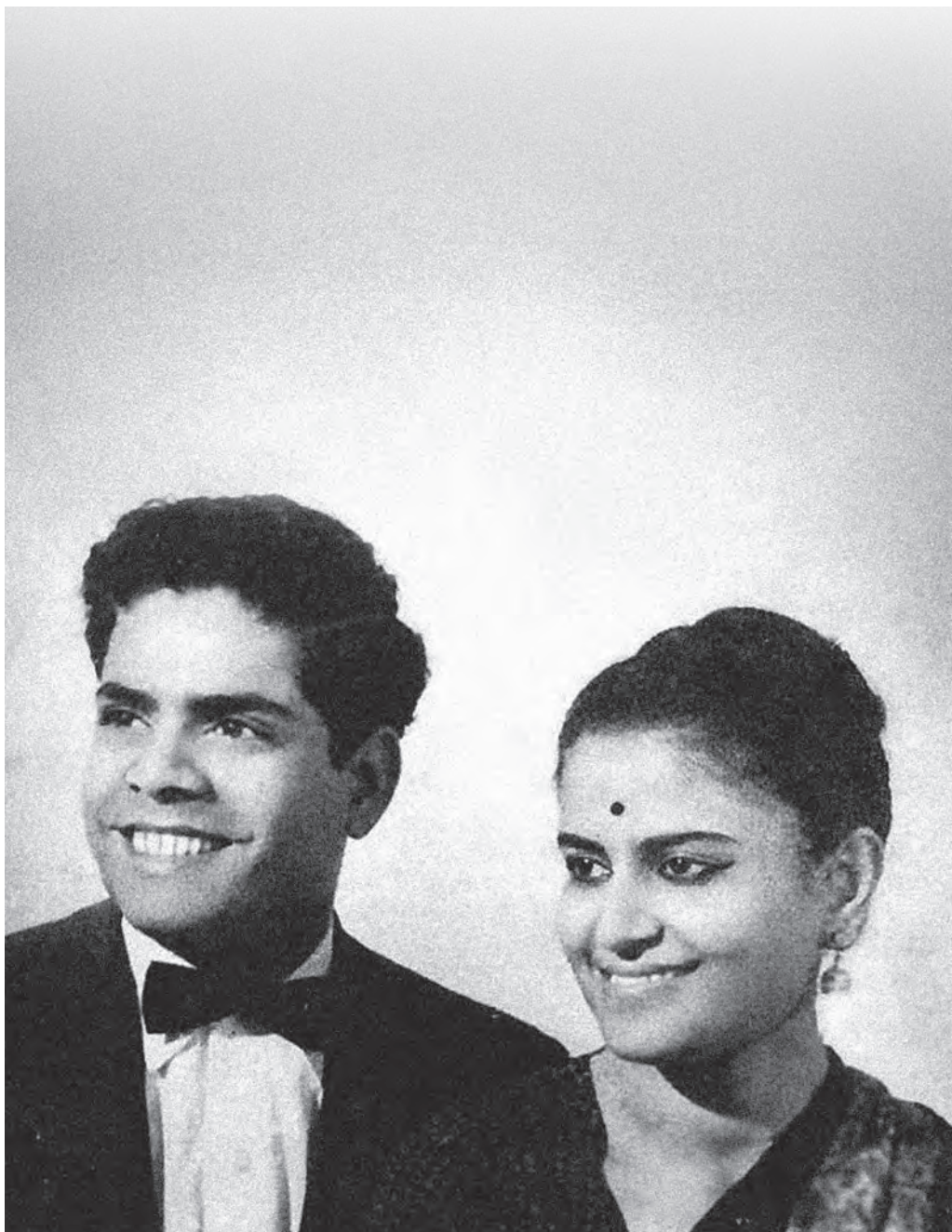
Market Capitalisation

(31st March, 2018): ₹1,158.53 crores

Promoters holding: 58.68%

National Stock Exchange (NSE): IMFA

Bombay Stock Exchange (BSE): 533047



Dr Bansidhar Panda and Mrs Ila Panda

Forward Looking Statement

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



Dr. Bansidhar Panda

26th November, 1931 – 22nd May, 2018

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

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

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

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

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

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



प्रधान मंत्री
Prime Minister

New Delhi
05 June, 2018

Dear Baijayant Panda Ji,

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

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

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

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

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

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

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

Om Shanti to the departed soul!

Yours sincerely,

(Narendra Modi)

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

About Us

FUNDAMENTALLY RESILIENT

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

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

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

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

Vision

We are committed to:

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

Business model



Ferro alloys

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



Mining

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



Power

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

About Us

Growth pillars



Strategic presence

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



Cost-efficient

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



Long-term relationships

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



Export-oriented

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



Our people

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

Captive mines

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

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

*Lease expired, pending for extension

Best-in-class mining

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



Manufacturing prowess

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

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



Quality certifications

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



Esteemed customers

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

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



Recognitions

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

Managing Director's Review

RELATIONSHIPS TAKE US FORWARD

Dear Shareholders,

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

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

“
A stable
macroeconomic
environment
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manner.”

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

REVENUE (₹ crores)

1,769.26

in FY 2017-18



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

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

Operational canvas

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

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

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

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

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

Raising the bar

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

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

Road ahead

Our priorities comprise of the following:

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

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

Thank you

Subhrakant Panda

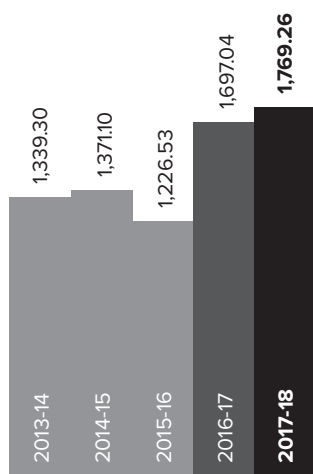
Managing Director

Key Performance Indicators

MEASURING OUR PROGRESS TO DELIVER VALUE

REVENUE

(₹ in crores)

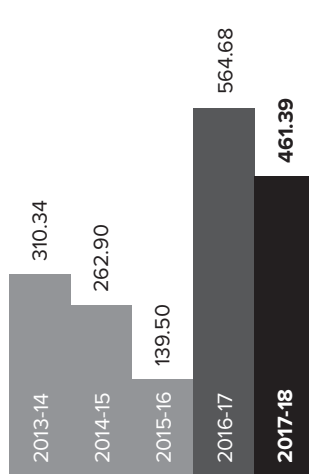


5-year CAGR

6.33%

EBITDA

(₹ in crores)

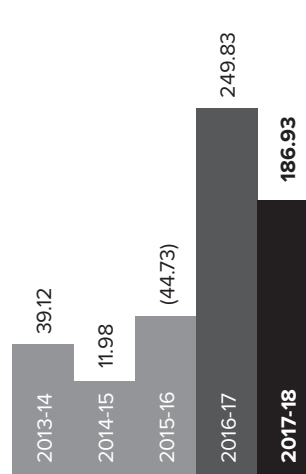


5-year CAGR

12.60%

PAT

(₹ in crores)

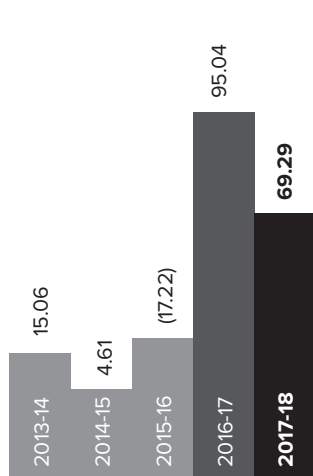


5-year CAGR

28.24%

EARNINGS PER SHARE

(₹ per share)

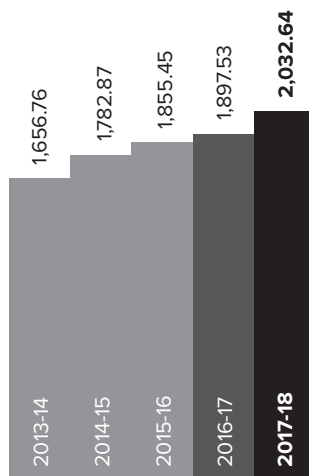


5-year CAGR

27.28%

GROSS BLOCK

(₹ in crores)

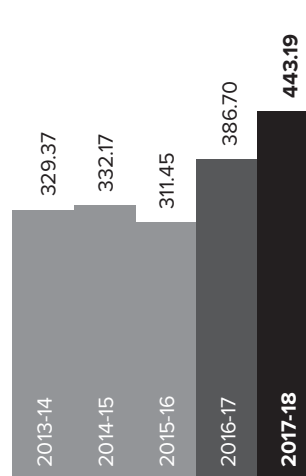


5-year CAGR

7.47%

BOOK VALUE PER SHARE (BVPS)

(₹ per share)

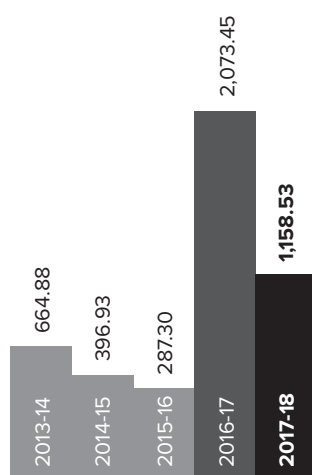


5-year CAGR

6.88%

**MARKET
CAPITALISATION**

(₹ in crores)

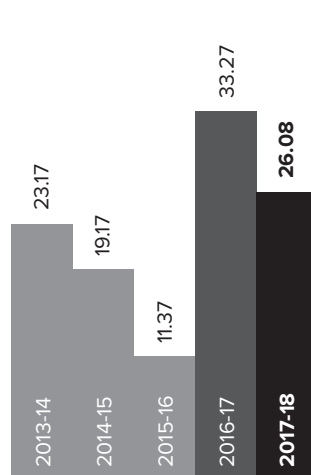


5-year CAGR

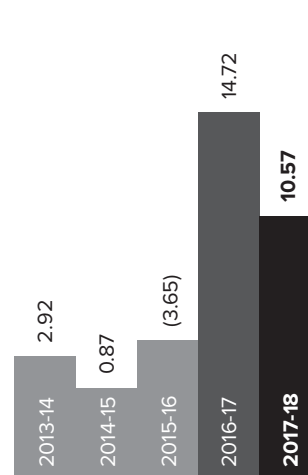
14.60%

EBITDA MARGIN

(%)

**PAT MARGIN**

(%)

**KEY RATIOS**

	2013-14	2014-15	2015-16	2016-17	2017-18
Debt equity ratio	1.09	1.01	1.03	0.74	0.56
Fixed assets turnover ratio	1.27	1.24	1.12	1.63	1.76
Current ratio	2.22	1.72	1.57	2.28	2.17
Quick ratio	1.29	0.92	0.86	1.53	1.36
Inventory turnover ratio	1.80	1.88	1.91	2.10	2.12
Interest coverage ratio	1.49	1.30	0.30	5.28	4.61

Stakeholder Value Creation

CO-CREATING AND DELIVERING VALUE

OUR STAKEHOLDERS



Shareholders

As a listed company, our focus is to foster open communications to enable our investors to make informed decisions.



Customers

For us, engaging with our customers is a priority. Customer engagement plays a vital role in brand building and enhancing customer loyalty.



Employees

Employees are our brand ambassadors. We focus on providing our people a meaningful work-life balance.



Vendors/Dealers

As one of India's largest ferro chrome producers, we strive to foster deep relationships with our vendors.



Regulatory and statutory bodies

Regulatory laws and policies influence our business decisions. We strictly adhere to industry standards and comply with applicable national/international laws and regulations.



Local communities

Community wellbeing is an important part of our sustainability strategy.

OUR MODE OF ENGAGEMENT

We provide information about:

- > The Company's financial and non-financial position
- > Risks and KPIs
- > Corporate governance and future strategies
- > Sustainable development goals
- > Annual general meetings (AGMs) and Annual Reports

We are engaging with customers through:

- > Best-in-class products at competitive rates
- > Product awareness through various media platforms
- > Communication to understand their requirements

At IMFA, we engage with employees through:

- > Training programmes for skill upgradation
- > Team-building initiatives to motivate employees
- > Maintenance of health, safety and environmental standards
- > Rewards and recognition programmes

We organise several programmes to enhance our engagement with vendors, such as:

- > Vendor meets
- > Awards and recognitions
- > Vendor surveys

We engage with regulatory and statutory bodies on a regular basis:

- > Publish regular compliance reports
- > Perform statutory audits
- > Maintain dialogue with authorities on current regulatory issues

We engage with local communities through various activities, such as:

- > Organising initiatives to meet the skill gap between their needs and the availability of resources
- > Making available requisite resources for infrastructure development
- > Providing livelihood support, education, community care, environmental protection, healthcare services

Our strategies revolve around the aspirations of our stakeholders. We are investing in our business and formulating strategies to live up to the expectations of our stakeholders. We regularly engage with our stakeholders to integrate their insights in our operational and sustainability framework.

OUR VALUE CREATION MODEL

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> > Paid an interim dividend of 50% and proposed a final dividend of 100% for 2017-18 (face value: ₹10) | <ul style="list-style-type: none"> > Recorded 14.61% escalation in book value per share in 2017-18 > Aligning our debt portfolio for a stronger balance sheet | |
| <ul style="list-style-type: none"> > Focus on customer feedback to provide better products and services > Align our production as per the requirements of our customers | <ul style="list-style-type: none"> > Emphasise on quicker turnaround, enhanced quality and improved efficiencies through our integrated business model > Build long-term relationship with customers globally | |
| <ul style="list-style-type: none"> > Provide various opportunities to our employees to grow both professionally and personally | <ul style="list-style-type: none"> > Provide safe and conducive worksites and add value to their lives > Training across behavioural, technical, operational areas to hone their skills | <ul style="list-style-type: none"> > Promote a work culture that encourages freedom of expression and decision-making > Adopt globally-accepted HR practices and address employee grievances |
| <ul style="list-style-type: none"> > Maintain a mutually beneficial partnership with our dealers, which ensures progress for both parties | <ul style="list-style-type: none"> > Create opportunities for vendors > Maintain transparent pricing policies and gain trust of our vendors | |
| <ul style="list-style-type: none"> > Conform to compliance guidelines > Periodic review of HSE compliance by top management | <ul style="list-style-type: none"> > Maintain good relationship with regulatory authorities based on transparency and accountability | |
| <ul style="list-style-type: none"> > Set up free healthcare camps for women and children > Impart education and create opportunities for marginalised children > Provide employment opportunities to underprivileged children | <ul style="list-style-type: none"> > Ensure strict compliance with environment regulations > Reduce and re-cycle waste to avoid depletion of resources | |

Social Responsibility

INVESTING IN COMMUNITY WELLBEING

In 2011, Bansidhar & Ila Panda Foundation (BIPF) was established as the social development arm of Indian Metals & Ferro Alloys Limited (IMFA). The Foundation's core belief rests on empowering people by equipping them with knowledge and skills that will enable them to take responsibility for their own benefit.

- 1 Well-equipped Dispensaries.
- 2 Awareness programs for improving maternal & child health, adolescent issues and preventive health care practices
- 3 Immunization camp for Measles & Rubella



The culture of the foundation is ingrained with the founder's desire to have a positive impact on the society, which is reflected by the different initiatives taken by BIPF, such as education, vocational training, water and sanitation, basic healthcare and infrastructure development.

Project Arogya Dhara (Health)

Well-equipped Dispensaries

During FY 2017-18, 72,583 patients directly benefitted by our well-equipped dispensaries and medical clinics, which are adequately staffed with experienced doctors, nurses and paramedics at our project sites in Therubali, Sukinda, Nuasahi and Choudwar. The community health services provided by these dispensaries include free medical consultation, medicines and referral services.

Periodic Health Camps in remote locations

We organised periodic health camps in remote locations to educate the villagers on preventive healthcare through multi-pronged communication activities/ devices. At Choudwar, five health camps were conducted in which 2,290 patients

were treated. At Sukinda, 1680 patients were treated in three rural health camps. These camps provided diagnosis, treatment, free medicine, referrals for general ailments and gynaecological conditions by a team of specialised physicians. One special skin treatment camp was also organised at dispensary Sukinda mines in which 62 skin patients were treated and given free medicines.

Awareness programmes for improving maternal and child health, adolescent issues and preventive healthcare practices

At Therubali, awareness campaign on malaria, dengue, diarrhoea (MDD) and swine flu was organised by BIPF in 42 peripheral villages of Kolnara, K Singpur and Bissumcuttack block. Leaflets were distributed, wells were disinfected with bleaching powder and announcement for adoption of different preventive measures for MDD was done through mobile vans. One-act plays were performed by the students of Chinmaya Vidyalaya, Therubali. Such programmes will soon be continued in other nearby schools. Wall paintings are done at Paikapada Sevashram School, Khedapada High School, and Pindapadar High School of



Therubali to create mass awareness on malaria, dengue and diarrhoea, Japanese encephalitis, heat stroke, sanitation and hygiene, mother and child care and gender equality issue. Locations are selected wherein most reach is possible for the people of the community to have access to key information to live a healthy and dignified life.

Awareness programme on maternal and child health was organised at Choudwar followed by a healthy interactive session with the area's Anganwadi workers. Total 39 women participated in the programme. Topics discussed were detection of pregnancy, health check-ups during pregnancy, institutional delivery, breast feeding, birth control and government programmes and schemes. In view of World Breastfeeding Week (1st to 7th August), at sites BIPF observed a week-long awareness drive to promote exclusive breastfeeding to babies for the first six months. At Choudwar, a total 151 pregnant and lactating women participated in the programme. Anganwadi Workers (AWWs) and accredited social health activists (ASHAs) discussed the importance of breast feeding, steps of breast feeding and dos and don'ts during breast feeding. At Nuasahi and Sukinda, several workshops were organised on importance of breastfeeding followed by group discussion and photo exhibition. On National Nutrition Week (1st to 7th September) at Sukinda, we organised drawing competition among school children on the theme of 'nutritious food'. Experts from Integrated Child Development Services (ICDS) demonstrated the components of nutritious food and balance diet. At Nuasahi, nutritious food (khichiri and soya curry) was served to school children. At Choudwar, a food exhibition, where nutritious food got displayed and a quiz competition was organised among the participants.

Awareness programme on adolescence was organised at tribal villages of Therubali. A total of 80 girls from different villages benefitted from this programme. Leaflets were distributed among the participants. At Choudwar, 53 adolescent girls participated in awareness sessions on different health, sanitation and hygiene practices and social taboos.

Immunisation camp for measles and rubella

Supporting government initiative of immunising children against measles and rubella, we organised an immunisation camp at dispensary Sukinda mines, where 146 children were vaccinated.

Medical equipment support

Two fowler bed along with allied accessories like mattress, pillow and bed sheets were donated to Kuhika Primary Health Centre (PHC), Kuhika GP, Sukinda. This will facilitate the patient treatment at the PHC, benefitting 1,500 villagers.

Livestock Treatment Camp

Livestock treatment camp was organised at Sukinda Block, where over 500 domestic animals got treatment and 1000 cattle and goats were vaccinated.

BIPF-LVPEI Vision Centre

'BIPF-LVPEI Vision Centre' was inaugurated at Therubali. This was the result of the MoU signed with HEI (Hyderabad Eye Institute), a trust of L V Prasad Eye Institute, Hyderabad in May 2017. The aim is to provide eye care services to the society living in and around Therubali area and beyond. Around 777 patients were treated in the Vision Centre in FY 2017-18.

'Project Adhyayan' (Education)

BIPF ensured quality education by establishing a CBSE English Medium School (Estd: 1980) – Chinmay Vidyalaya Therubali in Rayagada. The school has been developed in collaboration with Chinmay Mission with classes from LKG to STD XII using smart class teaching methods and well-equipped science and math laboratories. It also continued patronage to several rural and tribal schools in Keonjhar and Jajpur districts.

Opening of Community Education Centre

To provide basic literacy and financial training to adolescent girls and women, community education centres were opened at Banjihama and Kochilanuagaon village of Mangarajpur G.P. of Choudwar block. Both centres will train at least 60 candidates and will act as a resource centre for the areas. BIPF supplied all study materials to them.

Distributed essential study materials

BIPF distributed 100 school bags to promote education among students of the buffer zone peripheral schools of Sukinda mines. The school bags are a token of support from the foundation to the tribal students for their 'Right to Education' and to increase attendance in schools. Essential study materials like notebooks, writing materials, laboratory equipment and more were distributed to students of 34 peripheral schools under Therubali and schools in 19 villages at Sukinda. Total 6,701 students benefitted from this effort. The gesture received wide appreciation from village sarpanch, education committees and local residents.

- 4 Medical equipment support
- 5 Opening of Community Education Centre
- 6 Distributed essential study materials



Social Responsibility (Contd.)

- 1 Infrastructure support to schools and colleges
- 2 Prof Ghanashyam Dash Scholarship
- 3 Creative workshops for school children
- 4 Convergence Programme with School and Mass Communication Department, Government of Odisha



Infrastructure support to school and college

At Choudwar, 200 pairs of desk, benches and other infrastructure materials were provided by BIPF to Spring Doll English Medium School, Saraswati Shishu Vidya Mandir, Kuspangi ME School, Chandaneswar Girls' High School, Choudwar ME School and Govindaji Patna UP School to provide support for a growing number of students in schools. To facilitate digital learning, BIPF provided computers to Municipal Government High School, Choudwar, Nigamananda High School, Daulatabad, Saraswati Shishu Vidya Mandir, Agrahat and Saraswati Shishu Vidya Mandir, Gandhi Chowk, Choudwar. A total of 3,220 students benefitted from these supports. Playing equipment like slider, seesaw and swings were provided to Saha-Sikshya Kendra near Choudwar Girl's High School, Madhusudan Primary School, OTM Colony, Choudwar, Springdale Play School, Housing Board Colony, Choudwar & Janmejy UP School, Kapaleswar, Choudwar. This initiative brought smiles in the faces of 535 students along with appreciation of the parents, school teachers and local people. Additionally, the language lab of Choudwar college was renovated by fixing of polycarbonate sheet, benefitting 2,700 students.

Prof Ghanashyam Dash Scholarship

The Professor Ghanashyam Dash Scholarship for Higher Education is an annual scholarship for meritorious but economically disadvantaged students pursuing professional courses in the areas of medicine, engineering and liberal arts. The scholarship covers 90% of the student's academic fees and educational expenses for the course duration (up to a maximum of ₹100,000). Mr Abinash Mishra, Mr Pratyush Rosan Pattnaik, Mr Ashutosh Behera, Ms Namita Mohanta, Mr Kumar Subhadeep, Mr Biswamitra Sutar received scholarship for 2017. Abinash Mishra, Biswamitra Sutar, Ashutosh Behera are pursuing MBBS at SCB Medical College, Cuttack and Namita Mohanta pursuing MBBS at MKCG Medical College, Berhampur. Pratyush Rosan Pattnaik pursuing B Tech Biological Sc & Bio Engg at IIT, Kanpur. Kumar Subhadeep is pursuing B Tech- Electronics & Tele Comm at VSS University of Technology, Burla. At Therubali financial assistance were given to 15 needy students for pursuing higher studies.

Creative workshops for school children

To explore the inner talent and create a joyful learning environment BIPF had organised four creative workshops for school students of Mangarajpur and Berhampur Gram Panchayat. A total of 860 students from four schools participated in it and showed their talent in art, craft and rangoli competition.

Convergence programme with School and Mass Communication Department Government of Odisha

BIPF has formed strategic partnership with government of Odisha to bring greater impact to the communities. An awareness programme on 'Right to Education' was organised at Mahisaland G.P. School, Tangi Choudwar block, Cuttack in convergence with School and Mass Education Department, Government of Odisha. Thirty school headmasters, school management committee chairman and teachers from Mangarajpur, Mahisaland and Sankarpur GP of Choudwar participated in the programme.

Sakshyam (Livelihood)

Through Sakshyam, we invested in the promotion of skill and job creation by focussing on plugging the gap between rural capabilities and skill sets required to engage in remunerative practices. The Foundation's two-pronged approach towards livelihood development comprised women empowerment through 'Project Unnati' and youth empowerment through 'Project Yuva Sakshyam'.

A. 'Project Unnati' (Women Empowerment)

Project Unnati is an integrated capacity building initiative aimed at social and economic empowerment of women in rural Odisha through a self-help approach. The Project follows two models of empowerment i.e. economic empowerment model and social empowerment model. The economic empowerment model teaches savings and credit and livelihood skills to adopt and practice new technology in agriculture/vegetable cultivation and livestock farming for income generation. Till date 93 self-help groups (SHGs) are formed in Angul, Keonjhar, Jajpur, Cuttack and Rayagada districts, mobilising 1,635 women by building capacity with skill and knowledge for socio economic empowerment. Since 2011, total savings generated by members is to a tune of ₹48,25,456/-. Total 80 women SHGs are

Sucess Story: Project Unnati

Madhuban Bihan Udyoga by Maa Thanapati SHG

Maa Thanapati SHG, Madhuban village, Nuasahi, promoted by BIPF has started 'Madhuban Bihan Udyoga' – a retail shop for subsidised seeds, saplings, organic manure, fertilisers and pesticides with support from District Department of Agriculture & Farmers Empowerment, Government of Odisha. Vegetable cultivation is one of the best livelihood practices around Nuasahi chromite mines region. This will encourage more local farmers towards agriculture and kitchen gardens. Around 5000 farmers from 24 villages of adjoining gram panchayats of Hadgarh under Hatadih block, Keonjhar will be benefitted.

linked with banks and avail financial assistance. About 908 members out of 1635 are engaged in income generating activities; earning sustainable income of an average of ₹30,000/- each per annum. Today, members have become aware of various government services available under social security net.

The social empowerment model includes life skills trainings, such as maternal and child health, nutrition and hygiene. The SHG members are trained for voluntary participation in community initiatives like planting trees, environment conservation, counselling pregnant women and lactating mothers on basic health and nutrition care, maintaining sanitation and hygiene, campaigning against social evils and availing of social security services, among others.

B. Yuva Sakshyam (Youth Empowerment)

Enabling lives for sustainable future by empowering youth from rural areas, especially from BPL families, and equipping them with essential technical knowledge and skills, to earn a livelihood for themselves.

Industrial Training Institutes

We have our own independent Industrial Training Institutes. One at Therubali in Rayagada district and other at Sukinda in Jajpur district instituted by IMFA in 1992 and 2016, respectively for

competency building of rural youth, which also provides campus placement. The courses offered here are welder, fitter and electrician – approved by National Council for Vocational Training (NCVT). This year, from both the institutes around 80 students have enrolled into different trades.

Skill centres under DDUGKY-MoRD Skill Programme

Under DDUGKY, BIPF is running three skill centres partnering with Ministry of Rural Development (MoRD), Government of India as a project implementing agency – the Choudwar skill centre for girls, JK pur Skill Centre in Rayagada and Sukinda skill centre in Jajpur for boys. At Choudwar, girls are provided training in Industrial Sewing Machine Operator (ISMO) where young girls are given modern methods of training by use of 'Lock Stitch Single Needle Machines' to equip them for employment in modern industries. At Rayagada, young boys are trained to be skilled electricians, focussing on modern methods of handling improved production processes. At Sukinda, training was imparted on food and beverages services under hospitality sector and post course completion placement in reputed companies was arranged for students. During FY 2017-18, total 216 youth have been trained from these three skill centres.

World Youth Skill Day at BIPF Choudwar Skill Centre

World Youth Skill Day was celebrated at BIPF Choudwar Skill Centre. Mr Subroto Bagchi, Chairman, Odisha Skill Development Authority, Mr Nirmal Ch Mishra, Collector & District Magistrate, Cuttack, Mr Balwant Singh, Director, Directorate of Technical Education & Training and other dignitaries visited the centre on the occasion. Mr Bagchi discussed with the SMO trainees about scope and prospectus of DDU-GKY skill development programme. His motivational speech raised the enthusiasm of trainees who hail from remote areas of Odisha.

'Project Su-Swasthya' (Water and Sanitation)

Project Su-Swasthya addresses water and sanitation by providing potable water through community-based participatory model on one hand while developing sanitation facilities and encouraging hygienic practices on the

other. To achieve the national goal of 'Swachh Bharat' our holistic approach is not just building toilets or water facilities but also carrying out Behaviour Change Communication (BCC) through community-based interventions.

Global Hand Washing Week

Global Hand Washing week was observed from 16th to 21st October 2017 at Sukinda, Choudwar and Nuasahi. Rallies were organised followed by group discussion and interaction with school management committee and community. The objective was to make hand washing a habit. While habits develop over time, programmes like this emphasise the importance of hand washing as a ritual behaviour for long-term sustainability. Total 1225 school children, 602 villagers from 15 villages of Nuasahi, Sukinda and Choudwar, teachers, Anganwadi workers participated in the rallies and discussions organised by BIPF.

