



STRONGER ROOTS DEEPER REACH

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.

Way Forward



We have had our share of challenges and it is a tribute to the strength of the integrated business model and the commitment of the people who are the backbone of this organisation that each time we have come out stronger.

Dr Bansidhar Panda, Executive Chairman

P 02



Strengthening roots of social engagements

P 06

02-09 IMFA – CONSISTENTLY CREATING VALUE

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Our Inspiration

Dr Bansidhar Panda
and
Mrs Ila Panda

Chairman's Review



“We have had our share of challenges and it is a tribute to the strength of the integrated business model and the commitment of the people who are the backbone of this organisation that each time we have come out stronger.”

An old saying goes ‘Rome was not built in a day’ conveying the hard work and sheer perseverance which went into creating the Roman Empire and expanding its reach. Similarly, it takes a lot of effort and commitment to build a legacy which earns the trust of stakeholders and delivers value over time.

IMFA is one such example. I look at it as an organisation which sustains many people - each of whom has a stake in its success in one way or the other. We have had our share of challenges and it is a tribute to the strength of the integrated business model and the commitment of the people who are the backbone of this organisation that each time we have come out stronger. Business realities change over time but organisation values remain sacrosanct. Integrity, Pursuit of excellence, Teamwork and Benefiting society are simple values with a profound impact. I take great pride in having founded an organisation which exemplifies these values and accords as much importance to greater good of society as it does to profit margins and growth.

Our commitment to social responsibility through a mix of philanthropy and sustainable intervention is expanding through the endeavours of the Bansidhar & Ila Panda Foundation and Indian Metals Public Charitable Trust. We will continue to promote education, support well being of women & children, enhance skills and improve water & sanitation.

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While access to natural resources is important along with infrastructure and technology, it pales in comparison to the human capital which is at the heart of IMFA's success. The smiling faces of our people are both our reward as well as a sign of the sustainability of our business model. On this optimistic note, I would like to thank all members of the IMFA Family along with our growing stakeholder fraternity for believing in and supporting our vision. We treasure your trust and will walk the extra mile to exceed your expectations.

Thank you,

Dr Bansidhar Panda
Executive Chairman

Managing Director's Insight



Dear Shareholders,

No enterprise can survive, let alone flourish in the long term, without strong roots and a proper foundation. While quick fix strategies can always be formulated to drive growth in the short term and/or deal with exigencies, building a sustainable organisation which delivers value to all stakeholders over the long term requires vision and commitment.

At IMFA, the scale of our integrated operations, raw material security, long term contracts with global customers and, most of all, a committed workforce represents the strong roots which has enabled us to overcome challenges and stand tall.

With a view to push down authority and accountability so as to create more management bandwidth and ultimately a business model which is sustainable over the long term, we rejigged the organisation structure to be product-based with Business Unit Heads for Ferro Alloys and Power. This will enable the core management team to pursue strategic objectives which will drive the next phase of growth.

Global recovery has strengthened during the year with the US riding the shale gas revolution and Eurozone starting to turn around. China, on the other hand, is showing signs of strain with the PMI remaining below 50 - indicating contraction - for the past 4 months or so. However, one must remember that the size of China's economy has grown manifold and double digit growth is no longer feasible. Besides, the next phase of reforms appropriate for a more mature economy have been initiated which augurs well.

While India has disappointed with sub-5% growth, I firmly believe in the long term prospects particularly when it comes to our industry. Consumption of stainless steel is at a tipping point as consumers begin to appreciate 'lifecycle costing' as opposed to initial acquisition cost and, thus, per capita consumption of ferro chrome too is poised to leap. While we currently export more than 80% of our total production, we are ideally placed to cater to domestic demand when it picks up. The time is ripe for the next round of liberalisation and, despite economic uncertainties and business challenges, I am sure India will fulfil its potential and become the world's next growth engine.

FINANCIAL PERFORMANCE

Turnover increased marginally to ₹ 1,317.85 Crore in 2013-14 (previous year: ₹ 1,273.25 Crore) with exports crossing the thousand Crore mark for the first time to reach ₹ 1073.75 Crore. We reported a 21% increase in EBITDA which stood at ₹ 320.69 Crore while net profit declined to ₹ 39.12 Crore due to higher interest and depreciation on account of the new captive power plant. However, I would like to stress that the long term value creation of this investment far outweighs any short term impact on results.

HIGHLIGHTS OF 2013-14

The second unit of the 2x60 MW captive power plant at Choudwar was commissioned and both units are running smoothly. With this our captive power generation capacity stands at 258 MW giving us sufficient headroom for the next phase of expansion. Furthermore, power generation is now more efficient as the new capacity utilises CFBC boiler technology.

The 48 MVA furnace at Therubali which was hitherto idled was switched on in January 2014 and, with this, we will now be producing chrome in all six furnaces. Output of ferro chrome registered an all time high during the year and was backed up by record chrome ore raising and power generation. We are taking steps to expedite underground mining development at our Mahagiri Mines in order to enhance ferro chrome output and, equally, are focussed on further enhancing raw material security.

We have recently started trial production at the Low Density Aggregate (LDA) plant which will gainfully utilise fly ash. LDA, being produced in India for the first time, is an eco-friendly substitute for stone chips used in construction and we are delighted to yet again be a trailblazer.

Finally, we look forward to the start of operations at the captive coal block being developed by Utkal Coal Ltd (UCL), an SPV. The State Government has acknowledged that we are fully compliant so we expect the grant order shortly with mining lease being executed within this year and operations commencing shortly thereafter.

ROAD AHEAD

We are at the end of the current capex cycle and the immediate focus will be on optimum asset utilisation as well as paring down debt. We have also embarked on a journey of continuous improvement to maximise operational efficiency while encouraging a culture of learning, empowerment, performance and 'intra-preneurship' which will be a key aspect of our HR strategy in line with our focus on people. Our ultimate goal is to strengthen the balance sheet and focus on opportunities while managing risk.

It has been an exciting and fulfilling journey thanks to the vision of our Founders and the dedication of our people. I am confident that with your support and good wishes we will continue to deliver superior value in the years to come.

Thank you,

Subhrakant Panda
Managing Director

We have also embarked on a journey of continuous improvement to maximise operational efficiency while encouraging a culture of learning, empowerment, performance and 'intra-preneurship' which will be a key aspect of our HR strategy in line with our focus on people.

Strengthening Roots of Social Engagements

At IMFA, social responsibility extends well beyond business priorities. We work closely with Bansidhar & Ila Panda Foundation to create economic and social opportunities for people at the bottom of the social pyramid. The Foundation aims to create awareness among women and children about health, sanitation and education to help create social wellbeing.



₹ 4.10 Crore

Total investments in CSR activities in 2013-14

WATER AND SANITATION

To counter the crisis of drinking water and sanitation, the Foundation has undertaken various initiatives to address the problem.

- We constructed toilet and provided drinking water by pipe to the Anganwadi centre of Benagadia village (Angul district); Anganwadi centres provide care for newborn babies and antenatal care for pregnant women
- A refrigerated water purifier was provided to the District Headquarter Hospital at Angul for the benefit of patients and their attendants.
- Installed bore well with hand pump inside the Collegepada UP School (Hakimpada, Angul) campus to address water scarcity; the school has 295 students
- A deep boring was constructed at Dehury Sahi of Kaliapani Village and four tube-wells were repaired at Mohanta Sahi of Kaliapani and Patna of Chingudipal areas of Sukinda

EDUCATION

- Provided financial assistance to six economically disadvantaged students of nearby villages under three Gram Panchayats for their higher education in ITI and college level education at Therubali
- Rendered financial support to Kumari Karisma Saha studying in Class VIII of IMFA Campus High School, to participate in a state level competition from Rayagada district, Bhubaneswar
- Distributed essential study materials like notebook and compass box to 34 schools (over 4,700 students) of seven Gram Panchayats like Therubali, Khedapada, Kartikaguda, Dumuriguda, Suri, BadaKhilapadar & Bhatpur under two blocks (Kolnara & Bissum in Cuttack)
- Provided prefabricated benches and desks to help students of Saraswati Sishu Mandir, Agrahat

INFRASTRUCTURE DEVELOPMENT

The Community Centre was repaired and renovated at Gurujang village of Kaliapani Gram Panchayat of Sukinda. Meetings, cultural activities, sports events, youth festivals are organised at the Centre.



Sparkling water for holistic health



Dreamt of a place where education would prevail



Facing the Future



Making child birth the beautiful experience that it is



Counting the beats for productive India



Promoting self help as a sustainable assurance system

OTHER ACTIVITIES

World Environment Day Celebration

We celebrated the World Environment Day (5th June, 2013) at Nuasahi Chromite mines. The theme was 'Think, Eat & Save', encouraging people not to waste food. The programme was conducted to create awareness among Self Help Group (SHGs) under 'Project Unnati' on environmental issues and impact of food choices, which will empower them to make informed decisions. Besides, fruit-bearing tree saplings of 15 species were distributed to the SHG members.

World Malaria Day

Over eighty-five percent of all deaths are due to malaria among children under five. Pregnant women and their newborn children are particularly vulnerable to this disease. On World Malaria Day (25th April, 2013) the members of SHGs under Project 'Unnati' took up a sanitation drive in the entire village at Nuasahi. Members joined hands to clean tube wells, its peripherals and areas of the community.

Major fire relief

There was a major outbreak of fire at Tanla village of Nuasahi on 8th April, 2013. Eighteen rooms of six households were burnt to ashes. The victims (tribal poor) were provided with relief materials, such as cooking utensils, stoves, buckets, cups, plates and mats, among others.