School sanitation programme

School sanitation programme was organised at Kamanga U.P. School, Choudwar to create awareness among the students regarding importance of sanitation and personal hygiene. School teachers and 70 students participated in the programme. Anganwadi workers and ASHAs of the area discussed the importance of hand washing, use of toilets, maintenance of personal hygiene at home and maintaining sanitation in villages.

Drinking water project in school, college and community

BIPF provided 24x7 water supply facility to Paikarapur Primary School, Choudwar through installation of a motor pump at school premises. The existing school toilets were renovated and connected with pipe water supply. One dug well was also renovated as per the request of school management committee. Total 120 student will be benefitted from this. Two drinking water projects were completed at Jayantinagar, Ward No.: 8, Choudwar municipality and Burjuguda village Therubali, covered 574 households and one project at Chandimata UP School, Sukinda is in progress which will benefit 120 students. Two cold water supply units were installed at Choudwar college and Nuntikiri Chawk, Ward No.: 6, Choudwar, covered 5,700 beneficiaries.

Social Responsibility (Contd.)

- 1 Toilet construction
- 2 Rural infrastructure development
- 3 IMFA commended by Economics Times-KPMG - 2-GOOD 4-GOOD for CSR
- 4 IMFA recognised with 'FICCI CSR Award 2016'



Toilet construction

At Choudwar, two toilet blocks were constructed with pipe water supply inside the school premises of Saraswati Shishu Vidya Mandir, Saradanagar, Daulatabad and Kuspangi UP School. Earlier, there was no adequate toilet facility for students. Around 990 students will be benefitted from this. At Sukinda, in Chirgunia village toilet was constructed with pipe water facility, benefitting 200 household.

Overhead tank and piped water supply repair, renovation and maintenance of water sources

Drinking water supplied through two mobile tankers to 15 villages of Dudhujori GP, Sukinda block to address problems of water scarcity during the summer months. It continued for 60 days in summer till mid-June, benefitting 4,000 villagers. Tube wells were repaired in nearby villages of buffer zone at Sukinda to ensure continuous drinking water supply to 500 villagers. Block rural water resources department, Panchayati Raj Institutions (PRI) Members and Sarapanch also extended support. One deep bore well has been dug at Icchapur Village, Dudhujori GP, Sukinda. Civil construction, electrification and overhead tank work is in progress to complete this drinking water project. Lime and bleaching powder were used for disinfection of drinking water sources in villages under four GPs of Sukinda, benefitting 2,000 villagers. One tubewell was installed at Geraput village, Therubali, covering 93 households.

Rural Infrastructure Development

Four solar street lights have been installed between Therubali plant to Station Road.

'Bhagabata Tungi' used to be major traditional and spiritual activity centre in villages of Odisha. After the day's hard work, villagers gathered in the Bhagabata Tungi to read and listen to discourses on ancient spiritual texts like Bhagabata Gita, Ramayan and Mahabharat. However, with the coming of modern entertainment sources like TV and film, old traditional practices have become obsolete. To revive the old practices BIPF constructed a Bhagabata Tungi in Jayanti Nagar, OTM Colony, Choudwar, benefitting 300 villagers.

One village mandap was constructed at Pimpudia Village, Sukinda. Youth club and Mahila Samiti buildings were constructed in Ward No.: 10, Choudwar Municipality, covering 616 beneficiaries. These infrastructure additions in villages will be used for community activities.

Emergency Response

IMFA donated ₹10 lakhs for the flood relief operations in different blocks of Rayagada district in presence of Smt Guha Punam Tapas Kumar, IAS, Collector and district magistrate Rayagada. Apart from this, cooked food was served and relief packets containing dry food like flat rice, molasses, biscuits, candle, matchbox and more were distributed at the flood rehabilitation shelters opened in various schools of Majhiguda GP. The role of IMFA in bringing immediate relief to 2,000 victims at this crucial juncture was highly appreciated by local people and the district administration.

At Sukinda, relief was provided to fire victims of Kusumundia village of Ransol GP and Chirgunia village of Kaliapani GP. Grocery items, utensils, clothes and asbestos sheets were given to the families as immediate help. Similarly, relief materials like tarpaulin, blanket, saree, dhoti and food materials were distributed to fire victims of Gadwaguda village, Kolnara Block Therubali.

Other Activities

Around 14,000 saplings including grafted mango (Amapali), lemon, jackfruit, papaya, drumstick and more were distributed among the students of peripheral schools of Choudwar block. Before distribution of sapling a small orientation on plantation was organised for students to motivate students about the importance of plantation and the need for environment protection. At Agrahat High School, Choudwar free saplings were distributed for school kitchen garden. Over 1,300 fruit-bearing saplings including mango, lemon, jackfruit, papaya, pomegranate, banana and more were distributed among 25 SHGs of Benagadia, Kharkhari, Ragada, Ostia, Gurujung, Ostapal and Kamarda village of Sukinda.

Total 320 blankets were distributed to old and poor people in villages of Sukinda and Therubali. These blankets are invaluable as protection against the severe cold of winter experienced in

these areas. Considering the unusually cold wave that the state experienced this year, this came as a great relief by decreasing the misery of villagers who could ill afford but were truly in need of it.

At Therubali and Sukinda, sports equipment were distributed to 45 and six youth clubs, respectively. A total 1,800 youth will be benefitted from this effort.

Sankirtan dresses were given to Sankirtan Mandalis of Therubali to promote socio-cultural activities in the area.

Fifth Shambhavi Puraskar

The prestigious Shambhavi Puraskar 2018 was awarded to Sri Santosh Kumar Moharana from Paralakhemundi of Gajapati district. Sri Moharana received the award from Chief Guest Sri Subroto Bagchi, Chairman, Odisha Skill Development Authority (OSDA). The recipient Sri Santosh Kumar Moharana who is visually impaired has played a transformational role in the upliftment of differently-abled people by bringing them to the mainstream in Paralakhemundi of Gajapati district. By rendering selfless services through his organisation 'Samarth', set up in 2007, Shri Moharana has mobilised 1,964 differently-abled persons into 164 SHGs in Gajapati district, spurring them on to livelihood enterprises like phenyl and paper plate making, selling vegetables, opening grocery shops, mobile repairing, bangle shops and more. He has played the role of a beacon in their lives of darkness. Shambhavi Puraskar, an annual award, carries a citation along with a cash prize of ₹2.5 lakhs. This year BIPF introduced the 'Shambhavi Jury Commendation Certificate' to recognise an individual's wholehearted desire in serving humanity. This annual certificate carries a citation along with a cash prize of ₹50,000/-. The jury selected Shri Bibhuti Kumar Ray, for this commendation. An auto driver by profession, Shri Ray uses his auto and the earnings from it is used to help ailing patients, robbed passengers and accident victims during distress. Playing the good samaritan in Cuttack town since 2006, Shri Ray has set up Savitri Janaseva in 2013 to spread the outreach of his social service.

Ideate 2017

Sports aids in bringing about social change. An effective tool in addressing issues like gender inequality, child marriage, juvenile crime, cognitive difficulties as well as essential issues maintaining positive physical and mental health. BIPF organised Ideate 2017, a panel discussion on 'Sports for Development - Education & Life Skills' in partnership with FICCI Odisha State Council. Mr Ranjib Biswal, Hon'ble Member of Parliament, Rajya Sabha and renowned cricketer, delivered the keynote address where he apprised the audience about the ground realities and the hurdles and challenges that need to be surmounted for promotion of sports in India. Other eminent panellists included Mr Vishal Kumar Dev, IAS, Commissioner-cum-Secretary, Sports & Youth Services Department, Government of Odisha, Mr Moncho Ferrer, Programme Director, Rural Development Trust, Anantapur, Andhra Pradesh, Dr Abhijeet Barse, Chief Executive Officer, Slum Soccer-Krida Vikas Sanstha, Nagpur. Ms Meha Bhardwaj, Associate Editor (Sports), CNN IBN was the moderator. Panellists engaged in deliberations and discussions on issues and challenges in streamlining sports as part of the development agenda, sharing research-based knowledge and information, government policies, role of development organisations and communities to promote a comprehensive approach to sports. International Karate Ka, Ms Valena Valentina, shared her experience with the audience. Representatives from government, development sector, corporates, sports enthusiasts and media participated during the interactive session.

IMFA commended by 'Economics Times-KPMG - 2-GOOD 4-GOOD' for CSR

IMFA was commended in the pillars of corporate governance, strategy and reporting in the Economic Times 2 Good 4 Good CSR Rating Scheme for the year 2015-16. The Economic Times, along with KPMG in India as a knowledge partner has created 'The ET 2-GOOD 4-GOOD', which is a certification scheme that certifies organisations based on their CSR performance, CSR process and

systems. Mr T C Hota, Executive Vice President, BIPF received the certificate of commendation from Mr Jaco Cillier, Country Director UNDP, and Mr. Akhil Bansal, Deputy CEO, India, KPMG in a formal function held at New Delhi.

IMFA recognised with 'FICCI CSR Award 2016'

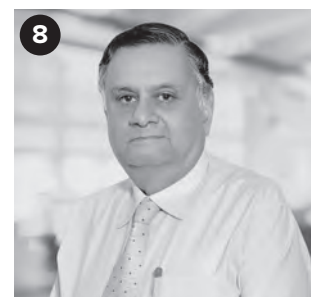
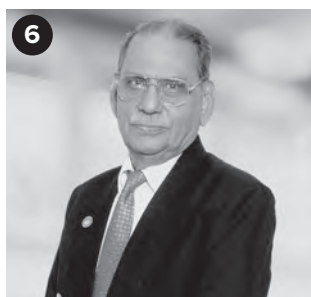
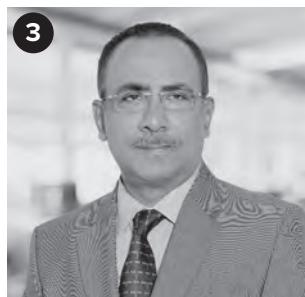
IMFA received appreciation plaque for commendable work in education, skill development and livelihood at FICCI CSR Award 2016. Shri P P Choudhary, Minister of State for Corporate Affairs, Law and Justice, Government of India presented the plaque to Mr T C Hota, EVP, Bansidhar & Ila Panda Foundation, at Delhi.

Better utilisation of waste

During 2017-18, we utilised 100% of the 423,494 MT ash generated. We used the coal ash generated in our 108 MW power plant for filling abandoned laterite quarries for reclamation of waste and degraded land. This also helped us to create a green zone, as after filling the land was covered with soil and converted into a green zone.

The ash generated in 30 MW and 120 MW power plant boiler consists of 10% bottom ash and 90% fly ash. The fly ash generated in CFBC boiler is suitable for manufacturing bricks. Thus, we have installed two brick manufacturing units with a capacity of 1,00,000 bricks per day each and one low density aggregate manufacturing unit having a production capacity of 1,75,000 TPA. The fly ash generated is utilised for captive brick and low density aggregate manufacturing. To promote fly ash brick manufacturing industries, we provide subsidised fly ash to brick manufacturers having valid permission from appropriate authorities. We also supply fly ash for road construction with free/subsidised transport and leftover fly ash is used for reclamation of designated low lands along with bottom ash.

Board Profile



Executive Directors

1. Mr Baijayant Panda

Vice Chairman

Mr Baijayant Panda majored with a degree in Scientific and Technical Communication from Michigan Technological University in 1985. He has rich experience in the ferro alloys industry besides having founded Ortel Communications Ltd. In his initial days, Mr Panda was active in organisations like the Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI) and the International Chromium Development Association. In the past, he has been associated with the Government of Odisha's Industrial Advisory Committee. Besides, he has been a Director on the Industrial Promotion and Investment Corporation of Odisha (IPICOL). As a parliamentarian, he has been an active member of important committees like the Parliamentary Standing Committees on Finance, Home, Energy and Urban Development. After serving as an MP in Rajya Sabha for nine years, he has been elected to the Lok Sabha from Kendrapara, Odisha in 2009 and 2014.

2. 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.

3. 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.

4. Mr Chitta Ranjan Ray

Whole-time Director

Mr Chitta Ranjan Ray has a Bachelor of Science 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 overall Health, Safety and Environment (HSE) Compliance.

Independent Directors

5. Mr D Bandyopadhyay

Mr D Bandyopadhyay is a Postgraduate in Economics from University of Calcutta. He joined the Indian Administrative Service in 1955. Since then, he has held several important positions in the Government of West Bengal and the Central Government. It culminated in his appointment as Secretary, Ministry of Finance, Department of Revenue, Government of India. He is the former Member of Parliament in (Rajya Sabha).



6. Major R N Misra (Retd.)

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.

7. 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. To recognise his outstanding contribution in the aviation industry, various awards were conferred on him. He received awards like Outstanding Chief Executive Award, Indira Gandhi Sadbhavana Award, Rashtriya Ratan Award, Visveswarya Samman and so on. In 2004, the Government of India awarded him with Padma Shri.

8. 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.

9. 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 (CAVSA). He is the former Chief of Army Staff, Indian army and former Member of Parliament (Rajya Sabha).

10. Mr Santosh Nautiyal

Mr Santosh Nautiyal holds a Bachelor's degree in Arts and a Masters in Political Science. He joined the Indian Administrative Service (IAS) in the year 1968. During his 38 years of service, he held several important positions like Principal Secretary, Industries Department, Government of Odisha, Joint Secretary, Ministry of Steel in the Central Government. He retired in July 2006 as the Chairman of the National Highways Authority of India (NHA).

11. 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 like 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

12. Mrs Paramita Mahapatra

Mrs Paramita Mahapatra completed her postgraduation in Personal 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.

13. 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 like assistance to portfolio managers, operations for the fund industry in Credit Suisse/Credit Suisse First Boston, Credit Suisse Asset Management and Royal Bank of Canada.

Leadership Team



Prem Khandelwal
CFO & Company Secretary



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



Deepak Kumar Mohanty
Vice President
Head - Ferro Alloys Business unit



Sanjeev Das
Vice President
Head - Mining Business Unit



Dhananjaya Senapati
Vice President
Manufacturing & Technology



Ashok Kumar Behera
Vice President
Head - Corporate Affairs & Legal



Aashish Kumar Mishra
Vice President
Head - Human Resources

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Corporate Social Responsibility Policy

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

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

About Us

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

Management / Guiding Principles

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

In this context, we are committed to:

- 1) Enhancing customer satisfaction by producing to agreed specifications and delivering on contracted terms.
- 2) Providing a safe & healthy working environment to all employees and business associates by adopting proactive measures as well as

complying with all applicable rules & regulations.

- 3) Environment responsibility by conserving natural resources through process improvements, recycling & waste reduction and minimising pollution.
- 4) Organisational excellence through good corporate governance and industry leadership by integrating the value chain and continual improvement.
- 5) Holistic development of all employees, adopting ethical business practices and engaging with the local community.
- 6) Implementing sustainable and broad based social development programmes for the betterment of the community wherever we operate.
- 7) Communicating this policy and the performance & progress thereof to all stakeholders.

Genesis of Corporate Social Responsibility

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

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

Vision

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

Geographical Presence

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

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

Focus Areas

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

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

day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

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

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

Approach

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

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

Implementation Strategy

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

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

2) **Bansidhar & Ila Panda Foundation (BIPF; www.bipf.org.in)**

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

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

Resources

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

Governance Mechanism

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

Monitoring

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

Information Dissemination

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

Management Discussion and Analysis



Ferro chrome

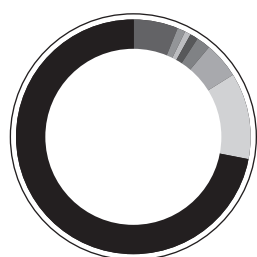
Ferro chrome is an alloy of chrome and iron with 50% to 68% chrome content. Although primarily used in manufacturing stainless steel, low and medium carbon ferro chrome find their use in the production of special and carbon steel. Ferro chrome strengthens, brings lustre and offers corrosion resistance to stainless steel, 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 production

Chrome ore is the main raw material required to manufacture ferro chrome. The quality of chrome ore and the conversion process determine the quality of ferro chrome (55% chrome ore means 55% chromium with 45% iron oxide and other minerals). The higher the share of chromium in the ore, higher the realisations.

MARKET SHARE OF CHROME ORE RESOURCES GLOBALLY

(%)



■ South Africa	72
■ Zimbabwe	12
■ Kazakhstan	5
■ Finland	2
■ Turkey	1
■ India	1
■ Russia	1
■ Others	6

(Source: Edelweiss Investment Research)

In 2017, global chrome ore production reached 30.39 million tonnes, 4.75% higher year-on-year. Over 2004–2017, chrome ore production rose at a CAGR of 4.53%, while the global ferro chrome CAGR was 5.4% during the same period.

South Africa remains the world's largest chrome ore producer and exporter followed by Kazakhstan, Turkey, India and Russia. 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)

As China's chrome ore reserves are negligible, its requirements are met through imports. The exponential growth witnessed by China's stainless steel industry has led to high demand for ferro chrome thus elevating its demand for chrome ore over the past decade. China's chrome ore imports rose from 9.3 MT in 2012 to over 13.8 MT in 2017, at CAGR of 6.8%, way beyond the global production growth rate of 3.52% during the period.

Chrome ore production by region

(in '000 tonnes)

	2016	2017	% Change (y-o-y) 2016/2017
Africa & Americas	16,657	17,784	6.8
Eastern Europe/CIS & Middle East	4,990	5,497	10.1
Asia and Australasia	4,358	4,354	-
Western Europe/Albania/Turkey	2,939	2,674	-9
Unspecified	72	87	20.8
Total	29,016	30,396	4.7%

Global ferro chrome production

Global ferro chrome production grew at a CAGR of 5.61%, from 6.37 MT in 2006 to 12.27 MT in 2017.

According to Mining Bulletin, ferro chrome production is likely to increase at a CAGR of 5% during 2017-2021E to ~14.6 MT due to the expanding global stainless steel market.

The global ferro chrome market is largely controlled by multinational companies (MNCs) with manufacturing facilities in South Africa. Starting with multiple players, the South African ferro chrome industry has seen significant consolidation especially over the past few years with many of the second tier producers going into 'business rescue' and being subsequently taken over by dominant producers. While ferro chrome producers in India do not have the same scale or pricing power, those with backward integration enjoy a niche positioning and the proximity to China is an added factor.

Given its dominant position in stainless steel, China also added significant ferro chrome production capacity and surpassed South Africa to become the world's largest producer. While the pole position has occasionally interchanged, there is no doubting the major impact that China has on the global ferro chrome market.

China

China's market share in ferro chrome production has boosted from 25% in 2009 to over 41% in 2017. It is the key demand as well as the production hub for ferro chrome and chrome ore consumption. However, due to minuscule quantities of chrome ore available in its own mines, China heavily depends on chrome ore imports, mainly from South Africa.

South Africa

South Africa's abundant chrome ore resource enabled it to be the world's largest ferro chrome producer for a very long time. Its resources accounted for approximately 72% (over 8.5 BT) of the world's ore reserves. With China overtaking the position, it now ranks as the second largest ferro chrome producer.

Kazakhstan

Kazakhstan consolidated its position in the mining and metallurgy sector by vastly increasing the mining and processing of manganese and chrome ores. Kazakhstan has sufficient mining capacity for the next five decades, with chrome ore deposits of ~1 BT. Its production rose from 0.9 MT in 2008 to ~1.3 MT in 2017.

India

India ranks fourth in global ferro chrome production. Over the past 4-5 years, production has been at 1.0 – 1.1mn tonnes. India consumes 15-30% of its production and exports the rest to countries like China, South Korea and Japan.

Zimbabwe

Zimbabwe has the second highest worldwide reserves of chrome ore (~1.4 bn tonnes) after South Africa. However, because of prevailing political tensions in the country, it is not able to produce and export ferro chrome.

Ferro chrome production by region

	2016	2017	(in '000 tonnes)
			% Change (y-o-y) 2016/2017
Western Europe/Turkey/Albania	669	651	-2.7
Eastern Europe/CIS/Middle East	1,583	1,742	10
South Africa	3,585	3,658	2
America & Rest of Africa	146	188	28.76
China	4,698	5,474	16.51
India	1,060	1,306	23.2
Unspecified	105	260	147.6
Grand Total	11,846	13,279	12.1

Indian ferro chrome industry

The Indian ferro chrome production constitutes 9.8% of the 12.28 MT global production. The annual production as of 2017 was 1.3 MT. The ferro chrome production in India has remained almost stable at 1.0 - 1.1 MT for several years due to multiple reasons such as lack of backward integration, modest growth of domestic stainless steel production and, of late, stressed balance sheets of several producers.

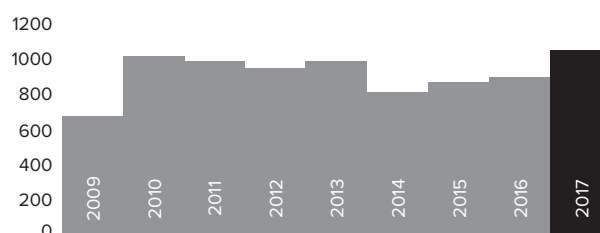
India's total chrome ore resources are estimated at 150 MT, with 54 MT in reserves. 90% of chrome ore mines in India are located in Sukinda Valley in Odisha. More than 93% of the Indian chrome ore capacity is located in Odisha, mostly in the Sukinda valley in Jajpur districts. India consumes over 4 MT of chrome ore and contributes 13% to total global chrome ore production.

Indian players, particularly IMFA, are among the world's most cost-efficient producers of ferro chrome. This is facilitated by factors such as access to captive chrome ore mines and availability of captive power.

FERRO CHROME PRODUCTION IN INDIA

(in '000 tonnes)

↑ CAGR 5.7%



(Source: Edelweiss Investment Research)

Management Discussion and Analysis (Contd.)

Outlook

The global ferro chrome industry is largely dependent on Chinese demand and the stainless steel cycle. China's consumption is met through a combination of domestic production and substantial imports from countries including South Africa, India and Zimbabwe. Other leading importers of ferro chrome are the US, South Korea and the European Union (EU) although the EU and US have witnessed a steady decline in their dependence on imports for ferro chrome in the last decade.

The Indian ferro chrome industry is on the cusp of significant consolidation as several producers, including established ones with backward integration, are undergoing insolvency proceedings on account of stressed balance sheets. The fragmented nature of the industry which has been an impediment in the past is thus on the verge of major change.

Global stainless steel industry

In 2017, global crude stainless steel production was at 48.08 MT, according to figures released by the International Stainless Steel Forum (ISSF). This was up by 5.79% from the revised figure of 45.45 MT produced in 2016. This market expanded at a 5.7% CAGR during 2005 – 2017.

Production in China was 25.77 MT in 2017, up by 4.74% from 24.61 MT in 2016. This accounted for ~53% production as well as consumption globally. The rising growth in demand for stainless steel improved China's overall production by over 8 times, at a 19% CAGR during the 2005-2017. China is expected to grow at a CAGR of 7-8% from 2017 to 2022E.

The demand for stainless steel was traditionally driven by applications in kitchenware, medical equipment, consumer durables and aesthetic usage. However, China's huge capital investments in the past two decades on infrastructure, transportation and greenfield industries spurred this demand for stainless steel over and above the traditional applications.

Meanwhile, higher growth from India and Indonesia is likely to help maintain the demand for stainless steel at a 5% CAGR over FY17-22E. Indonesia too is emerging as a strong supplier since many Chinese

players have set up plants in this country following the environmental and regulatory issues in their own country. Going forward, Indonesia is expected to contribute about one-third of the incremental growth in global stainless steel supply.

Region wise performance

(in '000 tonnes)			
Region	2016	2017	% Change (y-o-y) 2016/2017
Europe	7280	7377	1.3
USA	2481	2754	11
China	24608	25774	4.7
Asia (w/o China & South Korea)	7681	8030	4.5
Others (Brazil, Russia, South Africa, South Korea, Indonesia)	3399	4146	22
Total	45449	48081	5.8

Indian stainless steel industry

The Government of India's stimulus for infrastructure creation and proposed smart cities will drive demand for stainless steel. Further, growing urbanisation and disposable income will enhance demand for white goods which largely requires stainless steel. Consumption of stainless steel in India is projected to maintain its growth trajectory.

The IMFA story

IMFA is India's leading manufacturer of value-added ferro chrome that imparts stainless steel its non-corrosive properties. As a fully integrated producer of ferro chrome, the Company has 261 MW of captive power generation and own chrome or tracts.

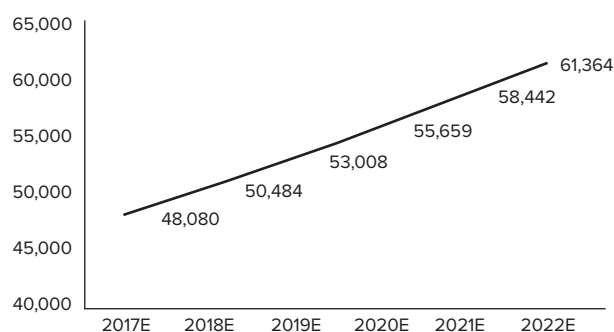
The Company was incorporated in 1961 and since then has been driving innovation, quality and sustainable developments in its manufacturing processes. It has multi-product and multi-location ISO 9001 certification covering the entire range of its activities. With an integrated management system, it ensures quality of products as well as adherence to environment and health and safety norms. At present, it is among the world's most efficient producers of ferro chrome.

A globally-recognised brand, IMFA primarily exports to the Far East, including South Korea, China, Japan, and Taiwan.

The Company's reputation is underpinned by its long-standing relationship with industry leaders such as Jindal Stainless (India), POSCO (South Korea), Marubeni Corporation (Japan) and Nisshin Steel (Japan) among others.

GLOBAL STAINLESS STEEL PRODUCTION FORECAST

(Production in KT)



(Source: Edelweiss Investment Research)

As a fully integrated producer of ferro chrome, the Company has 261 MW of captive power generation and own chrome or tracts.

Going forward, the Company is evaluating stressed assets for acquisition to grow its ferro chrome manufacturing capacity in line with enhanced chrome ore production from its mines.

Business Segments

Ferro Alloys

Currently, IMFA exports over 88% of its production to the Far East, the stainless steel manufacturing nerve centre. With six installed furnaces in Odisha, having a total capacity 187 MVA, the Company can produce up to 275,000 tonnes per annum.

Ferro alloys production and sales

Particulars	FY 2017-18	FY 2016-17
Production (tonnes)	234,443	235,460
Sales (tonnes)	238,807	233,698

Power

IMFA operates captive power plants with a total 261 MW capacity (thermal and solar). The power generated is intended for captive consumption.

The Company's power generation capacity is primarily dependent on a coal-based 228 MW facility and a 30 MW dual fuel unit. It recently inaugurated a 3 MW solar project at Therubali during FY 2017-18. This marks IMFA's entry into the renewables energy space, involving a ₹20 crores investment.

Power generation and sales

Particulars	FY 2017-18	FY 2016-17
Generation (in million units)	946.05	1,036.88
Sales (in million units)	NIL	NIL

Mining

IMFA's ore requirement is met from the Sukinda and Mahagiri Chromite Mines which have captive status and together account for 6.51 lakh tonnes output per annum. The lease for Nuasahi Chromite Mines expired in 2014 and the Company is pursuing renewal under the amended MMDR Act which provides for an extension up to 2030.

The Company focuses on sustainable mining driven by several best practices. We have put in place pollution control measures including system for mechanised wheel washing of lorries and improved storm water management among others. More recently, the first ever 'Rescue Room' in Sukinda Valley was set up at Mahagiri under the guidance of DGMS.

Financial Review

Particulars	(₹ in crores)	
	FY 2017-18	FY 2016-17
Revenue from operations	1,769.26	1,697.04
EBITDA (before exceptional items)	461.39	564.68
Profit after tax	186.93	249.83
Cash profit	383.16	478.35
Earnings per share (EPS) (₹)	69.29	95.04
Cash EPS (₹)	142.03	181.97
Net worth	1,195.59	1,043.20
Capital employed	1,991.46	1,907.02
Fixed assets (including CWIP*)	1,091.08	1,072.99
Net current assets	503.40	449.86

*CWIP stands for capital work in progress

Revenues

The Company's revenues from operations stood at ₹1,769.26 crores in FY 2017-18 as against ₹1,697.04 crores in FY 2016-17 representing an increase of 4.26% over last year's revenue arising out of higher output and increasing realisations.

Exports

The Company earns a substantial amount from exports contributing around 85.17% of the operating revenue. IMFA earned foreign exchange equivalent to ₹1,506.87 crores in FY 2017-18 as compared to ₹1,447.37 crores in FY 2016-17.

Other income

Other income stood at ₹37.33 crores in FY 2017-18, vis-à-vis ₹49.35 crores in FY 2016-17 mainly on account of gain on foreign currency transaction & translation of ₹9.69 crores.

Profitability

The Company recorded an EBITDA (before exceptional items) of ₹461.39 crores in FY 2017-18 compared to ₹564.68 crores during FY 2016-17. PAT stood at ₹186.93 crores as against ₹249.83 crores in FY 2016-17.

Tax expense

Net tax charge was ₹95.43 crores in FY 2017-18 vis-a-vis ₹119.83 crores in FY 2016-17.

Sources of fund

Own funds

The Company's net worth increased to ₹1,195.59 crores as on 31st March, 2018, from ₹1,043.20 crores as on 31st March, 2017.

Reserves

Reserves increased to ₹1,168.61 crores as on 31st March, 2018 from ₹1016.22 crores as on 31st March, 2017. Free reserves constitute around 99.90% of the total reserves.

Risk Management at IMFA

An effective and robust risk management system is vital to minimise IMFA's risk profile and strengthen sustainability. The Company identifies and categorises various risks, mapping mitigation actions based on the short, medium and long-term strategic outlooks. It consistently analyses the commodity trade markets and makes relevant decisions to maximise profits.

₹1,769.26 Cr.

IMFA'S REVENUE FROM
OPERATIONS IN FY 2017-18

Management Discussion and Analysis (Contd.)

Risk Management Strategy

Type of Risk	Mitigation
Industry Risk Soft demand in the stainless-steel industry influences sales	Stainless steel has multiple applications across industries like construction, chemical and household appliances industries. A booming population and growing economies are likely to propel industries, especially the infrastructure sector. Moreover, two of the major world economies — India and USA — are geared for an increased infrastructure spending in the coming years that will more than likely enhance demand for stainless steel. Evolving lifestyles and increase in purchasing power are expected to further raise the demand for automobiles and white goods, thus driving the demand for stainless steel.
Raw Material Risk Unavailability of raw material can diminish the Company's production capacity	IMFA has captive mines in Sukinda and Mahagiri that meet the requirement of chrome ore although some tonnage is also occasionally bought from the open market. It has fully integrated production capacity with 261 MW of power production annually. It also has long-standing contracts with vendors to supply other raw materials like low ash and low phos coke, among others.
Regulatory Risk Change in regulations or legislations may derail production strategy	Delay in regulatory approvals or altered legislations may disrupt the Company's business. Thus, IMFA consistently tracks regulations and closely monitors statutory compliances of the industry.
Operational Risk Inefficient operational practices could influence production cost and affect competitive edge	IMFA regularly maintains all its equipment to avoid breakdowns. Besides, it's focused on upgrading technology and processes to enhance efficiency. To reduce accidents, it employs various safety precautions.
Exchange Risk Currency-market volatilities may bring down margins for the Company	IMFA is exposed to fluctuating US dollar rates and majority of its sales realisations are through exports. Hence it hedges export proceeds using various methods like forward contracts, derivatives, availing PCFC for its working capital and so on. It is also focused on obtaining long-term contracts and spot sales that optimise off-take and realisations.
Capital Risks Capital access and allocation that entail poor utilisation may lead to missed opportunities	IMFA allocates capital with due diligence. Capital allocation strategies are regularly assessed to regulate their impact on business profitability. Moreover, the Company is constantly bringing down debt levels to strengthen balance sheet enabling headroom for future growth.

People at IMFA

IMFA comprehends the significance of enriching its human capital and undertakes various HR processes & activities to nurture the people. The Company employs transparent policies for attracting and retaining talent & at the same time identifies and rewards veracious performance. Further, IMFA ensures to provide training interventions at every level, strengthening its talent pipeline looking at the current and future need. Over the years, it has developed a robust employee engagement programme that partners IMFA in developing a highly-engaged and motivated work environment.

In the last few years, the Company focused on:

- > Promoting gender equality by ensuring a safe and secure workplace for women
- > Lowering attrition rates
- > Empowering leadership team
- > Generating greater awareness and collaboration
- > Upgrading HR competencies

During FY 2017-18, the Company has undertaken the following HR practices:

Performance management and retention

The performance management and retention planning were a top priority in FY 2017-18. To provide a meaningful work environment, job descriptions were made clear and specific interventions and programmes were developed. An employee retention system is in place to attract and retain the top performers and to match

performance with rewards. The recruitment and selection procedure at IMFA is a dynamic process that endeavours to draw the best talent for talent development and retention.

Employee training

The Learning and Development (L&D) arm at IMFA provides various 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 and objectives. L&D programmes in the areas of management orientation, team-building, interpersonal effectiveness and new employee orientation unwaveringly support the mission of IMFA.

Employee engagement and motivation

Our value-based culture and rich heritage have augmented the talent life-cycle and engagement initiatives at IMFA. We intend to create an inclusive culture and environment by engaging employees across the organisation. To ensure inclusion, we continuously seek feedback from employees as well as management which ultimately paves the path towards an engaged work environment. We are committed to partnering with employees and providing them with opportunities to comprehend their full potential through different engagement activities and initiatives.

Health, Safety and Environment (HSE) at IMFA

IMFA gives prime importance to safety and wellbeing of its employees and is committed to conduct all its activities in a manner that promotes the health and safety of its employees, assets and the public, as well as prevention and protection of the environment.

The Company is certified under integrated management system comprising of quality, environment and occupational health and safety certification.

Highlights of FY 2017-18 are as follows:

- > Business Unit Heads reviewed and implemented HSE initiatives and monitored performance at respective plant locations (monthly basis)
- > Apex HSE council chaired by the MD reviews the HSE performance and approves HSE initiatives, key performance indicators (KPIs) and guidelines once every quarter.
- > Top management accorded zero tolerance to some chronic safety violations having high potential consequence and were monitored rigorously to eliminate them from plant locations.
- > Converted standard operating procedures (SOP) to audio-visual presentation for ease of understanding
- > Implemented job cycle check (JCC) to monitor whether the SOPs are in exercise and to review and enhance the existing SOPs by engaging all concerned stakeholders.
- > Focused on reporting of near misses resulted in a large number of such cases coming to light, enabling the management to take proactive actions to avoid such incidents.
- > Streamlined the housekeeping process by identifying lacking areas and addressing accordingly followed by quarterly housekeeping audit across departments.
- > Imparted HSE training to the workforce as per the HSE training calendar. Topics on environment were added to improve collective environmental awareness for prevention and protection of the environment.
- > Converted all HSE training programmes in audio-visual form to enhance effectiveness.
- > Identified systematic HSE audit processes and implemented plans to eliminate concern areas.
- > Focused on behaviour-based safety for workforce
- > Predicated production-based incentives for zero fatality
- > Implemented safety observation and interaction process - a new generation inspection tool – which showed considerable reduction of unsafe processes and conditions at plant locations resulting in significant reduction of injury.
- > All contractors underwent periodic audits on safety. Department heads held meetings with contractors once a month to give feedback on their safety performance for continuous improvement.
- > Installed dust extraction system, dry fog, mist cannon etc. were implemented to keep the air pollutants (PM10, PM2.5, SPM etc.) within limit.
- > Installed impervious tank for run-off water management installed at Therubali.
- > In the Mines division, a state-of-the-art wheel washing facility was installed to prevent possible chromium contamination by the wheels of ore transport vehicles.
- > Installed automatic piezometer for ground water monitoring at Therubali and Mines Division.
- > Implemented drip irrigation system for dump stability at Mines Division.
- > Constructed a Rescue room at Mahagiri underground Mines.
- > Covered haul road barriers at Mines with grass to minimise airborne dust pollutant.
- > Installed organic waste converter at Choudwar to take care of vegetable and food waste.
- > The mines division got several accolades during the safety week celebrations by Directorate General of Mines Safety (DGMS)
- > The units of Choudwar got awards from the State Government for excellence in safety performance. Charge Chrome Plant -I was awarded for the lowest accident frequency rate for 2017, Charge Chrome Plant -II was awarded for the longest accident free period for 2015 and the lowest accident frequency rate for 2016 and Unit III was awarded for the lowest accident severity rate for 2016.
- > The Choudwar power plant got the 'Kalinga Puraskar' for the best safety management system among captive power plants in Odisha for the year 2016.

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 56th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March 2018.

Financial Results

		Amount in ₹ crores	
		FY18	FY17
1	Revenue from operations	1769.26	1697.04
2	Other Income	37.33	49.35
3	Total Revenue	1806.59	1746.39
4	Profit before finance cost, depreciation, taxation, prior period income and exceptional items	461.39	564.68
5	Finance Cost	78.23	86.33
6	Depreciation	100.80	108.69
7	Profit before Tax	282.36	369.66
8	Tax including Deferred Tax	95.43	119.83
9	Profit after Tax	186.93	249.83
10	Other Comprehensive Income/ (Expenses)	(2.35)	0.17
11	Total Comprehensive Income/ (Expenses) for the year	184.58	250.00
12	Dividend (including Tax on Dividend)	32.19	32.19
13	Balance carried forward	1168.61	1016.22

Your Company's revenue from operations reached a new high of ₹1,769.26 crores (previous year: ₹1,697.04 crores) including highest ever foreign exchange earnings of ₹1,506.87 crores (previous year: ₹1,447.37 crores). However, EBITDA before exceptional items decreased to ₹461.39 crores (previous year: ₹564.68 crores) and profit after tax stood at ₹186.93 crores (previous year: profit of ₹249.83 crores) mainly on account of increase in raw material cost.

Interim Dividend

The Board of Directors in its meeting held on 21st March 2018 had approved payment of interim dividend of ₹5/- per Equity Share (@ 50%) on 2,69,77,053 Equity Shares of the Company of face value of ₹10/- each fully paid-up, out of the profits for FY 2017-18. Interim dividend was paid to the shareholders as per their shareholding in the Company as on 3rd April 2018 (Record Date).

Final Dividend

In view of the excellent performance during the year under review, in addition to interim dividend, your Directors are pleased to recommend a final dividend of ₹10/- per equity share (@ 100%) of face value of ₹10/- each for the year ended 31st March 2018, subject to approval of shareholders at the forthcoming Annual General Meeting of the Company. Final dividend, if approved by the shareholders, taken together with the interim dividend, will amount to total dividend of ₹15/- per equity share for FY 2017-18.

State of Company's Affairs

Ferro Alloys

The production of ferro chrome during the year under review was 234,443 tonnes (previous year: 235,460 tonnes).

Electricity

During the year under review your Company generated 946.05 MU's of electricity including 3.32 MU's from Solar Power (previous year: 1036.88 MU's) in accordance with captive requirement.

The Company's first major initiative in renewable energy is now a reality with the 3 MW solar power facility at Therubali being successfully commissioned in June 2017. Work on another 1.5 MW at the same location has already commenced and the Company is also exploring greenfield sites. Given its leading position in the Indian ferro chrome industry and being globally recognised, the Company is conscious of its responsibility towards sustainability and accords highest priority to health, safety and environment.

Mining

During the year under review, the State Pollution Control Board (SPCB) had issued notice pointing out certain non-compliances at Sukinda & Mahagiri Mines and subsequently 'Consent to Operate' (CTO) for both the mines had been withdrawn vide letter dated 10th April, 2017. The Company has addressed all the issues pointed out by SPCB and CTO has been reinstated vide letter dated 22nd June, 2017. The additional pollution control measures including system for mechanised wheel washing of lorries, improved storm water management, etc have set a new benchmark for the Sukinda chromite zone.

Despite the above interruption, chrome ore production was highest ever at 550,670 tonnes as compared to 545,111 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 used only for captive consumption thus maximising contribution to the exchequer.

Scheme of Amalgamation

During the year under review, the Board of Directors of the Company at its meeting held on 28th September 2017 approved a Scheme of Amalgamation in terms of Sections 230-232 of Companies Act, 2013 involving amalgamation of Indian Metals & Carbide Limited and B Panda and Company Private Limited with Indian Metals & Ferro Alloys Limited. The said scheme is conditional upon approval of the respective shareholders & creditors, concerned National Company Law Tribunal and other regulatory and statutory approvals as applicable.

Extract of the Annual Return

An extract of annual return for the financial year ended on 31st March 2018 in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-1**.

Number of Meetings of the Board

The Board met six times in FY 2017-18 viz. on 18th May 2017, 17th July 2017, 28th September 2017, 24th October 2017, 29th January 2018 and 21st March 2018. 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 2018, 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 2018 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Policy on Directors' Appointment and Remuneration

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

Auditors and Auditors' Report

Statutory Auditors

M/s Haribhakti & Co.LLP., Chartered Accountants, (Firm Registration No.103523W/W100048) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 57th Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Haribhakti & Co. LLP., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders.

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

Secretarial Auditor

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-3**.

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

Particulars of Loans, Guarantees or Investments Under Section 186

The details of loans, 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.

Material Changes and Commitments Affecting the Financial Position of the Company

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

Energy Conservation, Etc.

The information required under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in **Annexure-4** 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-5** to this Report.

Annual Evaluation by the Board

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

- i) Attendance of Board and Committee Meetings
- ii) Quality of contribution to Board deliberations

Directors' Report (Contd.)

- iii) Strategic perspectives or inputs regarding future growth of Company and its performance
- iv) Providing perspectives and feedback going beyond information provided by the management
- v) Commitment to shareholder and other stakeholder interests

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

Disclosure Under Section 197(12) of the Companies Act, 2013

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

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

Name of the Director	Ratio	Name of the Director	Ratio
Dr B Panda*	143:01	Major R N Misra(Retd)	3:1
Mr Baijayant Panda	142:1	Mr S P Mathur	3:1
Mr Subhrakant Panda	149:1	Mr S Nautiyal	3:1
Mr J K Misra	25:1	Mr Stefan Georg Amrein	0.05:1
Mr C R Ray	16:1	Mr Bijoy Kumar Das	3:1
Mrs Paramita Mahapatra	0.3:1		
Mr D Bandyopadhyay	3:1		
Mr N R Mohanty	3:1		
General Shankar Roychowdhury (Retd)	3:1		

*Ceased to be a Director w.e.f 17th July,2017

- 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/CFO&CS	% increase
Dr B Panda*	(19.46)	Mr S P Mathur	113.33
Mr Baijayant Panda	(21)	Mr S Nautiyal	113.95
Mr Subhrakant Panda	(20)	Mr Stefan Georg Amrein	0
Mr J K Misra	(8.64)	Mr Bijoy Kumar Das	107.41
Mr C R Ray	(4.53)	Mr Prem Khandelwal, CFO & CS	42.47
Mrs Paramita Mahapatra	30		
Mr D Bandyopadhyay	107.52		
Mr N R Mohanty	113.23		
General Shankar Roychowdhury (Retd)	112.39		
Major R N Misra (Retd)	107.92		

*Ceased to be a Director w.e.f 17th July,2017

- iii) the percentage increase in the median remuneration of employees in the financial year: 8.39
- iv) the number of permanent employees on the rolls of company: 2404
- 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 : 56th

Percentile increase in the managerial remuneration : 42nd

- 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 employees who were in receipt of remuneration of not less than Rupees One Crore and Two Lakh during the financial year or Rupees Eight Lakh Fifty Thousand 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

Dr Bansidhar Panda expressed his desire to step down as a Director and consequently from the post of Executive Chairman with effect from the conclusion of 55th Annual General Meeting of the Company held on 17th July 2017 and, thereafter, was designated as Founder & Chairman Emeritus and to act as an Advisor to the Company.

Mr Baijayant Panda, Vice Chairman and Mr Stefan Georg Amrein, 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 2018 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, 2017	7009	108933
(ii)	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2017-18	24	196
(iii)	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2017-2018	24	196
(iv)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 31st March 2018	6985* Nil*	108737* Nil*

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

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-6**.

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 : 21st May 2018

(Subhrakant Panda)
Managing Director
DIN:00171845

(Jayant Kumar Misra)
Director(Corporate) & COO
DIN:00146526

FORM NO. MGT 9

Annexure-1

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. Registration & Other Details:

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

II. Principal Business Activities Of The Company

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

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Ferro Chrome/ Ferro Alloys	2711	97%

III. Particulars of Holding, Subsidiary and Associate Companies

SN.	Name and address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of shares held	Applicable Section
1	IMFA Alloys Finlease Limited	U65990OR2009PLC011366	Subsidiary	76	Section 2(87)(ii)
2	Indian Metals And Carbides Limited	U27209OR1973PLC000598	Subsidiary	99.99	Section 2(87)(ii)
3	Utkal Coal Limited	U74899DL1998PLC068120	Subsidiary	79.2	Section 2(87)(ii)
4	Utkal Green Energy Limited	U01112OR2007PLC009115	Subsidiary	100	Section 2(87)(ii)
5	Utkal Power Limited	U40101OR2004PLC007590	Subsidiary	100	Section 2(87)(ii)
6	Indmet Mining Pte Ltd (Singapore)		Subsidiary	100	Section 2(87)(ii)
7	Pt Sumber Rahayu Indah (Indonesia)		Subsidiary	70	Section 2(87)(ii)
8	B. Panda And Company Private Limited	U74210OR1965PTC000478	Holding	51.59	Section 2(46)
9	Ferro Chrome Producers Association	U74999DL2016NPL306632	Associate	33.33	Section 2(6)

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	10,75,749		10,75,749	3.99%	10,75,749		10,75,749	3.99%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	1,45,26,124		1,45,26,124	53.85%	14526124		1,45,26,124	53.85%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other (Trust)	12,444		12,444	0.05%	12,444		12,444	0.05%	0.00%
Sub Total (A) (1)	1,56,14,317	-	1,56,14,317	57.88%	1,56,14,317	-	1,56,14,317	57.88%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	2,17,539		2,17,539	0.81%	2,17,539		2,17,539	0.81%	0.00%
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals	51,456		51,456	0.19%	-		-	0.00%	-100.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other	2,68,995	-	2,68,995	1.00%	2,17,539	-	2,17,539	0.81%	-19.13%
Sub Total (A) (2)	1,58,83,312	-	1,58,83,312	58.88%	1,58,31,856	-	1,58,31,856	58.69%	-0.32%
TOTAL (A)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2508340	3,175	25,11,515	9.31%	673069	3,175	6,76,244	2.51%	-73.07%
b) Banks / FI	7,237	70	7,307	0.03%	11058	67	11,125	0.04%	52.25%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs	36,167		36,167	0.13%	348018		3,48,018	1.29%	862.25%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	25,51,744	3,245	25,54,989	9.47%	10,32,145	3,242	10,35,387	3.84%	-59.48%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7,96,243	40,639	8,36,882	3.10%	1088405	39898	11,28,303	4.18%	34.82%
ii) Overseas	34,44,259	17,90,500	52,34,759	19.40%	3444254	1790500	5234759	19.4%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	13,11,298	2,36,053	15,47,351	5.74%	2397151	191052	25,88,203	9.59%	67.27%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	5,51,952	21,000	5,72,952	2.12%	651673	21000	6,72,673	2.49%	17.40%
c) Others (specify)									
Non Resident Indians	2,17,951	18,310	2,36,261	0.88%	192290	17723	2,10,013	0.78%	-11.11%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals	53		53	0.00%	54		54	0.00%	1.89%
Clearing Members	16,182		16,182	0.06%	119618		1,19,618	0.44%	639.20%
Trusts	60		60	0.00%	63		63	0.00%	5.00%
HUF	94,252		94,252	0.35%	156124		1,56,124	0.58%	65.65%
Foreign Bodies - D R			-	0.00%	0		-	0.00%	0.00%
Sub-total (B)(2):-	64,32,250	21,06,502	85,38,752	31.65%	80,49,637	20,60,173	1,01,09,810	37.48%	18.40%
Total Public (B)	89,83,994	21,09,747	1,10,93,741	41.12%	90,81,782	20,63,415	1,11,45,197	41.31%	0.46%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%			-	0.00%	0.00%
Grand Total (A+B+C)	2,48,67,306	21,09,747	2,69,77,053	100.00%	2,49,13,638	20,63,415	2,69,77,053	100.00%	0.14%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	No. of Shares	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Banshidhar Panda	4,22,100	1.56%		4,22,100	1.56%		0.00%
2	Baijayant Panda	2,17,539	0.81%		2,17,539	0.81%		0.00%
3	Paramita Mahapatra	2,18,015	0.81%		2,18,015	0.81%		0.00%
4	Subhrakant Panda	2,18,095	0.81%		2,18,095	0.81%		0.00%
5	Nivedita Ganapathi	2,17,539	0.81%		2,17,539	0.81%		0.00%
6	B Panda And Company Pvt Ltd	1,39,18,046	51.59%		1,39,18,046	51.59%		0.00%
7	Utkal Manufacturing And Services Ltd	6,08,078	2.25%		-	0.00%		-100.00%
8	Raila Enterprises Private Limited	-	0.00%		6,08,078	2.25%		0.00%
9	Subhrakant Panda, Managing Trustee, Shaisah Foundation	12,444	0.05%		12,444	0.05%		0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01-04-2017		1,58,83,312	58.88%	1,58,83,312	58.88%
2	Changes during the year	30-11-2017	Transfer	(51,456)	-0.19%	1,58,31,856	58.69%
3	At the end of the year	31-03-2018		1,58,83,312	58.88%	1,58,31,856	58.69%

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Litec Company Limited						
	At the beginning of the year			34,44,259	12.77%	34,44,259	12.77%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	34,44,259	12.77%
2	Fox Consulting Services Pte Ltd						
	At the beginning of the year			17,90,500	6.64%	17,90,500	6.64%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	17,90,500	6.64%
3	Reliance Capital Trustee Co Ltd						
	At the beginning of the year			17,29,374	6.41%	17,29,374	6.41%
	Changes during the year	28-07-2017	Transfer		0.00%	(11,98,484)	-4.44%
	At the end of the year				0.00%	5,30,890	1.97%
4	Shah Jyotindra Ramniklal						
	At the beginning of the year			2,86,500	1.06%	2,86,500	1.06%
	Changes during the year	02-06-2017	Transfer		0.00%	(70,523)	-0.26%
	At the end of the year				0.00%	2,15,977	0.80%
5	Phillips Finance & Investment services Pvt. limited						
	At the beginning of the year			-	0.00%	1,75,000	0.65%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	1,75,000	0.65%
6	Union Small Cap Fund						
	At the beginning of the year			-	0.00%	99,800	0.37%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	99,800	0.37%
7	Phillip Capital (India) Pvt Limited						
	At the beginning of the year			-	0.00%	99,800	0.37%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	99,800	0.37%
8	sal real estates pvt.ltd						
	At the beginning of the year			-	0.00%	89,752	0.33%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	89,752	0.33%
9	Acadian Emerging Markets Small Cap Equity Fund						
	At the beginning of the year			-	0.00%	89,011	0.33%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	89,011	0.33%
10	Mukul Agrawal						
	At the beginning of the year			-	0.00%	75,200	0.28%
	Changes during the year				0.00%	-	0.00%
	At the end of the year				0.00%	75,200	0.28%

(v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Banshidhar Panda						
	At the beginning of the year			4,22,100	1.56%	4,22,100	0.00%
	Changes during the year				0.00%		1.56%
	At the end of the year				0.00%	4,22,100	
2	Baijayant Panda						
	At the beginning of the year			2,17,539	0.81%	2,17,539	0.81%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	2,17,539	0.81%
3	Subhrakant Panda						
	At the beginning of the year			2,18,095	0.81%	2,18,095	0.81%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	2,18,095	0.81%
4	Paramita Mahapatra						
	At the beginning of the year			2,18,015	0.81%	2,18,015	0.81%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	2,18,015	0.81%
5	Jayant Kumar Misra						
	At the beginning of the year			100	0.00%	100	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	100	0.00%
6	Chitta Ranjan Ray						
	At the beginning of the year			46	0.00%	46	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%	46	0.00%
7	Prem Khandelwal						
	At the beginning of the year			240	0.00%	240	0.00%
	Changes during the year				0.00%		0.00%

V. Indebtedness

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

(Amt. ₹/crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	925.07	-	-	925.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.74	-	-	1.74
Total (i+ii+iii)	926.81	-	-	926.81
Change in Indebtedness during the financial year				
* Addition	83.23	-	-	83.23
* Reduction	(173.86)	-	-	(173.86)
Net Change	(90.63)	-	-	(90.63)
Indebtedness at the end of the financial year				
i) Principal Amount	835.31	-	-	835.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.87	-	-	0.87
Total (i+ii+iii)	836.18	-	-	836.18

VI. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
	Name	Dr Bansidhar Panda	Mr Baijayant Panda	Mr Subhrakant Panda	Mr J K Misra	Mr C R Ray	(₹)
	Designation	Executive Chairman	Vice - Chairman	Managing Director	Director (Corporate) & COO	Whole-time Director	
1	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,25,806.00	1,54,80,000.00	1,83,36,000.00	50,70,156.00	50,59,596.00	4,87,71,558.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	4,31,68,584.00	23,77,140.00	23,78,635.00	56,79,396.00	18,39,696.00	5,54,43,451.00
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	1,26,17,000.00	4,26,43,000.00	4,26,43,000.00	-	-	9,79,03,000.00
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	6,06,11,390.00	6,05,00,140.00	6,33,57,635.00	1,07,49,552.00	68,99,292.00	20,21,18,009.00
	Ceiling as per the Act	Within the Ceiling of Section II of Part II of Schedule V of the Companies Act, 2013 and within the Ceiling of Central Government Approval.			Within the Ceiling of Section II of Part II of Schedule V of the Companies Act, 2013.		

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
1	Independent Directors							
A	Independent Directors	Major R. N Misra	Mr D Bandyopadhyay	Mr N R Mohanty	General S Roychowdhury	Mr Sudhir Prakash Mathur	Mr S Nautiyal	
	Fee for attending board committee meetings	85,000.00	20,000.00	1,00,000.00	20,000.00	90,000.00	30,000.00	3,45,000.00
	Commission	13,39,285.00	13,39,285.00	13,39,285.00	13,39,285.00	13,39,285.00	13,39,285.00	80,35,710.00
	Others, please specify	-	-	-	-	-	-	-
	Total (A)	14,24,285.00	13,59,285.00	14,39,285.00	13,59,285.00	14,29,285.00	13,69,285.00	83,80,710.00
B	Independent Directors	Mr Bijoy Kumar Das	Dr S Acharya*					
	Fee for attending board committee meetings	40,000.00	-					40,000.00
	Commission	13,39,285.00	6,25,000.00					19,64,285.00
	Others, please specify	-	-					-
	Total (B)	13,79,285.00	6,25,000.00					20,04,285.00
	Total (A+B)							1,03,84,995.00
2	Other Non-Executive Directors	Mrs Paramita Mahapatra	Mr Stefan Georg Amrein					-
	Fee for attending board committee meetings	1,30,000.00	20,000.00	-		-		1,50,000.00
	Commission	-	-	-		-		-
	Others, please specify	-	-	-		-		-
	Total (2)	1,30,000.00	20,000.00	-		-		1,50,000.00
	Total (B)=(1+2)							1,05,34,995.00
	Total Managerial Remuneration							21,26,53,004.00
	Overall Ceiling as per the Act	YES	YES	YES		YES		YES

* Ceased to be a Director w.e.f 26th July, 2016 (The remuneration relates to the FY 2016-17 but paid in FY 2017-18)

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (₹)
	Name	Mr Prem Khandelwal	
	Designation	CFO & Company Secretary	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	76,74,599.00	76,74,599.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	6,96,507.00	6,96,507.00
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	83,71,106.00	83,71,106.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

NOTE : 1 "NA" Stands for Not Applicable

Annexure-2

Nomination and Remuneration Policy

Research & Development, Human Resources, etc or as may be considered appropriate.

1. Preamble

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

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

2. Definitions

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company.
- 2.4 **Key Managerial Personnel (KMP)** means
- 2.4.1 **Chief Executive Officer or the Managing Director or the Manager;**
- 2.4.2 **Whole-time director;**
- 2.4.3 **Chief Financial Officer;**
- 2.4.4 **Company Secretary; and**
- 2.4.5 **such other officer as may be prescribed.**
- 2.5 **Senior Management** means personnel of the Company excluding the Board of Directors and KMPs upto the level of Functional Heads.

3. Policy on Board Diversity

The Board of Directors shall have the optimum combination of Directors including one woman Director from different areas / fields like Production, Management, Quality Assurance, Finance, Sales & Marketing, Supply Chain,

4. Policy for Appointment, Remuneration, Retirement and Removal of Director(s) and KMP(s)**4.1 Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing / Whole-time Director who has attained the age of 70 (seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (seventy) years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years.

4.2 Term / Tenure

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

b) Independent Director:

- An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

4.3 Removal

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

4.4 Retirement

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

4.5 Remuneration

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director or KMP to the Board for their approval as per the provisions of the Act / Policy of the Company. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors or KMPs of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate

performance benchmarks. The remuneration should also involve a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

5. Policy for Appointment, Remuneration, Retirement and Removal of Senior Management Personnel**5.1 Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, functional expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

5.2 Retirement & Removal

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

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

5.3 Remuneration

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

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

Form No. MR-3

Annexure-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31.03.2018

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms, and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2018 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, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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:

- (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 the State Pollution Control Board, Odisha had withdrawn the CTO of the Sukinda and Mahagiri Chromite

Mines on 10/04/17 before expiry of its validity period, which was again reinstated on 22/06/17.

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.