Project Unnati

The project initiated a series of capacity building programmes for 50 Women Self Help Groups of Angul and Keonjhar Districts in January, 2013. A total of 600 women will be directly benefited by this initiative. These SHGs will act as a special purpose vehicle for addressing various issues, such as illiteracy, malnutrition, lack of sanitation among large sections of the population and initiate social action. The SHGs are being trained on health and nutrition issues, so that they can score high on the human development index.

Drinking Water facilities

- Tapping the underground water through bore wells and tube wells, the Foundation provided drinking water facility to 1,400 people in Choudwar area
- In the first effort a bore-well was dug at San Chanchua and Bad Chanchua Village of Nakhara Panchayat of Chowdwar
- Water supplied to the two villages through 12 stand points

Relief operations for Phailin victims

On account of cyclone Phailin, 151 blocks are affected in the state comprising 17,674 villages with a population of 12,149,365. A large section of the population was evacuated in phases. People returning to their homes faced the grim reality of ravaged houses, loss of livelihood and damage to agriculture and horticulture. Contaminated water may also lead to waterborne diseases.

The Foundation reached out to those affected by cyclone Phailin. It independently carried out relief operations including distribution of dry food material and tarpaulins in affected areas in addition to responding to requests by local administration at the various sites where IMFA operates.

Donation to Chief Minister's Relief Fund

The Foundation has donated ₹ 50 lakhs to the Chief Minister's Relief Fund in response to the widespread devastation caused by Cyclone Phailin and the subsequent floods. The donated amount comprised a seed contribution of ₹ 36 lakhs by IMFA and donation of one day's gross salary by all executives of IMFA and the Foundation. The cheque was handed over to the Hon'ble Chief Minister, Shri Naveen Patnaik by Shri Subhrakant Panda, Trustee of BIPF and Managing Director of IMFA.

Panel Discussion on 'Water & Sanitation: Foundation for Improved Health'

The Foundation, in partnership with FICCI Aditya Birla CSR Centre of Excellence and FICCI Odisha State Council, organised a Panel Discussion on 'Water & Sanitation: Foundation for Improved Health' on 28th November, 2013 at Bhubaneswar.

The objective of the panel discussion was to bring together multiple experts across sectors to discuss ways in which safe drinking water can be made accessible. Safe drinking water, adequate sanitation and good hygiene are essential for good health and survival. Discussions and deliberations focused on:

1. Sensitising the relationship between water, sanitation, hygiene and its impact on health

2. Sharing best practice programmes by different agencies and existing partnerships
3. How Government, NGOs and the private sector can together bring a faster and greater impact in the society on this issue

Shambhavi Puraskar-2014

The Shambhavi Puraskar, an award for excellence and innovation in social work, instituted by the Foundation was awarded to Shri Krushna Sabar of Gunupur, Rayagada who is a member of the Saura Tribe and has made remarkable contribution by establishing the Saura script. His efforts over 15 years have resulted in the development of a computer software of the Saura script which will go a long way in promoting awareness on critical issues like preventive health, sanitation & hygiene, immunisation, etc., of the Tribe.

Fly ash utilisation

Abiding by the Fly Ash Notification Law, which came into effect from 1999, we utilised 493,859 MT ash (fly ash + bottom ash) out of 494,738 MT generated during 2013-14.

Coal ash generated in IMFA's 108 MW power plant is utilised for reclaiming waste and degraded land. After filling with ash, degraded land is topped with soil and green cover.

However, fly ash generated from 30 MW and 120 MW power plants is used in IMFA's brick manufacturing unit and also supplied to other brick manufacturing industries free of cost. IMFA has installed two brick manufacturing units with a daily capacity of making 100,000 bricks.

Another use of fly ash is in cement manufacturing. We are at an advance stage of discussion with a leading cement manufacturing company to utilise fly ash from Company's power plants. Moreover, we have installed a light weight aggregate manufacturing unit that uses mixed ash generated from our power plants. This unit will process 16,500 MT of ash per month in light weight aggregate manufacturing, to replace stone chips in concrete mixture.

Management Discussion and Analysis



1.8%

India, specifically, has approximately 1.8% of the world's chrome ore reserves with the bulk of it in Odisha.

FERRO CHROME INDUSTRY

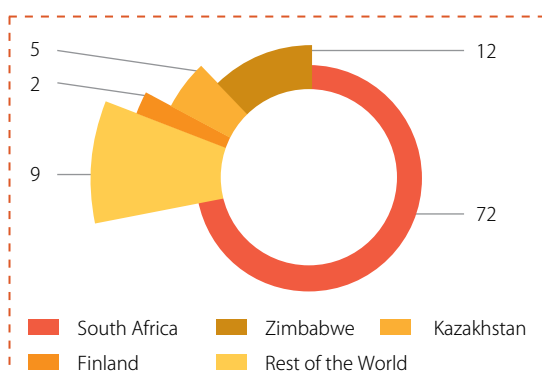
Ferro chrome is a value-added intermediate product which imparts the non-corrosive property to stainless steel. It is mainly used as an additive for making different grades of stainless steel and special alloy steel.

Chrome Ore

About 72% of the world's chrome ore reserves are found in South Africa while Kazakhstan, Zimbabwe, India and Turkey also have significant reserves. India, specifically, has approximately 1.8% of the world's chrome ore reserves with the bulk of it in Odisha.

World output of 30.3 million tonnes in 2013 represented an increase of 9% of the previous year with the African continent - mainly South Africa - accounting for the lion's share of 16.18 million tonnes. Raising of chrome ore in India, however, came down by 23.7% to 2.55 million tonnes.

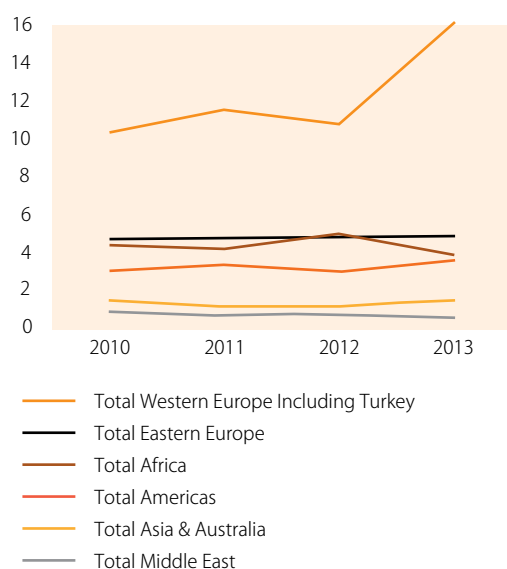
Estimated share of world reserves (%)



(Source: International Chromium Development association (ICDA))

Production Trends

(million tonnes)



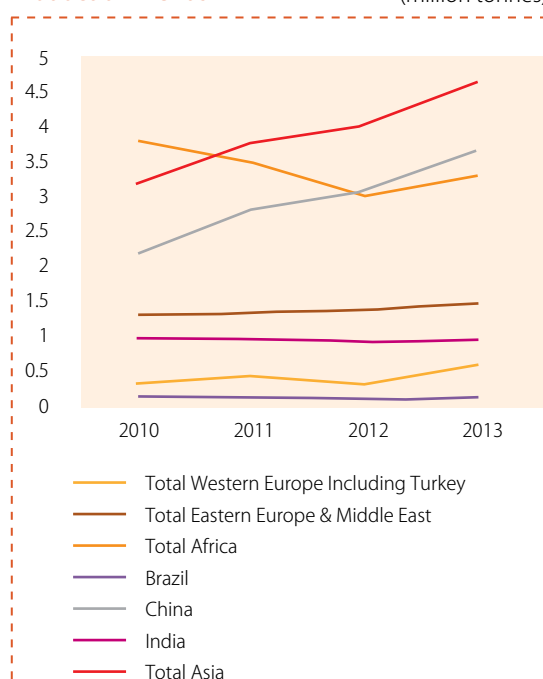
(Source: ICDA)

Ferro Chrome

Ferro Chrome accounts for 95% of chrome ore demand with the rest finding use in the chemical and refractory industries.

The global production of ferro chrome rose by 10% to 10.8 million tonnes in 2013 with China accounting for approximately 4 million tonnes (increase of 14%) thus maintaining its position as the largest producer. Meanwhile, South Africa accounted for 3.2 million tonnes (increase of 7%) while Indian production remained stagnant just short of the 1 million tonne mark.

Production Trends (million tonnes)



(Source: ICDA)

China has defied conventional wisdom to become the largest producer of ferro chrome (37% of world output) despite not having any chrome ore of its own while South Africa accounted for only 30% of ferro chrome output despite having 72% of the world's chrome ore reserves. A staggering 90% of the total chrome ore imports worldwide are by China and, increasingly, South Africa is the main source. Thus, there is a confluence of interests of sorts given that value addition in South Africa has been hampered by energy shortages and sharp rise in electricity prices. Also, availability of UG2 ore - a by-product of platinum mining - from South Africa has increasingly become an important factor although an ongoing strike has had some effect on availability and prices.

Indian Ferro Chrome industry

The ferro chrome industry in India comprises of fully integrated producers such as your Company with access to own chrome ore and captive power, semi-integrated producers with access to either own ore or power and non-integrated producers which operate on bought out chrome ore & electricity or operate on conversion contracts.

India is a significant player with almost a tenth of the global ferro chrome output and produces about 1 million tonnes per annum. At present growth of stainless steel production / consumption has been somewhat sedate. However, this is likely to change in the next 5 years as stainless steel is at a tipping

point. As focus shifts from initial cost of acquisition to lifecycle cost, it is expected that stainless steel consumption will increase at a faster pace making India one of the key drivers and providing a boost to the ferro chrome industry.

Outlook

The chromium industry is at the crossroads buffeted by rising costs, stagnant prices and the dominance of China. However, historically, stainless steel has been one of the fastest growing commodities and this trend is likely to continue thereby auguring well for ferro chrome. Moreover, while it remains to be seen if the Chinese model is viable in the long term given that it is dependent on imported ore, there are challenges even in traditional ferro chrome producing countries. Therefore, the outlook is dependent upon circumstances pertaining to regions and individual companies.

Your Company is confident about the future given the integrated nature of its operations, its location which is ideal to cater to demand from the Far East which is the epicentre of the stainless steel industry at present as well as domestic demand when it picks up, and the focus on continuous improvement leading to greater efficiency.

Challenges and Opportunities

Rising costs on account of higher electricity tariffs and logistics expenses, inadequate availability of chrome ore, infrastructural constraints and over-capacity are the main challenges faced by the ferro chrome industry. Moreover, given the strong correlation, continuing low capacity utilisation in the stainless steel industry will also hinder growth.

Opportunity, on the other hand, arises on account of the lack of substitutes to stainless steel and ferro chrome respectively. Moreover, integrated producers like IMFA with access to own chrome ore and captive power are better placed to meet the challenges. In this context, start of operations of the captive coal block being developed by Utkal Coal Ltd (UCL), an SPV, will give a further boost to competitiveness.

Stainless Steel Industry

According to the International Stainless Steel Forum (ISSF), the global stainless steel crude production was approximately 38 million tonnes in 2013 representing an increase of about 8% over the previous year. China emerged as the largest producer with output of over 18 million tonnes while production in India too grew by 5.4% to 2.4 million tonnes.

8%

Global stainless steel crude production was approximately 38 million tonnes in 2013 representing an increase of about 8% over the previous year.

The output of stainless steel is expected to grow during the current year leading to higher demand for ferro chrome. Moreover, revival of the North American and European economies will provide a fillip to growth.

ABOUT IMFA

IMFA is India's leading fully integrated producer of value-added ferro chrome with capacity of 275,000 tonnes per annum. Incorporated in 1961 and headquartered in Bhubaneswar, Odisha, the Company has manufacturing complexes in Therubali and Choudwar besides own chrome ore mines in Sukinda, Mahagiri and Nuasahi along with 258 MW captive power generation. The Company has an Integrated Management System comprising of quality, environment and occupational health & safety certification.

Performance highlights

The Company operates in two segments – ferro alloys and power.

Key Data for Ferro Alloys segment:

Particulars	2013-14	2012-13
Production (tonnes)	1,98,063	1,79,318
Sales (tonnes)	1,86,493	1,88,348

Key Data for Power segment:

Particulars	2013-14	2012-13
Generation (in million units)	910	792
Sales (in million units)	54.79	26.13

Financial Performance of the Company:

₹ in Crore

Particulars	2013-14	2012-13
Revenue from operations	1,317.85	1,273.25
EBITDA	320.69	264.65
Profit after tax	39.12	53.89
Cash profit	188.14	135.58
Earnings per share [EPS] (₹)	15.06	20.74
Cash EPS (₹)	72.43	52.19
Dividend per share (₹)	3.00	5.00
Net worth	855.60	825.60
Capital employed	1,948.83	1,799.22
Fixed assets (including CWIP*)	1,189.94	1,241.69
Net current assets	373.43	155.25

*CWIP stands for capital work in progress

Revenues

The Company's revenues from operations stood at ₹ 1,317.85 Crore in 2013-14 registering a marginal growth of 3.5% over last year's revenue.

Exports

The major chunk of the Company's turnover comes from exports contributing around 81.47% of the operating revenue. CIF value of exports in foreign exchange equivalent reached ₹ 1,073.75 Crore in 2013-14 (Previous year : ₹ 976.51 Crore) crossing the thousand crore mark for the first time.

Other income

Other income stood at ₹ 22.03 Crore in 2013-14 as compared to ₹ 7.76 Crore in 2012-13. In FY14 other income mainly constituted Interest income of ₹ 8.01 Crore, Insurance claim received ₹ 6.57 Crore and refund of transmission charge of ₹ 6.30 Crore.

Profitability

The Company recorded 21% growth in EBITDA at ₹ 320.69 Crore in FY 2013-14 as compared to ₹ 264.65 Crore during the previous year. However, due to the impact of higher depreciation and finance cost on account of the recently commissioned 120 MW captive power plant, PAT reduced by 27% to ₹ 14.77 Crore.

Tax expense

Net tax charge was ₹ 13.99 Crore in 2013-14 as compared to ₹ 49.39 Crore in 2012-13 on account of lower net profit and MAT credit entitlement.

Sources of Funds

Own funds

The Company's net worth increased to ₹ 855.60 Crore as on 31st March, 2014, from ₹ 825.60 Crore as on 31st March, 2013.

Equity

The Company's equity comprises of 259,77,053 equity shares with a face value of ₹ 10 per share with promoters holding 55.73% as on 31st March, 2014.

Reserves

Reserves increased to ₹ 829.62 Crore as on 31st March, 2014 from ₹ 799.62 Crore on 31st March, 2013. Free reserves constitute around 84.03% of the total reserves.

Long Term Borrowings

Long Term Borrowings stood at ₹ 932.77 Crore as on 31st March, 2014 as compared to ₹ 779.20 Crore on the same date during the previous year as detailed below:

₹ in Crore

Particulars	2013-14	2012-13
Long Term loans	762.61	634.22
Long Term Maturities of Finance Lease Obligations	32.44	32.85
Current maturities of long-term borrowings	137.31	111.75
Current maturities of finance lease obligations	0.41	0.38
	932.77	779.20

Application of Funds

Gross block

The Company's gross block of fixed asset increased from ₹ 857.89 Crore as on 31st March, 2013 to ₹ 1,417.29 Crore as on 31st March, 2014.

Capital work-in-progress

The Company's capital work-in-progress reduced by ₹ 156.86 Crore from ₹ 235.02 Crore in 2012-13 to ₹ 78.16 Crore in 2013-

14 on account of commissioning of projects and capitalisation of various expansion activities.

RISK MANAGEMENT

The Company follows an active risk management policy with a view to proactively identify and, to the extent possible, mitigate relevant risks. This is extremely important given that the Company operates in sectors which are highly regulated and being in a cyclical industry with significant foreign currency earnings.

Potential risks and mitigation techniques

Nature of risk	Definition and impact	Mitigating factors
Regulatory risk	Delay in regulatory approvals or change in legislations could potentially impact the Company's business prospects	Keep a tab on change in legislations and address it on high priority basis. Closely monitor compliance of statutory legislations
Industry risk	Low demand by the user industries could adversely affect sales of the Company	Joint venture with largest customer, long term contracts and close relationship with large buyers Global stainless steel demand is estimated to grow at a CAGR of 5% over next five years
Exchange rate risk	Adverse currency rate fluctuations can impact the Company's profit margins	The Company has entered into forward contracts as well as options to cover its net exposure to a large extent

HUMAN CAPITAL

We are committed to people development in line with our vision of encouraging a culture of learning, empowerment, performance and 'intra-preneurship'. Regular communication, employee engagement surveys and a robust performance management system with variable pay linked to achievement of mutually decided goals all contribute to a healthy and productive work environment. The transition from a location based organisation structure to a product based one has resulted in greater responsibility and authority down the line thus creating more management bandwidth. Training and development programmes are conducted regularly for skill enhancement and knowledge upgradation besides also holding off-site sessions for team building and motivation.

The success of the Company's HR policies can be gauged from the low attrition rates as compared to industry standards. Moreover, there were no material industrial disputes during FY14 across 12 locations. The workforce comprised of 2432 employees as on 31st March, 2014.

INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal controls aimed at achieving efficiency in operations, optimum utilisation of resources and compliance with all applicable laws and regulations. The internal controls and checks safeguard and protect the Company from loss or unauthorised use of its assets. All transactions are properly authorised, recorded and reported. An independent firm of Chartered Accountants has been appointed as internal auditor for conduct of the internal audit function. The observations and recommendations following such audit for improvement of the business operations and their implementation are periodically reviewed by the Management and the Audit Committee of the Board.

HEALTH, SAFETY AND ENVIRONMENT

The Company accords the highest priority to Health, Safety and Environment and has in place an Integrated Management System comprising quality, environment and occupational health and safety certification. The highlights of the year under review include:

- Elimination of Unsafe Acts and Unsafe Conditions from the workplace by SOI (Safety Observation and Interaction) visits regularly conducted by executives.
- Review of implementation of HSE initiatives by senior management on a monthly basis at worksites.
- Formation of Apex HSE Council to review the HSE performance and approve HSE initiatives, KPIs and guidelines.
- Zero fatality is a pre-condition for production incentives.
- A need-based HSE training matrix has been prepared and implemented.