Place: Bhubaneswar
Date : 21/05/2018

For Sunita Mohanty & Associates
Companies Secretaries:
Name of Company Secretary in practice: **CS Jyotirmoy Mishra**
Membership No: 6556
C P No.: 6022

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

Annexure A

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

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

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

Place: Bhubaneswar
Date : 21/05/2018

For Sunita Mohanty & Associates
Companies Secretaries:
Name of Company Secretary in practice: **CS Jyotirmoy Mishra**
Membership No: 6556
C P No.: 6022

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) 34 Nos of 42 watt LED lamps fitting & 186 Nos of 9 Watt LED Lamps fittings were used in place of 70 watt HPSV lamp in 30 MW Power Plant (PP) & 120 MW PP. 7 Nos of 100 Watt & 3 Nos of 150 Watt LED lamp fittings were used in place of 250W MH Lamp in 30 MW PP & 120 MW PP. 21 Nos of 25 Watt LED Lamps fitting were used in place of 70 Watt HPSV Lamp in 120 MW PP. 6 Nos of 72 Watt LED Lamps fitting were used in place of 150 Watt street light fittings in 120 MW PP. 8 no's of 33 Watt and 10 nos of 42 Watt LED light fittings used replacing 2x28 Watt and 2x40 Watt tube light fittings in 108 MW PP & 120 MW PP. Energy Saving: 73, 361 Kwh/Year.

Blow down pit pumps of 30MW PP were replaced by energy efficient pumps meeting the requirement, which resulted in energy saving. Energy Saving: 95,040 Kwh/Year.

Water supply line from guard pond (waste water pond) pump to ash conditioner in 120 MW PP was rerouted with higher size pipe to increase flow rate, which enabled to stop one guard pond pump. Energy Saving: 52,800 Kwh/Year.

- (b) Total 1008 nos. of different wattage light fittings replaced with LED fittings at Unit-I & Unit-II. Energy Saving: 610 MWh/Year.

Therubali

Replacement of Conventional light like Metal halide, mercury vapor lamp with LED light in the crane bay 1 to 5. Calculated Energy Saving in 2017-18 is 51 MWh.

Mines:

- (a) Continuous replacement of conventional high wattage lights with suitable low wattage LED lights to reduce power consumption.
- (b) Maintaining power factor upto 0.98 by using APFCR panel.
- (c) Installation & commissioning of new 3.5 Core, 240 Sq.mm Cu. Power cable to 1000 Amp PCC panel at +55 mRL of Mahagiri Mines (Chromite) underground for stable power supply and reduce losses due to voltage drop.
- (d) Installation & commissioning of 250 KVA DG at Sukinda Mines (Chromite) Sub Station-2 for power back up instead of drawing power from Mahagiri Mines (Chromite) over 1.5 kms overhead line. This reduces losses due to voltage drop and power failure time due to fault in overhead line.
- (e) Installation of VFD for Vibrating Feeders of Screening Plant-2 in place of DOL starter to avoid frequent start/stop of feeder and to have controlled flow of ore. This eliminates the crusher jam, which in turn improves plant efficiency and saving of energy.

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

Therubali:

3 MW Solar Power Plant is commissioned and utilised as alternate source of energy. Total Energy generated from 3 MW Solar plant during Financial Year 2017-18 is 3324.66 MWh.

Solar Water Heater of 500 ltrs. capacity was installed in canteen. Total Energy Savings for the Financial Year 2017-18 = 0.9 MWh.

Mines:

Solar Drinking Water System has been installed at Ostia village.

(iii) Capital investment on energy conservation equipments

Choudwar:

- (a) Total cost involvement on energy conservation equipment is ₹6,50,000/-
- (b) LED Light fitting: ₹54,67,006/-

Therubali:

- (a) Replacement of Conventional light : ₹11,60,892/-
- (b) 3 MW Solar Power Plant : ₹20,08,97,533/-
- (c) Solar Water Heater : ₹56,190/-

Mines:

- (a) ₹29.88 lakhs has been spent on installation of 3.5 Core, 240 Sq.mm Cu. Power cable at Mahagiri Mines (Chromite).
- (b) ₹23.45 lakhs has been spent on installation of 250 KVA DG at Sukinda Mines (Chromite) Sub Station-2.
- (c) ₹6.11 lakhs has been spent in solar Drinking Water System at Ostia village.

B. Technology Absorption:

(i) Efforts made towards technology absorption

Choudwar:

- (a) 3 MW solar plant was commissioned on 21.06.2017 at Therubali as an step towards renewal energy.
- (b) To protect open bus bars in switch yard and live parts of outdoor transformers against short circuiting by foreign objects, insulation coating was applied.
- (c) Thermal over load relays were replaced by digital protection relays in critical equipment.
- (d) Ultrasonic test of railway track was carried out for the first time in association with railway officials to ascertain track condition in a scientific way instead of visual inspection.
- (e) Wooden pallets were replaced with PVC pallets in Fly ash brick plant which is having more durability.
- (f) Displacer type transmitter was used in place of differential pressure type for reliable condenser level measurement in 108 MW PP.
- (g) Rubber cones of fluidising pads in ash silo were replaced with porous sintered plates for better flow ability of ash during unloading to avoid fugitive dust emission at 120 MW PP.

- (h) Re-railing equipment was used in paddle feeder trolley repairing for ease in maintenance.
- (i) Mist water cannon: In order to suppress fugitive dust at Unit-II, installed 5 nos. 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 and raw material storage yards.
- (j) Packaged substation: 1.2 MVA, 6.6 KV / 0.44 KV packaged sub-station installed in Unit-II near GCP-3 transformer for supply of power to newly installed Dust Extraction system at day-bin houses and screen houses to control fugitive emission. It is compact in design, occupied less area and reduced fire risk due to oil free/dry transformer. Due to its construction in a closed container, electrical hazards are comparatively less.
- (k) VVFD: Variable voltage & variable frequency drive was installed for operating the ID fan drive motor of CCP-1 gas cleaning plant. VVFD is reduced the motor starting current significantly and helped for smooth starting of motor and to avoid the risk of sudden flash over. Due to low starting current of motor, the life of transformer & switch gears are also improved.

Mines:

- (a) Use of scaffolding, safety net, fall arrestor & rescue kit for working at height.
- (b) Installation of Early Streamer Emission type lightning arrester at office and colony.
- (c) Use of VFD in place of DOL starter for crane motors.
- (d) Installation and commissioning of Back filling plant at Mahagiri Mines (Chromite).

(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) OEM (ASEA Sweden) supplied 33 KV minimum oil circuit breakers (MOCB) of 108 MW PP were retrofitted with indigenous SF6 breakers.
- (b) Imported 33 KV bus bar insulators of 108 MW PP were replaced with indigenous ones.
- (c) 100% drilling during tapping at CCP-1
- (d) Modification in Dust Extraction (DE) System duct for easy cleaning & inspection at BQP-1.
- (e) Reduction in failure rate of hopper heaters of GCP-2 bag house dust hoppers at Unit-II.
- (f) Auto-Flaring of Raw Gas & Clean Gas stack of CCP-1.
- (g) Achievement in targeted heats of CS Ladle at CCP-1.
- (h) Reduction in oil leakage in Furnace Transformers of CCP-3.
- (i) Reduction in failure rate of bonded stater of progressive cavity pump at BQP-2.
- (j) Enhancement of the life of CS Ladle spout at CCP-1.

- (k) Reduction in furnace shutdown due to hydraulic hose failure at CCP-1.
 - (l) Insufficient slag coating of CS ladle at Unit-2.
 - (m) Furnace tap hole block life improved by performing guniting operation at CCP-1,2 & 3.
1. Total number of quality improvement projects(QIPs) implemented: 22
 2. Total expenditure for implementation of 22 number QIPs : ₹17,16,336/-
 3. Total potential savings/year : ₹64,85,771/-

Therubali:

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

- (a) Reduction in breakdown hours of MRP Crusher.
 - (b) Elimination of undesired shut down of GCP-01 & GCP-02 due to preventive & breakdown maintenance of switch yard equipment.
 - (c) Reduction in replacement cost of cutting edge and end bit of dozer blade.
 - (d) Inter connection of receivers of the IR55 & IR30 Compressors.
 - (e) Reduction in breakdown hours of 10 TPH Muller Mixer.
 - (f) Reduction of fines generation in 10 TPH Mol. Bqt Plant.
 - (g) Reduction in breakdown cost of wire mesh.
 - (h) Ensuring smooth and trouble free operation of pneumatic conveying system.
 - (i) Improvement in illumination & Energy saving in all the crane bay areas.
1. Total number of quality improvement projects (QIPs) implemented: 22
 2. Total expenditure for implementation of 22 number of QIPs: ₹11,36,277/-
 3. Total Potential savings /year: ₹45,59,020/-

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

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

(iv) Expenditure incurred on Research & Development: Nil

C. Foreign Exchange Earnings and Outgo

Total foreign exchange earned (FOB value) and used
(₹ in crores)

- (a) Foreign Exchange earnings: 1487.09 (previous year: 1432.08)
- (b) Foreign Exchange outgo : 277.06 (previous year: 238.00)

ANNUAL REPORT ON CSR ACTIVITIES (2017-18)

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or Programmes :
- 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 : ₹105.29 crores

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : ₹2.11 crores

5. Details of CSR spent during the financial year :

- (a) Total amount to be spent for the financial year : ₹2.11 crores

- (b) Amount unspent if any : Nil

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

(1)	(2)	(3)	(4)	5)	₹ in crores		
					(6)	(7)	(8)
					Amount spent on the projects or programmes	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where project or programme was undertaken	Amount outlay (budget) project or programmes wise	Direct expenditure on projects or programmes	Overheads	Implementing Agency
1	Social development by focusing on community development programmes involving health programmes, women & child care, safe water & sanitation, and malnutrition	Health Care & Community Development	State : Odisha District : Jajpur, Cuttack & Rayagada	1.03	1.32	1.32	0.84 0.48
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	9.88	2.32	2.32	2.08 0.24
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	0.01	0.01	0.01 0.00

(1)	(2)	(3)	(4)	5)	(6)		(7)	(8)	
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where project or programme was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes		Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency	
					Direct expenditure on projects or programmes	Overheads		Implementing Agency	Direct
4	Rural development projects, working with Government, Gram Sabhas, Gram Panchayats, NGOs, CBOs, etc for improving conditions in the communities where we operate with a focus on continuity and sustainability	Infrastructure Development	State : Odisha District : Jajpur,	0.04	0.03	---	0.03	0.03	0.00
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	0.11	0.11	---	0.11	0.10	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 District :	0.11	0.06	---	0.06	0.06	0.00
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 :	0.12	0.11	---	0.11	0.00	0.11
TOTAL				11.29	3.95	0.00	3.95	3.12	0.84

Note : Of the total CSR expenditure of ₹3.95 crores an amount of ₹2.76 crores has been spent through the implementing agency Bansidhar & Ita Panda Foundation (BIPF) established in the year 2011 as the social development arm of Indian Metals & Ferro Alloys Ltd (IMFA) and an amount of ₹0.35 crores through Indian Metals Public Charitable Trust (IMPACT) a charitable arm of IMFA founded by Dr.Bansidhar Panda and Late Mrs Ita Panda.

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

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

For Indian Metals & Ferro Alloys Ltd

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

(Jayant Kumar Misra)

(Subhrakant Panda)
Chairman of the CSR Committee

Director (Corporate) & COO
DIN : 00146526

DIN : 0017845

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

1	Sl. No.	1	2	3	4	5	6	7
		Indian Metals & Carbide Ltd	Utkal Power Ltd	Utkal Coal Ltd	IMFA Alloys Finlease Ltd	Utkal Green Energy Ltd	Indmet Mining Pte Ltd	PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd)
3	Reporting Period	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
4	Reporting Currency	₹	₹	₹	₹	₹	₹ (Converted)	₹ (Converted)
5	Share Capital	108	0.68	25.00	3.03	1.06	75.13	3.56
6	Reserves & Surplus	(0.94)	(0.02)	90.50	31.17	(0.98)	(3.35)	(11.07)
7	Total Assets	0.15	0.66	379.86	34.35	0.08	71.83	0.01
8	Total Liabilities (excluding Share Capital and Reserves & Surplus)	0.01	-	264.36	0.16	-	0.05	7.52
9	Investments	0.10	-	-	-	-	56.08	-
10	Turnover	-	-	-	2.81	-	-	-
11	Profit before Taxation	(0.04)	(0.12)	(0.05)	2.97	(0.23)	(0.63)	(0.27)
12	Provision for Taxation	-	-	-	0.85	-	-	-
13	Profit after Taxation	(0.04)	(0.12)	(0.05)	2.12	(0.23)	(0.63)	(0.27)
14	Proposed Dividend	-	-	-	1.82	-	-	-
15	% of shareholding	99.996%	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 @ ₹ 64.09/ USD and ₹ 64.07 /USD respectively.

2 **Subsidiaries which are yet to commence operation:**

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

Part “B” : Associates**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies**

1	Name of the Associate	Ferro Chrome Producers Association
2	Latest audited Balance Sheet Date	31st March, 2017
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	2,500
	Amount of Investment in Associates	₹25,000/-
	Extend 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	₹23,390/-
8	Profit/ (Loss) for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	₹(51,610)/-

Associates which are yet to commence operation:

- 1 Ferro Chrome Producers Association

For and on behalf of the Board of Directors

Place : Bhubaneswar
Date : 21st May, 2018

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director
DIN: 00171845

Bajjayant Panda
Vice Chairman
DIN : 00297862

Report on Corporate Governance

As on 31st March, 2018

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 no regular Chairman and more than half 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, 2018 was as under:

Name of the Director	Category of Directorship	No. of Directorships in other* Public Limited Companies.		Committee Position in Mandatory Committees**		Share Holding
		Chairman	Member	Chairman	Member	
Baijayant Panda, Vice Chairman [#]	Promoter Non-Independent Executive	-	2	-	-	217539
Subhrakant Panda, Managing Director [#]	Promoter Non-Independent Executive	1	1	-	-	218095
Jayant Kumar Misra, Director (Corporate) & COO	Non-Independent Executive	1	2	-	1	100
Chitta Ranjan Ray, Whole-time Director	Non-Independent Executive	-	4	-	1	46
Paramita Mahapatra [#]	Promoter Non-Independent Non-Executive	-	5	1	-	218015
Debabrata Bandyopadhyay	Independent Non-Executive	-	-	1	-	-
Maj Rabi Narayan Misra (Retd)	Independent Non-Executive	-	1	1	1	-
Nalini Ranjan Mohanty	Independent Non-Executive	-	3	1	2	-
Stefan Georg Amrein	Non-Independent Non-Executive	-	-	-	-	-
Sudhir Prakash Mathur	Independent Non-Executive	-	1	-	2	-
General Shankar Roychowdhury (Retd)	Independent Non-Executive	-	-	-	-	-
Santosh Nautiyal	Independent Non-Executive	-	-	-	-	-
Bijoy Kumar Das	Independent Non-Executive	-	-	-	-	-

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

[#] Mr Baijayant Panda, Mr Subhrakant Panda are brothers and Mrs Paramita Mahapatra is their sister.

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

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

Name of the Director	No. of Board Meetings attended during 2017-18	Attendance at AGM held on 17th July, 2017	Remarks
Dr B Panda	0	No	Ceased to be a Director from the conclusion of 55th Annual General Meeting of the Company held on 17th July 2017
Baijayant Panda	2	No	
Subhrakant Panda	5	Yes	
J K Misra	6	Yes	
Chitta Ranjan Ray	6	Yes	
Paramita Mahapatra	4	Yes	
D Bandyopadhyay	1	No	
Maj R N Misra (Retd.)	5	Yes	
N R Mohanty	6	Yes	
S P Mathur	6	Yes	
General Shankar Roychowdhury (Retd)	2	No	
S Nautiyal	3	No	
Stefan Georg Amrein	2	No	
Bijoy Kumar Das	3	Yes	

Dates on which Board Meetings were held : 18.05.17, 17.07.17, 28.09.17, 24.10.17, 29.01.18, 21.03.18

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](http://www.imfa.in/pdfs/Familiarisation-programme.pdf).

3. Audit Committee:

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

The role of the Audit Committee includes the following areas:

- > Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- > Recommending 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.

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 2017-18
D Bandyopadhyay, Chairman	Independent Non-Executive	1
Major R N Misra (Retd.)	Independent Non-Executive	5
S P Mathur	Independent Non-Executive	6
N R Mohanty	Independent Non-Executive	6

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 : 18.05.17, 17.07.17, 28.09.17, 24.10.17, 29.01.18, 21.03.18

Report on Corporate Governance (Contd.)

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 2017-18
D Bandyopadhyay, Chairman	Non-Executive Independent	1
Major R N Misra (Retd.)	Non-Executive Independent	2
N R Mohanty	Non-Executive Independent	2

Dates on which meetings were held : 18.05.17 and 28.09.17

5. Remuneration of Directors

Details of remuneration for 2017-18

Non-Executive Directors

Name	Commission	Sitting Fees	Stock Options	Total (Amt in ₹)
Paramita Mahapatra	---	1,30,000	0	1,30,000
D Bandyopadhyay	13,39,285	20,000	0	13,59,285
Major R N Misra	13,39,285	85,000	0	14,24,285
S P Mathur	13,39,285	90,000	0	14,29,285
N R Mohanty	13,39,285	1,00,000	0	14,39,285
General Shankar Roychowdhury	13,39,285	20,000	0	13,59,285
S Nautiyal	13,39,285	30,000	0	13,69,285
Stefan Georg Amrein	---	20,000	0	20,000
Bijoy Kumar Das	13,39,285	40,000	0	13,79,285
TOTAL	93,74,995	5,35,000	0	99,09,995

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

All Non-Executive Directors are paid sitting fees. In addition, Non-Executive Independent Directors are paid commission at a rate not exceeding 0.5% per annum of the net profits of the Company subject to a maximum of ₹50 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
Dr B Panda# Executive Chairman (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	4,825,806	43,168,584	12,617,000	--	60,611,390
Baijayant Panda Vice Chairman (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	15,480,000	2,377,140	42,643,000	--	60,500,140
Subhrakant Panda Managing Director (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	18,336,000	2,378,635	42,643,000	--	63,357,635
J K Misra Director (Corporate) & COO (Re-appointed w.e.f. 28th October, 2015 for a period of 3 years)	5,070,156	2,679,396	3,000,000	--	10,749,552
C R Ray Whole-time Director (Re-appointed w.e.f. 31st January, 2016 for a period of 3 years)	5,059,596	939,696	900,000	--	6,899,292
TOTAL	48,771,558	51,543,451	101,803,000	--	202,118,009

Ceased to be a Director from the conclusion of 55th Annual General Meeting of the Company held on 17th July 2017

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

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

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

Details of equity shares of the Company held by the Non Executive Directors as on March 31, 2018 are given below.

Name	Number of equity shares
Paramita Mahapatra	218015

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 Member	Category	No. of meetings attended during 2017-18
Paramita Mahapatra, Chairperson	Non-Executive Non-Independent	14
J K Misra	Executive Non-Independent	20
C R Ray	Executive Non-Independent	9

Report on Corporate Governance (Contd.)

Dates on which meetings were held are	: 15/04/17, 29/04/17, 15/05/17, 30/05/17, 15/06/17, 30/06/17, 10/07/17, 31/07/17, 31/08/17, 15/09/17, 28/09/17, 16/10/17, 31/10/17, 15/11/17, 30/11/17, 30/12/17, 15/01/18, 31/01/18, 15/02/18, 15/03/18, 30/03/18
Name, designation & address of Compliance Officer	: Mr. Prem Khandelwal CFO & Company Secretary Indian Metals & Ferro Alloys Limited Bomikhal, P.O. Rasulgah, Bhubaneswar – 751 010 Phone: 0674-2580100, Fax : 0674-2580020 e-mail : pkhandelwal@imfa.in
No. of complaints received from the shareholders from 01.04.2017 to 31.03.2018	: 270
No. not solved to the satisfaction of the Shareholders as on 31.03.2018	: NIL
No. of pending complaints as on 31.03.2018	: NIL

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

7. Finance Committee:

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

Name of Member	Category	No. of meetings attended during 2017-18
Subhrakant Panda, Chairman	Executive Non-Independent	1
J K Misra	Executive Non-Independent	7
C R Ray	Executive Non-Independent	7

Dates on which meetings were held : 21.04.17, 18.07.17, 24.08.17, 14.12.17, 17.01.18, 16.02.18 and 23.03.18

8. 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 Member	Category	No. of meetings attended during 2017-18
Subhrakant Panda, Chairman	Executive Non-Independent	4
Paramita Mahapatra	Non-Executive Non-Independent	4
J K Misra	Executive Non-Independent	4
B K Das	Non-Executive Independent	2

Dates on which meetings were held : 18.05.17, 17.07.17, 24.10.17, 29.01.18

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 members	Category	No. of meetings attended during 2017-18
J K Misra	Executive Non-Independent	-
C R 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 members	Category	No. of meetings attended during 2017-18
J K Misra	Executive Non-Independent	1
C R Ray	Executive Non-Independent	1

Dates on which meetings were held : 21.07.17

11. General Body Meetings:

Location and time where last three AGMs were held:

The last three AGMs were held on 23.07.2015 (at 2.30 PM), 26.07.2016 (at 11.00 AM) and 17.07.2017 (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 Financial year 2017-18.

Whether any Special Resolution passed in previous 3 AGMs : Yes

At the AGM of the Company held on 23rd July, 2015 a special resolution was passed for obtaining the consent of the Company to pay a sum not exceeding 0.5% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013 subject to a maximum of ₹50,00,000/- (Rupees fifty lakh only) be paid to and distributed equally amongst the Non Executive Independent Directors of the Company as commission and such payments shall be made out of the profits of the Company of each year for a period of three years commencing from 1st April, 2015.

At the AGM of the Company held on 26th July, 2016 Special Resolutions for re-appointment of Mr. 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 there under.

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.

During the financial year 2017-18, Special Resolution was passed through postal ballot to obtain consent of the members accorded for effecting the alteration of existing Clause III of the Memorandum of Association of the Company by inserting following new sub clauses 45, 46, 47 and 48 after sub-clause 44 of the Memorandum of Association and replacing it with the new set of Memorandum of Association in accordance with Table 'A' of Schedule I of the Companies Act, 2013.

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 alteration of object clause and adoption of new set of memorandum of association as per the provisions of the Companies Act, 2013	2,11,41,449	1,94,11,250 (91.82)	17,30,199 (8.18)

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.

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.

Report on Corporate Governance (Contd.)

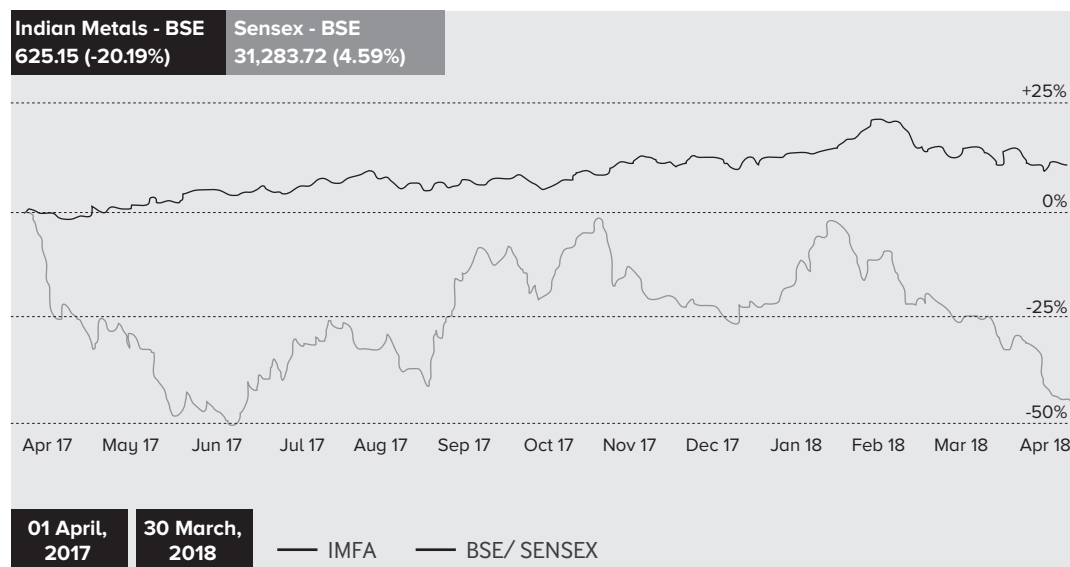
13. General Shareholder Information:

Annual General Meeting			
Date & time	: 17th July, 2018 at 3.00 PM		
Venue	: At the Registered Office of the Company at Bomikhal, P.O.Rasulgarh, Bhubaneswar – 751 010,Odisha		
Financial Year	: 1st April, 2017 to 31st March, 2018		
Dates of Book closure	:11th July, 2018 to 17th July, 2018 (both days inclusive)		
Dividend Payment Date	: Dividend warrants will be despatched with in 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 the year 2017-18 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 01.04.2017 to 31.03.2018 at the BSE and National Stock Exchange are as under.		
	BSE		
	Month	High	Low
	April,17	812.65	515.00
	May,17	587.00	402.05
	June,17	522.05	385.00
	July,17	593.60	472.00
	August,17	689.00	466.25
	September,17	747.70	605.00
	October,17	794.80	614.90
	November,17	687.20	592.00
	December,17	722.85	561.60
	January,18	777.00	646.00
	February,18	675.00	569.00
	March,18	592.65	425.00
	NSE		
	Month	High	Low
	April,17	813.00	516.60
	May,17	590.00	401.55
	June,17	520.00	385.00
	July,17	593.10	470.00
	August,17	691.00	465.00
	September,17	748.40	601.05
	October,17	798.80	622.00
	November,17	687.35	590.00
	December,17	725.00	561.25
	January,18	777.00	645.00
	February,18	666.00	570.00
	March,18	594.95	428.00

Performance in comparison to Broad-based indices:

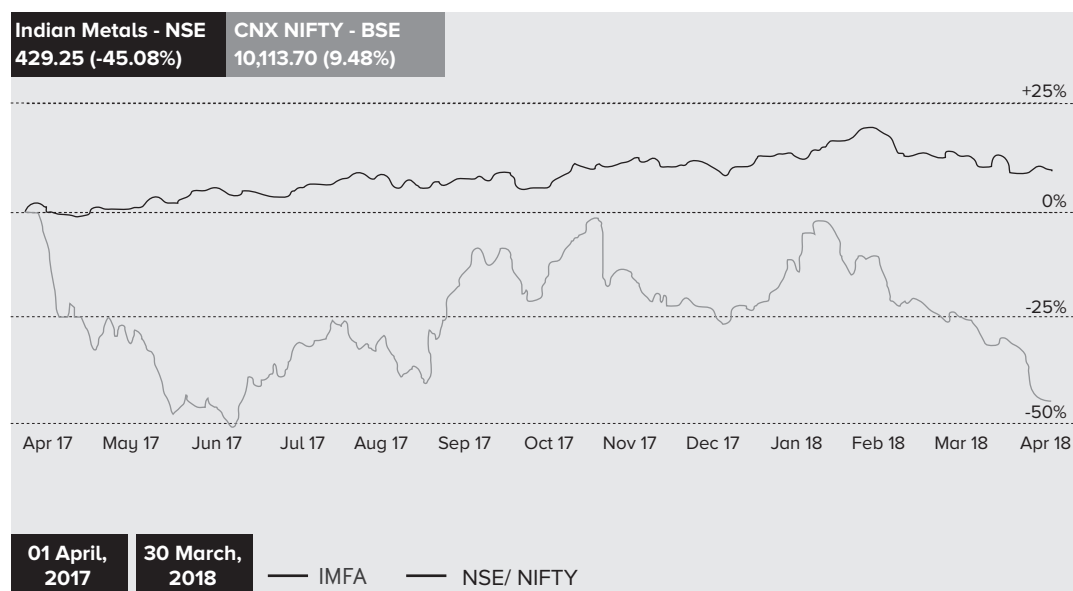
Performance of share price of the Company in comparison to BSE Sensex is as under:

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



Report on Corporate Governance (Contd.)

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

Distribution of shareholding as on 31st March, 2018:

No. of equity shares held	No. of shareholders	% to total
Up to - 500	40509	97.18
501 - 1000	587	1.40
1001 - 2000	275	0.66
2001 - 3000	112	0.27
3001 - 4000	51	0.12
4001 - 5000	31	0.08
5001 - 10000	46	0.11
10001 & above	75	0.18
Total	41686	100.00

Categories of shareholders as on 31st March, 2018 :

Category	No. of shares	%
Promoters & Promoter Group	15831856	58.68
Mutual Fund / UTI	676244	2.50
Financial Institutions & Banks	11125	0.04
Foreign Institutional Investors	348018	1.29
Bodies Corporate	1128303	4.18
Trusts	63	0
Overseas Corporate Bodies	5234759	19.40
NRIs	210013	0.78
Individuals	3536672	13.13
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

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.

Pursuant to section 177(9) and (10) of the Companies Act, 2013 and the erstwhile revised clause 49 of the Listing agreement, the Company has a Whistle Blower Policy and has established the necessary mechanism for employees to report concern about unethical behaviour and no personnel is denied access to the Audit Committee. The said Whistle Blower Policy has been hosted on the website of the Company at <http://www.imfa.in/investor-information/others.htm>.

- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements and the following Non-mandatory requirements :

The Statutory financial statements of the Company are unqualified.

The position of the Chairman and the MD are separate.

- (e) Web link where policy for determining 'material' subsidiaries is disclosed:

<http://www.imfa.in/pdfs/MaterialSubsidiaries.pdf>.

- (f) Web link where policy on dealing with related party transactions:

<http://www.imfa.in/pdfs/Materiality-RP-Transactions.pdf>.

- (g) Disclosure of commodity price risks and commodity hedging activities:

Ferro chrome price is normally set by South African and Chinese producers being the largest producer of ferro chrome in the world. Hence other ferro chrome producers are basically followers and have no control as far as prices are concerned.

Subsidiary Companies:

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

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):

The Statutory financial statements of the Company are unqualified.

The position of the Chairman and the MD are separate.

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, 2018.

Bhubaneswar
21st May, 2018

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 March 31, 2018 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

Bhubaneswar
21st May, 2018

Prem Khandelwal
CFO & Company Secretary

(Subhrakant Panda)
Managing Director
DIN:00171845

Report on Corporate Governance (Contd.)

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, 2018, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For Sunita Mohanty & Associates
Company Secretaries

Place: Bhubaneswar
Date - 21st May, 2018

Jyotirmoy Mishra
Partner
Membership No.: F 6556

Independent Auditor's Report

To the Members of Indian Metals and Ferro Alloys Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Indian Metals and Ferro Alloys Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We are also responsible to 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 the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matters

- (a) We draw attention to Note No. 6.1 to the standalone Ind AS financial statements relating to the Company's equity investment amounting to ₹ 53.13 crore in Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore which, in turn, has investment in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). The Company's carrying value of investment in Indmet is substantially dependent on the latter's carrying value of investment in PT Sumber and the Company has initiated

Independent Auditor's Report

arbitration proceedings for protecting its said investment.

- (b) We draw attention to Note Nos. 45 and 46 to the standalone Ind AS 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 these matters.

Report on Other Legal and Regulatory Requirements

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

- On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note Nos. 6.1,38,45,46,47,48,49 and 50 to the standalone Ind AS financial statements;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunhunwala

Partner

Membership No.056613

Bhubaneswar

21st May, 2018

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 Ind AS financial statements for the year ended 31st March, 2018]

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, major portion of fixed assets has been physically verified by the Company's Management ("management") during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) The Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Act.
 - (a) According to the information and explanations given to us, we are of the opinion that the terms and conditions of the grant of the aforesaid loan are not prejudicial to the Company's interest, except that the loan and interest thereon is repayable/payable either on demand or to be adjusted against the supply of coal by the borrower in future, which may be prejudicial to the Company's interest as the borrower's ability to repay/pay such loan/interest is contingent on the outcome of certain matters as detailed in Note No. 45 to the standalone Ind AS financial statements.
 - (b) According to the information and explanations given to us, the aforesaid loan and interest thereon is repayable/payable either on demand or to be adjusted against the supply of coal by the borrower in future. As no such demand has been raised by the Company till date, clause (b) is not applicable in this case.
 - (c) As explained in (b) aforesaid, there is no amount which is overdue.
- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2018 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, 2018 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:

Annexure 1 to the Independent Auditor's Report

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
Income Tax Act, 1961	Income Tax	29.43	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)
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
Central Excise Act, 1944	Excise Duty	19.10	1993-2002	Orissa High Court
Central Excise Act, 1944	Excise Duty	1.45	2012-2013	Commissioner (Appeals), Central Excise, Customs & Service Tax
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	Commissioner (Appeals), Central Excise, Customs & Service Tax
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
Odisha Value Added Tax Act, 2004	Value Added Tax	2.76	October, 2011 to March, 2015	Odisha Sales Tax Tribunal

(viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government. The Company has not issued any debentures as at the balance sheet date.

(ix) In our opinion and according to the information and explanations given to us, term loans were prima facie applied during the year for the purposes for which those 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 Ind AS financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company.

(xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Bhubaneswar

21st May, 2018

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph (2)g under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date, to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2018]

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

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjhunwala

Partner
Membership No.056613

Bhubaneswar
21st May, 2018

Balance Sheet

as at 31st March, 2018

(₹ in crore)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	987.80	1,001.72
Capital Work-in-Progress	3	89.66	56.45
Investment Property	4	10.96	11.26
Intangible Assets	5	2.66	3.56
Investments in Subsidiaries and Associate	6	168.65	168.42
Financial Assets			
- Trade Receivables	7	11.39	11.39
- Loans	8	23.65	22.84
- Other Financial Assets	9	3.40	0.77
Other Non-Current Assets	10	165.41	157.82
Non-Current Tax Assets (Net)		24.48	22.93
Current Assets			
Inventories	11	428.06	340.08
Financial Assets			
-Investments	12	144.82	158.50
-Trade Receivables	13	65.20	66.68
-Cash and Cash Equivalents	14	16.12	6.65
-Other Bank Balances	15	22.29	20.19
-Loans	16	263.16	263.78
-Other Financial Assets	17	1.44	9.93
Other Current Assets	18	200.82	160.82
Total Assets		2,629.97	2,483.79
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	26.98	26.98
Other Equity		1,168.61	1,016.22
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
-Borrowings	20	546.52	632.70
-Other Financial Liabilities	21	11.94	13.08
Provisions	22	9.11	9.47
Deferred Tax Liabilities (Net)	23	96.06	78.46
Other Non-Current Liabilities	24	132.24	130.11
Current liabilities			
Financial Liabilities			
-Borrowings	25	193.22	181.37
-Trade Payables	26	196.43	117.84
-Other Financial Liabilities	27	230.77	233.74
Other Current Liabilities	28	11.47	37.34
Provisions	29	6.62	6.48
Total Equity and Liabilities		2,629.97	2,483.79
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 Jhunjunwala

Partner

Membership No. 056613

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Place: Bhubaneswar

Date: 21st May, 2018

Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in crore)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from Operations	30	1,769.26	1,697.04
Other Income	31	37.33	49.35
Total Income		1,806.59	1,746.39
EXPENSES			
Cost of Materials Consumed	32	813.44	706.55
Changes in Inventories of Finished Goods	33	1.40	(1.57)
Excise Duty	55	3.66	24.69
Employee Benefits Expense	34	176.70	170.25
Finance Costs	35	78.23	86.33
Depreciation and Amortisation Expense	3 to 5	100.80	108.69
Other Expenses	36	350.00	281.79
Total Expenses		1,524.23	1,376.73
Profit before Exceptional Items and Tax		282.36	369.66
Exceptional Items - (Income)/Expense		-	-
Profit Before Tax		282.36	369.66
Tax Expense:			
-Current Tax		95.74	92.23
-Deferred Tax		(0.31)	27.60
Profit After Tax		186.93	249.83
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plans		(3.61)	0.26
- Income Tax		1.26	(0.09)
Total Comprehensive Income for the year		184.58	250.00
[comprising profit and other comprehensive income for the year]			
Earnings per Equity Share of par value of ₹ 10/- each			
Basic and Diluted (In ₹)	37	69.29	95.04
Notes to Financial Statements	1 to 58		

The Notes referred to above form an integral part of the Statement of Profit & Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Place: Bhubaneswar

Date: 21st May, 2018

Statement of Changes in Equity

for the year ended 31st March, 2018

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, 2016	As at 1st April, 2017	2016-17	2017-18	As at 31st March, 2017	As at 31st March, 2018
25.98	26.98	1.00	-	26.98	26.98

B. 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, 2016	0.91	131.39	0.20	277.12	373.46	783.08
Profit for the year	-	-	-	-	249.83	249.83
Other comprehensive income (net of tax)	-	-	-	-	0.17	0.17
Issue of equity shares on conversion of equity warrants	-	15.33	-	-	-	15.33
Dividend	-	-	-	-	(26.98)	(26.98)
Tax on Dividend	-	-	-	-	(5.21)	(5.21)
Balance as at 31st March, 2017	0.91	146.72	0.20	277.12	591.27	1,016.22
Profit for the year	-	-	-	-	186.93	186.93
Other comprehensive income (net of tax)	-	-	-	-	(2.35)	(2.35)
Dividend	-	-	-	-	(26.98)	(26.98)
Tax on Dividend	-	-	-	-	(5.21)	(5.21)
Balance as at 31st March, 2018	0.91	146.72	0.20	277.12	743.66	1,168.61

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

For and on behalf of the Board of Directors

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Place: Bhubaneswar

Date: 21st May, 2018

Cash Flow Statement

for the year ended 31st March, 2018

(₹ in crore)

	Year ended 31st March, 2018	Year ended 31st March, 2017
A. Cash Flow from Operating Activities		
Profit before tax	282.36	369.66
Adjustments for:		
Depreciation and Amortisation Expense	100.80	108.69
Profit on sale/disposal of Property, Plant and Equipment (net)	(1.91)	(0.83)
Profit on sale of Current Investments	(8.97)	(2.56)
Gain on fair valuation of Current Investments	(4.27)	(0.48)
Unrealised foreign exchange loss	3.01	4.31
Interest Income	(4.55)	(9.00)
Dividend Income	(1.38)	(1.38)
Finance Costs	78.23	86.33
Impairment Loss Allowance	0.01	0.35
Fair Value Changes to Prepayment option on Loans	-	0.02
Other Operating Revenue (refer Note No. 56)	(17.96)	-
Liability no longer required written back	(0.85)	(1.83)
Operating Profit before Working Capital Changes	424.52	553.28
Adjustments for:		
Trade and other receivables	(39.55)	(82.63)
Inventories	(87.98)	(9.23)
Trade payables and other liabilities	80.49	(8.71)
Cash Generated from Operations	377.48	452.71
Direct Taxes paid	(78.11)	(29.45)
Net Cash Generated from Operating Activities	299.37	423.26
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(120.35)	(42.97)
Sale of Property, Plant and Equipment	3.37	2.06
Sale / (Purchase) of Investments (net)	26.69	(134.43)
Loan to Subsidiaries (net)	0.62	(89.78)
Movement in Other Bank Balances	(2.63)	6.72
Dividend received	1.38	1.38
Interest received	4.46	9.00
Net Cash Used in Investing Activities	(86.46)	(248.02)

Cash Flow Statement

for the year ended 31st March, 2018

(₹ in crore)

	Year ended 31st March, 2018	Year ended 31st March, 2017
C Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares (net)	-	16.33
Proceeds from Non-current borrowings	83.23	140.85
Repayment of Non-current borrowings	(184.59)	(191.35)
Proceeds from/(Repayment) of Current borrowings (net)	9.21	(19.44)
Interest and financing charges paid	(79.10)	(87.76)
Dividend paid (including dividend distribution tax)	(32.19)	(32.19)
Net Cash Used in Financing Activities	(203.44)	(173.56)
Net increase in Cash and Cash Equivalents (A+B+C)	9.47	1.68
Cash and Cash Equivalents at the beginning of the year	6.65	4.97
Cash and Cash Equivalents at the end of the year (refer Note No. 14)	16.12	6.65
Notes:		
1. Cash and Cash Equivalents at the end of the year comprises of:		
Cash on hand	0.18	0.24
Balance with Banks:		
- In Current Accounts	15.94	4.55
- Fixed Deposits	-	1.86
Total	16.12	6.65

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors**Anand Kumar Jhunjhunwala**

Partner

Membership No. 056613

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Place: Bhubaneswar

Date: 21st May, 2018

Notes

to Financial Statements for the year ended 31st March, 2018

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'). Its immediate and ultimate parent company is B. Panda and Company Private Limited w.e.f. 9th December 2016. 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 187 MVA installed furnace capacity backed up by 261 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 21st May, 2018.

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

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.

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.

Functional and presentational currency

These financial statements are presented in Indian Rupee (INR) which is also the functional currency. Unless otherwise stated, all amounts are rounded to the nearest rupees in Crore.

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
- 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.

- Revenue from 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

Notes

to Financial Statements for the year ended 31st March, 2018

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 gross of excise duty but net of other taxes collected on behalf of third parties.

- 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 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 Investment in shares of corporate bodies is accounted when the Company's right to receive the dividend is established.
- e) Export Incentives
 - (i) Export Incentives on account of Duty Drawback Scheme and 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.

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 ("Ind AS transition date"), measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the Ind AS 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 Companies Act, 2013 except for certain assets for which the useful life has been estimated based on the Company's past experiences in this regard, duly supported by technical advice. Accordingly, the useful lives of tangible assets of the Company which are different from the useful lives as specified by Schedule II are given below:

Asset description	Estimated useful life duly supported by Technical Advice (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

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. 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 at the Ind AS transition date, measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the Ind AS 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.

Notes

to Financial Statements for the year ended 31st March, 2018

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 Companies Act, 2013.

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 at the Ind AS transition date, measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the Ind AS transition date.

2.8 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest rate 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.

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. This category generally applies to trade and other receivables.

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.

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.

Notes

to Financial Statements for the year ended 31st March, 2018

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.

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 through profit or loss. 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

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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 associates 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 Ind AS transition date, measured as per the previously applicable Indian GAAP and used that carrying value as its deemed cost as at the Ind AS 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 Ind AS 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.

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 recognised 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, the 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:
- actuarial gains and losses;
 - the return on plan assets, excluding amounts

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- 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.

2.18 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These are measured at the lower of carrying amount and fair value less costs to sell

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

Particulars	Tangible Assets - Own										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, 2016	46.23	318.09	10.02	733.16	2.08	3.98	2.66	715	18.14	-	10.56	23.80	1,175.87	60.46
Additions/Adjustments	0.49	1116	-	1016	0.27	0.94	1.43	3.37	-	1076	-	9.29	47.87	37.49
Deductions/Adjustments	-	0.59	-	0.36	-	0.05	0.01	0.89	-	-	-	-	1.90	41.50
As at 31st March, 2017	46.72	328.66	10.02	742.96	2.35	4.87	4.08	9.63	18.14	1076	10.56	33.09	1,221.84	56.45
Additions/Adjustments	8.75	23.42	-	39.08	0.38	1.23	2.57	2.56	910	0.05	-	-	8714	97.56
Deductions/Adjustments	0.63	0.21	-	0.42	0.02	0.02	0.07	0.87	-	-	-	-	2.24	64.35
As at 31st March, 2018	54.84	351.87	10.02	781.62	2.71	6.08	6.58	11.32	27.24	10.81	10.56	33.09	1,306.74	89.66
Accumulated Depreciation & Amortisation														
As at 1st April, 2016	-	33.46	1.91	66.43	0.72	2.27	1.09	2.26	2.49	-	0.17	2.53	113.33	-
Charge for the year	-	31.31	1.51	62.90	0.50	1.19	0.89	1.96	2.15	0.15	0.16	4.75	107.47	-
Disposals / Adjustments	-	0.11	-	0.10	-	0.03	-	0.44	-	-	-	-	0.68	-
As at 31st March, 2017	-	64.66	3.42	129.23	1.22	3.43	1.98	3.78	4.64	0.15	0.33	7.28	220.12	-
Charge for the year	-	28.54	1.22	56.51	0.44	1.13	1.71	2.30	2.55	1.19	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	-	93.16	4.64	185.61	1.64	4.54	3.63	5.57	7.19	1.34	0.50	11.12	318.94	-
Net Carrying Amount :														
As at 31st March, 2018	54.84	258.71	5.38	596.01	1.07	1.54	2.95	5.75	20.05	9.47	10.06	21.97	987.80	89.66
As at 31st March, 2017	46.72	264.00	6.60	613.73	1.13	1.44	2.10	5.85	13.50	10.61	10.23	25.81	1,001.72	56.45

1. Gross carrying amount of CSR assets include Buildings (₹ 9.25 crore) and Plant and Equipment (₹ 1.56 crore). Out of a total of ₹ 10.81 crore, ₹ 0.05 crore has been incurred during the year.
2. Capital Work-in-Progress includes ₹ 0.11 crore relating to CSR assets which has been incurred during the year.
3. Borrowing costs capitalised during the year ₹ 0.78 crore (Previous Year : ₹ 1.37 crore)

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4. Investment Property

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Gross Carrying Amount	11.90	11.90
Additions/Adjustments	-	-
Deductions/Adjustments	-	-
Closing Gross Carrying Amount	11.90	11.90
Accumulated Depreciation		
Opening Accumulated Depreciation	0.64	0.32
Charge for the year	0.30	0.32
Closing Accumulated Depreciation	0.94	0.64
Net Carrying Amount	10.96	11.26

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

Particulars	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Rental Income	0.01	0.01
Direct operating expenses that generated rental income	0.01	0.01
Direct operating expenses that did not generate rental income	0.15	0.15

Fair value

Particulars	Level	(₹ in crore)	
		As at 31st March, 2018	As at 31st March, 2017
Investment Property	Level 2	50.78	50.87

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

The Company's investment property consists of a commercial property situated in Kolkata, which has been partly let-out. 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.

5. Intangible assets (Internally Generated)

Particulars	(₹ in crore)	
	Computer Software	
Gross Carrying Amount		
As at 1st April, 2016		4.50
Additions/Adjustments		-
Deductions/Adjustments		-
As at 31st March, 2017		4.50
Additions/Adjustments		-
Deductions/Adjustments		-
As at 31st March, 2018		4.50
Accumulated Amortisation		
As at 1st April, 2016		0.04
Charge for the year		0.90
Disposals/Adjustments		-
As at 31st March, 2017		0.94
Charge for the year		0.90
Disposals/Adjustments		-

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Particulars	(₹ in crore)
As at 31st March, 2018	1.84
Net Carrying Amount :	
As at 31st March, 2018	2.66
As at 31st March, 2017	3.56

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

6. Investments in Subsidiaries and Associate

	As at 31st March, 2018	As at 31st March, 2017
Non-Current Investments		
Investments in Equity Instruments of Subsidiary Companies (Unquoted)		
(a) 10,79,958 Equity Shares of ₹ 10/- each, fully paid-up in Indian Metals and Carbide Limited. (31st March, 2017 : 10,79,958 shares)	1.12	
Less : Impairment loss	1.06	0.06
(b) 6,75,000 Equity Shares of ₹ 10/- each, fully paid-up in Utkal Power Limited. (31st March, 2017 : 4,50,000 shares)	0.68	0.45
(c) 1,98,00,000 Equity Shares of ₹ 10/-each, fully paid-up in Utkal Coal Limited. (31st March, 2017 : 1,98,00,000 shares) (Also refer Note No. 45)	111.42	111.42
(d) 23,00,000 Equity Shares of ₹ 10/- each, fully paid-up in IMFA Alloys Finlease Limited. (31st March, 2017 : 23,00,000 shares)	2.30	2.30
(e) 10,55,384 Equity Shares of ₹ 10/- each, fully paid-up in Utkal Green Energy Limited. (31st March, 2017 : 10,55,384 shares)	1.06	1.06
(f) 1,47,38,801 Equity Shares fully paid-up in Indmet Mining Pte Limited. (refer Note 6.1 below) (31st March, 2017 : 1,47,38,801 shares)	53.13	53.13
Investments in Equity Instruments of Associate Company (Unquoted)		
(a) 2,500 Equity Shares of ₹ 10/- each, fully paid-up in Ferro Chrome Producers Association. (31st March, 2017 : Nil) (₹ 25,000; 31st March, 2017 : Nil)	-	-
Aggregate amount of unquoted investments	168.65	168.42

Notes:

6.1 Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has investment of USD 8.75 million (₹ 56.08 crore) [31st March, 2017 USD 8.75 million (₹ 56.04 crore)] in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised till date.

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 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. On 23rd December, 2016, the Company has filed its statement of claim and hearing on the arbitration proceedings are under progress. The matter is now scheduled for a final hearing in August, 2018.

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

6.2 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

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7. Trade Receivables

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured, Considered good*	11.39	11.39
	11.39	11.39

* due pending resolution of sub-judice matters

8. Loans

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured, Considered good		
Security and Other Deposits	23.65	22.84
	23.65	22.84

9. Other Financial Assets

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Non-Current portion of Other Bank Balances		
- Fixed Deposits with bank having balance maturity of more than twelve months (Under Lien*)	3.40	0.77
	3.40	0.77
*includes		
Margin money deposits	1.27	0.77
Deposits pledged with banks against borrowings	2.13	-

10. Other Non-Current Assets

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Capital Advances	3.52	3.22
Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No. 49)	100.75	100.75
Interest accrued but not due on Fixed Deposits with Banks	54.57	46.67
Prepaid Rent for Operating Leases	6.57	7.18
	165.41	157.82

11. Inventories

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Raw Materials	255.09	176.26
Raw Materials-in-Transit	25.10	18.87
Finished Goods	76.15	82.46
Finished Goods-in-Transit	32.57	27.66
Stores and Spares	39.03	34.71
Loose Tools	0.12	0.12
	428.06	340.08

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12. Investments

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Current Investments		
Investments in Equity Instruments (Quoted)		
5,65,000 shares (31st March, 2017: Nil) of Bharat Road Network Limited	10.92	-
Investments in Mutual Funds (Unquoted)		
2,43,915.98 units (31st March, 2017: 78,634.44 units) of Birla Sunlife Cash Manager-Growth-Direct Plan	10.64	3.19
5,14,764.04 units (31st March, 2017: 4,47,235.63 units) of Reliance Money Manager Fund - Growth Plan Growth Option	123.26	100.29
Nil units (31st March, 2017: 20,15,380.01 units) of Birla Sunlife Cash Plus-Growth-Direct Plan	-	55.02
	144.82	158.50
Aggregate amount of quoted investments	10.92	-
Aggregate amount of unquoted investments	133.90	158.50

13. Trade Receivables

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Unsecured, Considered good	65.20	66.68
Doubtful	0.38	0.38
Less: Provision for doubtful debts	(0.38)	(0.38)
	65.20	66.68

14. Cash and Cash Equivalents

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Balances with Banks:		
In Current Accounts [includes unclaimed dividend of ₹ 1.12 crore (31st March, 2017: ₹ 1.05 crore)]	15.94	4.55
Fixed Deposits with Banks having original maturity of three months or less:		
-Under Lien*	-	1.86
Cash on hand	0.18	0.24
	16.12	6.65
* includes		
Margin money deposits		
- 3 months or less	-	1.86

15. Other Bank Balances

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Fixed Deposits with Banks having balance maturity of twelve months or less:		
-Under Lien*	22.29	20.19
	22.29	20.19
* includes		
Margin money deposits		
- 12 months or less	6.14	1.91
Deposits pledged with banks against borrowings		
- 12 months or less	16.15	18.28

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16. Loans

	As at 31st March, 2018	As at 31st March, 2017
Unsecured, Considered good		
Loan to subsidiaries (refer Note No. 16.1)	263.16	263.78
	263.16	263.78

Note:

16.1 Details of Loans / Guarantees given to Subsidiaries

Name of the Company	Nature	Amount outstanding		Maximum amount outstanding during		Purpose for which the loan / Guarantee utilised / to be utilised	Rate of Interest Per Annum
		As at 31st March, 2018	As at 31st March, 2017	2017-18	2016-17		
Utkal Coal Limited*	Loan	263.15	262.81	263.18	263.12	Setting up of Coal Mining Project	12.60%
Utkal Coal Limited	Guarantee	-	-	-	77.56	Guarantee utilised for obtaining loan from a Financial Institution	N.A.
Utkal Power Limited	Loan	-	0.96	0.96	0.96	To meet operational fund requirements	9.00%
Indian Metals and Carbide Limited	Loan	0.01	0.01	0.01	0.01	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. 45 & 46

17. Other Financial Assets

	As at 31st March, 2018	As at 31st March, 2017
Interest accrued but not due on Fixed Deposits with Banks	0.52	0.43
Derivative Assets		
- Foreign currency forward contracts not designated as hedge	0.92	6.53
- Swaps not designated as hedge	-	2.97
	1.44	9.93

18. Other Current Assets

	As at 31st March, 2018	As at 31st March, 2017
Goods & Services Tax (GST)	91.08	-
CENVAT Credit Receivable	-	80.93
Advances to Suppliers	70.77	37.70
Advance Royalty	3.46	-
Deposits / Advances with Excise & Customs	6.26	4.81
Employee Advances	0.52	0.11
Other Advances	0.35	0.52
Export Incentives Receivable	17.15	22.88
VAT Credit Receivable	0.54	3.11
Prepaid Expenses	10.00	10.07
Prepaid Rent for Operating Leases	0.63	0.63
Assets classified as held for sale	0.06	0.06
	200.82	160.82

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19. Share Capital

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Authorised:		
Equity Shares:		
3,00,00,000 Equity Shares, ₹ 10/- par value per share (31st March, 2017 : 3,00,00,000 Equity Shares)	30.00	30.00
Preference Shares:		
40,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2017 : 40,000 Preference Shares)	0.40	0.40
2,60,000 IIInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2017 : 2,60,000 Preference Shares)	2.60	2.60
	33.00	33.00
Issued, Subscribed and Paid-up:		
2,69,77,053 Equity Shares, ₹ 10/- par value per share, fully paid (31st March, 2017 : 2,69,77,053 Equity Shares)	26.98	26.98
	26.98	26.98

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	(₹ in crore)	No. of shares	(₹ in crore)
At the beginning of the year	2,69,77,053	26.98	2,59,77,053	25.98
Add: Issued during the year	-	-	10,00,000	1.00
At the end of the year	2,69,77,053	26.98	2,69,77,053	26.98

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.

Equity Shares of the Company held by holding/ultimate holding company

Name of the Holding Company	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	(₹ in crore)	No. of shares	(₹ in crore)
B Panda and Company Private Limited (refer Note No.54)	1,39,18,046	13.92	1,39,18,046	13.92

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

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
B Panda and Company Private Limited (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
Reliance Capital Trustee Company Limited-A/c Reliance Tax Saver (ELSS) Fund	-	-	17,29,374	6.41

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20. Borrowings

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Secured		
Rupee Term Loans from:		
Banks	586.17	650.13
Others	11.79	16.18
Foreign Currency Term Loans from:		
Banks	26.93	59.99
Finance Lease Obligations	30.95	31.49
Vehicle Loans	2.51	1.91
Total Borrowings	658.35	759.70
Less: Current Maturities		
Banks	106.83	122.07
Others	4.41	4.39
Finance Lease Obligations	0.59	0.54
	111.83	127.00
Total Non-Current Borrowings	546.52	632.70

20.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 27) and their repayment terms :

Amounts carried in Note No. 20 and 27 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 ₹ 33.32 crore (31st March, 2017 : ₹ 50.00 crore) for general capital expenditure, secured by first pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 35 EMIs of ₹ 1.39 crore from April'17 and last instalment of ₹ 1.35 crore.
- (b) Loan of ₹ 50.00 crore (31st March, 2017 : Nil) 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 ₹ 9.00 crore (31st March, 2017 : ₹ 15.00 crore) for general capital expenditure, secured by first pari-passu charge on fixed assets (both moveable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively

charged to other lenders. Subservient charge on the current assets of the Company. Repayment by 20 EQI from December'14.

- (d) Loan of ₹ 145.50 crore (31st March, 2017 : ₹ 128.00 crore) for 30 MW Captive Power Plant (CPP) at Choudwar and general capital expenditure, secured by exclusive charge over the assets of CPP, first pari-passu charge on plot no. 43 on which CPP has been erected at Choudwar, with other term lenders and first pari-passu charge on fixed assets (both moveable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to other lenders. 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 ₹ 82.67 crore (31st March, 2017 : ₹ 95.39 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 ₹ 75.16 crore (31st March, 2017 : ₹ 86.72 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 ₹ 52.61 crore (31st March, 2017 : ₹ 60.70 crore) for 120 MW Power Plant at Choudwar, secured

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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 ₹ 75.16 crore (31st March, 2017 : ₹ 86.72 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 ₹ 37.52 crore (31st March, 2017 : ₹ 43.32 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 ₹ 5.13 crore (31st March, 2017 : ₹ 6.81 crore) for setting up of Industrial Training Centre (ITC) at Sukinda, secured by mortgage of lease hold right of property situated at Khata No. 100, Plot No 238(P), Mauza- Dudhjhari, Sukinda Dist-Jajpur, admeasuring 5 acres and building to be constructed thereon along with the Furniture & Fixtures, Computers and Equipments to be purchased out of the loan. Repayment by 24 EQI from September'16.
- (k) Loan of ₹ 21.38 crore (31st March, 2017 : ₹ 22.45 crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (4,75,675.20 sq. ft) 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 24 EQI from February '18.