CAUTIONARY STATEMENTS

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

Directors' Report



Your Directors are pleased to present the 52nd Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

(Amount in ₹ Crore)

	FY 2013-14	FY 2012-13
1 Revenue from operations	1,317.85	1,273.25
2 Other income	22.03	7.76
3 Total revenue	1,339.88	1281.01
4 Profit before interest, depreciation, taxation, prior period income and exceptional items	320.69	264.65
5 Interest	118.56	69.97
6 Depreciation	149.02	81.69
7 Prior period income	-	(2.28)
8 Exceptional items – expense	-	11.99
9 Profit before tax	53.11	103.28
10 Tax including deferred tax	13.99	49.39
11 Profit after tax	39.12	53.89
12 Balance brought forward from previous year	394.78	361.48
13 Amount available for appropriation	433.90	415.37
14 Proposed dividend (including tax on dividend)	9.12	15.20
15 Transfer to general reserve	4.00	5.39
16 Balance carried forward	420.78	394.78

Your Company's turnover grew by 3.5% to reach a new high of ₹ 1,317.85 Crore (previous year: ₹ 1,273.25 Crore) including record foreign exchange earnings of ₹ 1,042.69 Crore (previous year: ₹ 951.21 Crore) thereby breaching the thousand crore mark for the first time. However, while EBIDTA increased

by 21% to ₹ 320.69 Crore (previous year: ₹ 264.65 Crore), profit after tax declined by 27% to ₹ 39.12 Crore (previous year: ₹ 53.89 Crore) mainly on account of increase in depreciation and interest due to capitalisation of both the units of the 120 MW captive power plant.

DIVIDEND

Your Board of Directors is pleased to recommend for approval of the members a dividend of 30% (₹ 3/- per share) on the equity shares of the Company for the financial year 2013-14.

OPERATIONS

Ferro Alloys

The production of ferro chrome during the year under review increased by 14% to 198,063 tonnes (previous year: 174,348 tonnes). The 48 MVA furnace at Therubali has been converted to run on ferro chrome and was switched on in January 2014; with this all six furnaces will now produce ferro chrome.

Electricity

Your Directors are pleased to inform that the second unit of the 2x60 MW captive power plant was also synchronised on 30th June, 2013 and, thus, both the units are now put to use and running successfully.

During the year under review your Company generated 910 mu's of electricity (previous year: 792 mu's) and sold 54.79 mu's to Gridco. Generation was mainly restricted to captive requirement with only a small sale to Gridco as required as per synchronisation agreement for 120 MW power plant. Any additional sale of power to Gridco was restricted to bare minimum on account of low rate offered for surplus power from CGP's.

Mining

Chrome Ore produced during the year under review increased by 29% to 505,172 tonnes as compared to 390,649 tonnes during the previous year in line with captive requirement. The Nuasahi Chromite Mines restarted in January 2013 pursuant to an order of the Hon'ble Orissa High Court while operations at the Mahagiri Chromite Mines were briefly disrupted during the year and restarted in January 2014 upon extension of environmental clearance by Ministry of Environment & Forests (MoEF), Government of India. Meanwhile, operations at Sukinda Chromite Mines were stopped with effect from 1st April, 2014 since extension of environment clearance which expired on 31st March, 2014 was still under process. The proposal has been recommended by the Expert Appraisal Committee of the MoEF and extension of environment clearance is expected shortly.

It is pertinent to note here that your Company has consistently followed in letter and spirit the practice of value addition and limited ore raising from its captive

mines to that required for captive consumption thus maximising contribution to the exchequer.

Your Directors shall pursue the allotment of balance 50% requirement of captive chrome ore and take all necessary steps to protect your Company's interests in this regard given the importance of raw material security particularly in light of plans to further expand smelting capacity.

LISTING

The equity shares of your Company are listed on BSE Limited (stock code: 533047) and National Stock Exchange of India Ltd (stock symbol: IMFA). The Annual Listing Fee for the year 2014-15 has been paid.

AWARDS & RECOGNITIONS

During the year under review your Company has been awarded:

- (i) Best Export/Foreign Exchange Earner Award in the "Mega & Very Large Scale Industry" category by Utkal Chamber of Commerce & Industry (UCCI) based on its performance of the last 3 years.
- (ii) Kalinga Safety Award 2012 in Steel Sector Category at Odisha State Safety Conclave 2013.

ENERGY CONSERVATION, ETC.

The information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in an annexure hereto forming part of this report.

SUBSIDIARY/JOINT VENTURE COMPANIES

Indian Metals & Carbide Ltd, a subsidiary of your Company, has reported a loss of ₹ 0.33 Crore during 2013-14 as against a loss of ₹ 0.38 Crore during the previous year. In view of loss, the Board of Directors of the said Company have not proposed any dividend.

Utkal Green Energy Limited, Utkal Power Ltd and Indmet Mining Pte Ltd, Singapore, wholly owned subsidiaries of your Company have no operations during the year under review.

Utkal Coal Limited and Pt. Sumber Rahayu Indah (SRI), Indonesia, all subsidiaries of your Company, are yet to begin operations.

During the year under review, IMFA Alloys Finlease Limited (IAFL), a subsidiary of your Company has

30%

Your Board of Directors is pleased to recommend for approval of the members a dividend of 30% (₹ 3/- per share) on the equity shares of the Company for the financial year 2013-14.

reported a profit after tax of ₹ 2.01 Crore during the financial year 2013-14 and the Board has not proposed any dividend for the said financial year.

The statement as required under Section 212 of the Companies Act, 1956 in respect of the subsidiaries of the Company is annexed and forms an integral part of this Report. The consolidated financial statements of the Company and its subsidiary companies, prepared in accordance with Accounting Standard (AS)-21 "Consolidated Financial Statements" prescribed by the Institute of Chartered Accountants of India, forms part of the Annual Report and Accounts.

In terms of the general exemption granted by the Central Government under Section 212 (8) of the Companies Act, 1956 the Audited Balance Sheets as at 31st March, 2014 in respect of the subsidiaries of the Company have not been attached to the Balance Sheet of the Company. However, the requisite information for each subsidiary has been disclosed and the annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company/subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor in your Company's Registered Office and that of the subsidiary company concerned.

NEW PROJECTS

The captive coal block being developed by Utkal Coal Ltd (UCL), an SPV, is at a virtual standstill on account of the continuing delay by the Government of Odisha in approving the Grant Order application made in December 2011 despite UCL having met all requirements. UCL has since approached the Project Monitoring Group (PMG) of the Cabinet Committee of Investments, Government of India to expedite the process. It is pertinent to mention that the Government of Odisha has acknowledged in a meeting of the PMG that UCL is compliant in all respects and the State Government was only awaiting certain clarifications from the Central Government. As such, your Directors are hopeful that the Grant Order will be received soon and mining lease will be executed within the current calendar year with operations commencing shortly thereafter.

Your Company has started trial production at the Low Density Aggregate (LDA) plant put up at Choudwar to gainfully utilise fly ash from the captive power plants. This material is significantly more environment friendly than stone chips normally used in construction which it substitutes. It is a matter of great pride that this is being produced in India for the first time and your Company will be a trailblazer yet again.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

PUBLIC DEPOSITS

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

OBSERVATIONS OF THE AUDITORS

Observations of the Auditors on the annual accounts of the Company have been dealt with in the Notes to the Accounts annexed as Note which are self-explanatory.

DIRECTORS

Mr Alex Amrein, Mr S P Mathur and General Shankar Roychowdhury, Directors retire by rotation at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment.

Mr S P Mathur and General Shankar Roychowdhury are Independent Directors who retire by rotation under the erstwhile applicable provisions of the Companies Act. In terms of section 149 and other applicable provisions of Companies Act, 2013, they being eligible offer themselves for re-appointment and are proposed to be re-appointed as Independent Directors for five consecutive years for a term upto 31st March, 2019. The Company has received a notice from a member pursuant to Section 160 of the Companies Act, 2013 signifying intention to propose them for the office of Independent Director under section 149 of the Companies Act, 2013.

The Board of Directors at their meeting held on 20th May, 2014 have appointed Mr Santosh Kumar Nautiyal as an Additional Director in the capacity of Independent Director with effect from the date of obtaining security clearance from the Ministry of Civil Aviation, Government of India.

Resolutions seeking approval of the members have been incorporated in the notice of the forthcoming Annual General Meeting. Brief resume/details relating to Directors' who are to be appointed/re-appointed are furnished in the Annexure to the Notice of the ensuing Annual General Meeting as required under the Code of Corporate Governance.

DISCLOSURE PURSUANT TO CLAUSE 5A OF LISTING AGREEMENT

Pursuant to Clause 5A of the listing Agreement 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, 2014 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, 2013	7102	110048
(ii)	Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year 2013-14	22	354
(iii)	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year 2013-2014	22	354
(iv)	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on 31st March, 2014	7080	109694

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards read with requirements set out under schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
- 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;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2014 on a going concern basis.

AUDITORS

M/s Haribhakti & Co, Chartered Accountants, the existing Auditors, will retire at the ensuing Annual General Meeting and are eligible for re-appointment. Based on the recommendation of the Audit Committee, the Board of Directors of the Company have proposed the appointment of M/s. Haribhakti & Co, Chartered Accountants, as the Auditors of the Company from the conclusion of the forthcoming 52nd Annual General Meeting till the conclusion of the 57th Annual General Meeting. M/s Haribhakti & Co, have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 141 of the Companies Act, 2013.

COST AUDITORS

The Board of Directors of the Company appointed M/s S S Sonthalia & Co, Cost Accountants, as the Cost Auditor of the Company for the financial year ended 31st March, 2014. The Audit Report of the cost accounts of the Company for the year ended 31st March, 2014 will be submitted to the Central Government within the prescribed time limit.

In terms of the circulars issued by Ministry of Corporate Affairs, the last date for filing the Cost Audit Report for the year ended 31st March, 2013 with the Central Government was 27th September, 2013. The Report was filed on 27th September, 2013.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance, Management Discussion and Analysis, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO & CFO certification have been made a part of the Annual Report.

INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's manufacturing complexes situated at Therubali and Choudwar as well as at the Mines 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 and the public at large for their continued support and confidence.

For and on behalf of the Board

(Subhrakant Panda)
Managing Director

(Baijayant Panda)
Vice Chairman

Place: Bhubaneswar
Date : 20th May, 2014

ANNEXURE TO DIRECTORS' REPORT

Particulars required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

A. Conservation of Energy

(a) Energy Conservation Measures Taken

- At CCP-3, furnace charging hoppers (7 Nos) cooling fan motors of rating 7.5kw/2940 rpm replaced by 5.5kw/1440 rpm and operating at required volume of cooling air.
- Renovation of auxiliary cooling tower cells from cross flow to counter flow design.
- Replacement of main cooling tower fan blades with light weight material.
- Power saving by replacing old Compressor.
- 2 Nos. of 10 HP & 15 HP pumps at 45 mrl has been replaced by 2 Nos. of 3 HP low head high discharge pumps at Nuasahi Chromite Mines.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

₹ 4 Lakh is being invested for installation of separate lighting network for TCP-1 and TCP-2 which will switch on and off lights automatically saving energy losses incurred due to manual operation delay/error.

(c) Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production

Reduction of Energy Consumption: 1399455 KWH/Year

Annual saving of approximately ₹ 6.52 lakhs/year.

(d) Total energy consumption & energy consumption per unit of production in respect of industries specified in the Schedule in Form A

Not Applicable

B. Technology Absorption:

Research & Development (R & D)

- Specific areas in which R&D was carried out by the Company:
 - Raw material
 - Cost and productivity
- Benefits derived as a result of the above:
 - Increased acceptability of product in International & Domestic market

- Future plan of action:

Quality improvement
- Expenditure on R&D
 - Capital : Nil
 - Recurring : Not separately identified
 - Total : Not separately identified

Technology absorption, adaptation & innovation

- Efforts, in brief, made towards technology absorption, adaptation & innovation and Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Choudwar:

Charge Chrome Plant Unit I & II

- Installation of 8 nos differential pressure gauge cum switches in eight filter compartment of Gas Cleaning Plant 2 at Unit-II and two nos differential pressure gauge cum switches at briquetting plant 2 & 3 at Unit-I, which has resulted in economical cleaning of bag house & increase in bag house life including reduction in consumption of compressed air.
- Installation of additional hopper at chrome ore handling system of briquetting plant II & III for uniform blending of two types of chrome ore fines for briquette manufacturing and also achieved the reduction in deployment of pay loaders & dumpers for material handling.
- Modification of compactor inlet chute was carried out to improve briquette strength at Unit-II from 55 Kg/cm² to 60 Kg/cm².
- At Briquetting plant-2, chain type bucket elevator 1 & 3 were converted to belt type elevator. By doing this modification the equipment availability has been enhanced by 20%.
- The MS dome plate of dust conveying system in gas cleaning plant 2 & 3 were replaced with chrome plated dome plate. By doing this modification the performance of dust conveying system improved as well as equipment availability increased by 10%.

Power Plant

- Imported economiser coils were replaced with indigenous coils in boiler-2&3.
- Main coal conveyor gear boxes were replaced with Fenner make indigenous gear boxes.
- New 750KVA DG set was commissioned to meet the emergency power of 138MW Power plant and furnace-1.
- Wooden structures were replaced with pultruded FRP structures in auxiliary cooling tower cell No. 2&3 to improve life of cooling tower.

- (e) Implementation of automatic moisture drains system in compressor air receiver tank to remove moisture from instrument air in 108MWPP.
- (f) Replacement of welded screen segment with woven screen for screening of raw coal to improve the reliability.
- (g) Installation of rupture disc in off gas line to save the damage of expansion bellows, fan casing & increase the availability of system in 30MWPP.
- (h) Installation of boiler safety valves in 30MW PP.
- (i) Installation of additional boosting airline in APH conveying line in 30MWPP.
- (j) Application of plastic refractory in boiler furnace
- (k) Spent resin generate from DM plant is identified and classified as hazardous waste, not biodegrade for 100 years and it is resistant to photolysis, occupied large space for many years. Pilot project has been taken by Company for successful disposal of spent resin was carried out a co-incineration trial with 0.05% mixture of spent resin with coal in power plant boiler in consultation with CPCB, India & SPCB, Odisha. Subsequently they also gave consent to use as per our report and published in their website. This gives benefits like coal saving of 1.64 Kg by burning 1 Kg. of spent resin in boiler and it has no harmful effect to environment. It can be used as a supplementary source for energy recovery.

Mines:

- (a) Installation of 2 nos. of Booster Transformers at SMC, for better lighting.
- (b) Installation of level sensor in overhead tank at SMC for auto operation of submersible pump. This gives auto operation of pumps and reducing manpower.
- (c) Replacement of 3 HP slurry pump against the existing 5 HP submersible pump at-178 MRL Sump at Nuasahi Chromite Mine thus saving approx 6205 units per annum and a cost of approx ₹ 68,000/- per annum.

2) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

- | | | |
|--|---|-----|
| (a) Technology imported | : | Nil |
| (b) Year of import | : | NA |
| (c) Has technology been fully absorbed | : | NA |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | : | NA |

C. Foreign Exchange Earnings and Outgo

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

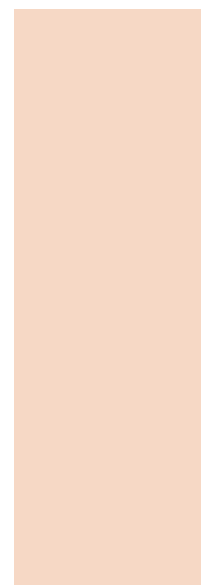
The Company earns a sizeable portion of its income in foreign exchange as a result of being the leading exporter of ferro chrome from India. Senior Management and the marketing team regularly attend conferences in order to gather information and also improve the Company's visibility in global markets. Besides the ongoing joint venture with POSCO and the long term contract with them and Nisshin Steel, during the year under review the Company also concluded repeat orders resulting in higher volume with E-United and many Chinese buyers which augurs well for the future.

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

		₹ in Crore
(a) Foreign Exchange earnings	:	1,042.69 (previous year : 951.21)
(b) Foreign Exchange outgo	:	274.72 (previous year : 323.97)

Report on Corporate Governance

as on 31st March, 2014



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

1. PHILOSOPHY OF CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

Your Company is managed by a Board of Directors. The constitution of the Board comprises of a combination of Executive and Non-Executive Directors with the Non-Executive Directors constituting more than fifty percent of the total strength of the Board. The Company has an Executive Chairman and till 26th June, 2013, half of the Board was comprising of Independent Directors. IDBI Bank Ltd had withdrawn its nominee from the Board w.e.f 26.06.2013 and nominated Mr Gautam Dutta in his place as Nominee Director. By virtue of holding Non-Scheduled Operator's Permit the Company is mandatorily required to obtain security clearance from Ministry of Civil Aviation, Government of India prior to appointing any Director. Accordingly on 18th November, 2013 the Company has sought such clearance in respect of Mr Gautam Dutta, which is still awaited. Pending appointment of Mr Dutta total number of independent director at the year end was 6 as against a minimum requirement of 7.

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, 2014 was as under

Name of the Director	Business relationship	Category of Directorship	No. of Directorships in other* public limited companies.	No. of Committee Memberships in other* public limited companies.	
				Chairman	Member
Dr B Panda	Executive Chairman	Promoter Non-Independent Executive	1	-	-
Baijayant Panda	Vice Chairman	Promoter Non-Independent Executive	4	-	1
Subhrakant Panda	Managing Director	Promoter Non-Independent Executive	3	1	-
J K Misra	Director (Corporate) & COO	Non-Independent Executive	3	-	3
C R Ray	Whole-time Director	Non-Independent Executive	4	-	1
Paramita Mahapatra	Director	Promoter Non-Independent Non-Executive	4	-	-
D Bandyopadhyay	Director	Independent Non-Executive	1	1	-
Maj R N Misra (Retd.)	Director	Independent Non-Executive	1	-	-
Dr S Acharya	Director	Independent Non-Executive	1	-	-
N R Mohanty	Director	Independent Non-Executive	1	-	-
Alex Amrein	Director	Non-Independent Non-Executive	0	-	-
S P Mathur	Director	Independent Non-Executive	0	-	-
General Shankar Roychowdhury (Retd)	Director	Independent Non-Executive	0	-	-
H Biswas (Upto 26.06.2013)	Nominee Director of IDBI	Independent Non-Executive	Nil	Nil	Nil

*in companies other than Indian Metals & Ferro Alloys Limited

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

Name of the Director	No. of Board Meetings attended during 2013-14	Attendance at AGM held on 27th July, 2013
Dr B Panda	3	No
Baijayant Panda	3	Yes
Subhrakant Panda	4	Yes
J K Misra	4	Yes
Chitta Ranjan Ray	4	Yes
Paramita Mahapatra	4	Yes
D Bandyopadhyay	3	Yes
Maj R N Misra (Retd.)	3	Yes
H Biswas	1	No
Dr S Acharya	4	Yes
N R Mohanty	4	Yes
Alex Amrein	NIL	No
S P Mathur	4	Yes
General Shankar Roychowdhury (Retd)	4	Yes

Dates on which Board Meetings were held are : 15.05.13, 27.07.13, 29.10.13, 04.02.14

3. AUDIT COMMITTEE

The Company constituted an Audit Committee under the provisions of Section 292A of the Companies Act, 1956 effective 1st April, 2001.