- (l) Vehicle Loan of ₹ 2.51 crore (31st March, 2017 : ₹ 1.91 crore) secured by charge on the Vehicles. Repayment in EMI as per the repayment schedules of respective vehicles.
- (m) Loan of ₹ 13.65 crore (31st March, 2017 : Nil) 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.
- (n) Loan of ₹ 26.64 crore (31st March, 2017 : ₹ 41.83 crore) for general capital expenditure, secured by first and exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar. First and exclusive charge on all the present and future moveable fixed assets of Gas Cleaning plant & Briquetting plant at Therubali, Low Density Aggregate plant and Fly Ash Brick plant I and II at Choudwar. Repayment by 16 EQI from February'16.

Term Loans from Others:

Loan of ₹ 11.85 crore (31st March, 2017 : ₹ 16.30 crore) for capital expenditure related to power plants and other ancillary infrastructure, secured by first charge on Aircraft and two helicopters. Subservient charge on current assets of the Company. Repayment by 54 EMIs from June '16.

21. Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017
Derivative Liabilities		
- Swaps not designated as hedge	10.61	11.75
Others	1.33	1.33
	11.94	13.08

22. Provisions

	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits (refer Note No. 43)	9.11	9.47
	9.11	9.47

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23. Deferred Tax Liabilities (Net)

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
(a) Deferred Tax Liabilities:		
Difference between tax base and book base of Property, Plant and Equipment, Investment Property and Intangible Assets	104.28	103.73
Financial assets at Fair value through profit and loss	-	0.87
(b) Deferred Tax Assets:		
Financial assets at Fair value through profit and loss	(0.24)	-
Defined Benefit Obligations	(3.91)	(3.37)
Others	(4.07)	(3.60)
Net Deferred Tax Liabilities	96.06	97.63
Less: MAT Credit Entitlement	-	19.17
	96.06	78.46

24. Other Non-Current Liabilities

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Electricity Duty	132.24	130.11
	132.24	130.11

25. Borrowings

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Loans Repayable on Demand		
Working Capital Loans from Banks	193.22	181.37
	193.22	181.37

25.1 Working Capital Loans from banks are secured by charge over stocks, receivables & current assets.

26. Trade Payables

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Micro and small enterprises (refer Note No. 26.1)	2.20	1.52
Others	194.23	116.32
	196.43	117.84

26.1 Micro and Small Enterprises under the Micro and Small 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, 2018	As at 31st March, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	2.20	1.52
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	-	-

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Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
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	-	-
	2.20	1.52

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

27. Other Financial Liabilities

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of Borrowings (refer Note No. 20)	111.24	126.46
Current Maturities of Finance Lease Obligations (refer Note No. 20)	0.59	0.54
Interest accrued but not due on borrowings	0.87	1.74
Unclaimed Dividend *	1.12	1.05
Earnest Money and Security Deposits	2.23	1.96
Liability for Operating and Other Expenses	90.37	67.06
Creditors for Capital Goods	6.57	7.62
Commission / Remuneration Payable to Directors	10.81	18.80
Payable to Employees	6.96	8.51
Financial Guarantee Liability	0.01	-
	230.77	233.74

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

28. Other Current Liabilities

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Advance from Customers	0.18	0.15
Liability for Operating and Other Expenses	1.41	1.08
Statutory Liabilities	9.88	36.11
	11.47	37.34

29. Provisions

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits (refer Note No. 43)	6.62	6.48
	6.62	6.48

30. Revenue from Operations

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of products (refer Note No. 55)		
Ferro Chrome	1,697.85	1,650.49
Fly Ash Bricks	1.63	1.04
Low Density Aggregate	0.29	0.02
	1,699.77	1,651.55

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	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Other Operating Revenues:		
Export Incentives	45.23	40.92
Sale of Scrap	6.30	4.57
Others (refer Note No. 56)	17.96	-
	1,769.26	1,697.04

31. Other Income

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest		
- Fixed Deposits	1.67	1.90
- Others	2.88	7.10
Dividend	1.38	1.38
Rent	0.25	0.12
Profit on Sale of Property, Plant and Equipment [including profit on sale of assets classified as held for sale ₹ 0.09 crore (Previous Year: ₹ 0.22 crore)]	2.27	1.33
Claims Received	2.80	0.35
Profit on sale of Current Investments	8.97	2.56
Gain on fair valuation of Current Investments	4.27	0.48
Liability no longer required written back	0.85	1.83
Gain on foreign currency transactions and translations	9.69	29.99
Other non-operating Income	2.30	2.31
	37.33	49.35

32. Cost of Materials Consumed

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Coal	231.81	231.38
Chrome Ore	372.77	309.73
Quartz	5.67	7.59
Coke	210.72	166.60
Carbon paste	15.00	17.72
Other materials	12.06	11.85
	848.03	744.87
Less: Inter Unit transfer of Chrome Ore (Net)	34.59	38.32
	813.44	706.55

33. Changes in Inventories of Finished Goods

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Closing stock of finished goods	108.72	110.12
Opening stock of finished goods	110.12	108.55
	1.40	(1.57)

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34. Employee Benefits Expense

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, Wages, Bonus, Allowances etc.	163.35	156.77
Contribution to Provident and Other Funds	9.77	9.95
Workmen and Staff Welfare Expenses	3.58	3.53
	176.70	170.25

35. Finance Costs

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expense	72.29	78.94
Exchange differences regarded as an adjustment to borrowing costs	0.02	(3.65)
Other Borrowing Costs	5.92	11.04
	78.23	86.33

36. Other Expenses

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Manufacturing expenses		
Consumption of stores, spares and loose tools	19.81	21.15
Consumption of electricity	60.76	13.48
Electricity Duty	47.35	30.14
Energy transmission charges	6.63	7.64
Repairs and Maintenance :		
- Plant and Machinery	26.34	25.82
- Buildings	4.81	4.83
- Others	6.55	5.82
Finished stock and slag handling expenses	22.61	22.39
Other factory expenses	28.28	25.95
Excise duty on closing stock of finished goods	(7.21)	1.23
	215.93	158.45
Selling and Distribution expenses		
Carriage outward and handling expenses	59.18	56.96
Export promotion expenses	1.79	1.84
Other selling expenses	21.67	21.51
	82.64	80.31
Establishment and other expenses		
Insurance	5.00	3.71
Rent	4.10	4.12
Rates and taxes	4.19	3.63
Travelling and conveyance	7.14	6.98
Legal and professional fees	11.58	9.44
Payments to the Auditor (refer Note No. 36.1)	0.42	0.40
Director's Fees	0.05	0.04
Corporate Social Responsibility Expenses (refer Note No. 52)	3.85	1.77
Impairment Loss Allowance	0.01	0.35
Fair Value Changes to Prepayment option on Loans	-	0.02
Miscellaneous expenses	15.09	12.57
	51.43	43.03
Total Other Expenses	350.00	281.79

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36.1. Payments to the Auditor (excluding taxes)

(₹ in crore)

	Year ended 31st March, 2018	Year ended 31st March, 2017
As Auditor - Statutory Audit & Limited Reviews	0.37	0.33
For Other Services	0.02	0.02
For reimbursement of expenses	0.03	0.05
	0.42	0.40

37. Earnings Per Share

	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Profit after tax attributable to Equity Shareholders (₹ in crore)	186.93	249.83
(b) Weighted Average number of Equity Shares	2,69,77,053	2,62,86,642
(c) Basic and diluted earnings per share (in ₹)	69.29	95.04
(d) Nominal value per Equity Share (in ₹)	10.00	10.00

38. Contingent Liabilities and Commitments

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts:		
Government Claims		
(i) Income Tax (deposits made under protest 31st March, 2018 : ₹ 44.06 crore, 31st March, 2017 : ₹ 38.73 crore)	44.53	38.90
(ii) Cenvat Credit reversal and penalty thereon (deposits made under protest 31st March, 2018 : ₹ 1.31 crore, 31st March, 2017 : ₹ 0.74 crore)	26.13	19.41
(iii) Excise Duty and penalty thereon (deposits made under protest 31st March, 2018 : ₹ 0.21 crore, 31st March, 2017 : ₹ 0.21 crore)	0.41	0.40
(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, 2018 : ₹ 4.82 crore, 31st March, 2017 : ₹ 4.82 crore)	15.05	11.52
(vi) Sales tax (deposits made under protest 31st March, 2018 : ₹ 0.07 crore, 31st March, 2017 : ₹ 0.07 crore)	0.12	0.19
(vii) Value Added Tax and penalty thereon (deposits made under protest 31st March, 2018 : ₹ 3.15 crore, 31st March, 2017 : ₹ 3.15 crore)	3.18	3.18
(viii) State Govt./Local Authority rent, duties, levies & cess etc. (deposits made under protest 31st March, 2018 : ₹ 13.58 crore, 31st March, 2017 : ₹ 13.11 crore)	72.37	73.65
Other Claims		
Legal suits filed against the Company	0.87	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 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 Judgement 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 which are illegal and are in complete violation of the principles of natural justice, 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.

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B. Commitments:

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances)	63.71	34.17

39. Financial risk management

39.1 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 flow 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 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 :

Particulars	Change in currency exchange rate		Effect on Profit Before Tax	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
USD	+5%	+5%	(11.23)	(11.59)
	-5%	-5%	11.23	11.59

(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:

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Floating rate borrowings	818.11	907.67
Fixed rate borrowings	33.46	33.40

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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.

(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 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
As at 31st March 2017				
Secured	-	-	-	-
Unsecured	53.39	0.43	24.63	78.45
Gross total	53.39	0.43	24.63	78.45
Provision for doubtful debts	-	-	(0.38)	(0.38)
Net total	53.39	0.43	24.25	78.07

(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, 2018	As at 31st March, 2017
Floating rate		
- Expiring within one year - Working Capital Loans	243.78	145.63
- Expiring within one year - Term Loans	0.59	24.40
- Expiring beyond one year - Term Loans	1.93	1.93

Subject to the continuance of satisfactory credit ratings, the bank facilities may be drawn at any time. Average maturity of undrawn facilities of term loans expiring beyond one year is 4.25 years (As at 31st March, 2017: 5.25 years).

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39.2 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders 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.

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.

40. 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, 2018		As at 31st March, 2017	
	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	144.82	144.82	158.50	158.50
Derivative assets	0.92	0.92	9.50	9.50
Financial Assets designated at amortised cost				
Trade Receivables	76.59	76.59	78.07	78.07
Security and Other Deposits	23.65	23.65	22.84	22.84
Loan to Subsidiaries	263.16	263.16	263.78	263.78
Cash and Cash Equivalents	16.12	16.12	6.65	6.65
Fixed Deposits with Banks	25.69	25.69	20.96	20.96
Interest accrued but not due on Fixed Deposits with Banks	0.52	0.52	0.43	0.43
Total Financial Assets	551.47	551.47	560.73	560.73
Financial Liabilities designated at fair value through profit or loss				
Derivative Liabilities	10.61	10.61	11.75	11.75
Financial Guarantee Liability	0.01	0.01	-	-
Financial Liabilities designated at amortised cost				
Borrowings (including current maturities)	851.57	851.57	941.07	941.07
Trade Payables	196.43	196.43	117.84	117.84
Interest accrued but not due on borrowings	0.87	0.87	1.74	1.74
Unclaimed Dividend	1.12	1.12	1.05	1.05
Earnest Money and Security Deposits	2.23	2.23	1.96	1.96
Liability for Operating and Other Expenses	90.37	90.37	67.06	67.06
Creditors for Capital Goods	6.57	6.57	7.62	7.62
Commission / Remuneration Payable to Directors	10.81	10.81	18.80	18.80
Payable to Employees	6.96	6.96	8.51	8.51
Other Financial Liabilities	1.33	1.33	1.33	1.33
Total Financial Liabilities	1,178.88	1,178.88	1,178.73	1,178.73

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:

- The fair values of equity instruments are based on their quoted market prices at the balance sheet date.
- The fair values of the mutual funds are based on their published Net Asset Values at the reporting date.
- 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.
- 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.

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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:

- 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.
- 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.
- 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, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Instruments and Mutual Funds	144.82	-	-	158.50	-	-
Derivative Assets	-	0.92	-	-	9.50	-
Total Financial Assets	144.82	0.92	-	158.50	9.50	-
Financial Liabilities						
Derivative Liabilities	-	10.61	-	-	11.75	-
Financial Guarantee Liability	-	0.01	-	-	-	-
Total Financial Liabilities	-	10.62	-	-	11.75	-

During the year ended 31st March, 2018 and 31st March, 2017, 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, 2018 and 31st March, 2017 :

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
-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 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

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41. Derivative Instruments

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

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	123	34.75	222.71	58	14.50	92.87
Interest Rate Swap with USD/INR Call Option	-	-	-	1	2.81	18.01
Interest Rate Swap	1	4.16	26.66	1	6.53	41.83
Cross Currency Swap	6	42.12	269.94	6	48.60	311.30

- (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, 2018		As at 31st March, 2017	
	Loans Payable	Payable for import of goods	Loans Payable	Payable for import of goods
US Dollar (in million)	34.46	8.66	35.57	3.66
INR (in crore)	220.87	55.50	227.85	23.47

42. 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 :

Particulars	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit Before Taxes (Accounting Profit)	282.36	369.66
Applicable tax rate (as enacted by the relevant Finance Act)	34.608%	34.608%
Computed tax expense	97.72	127.93
Increase/(reduction) in the aforesaid computed tax expense on account of:		
Tax holiday u/s 80-IA	(7.94)	(14.77)
Dividend, being exempt from tax	(0.48)	(0.48)
Profit on sale of Property, Plant & Equipment (Net), not taxable	(1.29)	(0.29)
Expenses not deductible	2.12	0.47
Tax at lower rate	0.20	-
Deferred tax related adjustments (including impact on deferred tax for the year due to change in applicable tax rate)	5.10	6.97
Income tax expense (Current tax + Deferred tax)	95.43	119.83

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

Particulars	(₹ in crore)						
	Property, plant and equipment and investment property	Intangible assets	Financial assets at FVTPL	Defined benefit plan	Carry forward business loss	Others	Total
As at 1st April 2016	95.30	0.71	(3.59)	(2.78)	(17.55)	(2.15)	69.94
Charged /(credited)							-
- to profit or loss	7.98	(0.26)	4.45	(0.68)	17.55	(1.44)	27.60
- to other comprehensive income	-	-	-	0.09	-	-	0.09
As at 31st March, 2017	103.28	0.45	0.86	(3.37)	-	(3.59)	97.63
Charged/(credited)							
- to profit or loss	0.33	0.21	(1.10)	0.71	-	(0.46)	(0.31)
- to other comprehensive income	-	-	-	(1.26)	-	-	(1.26)
As at 31st March, 2018	103.61	0.66	(0.24)	(3.92)	-	(4.05)	96.06

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43. 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:

Particulars	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's contribution towards:		
- Provident Fund	3.03	3.19
- Employee Pension Scheme	2.73	2.65
- Employee State Insurance	1.09	1.02
- 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 recognizes 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:

Particulars	(₹ in crore)			
	Gratuity		Leave Encashment	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Present Value of obligation	26.91	23.97	8.02	6.81
Fair value of plan assets	(23.73)	(21.04)	-	-
Net (Assets) / liabilities recognised in balance sheet	3.18	2.93	8.02	6.81
Non Current	21.96	23.15	5.93	6.54
Current	4.95	0.82	2.09	0.27

(ii) Changes in present value of obligation:

Particulars	(₹ in crore)			
	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Present Value of obligation at the beginning of the year	23.97	22.37	6.81	6.43
Interest Cost	1.83	1.78	0.46	0.51
Current service cost	1.81	1.21	0.20	0.12
Past service cost	-	-	0.66	-
Benefits paid	(2.06)	(1.89)	(2.11)	(0.92)
Actuarial (gain)/loss on obligation	1.36	0.50	2.00	0.67
Present value of obligation as at the end of the year	26.91	23.97	8.02	6.81

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(iii) Changes in plan assets:

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Fair Value of plan assets as at the beginning of the year	21.04	19.80	-	-
Return on plan assets	1.73	1.42	-	-
Contributions	3.27	1.71	-	-
Benefits paid	(2.06)	(1.89)	-	-
Actuarial gain/ (loss) on plan assets	(0.25)	-	-	-
Fair value of plan assets as at the end of the year	23.73	21.04	-	-

(iv) Recognised in profit and loss

Particulars	Gratuity		Leave Encashment	
	Year ended	Year ended	Year ended	Year ended
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Current service cost	1.81	1.21	0.20	0.11
Past service cost	-	-	0.66	-
Net Interest cost	0.10	1.79	0.46	0.51

(v) Recognised in other comprehensive income

Particulars	Year ended	Year ended
	31st March, 2018	31st March, 2017
Remeasurement actuarial gain/(loss)	(3.61)	(0.26)

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

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Discount rate per annum compounded	8.00%	8.00%	8.00%	8.00%
Rate of increase in salaries	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%	-	-
Expected average remaining working lives of employees (years)	15.52	15.79	15.52	15.79
Withdrawal rates	4.00%			
Mortality table	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.

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.

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(viii) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions as per Note 43 (b) (vi) are as follows:-

Particulars	Change in assumption	Effect on Gratuity obligation	(₹ in crore) Effect on Leave Encashment
For the year ended 31st March, 2017			
Discount rate	+1%	22.22	6.27
	-1%	26.01	7.45
Salary rate	+1%	25.37	8.23
	-1%	22.63	5.76
Attrition rate	+1%	22.22	6.27
	-1%	26.01	7.45
For the year ended 31st March, 2018			
Discount rate	+1%	25.60	7.78
	-1%	28.38	8.29
Salary rate	+1%	28.48	8.34
	-1%	25.48	7.72
Attrition rate	+1%	27.17	8.03
	-1%	26.64	8.01

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 recognized 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".

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

(a) Names of Related Parties :		
(i) Parent Company		Country of Origin
B Panda and Company Pvt. Ltd. (refer Note No. 54)		India
(ii) Subsidiaries		Country of Origin
1 Indian Metals and Carbide Ltd. (refer Note No. 54)		India
2 Utkal Power Ltd.		India
3 Utkal Coal Ltd.		India
4 IMFA Alloys Finlease Ltd.		India
5 Utkal Green Energy Ltd.		India
6 Indmet Mining Pte Ltd.		Singapore
7 PT. Sumber Rahayu Indah [Subsidiary of Indmet Mining Pte. Ltd.]		Indonesia
(iii) Associate		Country of Origin
Ferro Chrome Producers Association (registered under section 8 of the Act.)		India

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(a) Names of Related Parties :		
(iv) Key Management Personnel (KMP)		
	Name	Designation
1	Dr. Bansidhar Panda upto (17th July, 2017)	Executive Chairman
2	Mr. Bajjayant Panda	Vice Chairman
3	Mr. Subhrakant Panda	Managing Director
4	Mr. Jayant Kumar Misra	Director (Corporate) & COO
5	Mr. Chitta Ranjan Ray	Whole Time Director
6	Mr. Prem Khandelwal	CFO & Company Secretary
(v) Close family members of KMP (including close family members of KMP of Parent Company)		
1	Dr. Bansidhar Panda - Father of Mr. Bajjayant Panda and Mr. Subhrakant Panda	
2	Mrs. Paramita Mahapatra - Daughter of Dr. Bansidhar Panda and sister of Mr. Bajjayant Panda and Mr. Subhrakant Panda.	
3	Mrs. Jagi Mangat Panda - Wife of Mr. Bajjayant Panda.	
4	Mrs. Shaifalika Panda - Wife of Mr. Subhrakant Panda.	
5	Mrs. Nivedita Ganapathi - Daughter of Dr. Bansidhar Panda and sister of Mr. Bajjayant Panda and Mr. Subhrakant Panda.	
6	Mr. Rajen Mahapatra - Husband of Mrs. Paramita Mahapatra (KMP of parent company)	
(vi) 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.	

(b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous year)

Sl. No.	Nature of Transactions	Parent Company	Subsidiaries	KMP	Close family members of KMP	(₹ in crore) Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
1	Issue of Shares	-	-	-	-	-
		(16.50)	(-)	(-)	(-)	(-)
2	Dividend paid	13.92	-	0.86	0.44	0.61
		(13.92)	(-)	(0.86)	(0.44)	(0.61)
3	Dividend Received	(-)	1.38	(-)	(-)	(-)
		(-)	(1.38)	(-)	(-)	(-)
4	Purchase of raw materials and stores etc.	-	-	-	-	-
		(-)	(-)	(-)	(-)	(0.56)
5	Sale of Goods	-	-	-	-	0.05
		(-)	(-)	(-)	(-)	(-)
6	Services received	-	0.10	0.24	1.47	120.67
		-	(0.48)	(0.24)	(0.02)	(89.44)
7	Service Rendered	-	-	-	-	0.15
		(-)	(-)	(-)	(-)	(0.18)
8 a	Remuneration	-	-	16.86	0.54	-
		(-)	(-)	(25.79)	(0.46)	(-)
8 b	Gratuity and Leave Encashment	-	-	6.03	-	-
		-	-	(1.84)	-	-
9	Donations given	-	-	-	-	-
		(-)	(-)	(-)	(-)	(0.45)

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						(₹ in crore)
Sl. No.	Nature of Transactions	Parent Company	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
10	Corporate Social Responsibility expenses	-	-	-	-	3.11
		(-)	(-)	(-)	(-)	(1.61)
11	Lease rentals paid	-	4.19	-	-	-
		(-)	(3.88)	(-)	(-)	(-)
12	Interest income on loan	-	-	-	-	-
		(-)	(0.08)	(-)	(-)	(-)
13	Investments made	-	0.23	-	-	-
		(-)	(-)	(-)	(-)	(-)
14	Sale of Property, Plant and Equipment	-	-	-	-	3.87
		(-)	(-)	(-)	(-)	(-)
15	Loan Given	-	0.50	-	-	-
		(-)	(90.52)	(-)	(-)	(-)
16	Loan repayment received	-	1.12	-	-	-
		(-)	(0.47)	(-)	(-)	(-)
17	Reimbursement of Expenses	-	-	-	-	0.12
		(-)	(-)	(-)	(-)	(0.14)
18 a	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
18 b	Outstanding balances as at 31st March, 2017 :-					
	a. Receivables	-	263.78	-	-	0.11
	b. Payables	-	31.49	18.55	0.08	13.61
	c. Guarantees given	-	-	-	-	-

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

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

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

1.	Issue of Equity Shares (including premium) to B Panda and Company Pvt. Ltd. Nil (Previous Year: ₹ 16.50 crore).
2.	Dividend Paid to B Panda and Company Pvt. Ltd. ₹ 13.92 crore (Previous Year : ₹ 13.92 crore).
3.	Dividend Received from IMFA Alloys Finlease Ltd. ₹ 1.38 crore (Previous Year : ₹ 1.38 crore),
4.	Purchases of raw materials and stores from UMSL Ltd. Nil (Previous Year : ₹ 0.56 crore)
5.	Sale of Goods to Bansidhar & Ila Panda Foundation ₹ 0.05 crore (Previous Year : Nil).
6.	Services Received includes services from UMSL Ltd. ₹ 114.08 crore (Previous Year : ₹ 83.20 crore).
7.	Services Rendered to UMSL Ltd. ₹ 0.15 crore (Previous Year : ₹ 0.18 crore).
8.	Remuneration includes amount paid to Dr. Bansidhar Panda ₹ 1.75 crore (Previous Year : ₹ 7.53 crore), Mr. Bajjayant Panda ₹ 6.05 crore (Previous Year : ₹ 7.66 crore), Mr. Subhrakant Panda ₹ 6.34 crore (Previous Year : ₹ 7.95 crore), Mr. Jayant Kumar Misra ₹ 1.17 crore (Previous Year : ₹ 1.28 crore), Mr. Chitta Ranjan Ray ₹ 0.72 crore (Previous Year : ₹ 0.78 crore) and Mr. Prem Khandelwal ₹ 0.83 crore (Previous Year : ₹ 0.59 crore).
9.	Donations include amount given to Bansidhar & Ila Panda Foundation Nil (Previous Year : ₹ 0.45 crore).
10.	Corporate Social Responsibility Expenses include amount paid to Bansidhar & Ila Panda Foundation ₹ 2.76 crore (Previous year : ₹ 1.32 crore) and Indian Metals Public Charitable Trust ₹ 0.35 crore (Previous Year : ₹ 0.29 crore).
11.	Lease rentals paid to IMFA Alloys Finlease Limited ₹ 4.19 crore (Previous Year : ₹ 3.88 crore).

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12.	Interest income on Loan is from Utkal Power Limited Nil (Previous Year : ₹ 0.08 crore).
13.	Investment made in Utkal Power Limited ₹ 0.23 crore (Previous Year : Nil).
14.	Sale of Property, Plant and Equipment to Bansidhar & Ila Panda Foundation ₹ 3.87 crore (Previous Year : Nil).
15.	Loan given includes amount paid to Utkal Coal Limited ₹ 0.49 crore (Previous Year : ₹ 90.51 crore).
16.	Loan repayment received includes amount from Utkal Power Limited ₹ 0.97 crore (Previous Year : Nil) and Utkal Coal Limited ₹ 0.15 crore (Previous Year : ₹ 0.47 crore).
17.	Guarantee provided to Bank for loan availed by Bansidhar & Ila Panda Foundation ₹ 4.21 crore (Previous Year : Nil).

(d) Compensation to Key Management Personnel

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

Particulars	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Short-term employee benefits	16.86	25.79
Post-employment benefits	6.03	1.84
	22.89	27.63

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

45. 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 on 11th January, 2017 before the Hon'ble Supreme Court challenging the above order dated 5th October, 2016.

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 Special Leave Petition on 15th May, 2017, before the Hon'ble Supreme Court challenging the aforesaid order.

Pending resolution of the aforesaid matters, no accounting adjustments have been made by UCL in its books of account which have been prepared on a going concern basis and no provision is deemed necessary in these financial statements against the Company's exposure in UCL as at 31st March, 2018 amounting to ₹ 111.42 crore invested as equity and ₹ 263.15 crore given as an unsecured loan.

46. In view of the circumstances detailed in Note No. 45 above and considering the probability of economic benefits associated with the transaction flowing to the Company, as envisaged in paragraph 29 of Ind AS 18 on "Revenue", with effect from 1st October, 2014 the Company has postponed recognition of income from interest on unsecured loan given to UCL. Due to this, profit before tax for the year ended 31st March, 2018 is lower by ₹ 40.72 crore (Previous Year : ₹ 27.54 crore). The interest income would be considered as revenue of the period in which it is properly recognised.

47. 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

Notes

to Financial Statements for the year ended 31st March, 2018

dated 23rd March, 2008, by virtue of which GRIDCO was directed to pay ₹ 57.07 lakh alongwith interest and ₹ 30 lakh towards costs. Subsequently, GRIDCO filed a petition before the District Judge, Bhubaneswar objecting the award and obtained an interim stay on the operation of the said award. The Company filed its objection thereto on 19th February, 2009 and the Court of the District Judge, Bhubaneswar pronounced judgment dated 8th January, 2018 in favour of the Company dismissing the petition filed by GRIDCO. Pending recovery, the Company has not given effect of the aforesaid award in its books of account on the principles of prudence.

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

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

Subsequently, based on a direction received on 9th January, 2015 from Govt. of Odisha, the Company kept the Escrow amount in an interest bearing fixed deposit linked to escrow current account with effect from 21st March, 2015.

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

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

51. As per Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

Notes

to Financial Statements for the year ended 31st March, 2018

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

(₹ in crore)

	Year ended 31st March, 2018	Year ended 31st March, 2017
- Expenditure included under "Other Expenses" (refer Note No. 36)	3.85	1.77
- Expenditure relating to CSR Assets included under " Capital Work-in-Progress" (refer Note No. 3)	0.11	-
- Expenditure relating to CSR Assets included under " Property, Plant and Equipment" (refer Note No. 3)	0.05	3.68
	4.01	5.45

53. 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, 2018	As at 31st March, 2017
Not later than 1 year	1.53	1.92
Later than 1 year but not later than 5 years	0.49	1.70
Later than 5 years	0.37	0.50

Total lease rent payments recognised in the Statement of Profit and Loss for the year is ₹ 3.11 crore (Previous Year : ₹ 3.18 crore).