The role of the Audit Committee includes the following areas:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - 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 thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower mechanism.
- Verifying working results as well as capital expenditure vis-à-vis budgets.
- Reviewing quarterly progress reports submitted by the Company to the Financial Institutions/Banks.

- Reviewing effectiveness of the cost accounting, management information and cost control system.
- Ensuring proper maintenance of books of accounts.
- Examining procedure of purchases.
- Examining procedures for inventory control.
- Examining reasonableness of transactions with the associate companies, if any.
- Reviewing accounting procedures periodically.
- Reviewing insurance coverage.
- Reviewing prevalent systems of payroll.
- Reviewing systems and procedures in respect of import of raw materials, spares, components and capital equipment and export of finished goods.
- Reviewing accounting and booking of the expenditure to the correct account head.
- Reviewing compliance with the provisions of the Income Tax Act in respect of deduction and deposit of tax deducted at source.

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

Name of Member	Category	No. of meetings attended during 2013-14
D Bandyopadhyay, Chairman	Independent Non-Executive	3
Paramita Mahapatra	Non-Independent Non-Executive	4
Major R N Misra (Retd.)	Independent Non-Executive	3
Mr S P Mathur	Independent Non-Executive	4
Dr S Acharya	Independent Non-Executive	4

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

Dates on which meetings were held are : 15.05.13, 27.07.13, 29.10.13, 04.02.14

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Board, inter alia, recommends to the Board the appointment/reappointment of Whole time Directors and their compensation packages.

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

Name of the Member	Category	No. of meetings attended during 2013-14
D Bandyopadhyay, Chairman	Non-Executive Independent	1
Major R N Misra (Retd.)	Non-Executive Independent	1
Dr S Acharya	Non-Executive Independent	1

Dates on which meetings were held are : 15.05.2013

Remuneration of Directors

Remuneration of Whole time Directors is determined by the Remuneration Committee comprising of only Non-Executive Independent Directors. The recommendations of the Remuneration Committee are considered and approved by the Board subject to the approval of the shareholders.

Whole time Directors are paid commission as approved by the Board/Shareholders. All Non-Executive Directors are paid sitting fees. In addition, Non-Executive Independent Directors are together paid commission at a rate not exceeding 0.5% per annum of the net profits of the Company subject to a maximum of ₹ 35 lakhs as computed as per applicable provisions of the Companies Act, 1956.

Details of remuneration for 2013-14

Non-Executive Directors

(Amt in ₹)

Name	Commission	Sitting Fees	Total
Paramita Mahapatra	-	2,10,000	2,10,000
Alex Amrein	-	0	0
D Bandyopadhyay	4,15,000	35,000	4,50,000
Major R N Misra	4,15,000	35,000	4,50,000
Dr S Acharya	4,15,000	60,000	4,75,000
H Biswas *	4,15,000	5,000	4,20,000
S P Mathur	4,15,000	40,000	4,55,000
N R Mohanty	4,15,000	20,000	4,35,000
General Shankar Roychowdhury	4,15,000	20,000	4,35,000
TOTAL	29,05,000	4,25,000	33,30,000

* Amount payable to IDBI Bank Limited

Executive Directors

(Amt in ₹)

Name	Salary	Perquisites & Allowances	Sitting Fee	Commission/ Performance pay	Total
Dr B Panda	1,06,20,000	38,06,103	NIL	24,77,000	1,69,03,103
Baijayant Panda	1,04,40,000	41,02,915	NIL	24,77,000	1,70,19,915
Subhrakant Panda	1,22,40,000	41,01,295	NIL	24,77,000	1,88,18,295
J K Misra	37,95,120	21,01,125	NIL	18,00,000	76,96,245
C R Ray	50,59,596	9,53,421	NIL	2,25,000	62,38,017
TOTAL	4,21,54,716	1,50,64,859	NIL	94,56,000	6,66,75,575

5. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

The Shareholder/Investor Grievance 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 2013-14
Paramita Mahapatra, Chairperson	Non-Executive Non-Independent	27
Dr Satyananda Acharya	Non-Executive Independent	2
J K Misra	Executive Non-Independent	29

Dates on which meetings were held are :	10.04.13	20.04.13	30.04.13	10.05.13	20.05.13
	29.05.13	20.06.13	29.06.13	11.07.13	19.07.13
	31.07.13	10.08.13	31.08.13	20.09.13	30.09.13
	10.10.13	19.10.13	31.10.13	11.11.13	20.11.13
	30.11.13	10.12.13	31.12.13	20.01.14	31.01.14
	10.02.14	28.02.14	10.03.14	31.03.14	

Name, designation & address of Compliance Officer

Mr Prem Khandelwal

CFO & Company Secretary

Indian Metals & Ferro Alloys Limited

Bomikhal, P.O. Rasulgarh

Bhubaneswar – 751 010

Phone: 0674-2580100

Fax : 0674-2580020

e-mail : pkhandelwal@imfa.in

No. of complaints received from the shareholders

From 01.04.2013 to 31.03.2014 : 425

No. not solved to the satisfaction of the

Shareholders as on 31.03.2014 : Nil

No. of pending share transfers as on 31.03.2014 : Nil

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

6. FINANCE COMMITTEE

The Finance Committee was constituted on 25th October, 2008 to look into various banking and related business activities of the Company.

The Finance Committee specifically looks into various credit facilities granted by the Banks/FI's from time to time, 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 members	Category	No. of meetings attended during 2013-14
Dr S Acharya, Chairman	Non-Executive Independent	Nil
Paramita Mahapatra	Non-Executive Non-Independent	6
J K Misra	Executive Non-Independent	6

Dates on which meetings were held are : 04.06.13, 29.06.13, 07.09.13, 29.11.13, 24.03.14, 29.03.14

7. CSR COMMITTEE

The CSR Committee was constituted on 15th May, 2013 to look into the Corporate Social Responsibility(CSR) activities & Projects or programs of the Company. 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 2013-14
Subhrakant Panda, Chairman	Executive Non-Independent	1
Paramita Mahapatra	Non-Executive Non-Independent	1
Dr Satyananda Acharya	Non-Executive Independent	1
J K Misra	Executive Non-Independent	1

Dates on which meetings were held are : 27.07.13

8. GENERAL BODY MEETINGS

Location and time where last three AGMs were held:

The last three AGMs were held on, 16.07.2011 (at 3.00 PM), 28.07.2012(at 11.00 AM) and 27.07.2013(at 12.00 Noon), at the Registered Office of the Company at Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751010. No Extraordinary General Meeting of the members was held during Financial year 2013-14.

Special Resolution passed in previous 3 AGMs :

Financial Year	Item
2010-11	None
2011-12	None
2012-13	None

No postal ballot was undertaken during the financial year 2013-14. No special resolution requiring postal ballot is being proposed at ensuing Annual General Meeting.

9. DISCLOSURES

- (i) 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 299 of the Companies Act, 1956. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

- (ii) 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

- (iii) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

As such, the Company have a Whistle Blower Policy and no employee is denied access to the Audit Committee.

- (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

All mandatory requirements are complied with. Non-mandatory requirements will be reviewed from time to time.

10. 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 Clause 49 of the Listing Agreement, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2014.

Bhubaneswar
20th May, 2014

Subhrakant Panda
Managing Director

11. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION, ISSUED PURSUANT TO THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT.

To the Board of Directors of Indian Metals & Ferro Alloys Ltd.

Dear Sirs,

Sub : CEO & CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Indian Metals & Ferro Alloys Ltd for the year ended 31st March, 2014 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current 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 in violation 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 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

Place: Bhubaneswar
Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

12. MEANS OF COMMUNICATION

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

13. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Date & time	: 22nd July, 2014 at 3.00 PM
Venue	: At the Registered Office of the Company at IMFA Building Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751 010, Odisha.
Financial Year	: 1st April, 2013 to 31st March, 2014
Dates of Book closure	: 15th July, 2014 to 22nd July, 2014 (both days inclusive)
Dividend Payment Date	: Dividend warrants will be despatched within 30 days from the date of Annual General Meeting.
Listing in Stock Exchanges	: The equity shares are listed at BSE Ltd and National Stock Exchange of India Ltd since 28th January, 2009 and 23rd July, 2010 respectively. Listing fee for the year 2013-14 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 01.04.2013 to 31.03.2014 at the Bombay Stock Exchange and National Stock Exchange are as under.