Future minimum lease rents receivable are summarized below:

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not later than 1 year	0.06	0.05
Later than 1 year but not later than 5 years	0.17	0.19
Later than 5 years	0.25	0.28

Finance Lease:

Company as a Lessee :

(₹ in crore)

Particulars	Future Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
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	49.73	53.08	17.49	18.03
Total	66.49	69.84	30.95	31.49
Future Finance Charges	35.54	38.35		
Present Value of Minimum Lease Payments	30.95	31.49		

Notes

to Financial Statements for the year ended 31st March, 2018

- 54.** The Board of Directors of the Company at its meeting held on 28th September, 2017 approved a Scheme of Amalgamation involving amalgamation of (a) Indian Metals and Carbide Limited, a wholly owned subsidiary of the Company and (b) B. Panda and Company Private Limited, the holding company of the Company, into the Company. The scheme is subject to necessary regulatory approvals, will be effective from the appointed date i.e 1st April, 2017 and no effect to the same has been given in the books of accounts as yet.
- 55.** Revenue from Operations upto 30th June, 2017 is inclusive of excise duty. Post the applicability of Goods and Service Tax (GST) w.e.f 1st July, 2017, Revenue from Operations is disclosed net of GST, in accordance with 'Ind AS 18 - Revenue' and hence Revenue from Operations for the current year is not strictly comparable with that of previous year.
- 56.** Pursuant to the judgment of the Hon'ble Supreme Court on 13th October, 2017 on a writ petition filed by Federation of Indian Mineral Industries & others, liability towards contribution to the District Mineral Foundation ('DMF') in respect of chrome ore is applicable from 17th September, 2015. Accordingly, the Company has written back an earlier provision made for DMF liability amounting to ₹ 16.02 crores, for the period 12th January, 2015 to 16th September, 2015 and included it in 'Revenue from Operations' for the year ended 31st March, 2018.
- 57.** The Board of Directors, in its meeting on 21st March, 2018 declared an interim dividend of ₹ 5/- per equity share. This will result in a cash outflow of ₹ 16.26 crore including corporate dividend tax. The Board has recommended a final dividend of ₹10/- per equity share subject to approval of the shareholders in the forthcoming Annual General Meeting. If approved, it will result in a cash outflow of ₹ 32.52 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: 21st May, 2018

For and on behalf of the Board of Directors

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Independent Auditor's Report

To the Members of Indian Metals and Ferro Alloys Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Indian Metals and Ferro Alloys Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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.

Auditor's Responsibility

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

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

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

We are also responsible to 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 a 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 the auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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 below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, its consolidated profit (including consolidated other comprehensive income), consolidated cash flows and consolidated changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

- (a) We draw attention to the 'Material Uncertainty Related to Going Concern' paragraph in the audit report on the financial

Independent Auditor's Report

statements of Utkal Coal Ltd., a subsidiary of the Holding Company, issued by us vide our report dated 20th May, 2018 and reproduced as hereunder:

"We draw attention to Note No. 25 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".

- (b) We draw attention to the following Emphasis of Matters in the audit report on the financial statements of Utkal Power Ltd., a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated 27th April, 2018 and reproduced by us as hereunder :

" Since inception of the company, it has not started its operation. During the year the government refunded the security deposit to the company which was deposited earlier for its power project. At present the company has no other projects to run but the continuity of the company depends on the financial assistance by its holding company".

- (c) We draw attention to the following Emphasis of Matters in the audit report on the financial statements of Utkal Green Energy Ltd., a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated 27th April, 2018 and reproduced by us as hereunder :

" 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 the continuity and going concern of the business. In our opinion the continuity of this company completely depends on the financial assistance by its holding company ".

Our opinion is not modified in respect of these matters.

Emphasis of Matters

- (a) We draw attention to Note No. 38 to the consolidated Ind AS financial statements relating to the Holding Company's equity investment amounting to ₹ 53.13 crore in Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore which, in turn, has investment in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). The Holding Company's carrying value of investment in Indmet is substantially dependent on the latter's carrying value of investment in PT Sumber and the Holding Company has initiated arbitration proceedings for protecting its said investment.

The auditors of Indmet, an independent firm of Public Accountants and Chartered Accountants, have also emphasised the matter in their audit report on the financial statements of Indmet for the financial year 2017-18, dated 30th April, 2018.

- (b) We draw attention to Note No. 40 to the consolidated Ind AS financial statements relating to the Holding Company's exposure in Utkal Coal Ltd., a subsidiary. 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 subsidiary, have also emphasised the matter in our audit report on the financial statements of the subsidiary for the financial year 2017-18, dated 20th May, 2018.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the Ind AS financial statements of six subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 107.80 crores as at 31st March, 2018, total revenues of ₹ 3.05 crores and net cash outflows amounting to ₹ 0.54 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 Ind AS financial statements). The Holding 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 Ind AS 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 Holding Company.

The financial statements of one of these subsidiaries, 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 Holding Company's management, for the purposes of consolidation (refer Note No. 42 to the consolidated Ind AS 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 Holding Company.

Our opinion on the Consolidated Ind AS 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 Holding Company

Report on Other Legal and Regulatory Requirements

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 Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS 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 Matters' 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 Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of

the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 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 over financial reporting of the Group and the operating effectiveness of such controls, we give 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note Nos. 37,38,40,43,44,45, and 46 to the consolidated Ind AS financial statements;
 - (ii) Provision has been made in the consolidated Ind AS 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 Holding Company and its subsidiary companies incorporated in India

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjhunwala

Partner
Membership No.056613

Bhubaneswar
21st May, 2018

Annexure to the Independent Auditor's Report

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Holding Company on the consolidated Ind AS financial statements for the year ended 31st March, 2018]

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the Group, in respect of companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group, in respect of companies incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Anand Kumar Jhunjunwala

Partner

Membership No.056613

Bhubaneswar

21st May, 2018

Consolidated Balance Sheet

as at 31st March, 2018

		(₹ in crore)	
	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	1,169.69	1,186.91
Capital Work-in-Progress	2	273.08	236.18
Investment Property	3	10.96	11.26
Goodwill		73.12	73.09
Other Intangible Assets	4	2.66	3.56
Investments in Associate	5	-	-
Financial Assets			
-Investments	6	0.10	0.10
-Trade Receivables	7	11.39	11.39
-Loans	8	23.69	22.88
-Other Financial Assets	9	3.40	0.77
Other Non-Current Assets	10	165.41	157.82
Non-Current Tax Assets (Net)		25.50	23.92
Current Assets			
Inventories	11	428.07	340.14
Financial Assets			
-Investments	12	147.86	161.26
-Trade Receivables	13	65.24	66.68
-Cash and Cash Equivalents	14	16.50	7.39
-Other Bank Balances	15	30.52	28.59
-Other Financial Assets	16	1.44	9.97
Other Current Assets	17	201.41	162.18
Total Assets		2,650.04	2,504.09
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	26.98	26.98
Other Equity		1,188.72	1,037.05
Non-Controlling Interest		30.43	30.54
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
-Borrowings	19	516.16	601.75
-Other Financial Liabilities	20	11.96	13.11
Provisions	21	9.11	9.55
Deferred Tax Liabilities (Net)	22	96.16	78.47
Other Non-Current Liabilities	23	132.24	130.11
Current liabilities			
Financial Liabilities			
-Borrowings	24	193.22	181.37
-Trade Payables	25	196.43	117.83
-Other Financial Liabilities	26	230.44	233.49
Other Current Liabilities	27	11.57	37.36
Provisions	28	6.62	6.48
Total Equity and Liabilities		2,650.04	2,504.09
Notes to Consolidated Financial Statements	1 to 55		

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

For and on behalf of the Board of Directors

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Prem Khandelwal
CFO & Company Secretary

Baijayant Panda
Vice Chairman
(DIN-00297862)

Subhrakant Panda
Managing Director
(DIN-00171845)

Place: Bhubaneswar
Date: 21st May, 2018

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in crore)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from Operations	29	1,769.26	1,697.04
Other Income	30	36.21	48.12
Total Income		1,805.47	1,745.16
EXPENSES			
Cost of Materials Consumed	31	813.44	706.55
Changes in Inventories of Finished Goods	32	1.40	(1.57)
Excise Duty	53	3.66	24.69
Employee Benefits Expense	33	176.69	169.86
Finance Costs	34	75.41	83.47
Depreciation and Amortisation Expense	2 to 4	100.80	108.69
Other Expenses	35	350.99	284.02
Total Expenses		1,522.39	1,375.71
Profit before Exceptional Items and Tax		283.08	369.45
Exceptional Items - (Income)/Expense		-	-
Profit Before Tax		283.08	369.45
Tax Expense:			
- Current Tax		96.52	93.12
- Deferred Tax		(0.23)	27.63
Profit After Tax		186.79	248.70
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plans		(3.61)	0.22
- Income Tax		1.26	(0.09)
Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of a foreign operation		0.12	(0.43)
Total Comprehensive Income for the year (before adjustment for Non-Controlling Interest)		184.56	248.40
[Comprising profit and other comprehensive income for the year]			
Profit/(Loss) attributable to :			
(a) Owners of the Parent		186.37	248.94
(b) Non-Controlling Interest		0.42	(0.24)
Other Comprehensive Income/(Expense) (net of tax) attributable to :			
(a) Owners of the Parent		(2.23)	(0.29)
(b) Non-Controlling Interest		-	(0.01)
Total Comprehensive Income/(Expense) after tax attributable to :			
(a) Owners of the Parent		184.14	248.65
(b) Non-Controlling Interest		0.42	(0.25)
Earnings per Equity Share of par value of ₹ 10/- each			
Basic and Diluted (In ₹)	36	69.08	94.70
Notes to Consolidated Financial Statements	1 to 55		

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

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Place: Bhubaneswar

Date: 21st May, 2018

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

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, 2016	As at 1st April, 2017	2016-17	2017-18	As at 31st March, 2017	As at 31st March, 2018
25.98	26.98	1.00	-	26.98	26.98

B. Other Equity and Non-Controlling Interest

(₹ in crore)

Particulars	Attributable to the equity shareholders of the Parent						Exchange differences on translating the financial statements of a foreign operation	Total other equity (a)	Non-Controlling Interest (b)	Total (a) + (b)
	Reserves and Surplus									
	Capital Reserves	Securities Premium Reserve	Capital Redemption Reserve	Special Reserve	General Reserve	Retained Earnings				
Balance as at 1st April, 2016	1.01	153.12	0.20	1.24	276.60	350.71	22.66	805.54	31.32	836.86
Profit/(Loss) for the year	-	-	-	-	-	248.94	-	248.94	(0.24)	
Other comprehensive income (net of tax)	-	-	-	-	-	0.14	(0.43)	(0.29)	(0.01)	
Issue of equity shares on conversion of equity warrants	-	15.33	-	-	-	-	-	15.33	-	
Dividend	-	-	-	-	-	(26.98)	-	(26.98)	(0.44)	
Tax on Dividend	-	-	-	-	-	(5.49)	-	(5.49)	(0.09)	
Transfer from retained earnings to special reserve	-	-	-	0.41	-	(0.41)	-	-	-	
Balance as at 31st March, 2017	1.01	168.45	0.20	1.65	276.60	566.91	22.23	1,037.05	30.54	1,067.59
Profit/(Loss) for the year	-	-	-	-	-	186.37		186.37	0.42	
Other comprehensive income (net of tax)	-	-	-	-	-	(2.35)	0.12	(2.23)	-	
Dividend	-	-	-	-	-	(26.98)	-	(26.98)	(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	1.01	168.45	0.20	2.07	276.60	718.04	22.35	1,188.72	30.43	1,219.15

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

For and on behalf of the Board of Directors

Place: Bhubaneswar
Date: 21st May, 2018Anand Kumar Jhunjhunwala
Partner
Membership No. 056613Prem Khandelwal
CFO & Company SecretaryBaijayant Panda Subhrakant Panda
Vice Chairman Managing Director
(DIN-00297862) (DIN-00171845)

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in crore)

	Year ended 31st March, 2018	Year ended 31st March, 2017
A. Cash Flow from Operating Activities		
Profit before tax	283.08	369.45
Adjustments for:		
Depreciation and Amortisation Expense	100.80	108.69
Profit on sale/disposal of Property, Plant and Equipment (net)	(1.91)	(0.83)
Profit on sale of Current Investments	(8.97)	(2.56)
Gain on fair valuation of Current Investments	(4.27)	(0.48)
Unrealised foreign exchange loss	3.01	4.31
Interest Income	(4.64)	(9.01)
Dividend Income	(0.16)	(0.13)
Finance Costs	75.41	83.47
Impairment Loss Allowance	0.01	-
Fair Value Changes to Prepayment option on Loans	-	0.02
Other Operating Revenue (refer Note No. 54)	(17.96)	-
Liability no longer required written back	(0.86)	(1.84)
Operating Profit before Working Capital Changes	423.54	551.09
Adjustments for:		
Trade and other receivables	(38.09)	(79.14)
Inventories	(87.93)	(9.23)
Trade payables and other liabilities	80.40	53.95
Cash Generated from Operations	377.92	516.67
Direct Taxes paid	(78.91)	(31.29)
Net Cash Generated from Operating Activities	299.01	485.38
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(120.61)	(44.37)
Sale of Property, Plant and Equipment	3.39	2.06
Sale / (Purchase) of Investments (net)	26.80	(134.91)
Movement in Other Bank Balances	(2.63)	6.72
Dividend received	0.01	0.06
Interest received	4.55	9.01
Net Cash Used in Investing Activities	(88.49)	(161.43)

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in crore)

	Year ended 31st March, 2018	Year ended 31st March, 2017
C Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares (net)	-	16.33
Proceeds from Non-current borrowings	83.23	140.85
Repayment of Non-current borrowings	(184.59)	(269.44)
Proceeds from/(Repayment) of Current borrowings (net)	9.21	(81.80)
Interest and financing charges paid	(76.28)	(94.96)
Dividend paid (including dividend distribution tax)	(32.99)	(32.99)
Net Cash Used in Financing Activities	(201.42)	(322.01)
Net increase in Cash and Cash Equivalents (A+B+C)	9.10	1.94
Cash and Cash Equivalents at the beginning of the year	7.39	5.74
Effect of Exchange Rate on Translation of Foreign Currency	0.01	(0.29)
Cash and Cash Equivalents at the end of the year (refer Note No. 14)	16.50	7.39
Notes:		
1. Cash and Cash Equivalents at the end of the year comprises of:		
Cash on hand	0.18	0.24
Balance with Banks:		
- In Current Accounts	15.99	5.29
- Cheques on Hand	0.33	-
- Fixed Deposits	-	1.86
Total	16.50	7.39

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors**Anand Kumar Jhunjunwala**

Partner

Membership No. 056613

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

Place: Bhubaneswar

Date: 21st May, 2018

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

1. Significant accounting policies

1.1 Principles of Consolidation

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

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in 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, 2018.

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, 2018	31st March, 2017	
1	Indian Metals and Carbide Ltd.	99.99%	99.99%	India
2	Utkal Power Ltd.	100.00%	100.00%	India
3	Utkal Coal Ltd.	79.20%	79.20%	India
4	IMFA Alloys Finlease Ltd.	76.00%	76.00%	India
5	Utkal Green Energy Ltd.	100.00%	100.00%	India
6	Indmet Mining Pte. Ltd.	100.00%	100.00%	Singapore
7	PT. Sumber Rahayu Indah, [70 % Subsidiary of Indmet Mining Pte. Ltd.]	-	-	Indonesia

The Company has investment of ₹ 25,000 in Ferro Chrome Producers Association ("FCPA"), a company limited by shares formed 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 21st May, 2018.

1.3 Other significant accounting policies

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

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

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

Particulars	Tangible Assets - Own										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, 2016	56.25	318.09	10.02	733.22	2.09	3.98	2.66	7.17	18.14	-	192.27	23.80	1,367.69	225.89
Additions/Adjustments	0.49	11.16	-	10.16	0.27	0.94	1.43	3.37	-	10.76	-	9.29	47.87	51.36
Deductions/Adjustments	-	0.59	-	0.37	-	0.05	0.01	0.91	-	-	-	-	1.93	41.07
As at 31st March, 2017	56.74	328.66	10.02	743.01	2.36	4.87	4.08	9.63	18.14	10.76	192.27	33.09	1,413.63	236.18
Additions/Adjustments	8.75	23.42	-	39.09	0.38	1.23	2.57	2.57	9.10	0.05	-	-	87.16	101.03
Deductions/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	351.87	10.02	781.65	2.72	6.08	6.58	11.32	27.24	10.81	192.27	33.09	1,498.51	273.08
Accumulated Depreciation & Amortisation														
As at 1st April, 2016	-	33.46	1.91	66.45	0.72	2.27	1.09	2.27	2.49	-	3.45	2.53	116.64	-
Charge for the year	-	31.31	1.51	62.91	0.50	1.19	0.89	1.96	2.15	0.15	3.44	4.75	110.76	-
Disposals / Adjustments	-	0.11	-	0.10	-	0.03	-	0.44	-	-	-	-	0.68	-
As at 31st March, 2017	-	64.66	3.42	129.26	1.22	3.43	1.98	3.79	4.64	0.15	6.89	7.28	226.72	-
Charge for the year	-	28.54	1.22	56.52	0.44	1.13	1.71	2.31	2.55	1.19	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	-	93.16	4.64	185.64	1.64	4.54	3.63	5.58	7.19	1.34	10.34	11.12	328.82	-
Net Carrying Amount :														
As at 31st March, 2018	64.86	258.71	5.38	596.01	1.08	1.54	2.95	5.74	20.05	9.47	181.93	21.97	1,169.69	273.08
As at 31st March, 2017	56.74	264.00	6.60	613.75	1.14	1.44	2.10	5.84	13.50	10.61	185.38	25.81	1,186.91	236.18

1. Gross carrying amount of CSR assets include Buildings (₹ 9.25 crore) and Plant and Equipment (₹ 1.56 crore). Out of a total of ₹ 10.81 crore, ₹ 0.05 crore has been incurred during the year.
2. Capital Work-in-Progress includes ₹ 0.11 crore relating to CSR assets which has been incurred during the year.
3. Borrowing costs capitalised during the year ₹ 0.78 crore (Previous Year : ₹ 11.39 crore).
4. Depreciation and Amortisation amounting to ₹ 3.30 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, 2018

3. Investment Property

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Opening Gross Carrying Amount	11.90	11.90
Additions/Adjustments	-	-
Deductions/Adjustments	-	-
Closing Gross Carrying Amount	11.90	11.90
Accumulated Depreciation		
Opening Accumulated Depreciation	0.64	0.32
Charge for the year	0.30	0.32
Closing Accumulated Depreciation	0.94	0.64
Net Carrying Amount	10.96	11.26

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

Particulars	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Rental Income	0.01	0.01
Direct operating expenses that generated rental income	0.01	0.01
Direct operating expenses that did not generate rental income	0.15	0.15

Fair value

Particulars	Level	(₹ in crore)	
		As at 31st March, 2018	As at 31st March, 2017
Investment Property	Level 2	50.78	50.87

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

The Group's investment property consists of a commercial property situated in Kolkata, which has been partly let-out. 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.

4. Other Intangible Assets (Internally Generated)

Particulars	(₹ in crore)	
	Computer Software	
Gross Carrying Amount		
As at 1st April, 2016		4.50
Additions/Adjustments		-
Deductions/Adjustments		-
As at 31st March, 2017		4.50
Additions/Adjustments		-
Deductions/Adjustments		-
As at 31st March, 2018		4.50
Accumulated Amortisation		
As at 1st April, 2016		0.04
Charge for the year		0.90
Disposals/Adjustments		-
As at 31st March, 2017		0.94
Charge for the year		0.90

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

Particulars	(₹ in crore)
	Computer Software
Disposals/Adjustments	-
As at 31st March, 2018	1.84
Net Carrying Amount :	
As at 31st March, 2018	2.66
As at 31st March, 2017	3.56

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

5. Investments in Associate

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
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. (31st March, 2017: Nil)	-	-
(₹ 25,000, 31st March, 2017: Nil)		
Aggregate amount of unquoted investments	-	-

6. Investments

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Non-Current Investments		
Investments in Equity Instruments (Unquoted)		
95,054 Equity Shares of ₹10/- each fully paid - up in Kalinga Hospital Ltd. (31st March, 2017 : 95,054 shares)	0.10	0.10
	0.10	0.10

7. Trade Receivables

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good*	11.39	11.39
	11.39	11.39

* due pending resolution of sub-judice matters

8. Loans

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured, Considered good		
Security and Other Deposits	23.69	22.88
	23.69	22.88

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

9. Other Financial Assets

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Non-Current portion of Other Bank Balances		
- Fixed Deposits with banks having balance maturity of more than twelve months (Under Lien*)	3.40	0.77
	3.40	0.77
*includes		
Margin money deposits	1.27	0.77
Deposits pledged with banks against borrowings	2.13	-

10. Other Non-Current Assets

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Capital Advances	3.52	3.22
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	54.57	46.67
Prepaid Rent for Operating Leases	6.57	7.18
	165.41	157.82

11. Inventories

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Raw Materials	255.09	176.26
Raw Materials-in-Transit	25.10	18.87
Finished Goods	76.15	82.46
Finished Goods-in-Transit	32.57	27.66
Stores and Spares	39.04	34.77
Loose Tools	0.12	0.12
	428.07	340.14

12. Investments

	As at 31st March, 2018	As at 31st March, 2017
(₹ in crore)		
Current Investments		
Investments in Equity Instruments (Quoted)		
5,65,000 shares (31st March, 2017: Nil) of Bharat Road Network Limited	10.92	-
Investments in Mutual Funds (Unquoted)		
2,43,915.98 units (31st March, 2017: 78,634.44 units) of Birla Sunlife Cash Manager- Growth-Direct Plan	10.64	3.19
5,14,764.04 units (31st March, 2017: 4,47,235.63 units) of Reliance Money Manager Fund - Growth Plan Growth Option	123.26	100.29
Nil units (31st March, 2017: 20,15,380.01 units) of Birla Sunlife Cash Plus-Growth-Direct Plan	-	55.02
27,59,425.16 units (31st March, 2017 : 25,41,742.31 units) of Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	2.99	2.74
306.38 units (31st March, 2017 : 156.07 units) of Reliance Liquid Fund - Treasury Plan - Directly Daily Dividend Option	0.05	0.02
	147.86	161.26
Aggregate amount of quoted investments and market value thereof	10.92	-
Aggregate amount of unquoted investments	136.94	161.26

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

13. Trade Receivables

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good	65.24	66.68
Doubtful	0.38	0.38
Less: Provision for doubtful debts	(0.38)	(0.38)
	65.24	66.68

14. Cash and Cash Equivalents

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Balances with Banks:		
In Current Accounts [includes unclaimed dividend of ₹ 1.12 crore (31st March, 2017: ₹ 1.05 crore)]	15.99	5.29
Fixed Deposits with Banks having original maturity of three months or less:		
- Under Lien*	-	1.86
Cheques on hand	0.33	-
Cash on hand	0.18	0.24
	16.50	7.39
* includes		
Margin money deposits		
- 3 months or less	-	1.86

15. Other Bank Balances

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Fixed Deposits with Banks having balance maturity of twelve months or less:		
- Not under Lien	8.23	8.40
- Under Lien*	22.29	20.19
	30.52	28.59
* includes		
Margin money deposits		
- 12 months or less	6.14	1.91
Deposits pledged with banks against borrowings		
- 12 months or less	16.15	18.28

16. Other Financial Assets

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Interest accrued but not due on Fixed Deposits with Banks	0.52	0.47
Derivative Assets		
- Foreign currency forward contracts not designated as hedge	0.92	6.53
- Swaps not designated as hedge	-	2.97
	1.44	9.97

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

17. Other Current Assets

	As at 31st March, 2018	(₹ in crore) As at 31st March, 2017
Goods & Services Tax (GST)	91.66	-
CENVAT Credit Receivable	-	81.50
Advances to Suppliers	70.77	37.70
Advance Royalty	3.46	-
Deposits/Advances with Excise & Customs	6.26	4.81
Employee Advances	0.52	0.11
Other Advances	0.35	1.31
Export Incentives Receivable	17.15	22.88
VAT Credit Receivable	0.54	3.11
Prepaid Expenses	10.01	10.07
Prepaid Rent for Operating Leases	0.63	0.63
Assets classified as held for sale	0.06	0.06
	201.41	162.18

18. Share Capital

	As at 31st March, 2018	(₹ in crore) As at 31st March, 2017
Authorised:		
Equity Shares:		
3,00,00,000 Equity Shares, ₹ 10/- par value per share (31st March, 2017 : 3,00,00,000 Equity Shares)	30.00	30.00
Preference Shares:		
40,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2017 : 40,000 Preference Shares)	0.40	0.40
2,60,000 IInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share (31st March, 2017 : 2,60,000 Preference Shares)	2.60	2.60
	33.00	33.00
Issued, Subscribed and Paid-up:		
2,69,77,053 Equity Shares, ₹ 10/- par value per share, fully paid (31st March, 2017 : 2,69,77,053 Equity Shares)	26.98	26.98
	26.98	26.98

Reconciliation of the Number of Equity Shares outstanding

Equity Shares	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	(₹ in crore)	No. of shares	(₹ in crore)
At the beginning of the year	2,69,77,053	26.98	2,59,77,053	25.98
Add: Issued during the year	-	-	10,00,000	1.00
At the end of the year	2,69,77,053	26.98	2,69,77,053	26.98

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.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

Equity Shares of the Company held by holding/ultimate holding company

Name of the Holding Company	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	(₹ in crore)	No. of shares	(₹ in crore)
B Panda and Company Private Limited (refer Note No.52)	1,39,18,046	13.92	1,39,18,046	13.92

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

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
B Panda and Company Private Limited (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
Reliance Capital Trustee Company Limited-A/c Reliance Tax Saver (ELSS) Fund	-	-	17,29,374	6.41

19. Borrowings

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Secured		
Rupee Term Loans from:		
Banks	586.17	650.13
Others	11.79	16.18
Foreign Currency Term Loans from:		
Banks	26.93	59.99
Vehicle Loans	2.51	1.91
Total Borrowings	627.40	728.21
Less: Current Maturities		
Banks	106.83	122.07
Others	4.41	4.39
Total Non-Current Borrowings	516.16	601.75

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 ₹ 33.32 crore (31st March, 2017 : ₹ 50.00 crore) for general capital expenditure, secured by first pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 35 EMIs of ₹ 1.39 crore from April'17 and last instalment of ₹ 1.35 crore.

(b) Loan of ₹ 50.00 crore (31st March, 2017 : Nil) 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 ₹ 9.00 crore (31st March, 2017 : ₹ 15.00 crore) for general capital expenditure, secured by first pari-passu charge on fixed assets (both moveable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to other lenders. Subservient charge on the current assets of the Company. Repayment by 20 EQI from December'14.

(d) Loan of ₹ 145.50 crore (31st March, 2017 : ₹ 128.00 crore) for 30 MW Captive Power Plant (CPP) at Choudwar and general capital expenditure, secured by exclusive charge over the assets of CPP, first pari-passu charge on plot no. 43 on which CPP has been erected at Choudwar, with other term lenders and first pari-passu charge on fixed assets (both moveable & immovable) of the Company (both present & future) situated at Therubali other than assets exclusively charged to

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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 ₹ 82.67 crore (31st March, 2017 : ₹ 95.39 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 ₹ 75.16 crore (31st March, 2017 : ₹ 86.72 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 ₹ 52.61 crore (31st March, 2017 : ₹ 60.70 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 ₹ 75.16 crore (31st March, 2017 : ₹ 86.72 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 ₹ 37.52 crore (31st March, 2017 : ₹ 43.32 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 ₹ 5.13 crore (31st March, 2017 : ₹ 6.81 crore) for setting up of Industrial Training Centre (ITC) at Sukinda, secured by mortgage of lease hold right of property situated at Khata No. 100, Plot No 238(P), Mauza- Dudhjhari, Sukinda

Dist- Jajpur, admeasuring 5 acres and building to be constructed thereon along with the Furniture & Fixtures, Computers and Equipments to be purchased out of the loan. Repayment by 24 EQI from September'16.

- (k) Loan of ₹ 21.38 crore (31st March, 2017 : ₹ 22.45 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 24 EQI from February '18.
- (l) Vehicle Loan of ₹ 2.51 crore (31st March, 2017 : ₹ 1.91 crore) secured by charge on the vehicles. Repayment in EMI as per the repayment schedules of respective vehicles.
- (m) Loan of ₹ 13.65 crore (31st March, 2017 : Nil) 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.
- (n) Loan of ₹ 26.64 crore (31st March, 2017 : ₹ 41.83 crore) for general capital expenditure, secured by first and exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar. First and exclusive charge on all the present and future moveable fixed assets of Gas Cleaning plant & Briquetting plant at Therubali, Low Density Aggregate plant and Fly Ash Brick plant I and II at Choudwar. Repayment by 16 EQI from February'16.

Term Loans from Others:

Loan of ₹ 11.85 crore (31st March, 2017 : ₹ 16.30 crore) for capital expenditure related to power plants and other ancillary infrastructure, secured by first charge on Aircraft and two helicopters. Subservient charge on current assets of the Company. Repayment by 54 EMIs from June '16.

20. Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017
Derivative Liabilities		
- Swaps not designated as hedge	10.61	11.75
Security Deposits	0.02	0.02
Others	1.33	1.34
	11.96	13.11

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21. Provisions

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits	9.11	9.55
	9.11	9.55

22. Deferred Tax Liabilities (Net)

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
(a) Deferred Tax Liabilities:		
Difference between tax base and book base of Property, Plant and Equipment, Investment Property and Intangible Assets	104.28	103.73
Financial assets at Fair value through profit and loss	-	0.87
Others	0.02	0.01
(b) Deferred Tax Assets:		
Financial assets at Fair value through profit and loss	(0.16)	-
Defined Benefit Obligations	(3.91)	(3.37)
Others	(4.07)	(3.60)
Net Deferred Tax Liabilities	96.16	97.64
Less: MAT Credit Entitlement	-	19.17
	96.16	78.47

23. Other Non-Current Liabilities

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Electricity Duty	132.24	130.11
	132.24	130.11

24. Borrowings

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Loans Repayable on Demand		
Working Capital Loans from Banks	193.22	181.37
	193.22	181.37

24.1 Working Capital Loans from banks are secured by charge over stocks, receivables & current assets.

25. Trade Payables

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Micro and small enterprises (refer Note No. 25.1)	2.20	1.52
Others	194.23	116.31
	196.43	117.83

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

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	2.20	1.52
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	-	-
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	-	-
	2.20	1.52

Dues as above, to the Micro 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, 2018	As at 31st March, 2017
Current Maturities of Borrowings (refer Note No. 19)	111.24	126.46
Interest accrued but not due on borrowings	0.87	1.74
Unclaimed Dividend *	1.12	1.05
Earnest Money and Security Deposits	2.23	1.96
Liability for Operating and Other Expenses	90.61	67.32
Creditors for Capital Goods	6.59	7.63
Commission / Remuneration Payable to Directors	10.81	18.80
Payable to Employees	6.96	8.53
Financial Guarantee Liability	0.01	-
	230.44	233.49

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

27. Other Current Liabilities

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Advance from Customers	0.18	0.15
Liability for Operating and Other Expenses	1.42	1.08
Statutory Liabilities	9.97	36.13
	11.57	37.36

28. Provisions

	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits	6.62	6.48
	6.62	6.48

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29. Revenue from Operations

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of products (refer Note No. 53)		
Ferro Chrome	1,697.85	1,650.49
Fly Ash Bricks	1.63	1.04
Low Density Aggregate	0.29	0.02
	1,699.77	1,651.55
Other Operating Revenues:		
Export Incentives	45.23	40.92
Sale of Scrap	6.30	4.57
Others (refer Note No. 54)	17.96	-
	1,769.26	1,697.04

30. Other Income

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest		
- Fixed Deposits	1.76	1.99
- Others	2.88	7.02
Dividend	0.16	0.13
Rent	0.25	0.12
Profit on Sale of Property, Plant and Equipment [including profit on sale of assets classified as held for sale ₹ 0.09 crore (Previous Year: ₹ 0.22 crore)]	2.27	1.33
Claims Received	2.80	0.35
Profit on sale of Current Investments	8.97	2.56
Gain on fair valuation of Current Investments	4.27	0.48
Liability no longer required written back	0.86	1.84
Gain on foreign currency transactions and translations	9.69	29.99
Other non-operating Income	2.30	2.31
	36.21	48.12

31. Cost of Materials Consumed

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Coal	231.81	231.38
Chrome Ore	372.77	309.73
Quartz	5.67	7.59
Coke	210.72	166.60
Carbon paste	15.00	17.72
Other materials	12.06	11.85
	848.03	744.87
Less: Inter Unit transfer of Chrome Ore (Net)	34.59	38.32
	813.44	706.55

32. Changes in Inventories of Finished Goods

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Closing stock of finished goods	108.72	110.12
Opening stock of finished goods	110.12	108.55
	1.40	(1.57)

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33. Employee Benefits Expense

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, Wages, Bonus, Allowances etc.	163.34	156.38
Contribution to Provident and Other Funds	9.77	9.95
Workmen and Staff Welfare Expenses	3.58	3.53
	176.69	169.86

34. Finance Costs

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expense	69.47	76.08
Exchange differences regarded as an adjustment to borrowing costs	0.02	(3.65)
Other Borrowing Costs	5.92	11.04
	75.41	83.47

35. Other Expenses

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Manufacturing expenses		
Consumption of stores, spares and loose tools	19.81	21.15
Consumption of electricity	60.76	13.48
Electricity Duty	47.35	30.14
Energy transmission charges	6.63	7.64
Repairs and Maintenance :		
- Plant and Machinery	26.34	25.82
- Buildings	4.81	4.83
- Others	6.55	5.82
Finished stock and slag handling expenses	22.61	22.39
Other factory expenses	28.28	25.96
Excise duty on closing stock of finished goods	(7.21)	1.23
	215.93	158.46
Selling and Distribution expenses		
Carriage outward and handling expenses	59.18	56.96
Export promotion expenses	1.79	1.84
Other selling expenses	21.67	21.51
	82.64	80.31
Establishment and other expenses		
Insurance	5.00	3.71
Rent	4.21	4.23
Rates and taxes	4.19	3.63
Travelling and conveyance	7.14	6.99
Legal and professional fees	12.24	11.73
Payments to the Auditor (refer Note No. 35.1)	0.51	0.49
Director's Fees	0.06	0.05
Corporate Social Responsibility Expenses (refer Note No. 47)	3.85	1.77
Impairment Loss Allowance	0.01	-
Fair Value Changes to Prepayment option on Loans	-	0.02
Miscellaneous expenses	15.21	12.63
	52.42	45.25
Total Other Expenses	350.99	284.02

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35.1. Payments to the Auditor (excluding taxes)

	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
As Auditor - Statutory Audit & Limited Reviews	0.46	0.42
For Other Services	0.02	0.02
For reimbursement of expenses	0.03	0.05
	0.51	0.49

36. Earnings Per Share

	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Profit/(Loss) after tax as per Consolidated Statement Profit and Loss attributable to Owners of the Parent (₹ in crore)	186.37	248.94
(b) Weighted Average number of Equity Shares	2,69,77,053	2,62,86,642
(c) Basic and diluted earnings per share (in ₹)	69.08	94.70
(d) Nominal value per Equity Share (in ₹)	10.00	10.00

37. Contingent Liabilities and Commitments

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
A. Contingent Liabilities		
(a) Claims against the Group not acknowledged as debts:		
Government Claims		
(i) Income Tax (deposits made under protest 31st March, 2018 : ₹ 45.06 crore, 31st March, 2017 : ₹ 39.67 crore)	54.03	48.54
(ii) Cenvat Credit reversal and penalty thereon (deposits made under protest 31st March, 2018 : ₹ 1.31 crore, 31st March, 2017 : ₹ 0.74 crore)	26.13	19.41
(iii) Excise Duty and penalty thereon (deposits made under protest 31st March, 2018 : ₹ 0.21 crore, 31st March, 2017 : ₹ 0.21 crore)	0.41	0.40
(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, 2018 : ₹ 4.82 crore, 31st March, 2017 : ₹ 4.82 crore)	15.05	11.52
(vi) Sales tax (deposits made under protest 31st March, 2018 : ₹ 0.07 crore, 31st March, 2017 : ₹ 0.07 crore)	0.12	0.19
(vii) Value Added Tax (deposits made under protest 31st March, 2018 : ₹ 3.15 crore, 31st March, 2017 : ₹ 3.15 crore)	3.18	3.18
(viii) State Govt./Local Authority rent, duties, levies & cess etc. (deposits made under protest 31st March, 2018 : ₹ 13.58 crore, 31st March, 2017 : ₹ 13.11 crore)	72.37	73.65
Other Claims		
Legal suits filed against the Group	1.43	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

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to Government of Odisha for taking necessary action in light of Supreme Court Judgement 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 which are illegal and are in complete violation of the principles of natural justice, 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.

B. Commitments:

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances)	63.71	34.17

- 38.** Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has investment of USD 8.75 million (₹ 56.08 crore) [31st March, 2017 USD 8.75 million (₹ 56.04 crore)] in its Indonesian subsidiary PT Sumber Rahayu Indah ('PT Sumber'). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised till date.

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 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. On 23rd December, 2016, the Company has filed its statement of claim and hearing on the arbitration proceedings are under progress. The matter is now scheduled for a final hearing in August, 2018.

No provision is considered necessary by the Company at this stage in its standalone financial statement towards any impairment in the carrying value of its investment in Indmet amounting to ₹ 53.13 crore. Accordingly, these consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty.

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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 a 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 a 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

Particulars	Ferro Alloys		Power		Mining		Others		Unallocable		Total	
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Segment Revenue												
External Sales	1,697.85	1,650.49	-	-	-	-	1.92	1.06	-	-	1,699.77	1,651.55
Inter Segment Sales	-	-	443.45	425.38	189.94	173.51	0.50	0.35	-	-	633.89	599.24
Elimination	-	-	(443.45)	(425.38)	(189.94)	(173.51)	(0.50)	(0.35)	-	-	(633.89)	(599.24)
Total Revenue	1,697.85	1,650.49	-	-	-	-	1.92	1.06	-	-	1,699.77	1,651.55
Segment Result before Finance Cost, Exceptional Items and Taxes	358.85	438.74	(9.35)	(8.54)	(7.54)	(8.83)	(8.95)	(9.58)	25.48	41.13	358.49	452.92
Finance Costs											75.41	83.47
Exceptional Items - (Income)/Expense											-	-
Profit Before Tax											283.08	369.45
Tax Expenses											96.29	120.75
Profit After Tax											186.79	248.70

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ii) Segment Assets and Liabilities

(₹ in crore)

Particulars	Segment Assets		Segment Liabilities	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Ferro Alloys	765.51	697.56	153.39	125.52
Power	944.93	893.41	253.16	198.71
Mining	488.74	468.65	36.53	50.13
Others	61.14	66.70	0.84	0.94
Unallocable	389.72	377.77	139.37	124.64
Total	2650.04	2504.09	583.29	499.94

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, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2018	Year ended 31st March, 2017
Ferro Alloys	66.37	16.26	26.86	34.77	-	-
Power	26.35	15.26	53.94	55.80	-	-
Mining	20.99	7.48	5.08	3.37	-	-
Others	1.54	0.17	7.17	7.73	-	-
Unallocable	8.82	19.03	7.75	7.02	3.02	4.33
Total	124.07	58.20	100.80	108.69	3.02	4.33

iv) Unallocated Assets comprises of:

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Property, Plant and Equipment	84.42	79.55
Investments	147.96	161.36
Capital Work-in-progress	1.26	1.19
Goodwill	73.12	73.09
Income Tax Assets (Net)	25.50	23.81
Other Assets	57.46	38.77
Total Assets	389.72	377.77

v) Unallocated Liabilities comprises of :

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liabilities (Net)	96.16	78.48
Other Liabilities	43.21	46.16
Total Liabilities	139.37	124.64

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b. Information about major customers

Revenue under the segment 'Ferro Alloys' includes revenue from three external customers amounting to ₹ 1,332.25 crore (Previous Year: ₹ 1,337.60 crore) each contributing to more than 10% of the total revenue. The details are as follows:

Customer	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
I	641.13	595.96
II	523.26	560.87
III	167.86	180.77
Total	1,332.25	1,337.60

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 on 11th January, 2017 before the Hon'ble Supreme Court challenging the above order dated 5th October, 2016. 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 Special Leave Petition on 15th May, 2017, before the Hon'ble Supreme Court challenging the aforesaid order. Pending resolution of the aforesaid matters, no accounting adjustments have been made by UCL in its books of account which have been prepared on a going concern basis and no provision is deemed necessary by the Company in its standalone financial statements against the Company's exposure in UCL as at 31st March, 2018 amounting to ₹ 111.42 crore invested as equity and ₹ 263.15 crore given as an unsecured loan. Accordingly, these Consolidated Financial Statements of the Group do not include any adjustments that might result from the outcome of these uncertainties.

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

(a) Names of Related Parties :		
(i) Parent Company		Country of Origin
	B Panda and Company Pvt. Ltd. (refer Note No. 52)	India
(ii) Key Management Personnel (KMP)		Designation
	1 Dr. Bansidhar Panda (upto 17th July, 2017)	Executive Chairman
	2 Mr. Baijayant Panda	Vice Chairman
	3 Mr. Subhrakant Panda	Managing Director
	4 Mr. Jayant Kumar Misra	Director (Corporate) & COO
	5 Mr. Chitta Ranjan Ray	Whole Time Director
	6 Mr. Prem Khandelwal	CFO & Company Secretary
(iii) Associate		Country of Origin
	Ferro Chrome Producers Association (registered under Section 8 of the Act)	India
(iv) Close family members of KMP (including close family members of KMP of Parent Company)	1 Dr. Bansidhar Panda - Father of Mr. Baijayant Panda and Mr. Subhrakant Panda	
	2 Mrs. Paramita Mahapatra - Daughter of Dr. Bansidhar Panda and sister of Mr. Baijayant Panda and Mr. Subhrakant Panda.	
	3 Mrs. Jagi Mangat Panda - Wife of Mr. Baijayant Panda.	
	4 Mrs. Shaifalika Panda - Wife of Mr. Subhrakant Panda.	
	5 Mrs. Nivedita Ganapathi - Daughter of Dr. Bansidhar Panda and sister of Mr. Baijayant Panda and Mr. Subhrakant Panda.	
	6 Mr. Rajen Mahapatra - Husband of Mrs. Paramita Mahapatra (KMP of parent company)	

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(v) Other entities with whom transactions have taken place during the year		Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
1	UMSL Ltd.	
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.	

(b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous year)

SL No.	Nature of Transactions	Parent Company	KMP	Close family members of KMP	(₹ in crore) Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP
1	Issue of Shares	-	-	-	-
		(16.50)	(-)	(-)	(-)
2	Dividend paid	13.92	0.86	0.44	0.61
		(13.92)	(0.86)	(0.44)	(0.61)
3	Purchase of raw materials and stores etc.	-	-	-	-
		(-)	(-)	(-)	(0.56)
4	Sale of Goods	-	-	-	0.05
		(-)	(-)	(-)	(-)
5	Services received	-	0.24	1.47	120.67
		(-)	(0.24)	(0.02)	(89.44)
6	Service Rendered	-	-	-	0.15
		(-)	(-)	(-)	(0.18)
7 a	Remuneration	-	16.86	0.54	-
		(-)	(25.79)	(0.46)	(-)
7 b	Gratuity and Leave Encashment	-	6.03	-	-
		(-)	(1.84)	(-)	(-)
8	Donations given	-	-	-	-
		(-)	(-)	(-)	(0.45)
9	Corporate Social Responsibility expenses	-	-	-	3.11
		(-)	(-)	(-)	(1.61)
10	Sale of Property, Plant and Equipment	-	-	-	3.87
		(-)	(-)	(-)	(-)
11	Reimbursement of Expenses	-	-	-	0.12
		(-)	(-)	(-)	(0.14)
12 a	Outstanding balances as at 31st March, 2018 :-				
	a. Receivables	-	-	-	0.12
	b. Payables	-	10.53	0.17	27.20
	c. Guarantees given	-	-	-	4.21
12 b	Outstanding balances as at 31st March, 2017 :-				
	a. Receivables	-	-	-	0.11
	b. Payables	-	18.55	0.08	13.61
	c. Guarantees given	-	-	-	-

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

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

1.	Issue of Equity Shares (including premium), to B Panda and Company Pvt. Ltd. Nil (Previous Year : ₹ 16.50 crore).
2.	Dividend Paid to B Panda and Company Pvt Ltd. ₹ 13.92 crore (Previous Year : ₹ 13.92 crore).
3.	Purchases of raw materials and stores from UMSL Ltd. Nil (Previous Year : ₹ 0.56 crore).
4.	Sale of Goods to Bansidhar & Ila Panda Foundation ₹ 0.05 crore (Previous Year : Nil).
5.	Services Received includes services from UMSL Ltd. ₹ 114.08 crore (Previous Year : ₹ 83.20 crore).
6.	Services Rendered to UMSL Ltd. ₹ 0.15 crore (Previous Year : ₹ 0.18 crore).
7.	Remuneration includes amount paid to Dr. Bansidhar Panda ₹ 1.75 crore (Previous Year : ₹ 7.53 crore), Mr. Baijayant Panda ₹ 6.05 crore (Previous Year : ₹ 7.66 crore), Mr. Subhrakant Panda ₹ 6.34 crore (Previous Year : ₹ 7.95 crore), Mr. Jayant Kumar Misra ₹ 1.17 crore (Previous Year : ₹ 1.28 crore), Mr. Chitta Ranjan Ray ₹ 0.72 crore (Previous Year : ₹ 0.78 crore) and Mr. Prem Khandelwal ₹ 0.83 crore (Previous Year : ₹ 0.59 crore).
8.	Donations include amount given to Bansidhar & Ila Panda Foundation Nil (Previous Year : ₹ 0.45 crore).
9.	Corporate Social Responsibility Expenses include amount paid to Bansidhar & Ila Panda Foundation ₹ 2.76 crore (Previous Year : ₹ 1.32 crore) and Indian Metals Public Charitable Trust ₹ 0.35 crore (Previous Year : ₹ 0.29 crore).
10.	Sale of Property, Plant and Equipment to Bansidhar & Ila Panda Foundation ₹ 3.87 crore (Previous Year : Nil).
11.	Guarantee provided to Bank for loan availed by Bansidhar & Ila Panda Foundation ₹ 4.21 crore (Previous Year : Nil).

(d) Compensation to Key Management Personnel

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

Particulars	(₹ in crore)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Short-term employee benefits	16.86	25.79
Post-employment benefits	6.03	1.89
	22.89	27.63

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

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

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directed to pay ₹ 57.07 lakh alongwith interest and ₹ 30 lakh towards costs. Subsequently, GRIDCO filed a petition before the District Judge, Bhubaneswar objecting the award and obtained an interim stay on the operation of the said award. The Company filed its objection thereto on 19th February, 2009. The Court of the District Judge, Bhubaneswar pronounced judgment dated 8th January, 2018 in favour of the Company dismissing the petition filed by GRIDCO.

Pending recovery, the Company has not given effect of the aforesaid award in its books of account on the principles of prudence.

- 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 its various claims of losses/damages, which is to be determined by the appointment of a Chartered Accountant or other expert. The Party filed a petition before the Hon'ble High Court at Calcutta on 4th February, 2004 praying to set aside the interim award and the Company filed its objection thereto. The matter is pending before the Hon'ble High Court at Calcutta
- 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 its writ petition. The Hon'ble Orissa High Court disposed the said writ petition vide judgment dated 6th May, 2010 by directing the Company to deposit the differential amount of duty lying in no lien account with the State Exchequer. The Company preferred an appeal before the Hon'ble Supreme Court of India against the judgment of Orissa High Court. The Hon'ble Supreme Court vide its order dated 7th February, 2011 directed the company to continue the payment in the same manner but to deposit the differential amount of 14 paise per unit in an Escrow account instead of 'no lien account' till final disposal of the appeal. Accordingly, the Company paid the balance 14 paise per unit in an escrow account (non-interest bearing

current account) with State Bank of India from January, 2011. Subsequently, based on a direction received on 9th January, 2015 from Govt. of Odisha, the Company kept the Escrow amount in an interest bearing fixed deposit linked to escrow current account with effect from 21st March, 2015.

On the principles of prudence, the Company fully provided for Electricity Duty @ 20 paise per unit in its books of account, on accrual basis till September, 2015. Subsequent to the Department of Energy, Govt. of Odisha's Notification No. 8309 dated 1st October 2015, wherein the amended rate of Electricity Duty for a Captive Power Generator was specified at par with that of a Licensee, the Company is paying the applicable duty @ 30 paise per unit to the Govt. of Odisha with effect from October, 2015. 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. 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 judgement dated 19th July, 2011, directed the Company, inter-alia, to restore the aforesaid shares to the Trust and allot it to interested shareholders. The Company then moved the Hon'ble Supreme Court which issued notice in the matter and granted interim stay on the subscription or cancellation of the said 3,49,466 shares. As such, status quo is to be maintained until further orders.

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

	Year ended 31st March, 2018	Year ended 31st March, 2017
Expenditure included under "Other Expenses" (refer Note No. 35)	3.85	1.77
Expenditure relating to CSR Assets included under "Capital Work-in-Progress" (refer Note No. 2)"	0.11	-
Expenditure relating to CSR Assets included under "Property, Plant and Equipment" (refer Note No. 2)	0.05	3.68
	4.01	5.45

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48. Additional Information as per Schedule III of the Companies Act, 2013

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.	65.34	814.24	100.90	188.47	100.00	(2.23)	100.91	186.24
Subsidiaries								
Indian :								
1. Indian Metals and Carbide Ltd.	0.01	0.15	(0.02)	(0.04)	-	-	(0.02)	(0.04)
2. Utkal Power Ltd.	0.04	0.49	-	-	-	-	-	-
3. Utkal Coal Ltd.	27.46	342.13	(0.02)	(0.04)	-	-	(0.02)	(0.04)
4. IMFA Alloys Finlease Ltd.	(0.42)	(5.20)	(0.64)	(1.20)	-	-	(0.65)	(1.20)
5. 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 td.)	0.16	2.02	(0.10)	(0.19)	-	-	(0.10)	(0.19)
Non-Controlling Interest in all subsidiaries	2.44	30.43	0.22	0.42	-	-	0.22	0.42
TOTAL	100.00	1,246.13	100.00	186.79	100.00	(2.23)	100.00	184.56

As at and for the year ended 31st March, 2017

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.	60.48	662.01	101.35	252.06	86.67	(0.26)	101.37	251.80
Subsidiaries								
Indian :								
1. Indian Metals and Carbide Ltd.	0.02	0.20	(0.01)	(0.02)	-	-	(0.01)	(0.02)
2. Utkal Power Ltd.	0.10	1.14	-	-	-	-	-	-
3. Utkal Coal Ltd.	31.22	341.73	(0.02)	(0.04)	10.00	(0.03)	(0.03)	(0.07)
4. IMFA Alloys Finlease Ltd.	(0.52)	(5.69)	(0.52)	(1.29)	-	-	(0.52)	(1.29)
5. Utkal Green Energy Ltd.	0.01	0.08	-	-	-	-	-	-
Foreign :								
1. Indmet Mining Pte Ltd.	5.72	62.63	(0.03)	(0.07)	-	-	(0.03)	(0.07)
2. PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte td.)	0.18	1.93	(0.67)	(1.70)	-	-	(0.68)	(1.70)
Non-Controlling Interest in all subsidiaries	2.79	30.54	(0.10)	(0.24)	3.33	(0.01)	(0.10)	(0.25)
TOTAL	100.00	1,094.57	100.00	248.70	100.00	(0.30)	100.00	248.40

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, 2018		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	123	34.75	222.71
Interest Rate Swap with USD/INR Call Option	-	-	-
Interest Rate Swap	1	4.16	26.66
Cross Currency Swap	6	42.12	269.94

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Particulars	Nos.	As at 31st March, 2017	
		US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	58	14.50	92.87
Interest Rate Swap with USD/INR Call Option	1	2.81	18.01
Interest Rate Swap	1	6.53	41.83
Cross Currency Swap	6	48.60	311.30

(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, 2018		As at 31st March, 2017	
	Loans Payable	Payable for import of goods	Loans Payable	Payable for import of goods
US Dollar (in million)	34.46	8.66	35.57	3.66
INR (in crore)	220.87	55.50	227.85	23.47

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.

(a) Currency risk

Foreign currency risk is the risk that fair value of future cash flow 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 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 :

Particulars	Change in currency exchange rate		Effect on Profit Before Tax	
	Year ended	Year ended	Year ended	Year ended
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
USD	+5%	+5%	(11.23)	(11.59)
	-5%	-5%	11.23	11.59

(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.

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

Particulars	(₹ in crore)	
	As at 31st March, 2018	As at 31st March, 2017
Floating rate borrowings	818.11	907.67
Fixed rate borrowings	2.51	1.91

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.

The ageing of trade receivables is as follows:

Particulars	Outstanding			Total
	upto 6 months	Above 6 months and upto 12 months	Above 12 months	
Trade receivables				
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
As at 31st March 2017				
Secured	-	-	-	-
Unsecured	53.39	0.43	24.63	78.45
Gross total	53.39	0.43	24.63	78.45
Provision for doubtful debts	-	-	(0.38)	(0.38)
Net total	53.39	0.43	24.25	78.07

(b) Deposits with banks and other financial instruments

The Group 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 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, letter 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.

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(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Floating rate		
- Expiring within one year - Working Capital Loans	243.78	145.63
- Expiring within one year - Term Loans	0.59	24.40
- Expiring beyond one year - Term Loans	1.93	1.93

50.2 Capital management

51. Fair value of Financial Assets and Liabilities

(₹ in crore)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	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	147.96	147.96	161.36	161.36
Derivative assets	0.92	0.92	9.50	9.50
Financial Assets designated at amortised cost				
Trade Receivables	76.63	76.63	78.07	78.07
Security and Other Deposits	23.69	23.69	22.88	22.88
Cash and Cash Equivalents	16.50	16.50	7.39	7.39
Fixed Deposits with Banks	33.92	33.92	29.36	29.36
Interest accrued but not due on Fixed Deposits with Banks	0.52	0.52	0.47	0.47
Total Financial Assets	300.14	300.14	309.03	309.03
Financial Liabilities designated at fair value through profit or loss				
Derivative Liabilities	10.61	10.61	11.75	11.75
Financial Guarantee Liability	0.01	0.01	-	-
Financial Liabilities designated at amortised cost				
Borrowings (including current maturities)	820.62	820.62	909.58	909.58
Trade Payables	196.43	196.43	117.83	117.83
Interest accrued but not due on borrowings	0.87	0.87	1.74	1.74
Unclaimed Dividend	1.12	1.12	1.05	1.05
Earnest Money and Security Deposits	2.25	2.25	1.98	1.98
Liability for Operating and Other Expenses	90.61	90.61	67.32	67.32
Creditors for Capital Goods	6.59	6.59	7.63	7.63
Commission / Remuneration Payable to Directors	10.81	10.81	18.80	18.80
Payable to Employees	6.96	6.96	8.53	8.53
Other Financial Liabilities	1.33	1.33	1.34	1.34
Total Financial Liabilities	1,148.21	1,148.21	1,147.55	1,147.55

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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 (current) is based on its quoted market prices at the reporting date. The fair values 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) 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

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, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Instruments and Mutual Funds	147.86	-	-	161.26	-	-
Derivative Assets	-	0.92	-	-	9.50	-
Total Financial Assets	147.86	0.92	-	161.26	9.50	-
Financial Liabilities						
Derivative Liabilities	-	10.61	-	-	11.75	-
Financial Guarantee Liability	-	0.01	-	-	-	-
Total Financial Liabilities	-	10.62	-	-	11.75	-

Notes

to Consolidated Financial Statements for the year ended 31st March, 2018

During the year ended 31st March, 2018 and 31st March, 2017, 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, 2018 and 31st March, 2017 :

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
-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 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 Board of Directors of the Company at its meeting held on 28th September, 2017 approved a Scheme of Amalgamation involving amalgamation of (a) Indian Metals and Carbide Limited, a wholly owned subsidiary of the Company and (b) B. Panda and Company Private Limited, the holding company of the Company, into the Company. The scheme is subject to necessary regulatory approvals, will be effective from the appointed date i.e 1st April, 2017 and no effect to the same has been given in the books of accounts as yet.
- 53.** Revenue from Operations upto 30th June, 2017 is inclusive of excise duty. Post the applicability of Goods and Service Tax (GST) w.e.f 1st July, 2017, Revenue from Operations is disclosed net of GST, in accordance with 'Ind AS 18 - Revenue' and hence revenue from operations for the current year is not strictly comparable with that of previous year.
- 54.** Pursuant to the judgment of the Hon'ble Supreme Court on 13th October, 2017 on a writ petition filed by Federation of Indian Mineral Industries & others, liability towards contribution to the District Mineral Foundation ('DMF') in respect of chrome ore is applicable from 17th September, 2015. Accordingly, the Company has written back an earlier provision made for DMF liability amounting to ₹ 16.02 crores, for the period 12th January, 2015 to 16th September, 2015 and included it in 'Revenue from Operations' for the year ended 31st March, 2018.
- 55.** 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 Jhunjunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 21st May, 2018

For and on behalf of the Board of Directors

Prem Khandelwal

CFO & Company Secretary

Baijayant Panda

Vice Chairman

(DIN-00297862)

Subhrakant Panda

Managing Director

(DIN-00171845)

[illegible]

Corporate Information

Board of directors

Vice Chairman

Mr Baijayant Panda

Managing Director

Mr Subhrakant Panda

Director (Corporate) & COO

Mr J K Misra

Whole-time Director

Mr C R Ray

Directors

Mrs Paramita Mahapatra

Mr D Bandyopadhyay

Major R N Misra (Retd.)

Mr N R Mohanty, Padma Shri

Mr Stefan Georg Amrein

Mr S P Mathur

General Shankar Roychowdhury (Retd.)

Mr Santosh Nautiyal

Mr Bijoy Kumar Das

CFO & Company Secretary

Mr Prem Khandelwal

Auditors

Haribhakti & Co. LLP

Chartered Accountants

Bankers/Term Lenders

Allahabad Bank

Corporation Bank

Export-Import Bank of India

ICICI Bank Limited

IDBI Bank Limited

Indian Overseas Bank

RBL Bank Limited

Srei Infrastructure Finance Limited

HDFC Bank Limited

Standard Chartered Bank

State Bank of India

Syndicate Bank

The South Indian Bank Limited

UCO Bank

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



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