BSE:

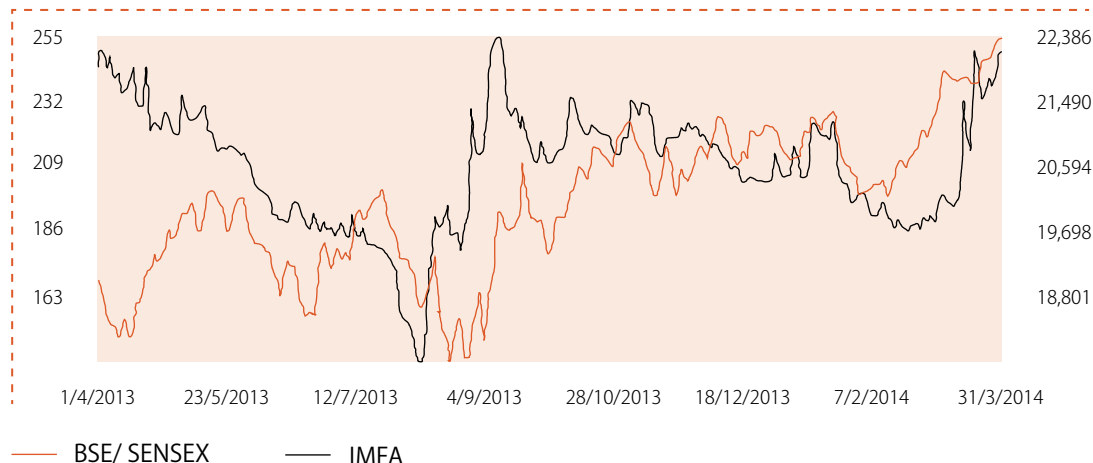
Month	High	Low
April,13	264.60	196.00
May,13	245.55	210.00
June,13	214.00	180.00
July,13	198.40	156.00
August,13	242.80	137.60
September,13	260.00	210.00
October,13	239.90	206.25
November,13	240.10	210.50
December,13	229.95	201.00
January,14	233.95	196.25
February,14	201.70	185.00
March,14	258.50	186.60

NSE:

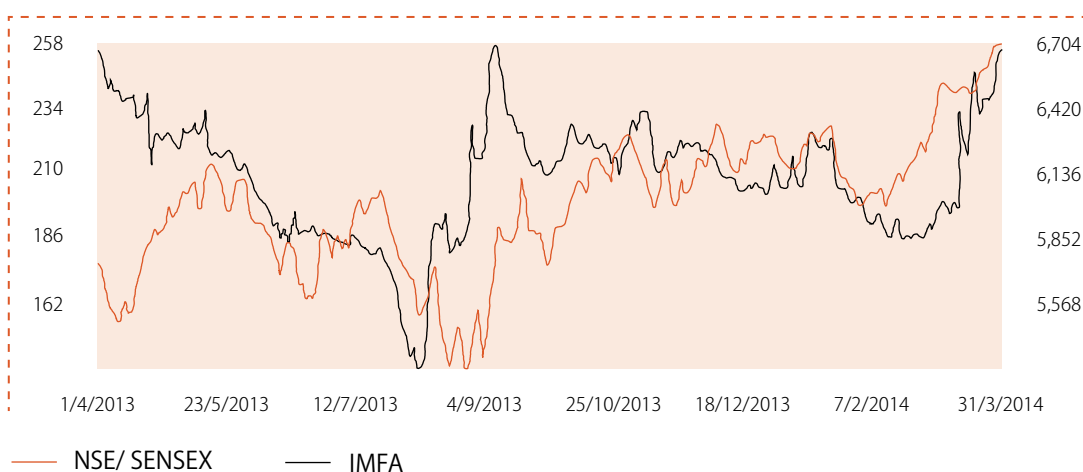
Month	High	Low
April,13	272.00	205.00
May,13	247.85	210.00
June,13	213.65	183.10
July,13	204.90	155.05
August,13	244.70	134.10
September,13	275.85	201.00
October,13	247.40	201.00
November,13	242.00	207.50
December,13	228.85	202.00
January,14	235.00	196.10
February,14	210.00	185.20
March,14	260.45	183.05

Performance in comparison to Broad-based indices**Performance of share price of the Company in comparison to BSE SENSEX is as under**

Indian Metals v/s BSE

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

Indian Metals v/s NSE



- Registrar and transfer agents : The Company does the share transfer work in-house.
- Share Transfer system : Share Transfer in physical form should be lodged at the Company's Registered Office at Bomikhal, Rasulgarh, Bhubaneswar. The Company's share transfer activity is fully computerised. The Shareholder/Investor Grievance Committee meets thrice in a month to approve share transfers and other share related matters.

Distribution of shareholding as on 31st March, 2014

No. of equity shares held	No. of shareholders	% to total
Upto - 250	39877	97.831
251 - 500	415	1.018
501 - 1000	217	0.532
1001 - 2000	108	0.265
2001 - 3000	41	0.101
3001 - 4000	19	0.047
4001 - 5000	8	0.020
5001 - 10000	21	0.052
10001 & above	55	0.135
Total	40761	100.00

Categories of shareholders as on 31st March, 2014

Category	No. of shares	%
Promoters & Promoter Group	14478118	55.73
Mutual Fund / UTI	2490420	9.59
Financial Institutions & Banks	125680	0.48
Foreign Institutional Investors	13	0.00
Bodies Corporate	1059280	4.08
Trusts	20	0.00
Overseas Corporate Bodies	5634759	21.69
NRIs	216039	0.83
Individuals	1972724	7.60
Total	25977053	100.00

Dematerialisation of shares & liquidity : The Company's shares are connected under both the Depository Systems 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
Chingudipal Chromite Mines, Dist. Jajpur, Odisha
Nuasahi Chromite Mines, Dist. Keonjhar, Odisha
Bangur Chromite Mines, Dist. Keonjhar Odisha

Address for correspondence : **Indian Metals & Ferro Alloys Limited**
Registered & Head Office:
IMFA Building, Bomikhal, Rasulgarh (PO)
Bhubaneswar - 751 010, Odisha
Phone: (0674) 2580100 / 2580125
Fax : (0674) 2580020 / 2580145
email: mail@imfa.in; website: www.imfa.in
CIN: L27101OR1961PLC000428

Auditors' 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, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement *except for the minimum number of Independent Directors on the Board, arising out of pending approval from the Ministry of Civil Aviation, as mentioned in clause 2 of the Company's Report on Corporate Governance.*

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 **Haribhakti & Co**
Chartered Accountants
(Firm's Registration No.103523W)

Anand Kumar Jhunjhunwala
Partner
Membership No.: 056613

Place: Bhubaneswar
Date: 20th May, 2014

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Indian Metals and Ferro Alloys Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Haribhakti & Co**

Chartered Accountants

Firm's Registration No. 103523W

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Place : Bhubaneswar

Date : 20th May, 2014

Annexure to the Auditors' Report

[Referred to in our report of even date, to the members of Indian Metals and Ferro Alloys Limited]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, major portion of fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) There was no substantial disposal of fixed assets during the year.
 - (ii) (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
 - (iii) According to the information & explanations given to us & on the basis of our examination of the books of account, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses 4 (iii) (a) to (g) of the Order are not applicable to the Company.
 - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in internal control system.
 - (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the Register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (v)(a) above and exceeding the value of Rupees five lakh in respect of any party during the year, have been made at prices which appear reasonable, having regard to the prevailing market prices at the relevant time.
 - (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
 - (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
 - (viii) The maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 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.
 - (ix) (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, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

Annexure to the Auditors' Report

- (b) According to the information and explanations given to us, the dues as at 31st March, 2014 of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute are as follows :

Name of the Statute	Nature of the Dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	20.76	1993-2002	Orissa High Court
Central Excise Act, 1944	Excise Duty	3.85	2005-2007	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise Duty	18.04	2005-2009	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise Duty	15.15	2002-2009	Central Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	17.45	Assessment Year 1987-88, 1988-89 & 1989-90	Orissa High Court
Income Tax Act, 1961	Income Tax	5530.19	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)
Orissa Value Added Tax Act, 2004	VAT	2.29	February, 2008 to May, 2009	Orissa Sales Tax Tribunal
Orissa Sales Tax Act, 1947	Sales Tax	0.25	Financial Year 1990-91	Orissa Sales Tax Tribunal
Orissa Sales Tax Act, 1947	Sales Tax	0.77	Financial Year 1991-92	Orissa High Court
Orissa Sales Tax Act, 1947	Sales Tax	7.04	Financial Year 2002-03	Addl. Commissioner of Sales Tax
Orissa Sales Tax Act, 1947	Sales Tax	4.19	Financial Year 1994-95	Orissa Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Entry Tax	2.00	Financial Year 2002-03	Orissa Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Entry Tax	91.71	November, 2007 to March, 2010	Addl. Commissioner of Commercial Taxes
Orissa Entry Tax Act, 1999	Entry Tax	176.40	April, 2010 to September, 2011	Addl. Commissioner of Sales Tax
Orissa Entry Tax Act, 1999	Entry Tax	547.43	March, 2008 to March, 2014	Supreme Court of India
Orissa Entry Tax Act, 1999	Entry Tax	44.79	February, 2008 to May, 2009	Orissa High Court

Annexure to the Auditors' Report

An amount of ₹ 8097 lakh held in No-Lien and Escrow Accounts as at 31st March, 2014 in respect of Electricity Duty due to pending legal case, as mentioned in Note 38 to financial statements, has not been considered for the purposes of clause (ix)(b).

- (x) The Company has neither accumulated losses at the end of the financial year nor it has incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) 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 dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In respect of dealing in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we are of the opinion that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For **Haribhakti & Co**

Chartered Accountants

Firm's Registration No. 103523W

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Place : Bhubaneswar

Date : 20th May, 2014

Balance Sheet

as at 31st March, 2014

₹ in Crore

	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	25.98	25.98
Reserves and Surplus	3	829.62	799.62
		855.60	825.60
Non-Current Liabilities			
Long-Term Borrowings	4	795.05	667.07
Deferred Tax Liability(Net)	5	78.39	54.21
Other Long-Term Liabilities	6	110.47	109.20
Long-Term Provisions	7	4.37	3.11
		988.28	833.59
Current Liabilities			
Short-Term Borrowings	8	160.46	194.42
Trade Payables	9	171.89	124.38
Other Current Liabilities	10	184.34	157.07
Short-Term Provisions	11	18.58	22.78
		535.27	498.65
		2,379.15	2,157.84
ASSETS			
Non-Current Assets			
Fixed Assets	12		
-Tangible assets		1,107.88	1,006.67
-Capital Work-in-Progress		78.16	235.02
-Intangible Assets under Development		3.90	-
		1,189.94	1,241.69
Non-Current Investments	13	167.37	165.41
Long-Term Loans and Advances	14	113.14	93.21
Other Non-Current Assets	15	-	3.63
		1,470.45	1,503.94
Current Assets			
Current Investments	16	12.09	23.14
Inventories	17	372.66	319.13
Trade Receivables	18	56.78	46.31
Cash and Bank Balances	19	19.84	62.10
Short-Term Loans and Advances	20	445.78	203.19
Other Current Assets	21	1.55	0.03
		908.70	653.90
		2,379.15	2,157.84

Significant Accounting Policies and Notes to Financial Statements 1 to 43

The Notes referred to above form an integral part of the Financial Statements.

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

For **Haribhakti & Co.**

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

For and on behalf of the Board of Directors

Baijayant Panda
Vice Chairman

Statement of Profit and Loss for the year ended 31st March, 2014

₹ in Crore

	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
REVENUE			
Revenue from Operations	22	1,317.85	1,273.25
Other Income	23	22.03	7.76
Total Revenue		1,339.88	1,281.01
EXPENSES			
Cost of Materials Consumed	24	689.48	635.68
Changes in Inventories of Finished Goods	25	(65.45)	45.12
Employee Benefits Expense	26	118.46	102.62
Finance Cost	27	118.56	69.97
Depreciation and Amortisation	12	149.02	81.69
Other Expenses	28	276.70	232.94
Total Expenses		1,286.77	1,168.02
Profit before Prior Period/Exceptional Items & Tax		53.11	112.99
Prior Period Income		-	2.28
Exceptional Items-Expense		-	11.99
Profit Before Tax		53.11	103.28
Tax Expense:			
Current Tax		12.27	21.90
MAT Credit Entitlement (Including earlier years)		(22.65)	-
Deferred Tax		24.18	33.90
Earlier years' Adjustments		0.19	(6.41)
Profit After Tax		39.12	53.89
Earnings per Equity Share of par value of ₹ 10/- each			
Basic and Diluted (In ₹)	29	15.06	20.74

Significant Accounting Policies and Notes to Financial Statements 1 to 43

The Notes referred to above form an integral part of the Financial Statements.

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

For **Haribhakti & Co**

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 20th May, 2014

Prem Khandelwal

CFO & Company Secretary

For and on behalf of the Board of Directors

Subhrakant Panda

Managing Director

Baijayant Panda

Vice Chairman

Cash Flow Statement

for the year ended 31st March, 2014

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Cash Flow from Operating Activities		
Profit before tax	53.11	103.28
Adjustments for:		
Depreciation and Amortisation	149.02	81.69
Loss on sale/disposal of fixed assets(net)	0.17	6.73
Profit on sale of Investments	(1.26)	-
Unrealised foreign exchange (gain)/loss	(2.67)	1.59
Prior period income	-	(2.28)
Interest income	(9.98)	(4.95)
Dividend income	(0.15)	(0.23)
Finance Cost	118.56	69.97
Liability no longer required written back	(1.06)	(0.24)
Operating Profit before Working Capital Changes	305.74	255.56
Adjustments for:		
Trade and other receivables	(53.80)	(40.45)
Inventories	(53.53)	10.56
Trade payables and other liabilities	58.30	32.69
Cash Generated from Operations	256.71	258.36
Direct Taxes paid	(17.39)	(44.70)
Net Cash Generated From Operating Activities	239.32	213.66
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(97.77)	(192.84)
Sale of fixed assets	2.89	42.76
Sale / (Purchase) of Investments	10.35	(49.18)
Loan to subsidiary	(185.53)	-
Dividend received	0.15	0.23
Interest received	12.08	3.33
Net Cash (used in) / generated from Investing Activities	(257.83)	(195.70)
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	259.12	176.46
Repayment of long term borrowings	(106.42)	(121.28)
Proceeds from/(Repayment) of short term borrowings(net)	(30.81)	63.61
Interest and financing charges paid	(131.08)	(78.95)
Dividend paid (including dividend tax)	(15.20)	(15.10)
Net Cash (used in) / generated from Financing Activities	(24.39)	24.74
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(42.90)	42.70
Cash and Cash Equivalents at the beginning of the year	62.10	19.40
Cash and Cash Equivalents at the end of the year (Note No. 19)	19.20	62.10

Explanations:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 (AS 3) "Cash Flow Statements " notified by the Central Government under the Companies (Accounting Standards) Rules,2006.
- Previous year's figures have been regrouped/reclassified to confirm 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**

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

For and on behalf of the Board of Directors

Notes to Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India, on accrual basis and under the historical cost convention (except for certain fixed assets revalued pursuant to a Composite Scheme of Arrangement and Amalgamation), to comply in all material aspects with the notified Accounting Standards ('AS') under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ("the Act").

1.2 Use of estimates

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

1.3 Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

- Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.
- Inter unit transfers are adjusted against respective expenses.
- Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

1.4 Fixed Assets, Depreciation and Impairment

I. Fixed Assets

- Fixed assets are carried at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment, if any. Cost comprises of the purchase price and any directly attributable cost of bringing

the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

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

II. Depreciation

- Depreciation is provided on the Written Down Value Method ('WDV'), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except that on assets pertaining to the 48 MVA furnace at Therubali plant, depreciation is provided on Straight Line Method ('SLM').
- Leasehold Land is held on various leases, whose period ranges from 90 years to perpetuity. The Company does not consider such leases as having "a limited useful life for the enterprise" as envisaged in AS 6 on Depreciation Accounting and accordingly the cost thereof is not amortised.

III. Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognized in the Statement of Profit and Loss wherever the carrying amount of an asset or the carrying amount of the cash generating unit to which the asset belongs exceeds its recoverable amount. A previously recognised impairment loss is increased or reversed depending on events or changes in circumstances.

1.5 Capital Work-in-Progress and Intangible Assets under Development

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

Notes to Financial Statements

Intangible Assets under Development comprises of Computer Software being developed, that is not yet ready for its intended use at the reporting date and is stated at cost.

1.6 Borrowing Costs

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

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

Borrowing costs also include exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.7 Inventories

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

1.8 Investments

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

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

1.9 Provision for Doubtful Debts and Advances

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

1.10 Foreign Currency Transactions, Translations and Derivative Contracts

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

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying the prevailing exchange rate as on the date of the transaction.

(b) Conversion

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

(c) Exchange differences

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

(d) Derivatives

In terms of the announcement made by The Institute of Chartered Accountants of India, the accounting for derivative contracts excluding forward contracts is done based on the "marked to market" principle, on a portfolio basis and the net loss, after considering the offsetting effect on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gains are ignored as a matter of prudence.

In case of forward contracts the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense in the year in which it is cancelled or

Notes to Financial Statements

renewed.

1.11 Employee Benefits

- (a) Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans and the Company's contributions, paid or payable during the reporting period, are charged to the Statement of Profit and Loss.
- (b) Gratuity liability & Leave Encashment liability are defined benefit plans and are provided for on the basis of actuarial valuation on projected unit credit method at the Balance Sheet date
- (c) Actuarial gains/losses are charged to the Statement of Profit and Loss.

1.12 Taxes on Income

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

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

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

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

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

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

1.13 Mining Development Expenses

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

1.14 Provisions, Contingent Liabilities and Contingent Assets

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

Notes to Financial Statements

2. SHARE CAPITAL

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Authorised:		
Equity Shares:		
3,00,00,000 Equity Shares of ₹ 10/-par value per share (31st March, 2013 : 3,00,00,000 shares)	30.00	30.00
Preference Shares:		
40,000 9.5% Redeemable Cumulative Preference Shares of ₹ 100/- par value per share (31st March, 2013 : 40,000 shares)	0.40	0.40
2,60,000 IInd Series Redeemable Cumulative Preference Shares of ₹ 100/- par value per share (31st March, 2013 : 2,60,000 shares)	2.60	2.60
	33.00	33.00
Issued, Subscribed and Paid-up:		
2,59,77,053 Equity Shares of ₹ 10/- par value per share, fully paid up (31st March, 2013 : 2,59,77,053 shares)	25.98	25.98
	25.98	25.98

2.1. Reconciliation of equity shares outstanding is set out below:

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Shares outstanding at the beginning of the year	2,59,77,053	25.98	2,59,77,053	25.98
Shares allotted during the year	Nil	Nil	Nil	Nil
Shares cancelled during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	2,59,77,053	25.98	2,59,77,053	25.98

2.2. Rights, preferences & 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 shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares are eligible to receive the remaining assets of the company after distribution of all the preference amounts, in proportion to their shareholding.

The preference shareholders have a preferential right over equity shareholders in respect of repayment of capital and payment of dividend.

Notes to Financial Statements

2.3. Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% held	No. of shares	% held
LITEC Company Limited	38,44,259	14.80	38,44,259	14.80
Barabati Investment and Trading Co Pvt Ltd	26,34,778	10.14	26,34,778	10.14
Paramita Investments and Trading Co Pvt Ltd	26,34,778	10.14	26,34,778	10.14
KB Investment Pvt Ltd	25,16,401	9.69	25,16,401	9.69
Madhuban Investment Pvt Ltd	23,95,696	9.22	23,95,696	9.22
Reliance Capital Trustee Co Ltd - A/c Reliance Tax Saver (ELSS) Fund	14,95,974	5.76	7,60,535	2.93

2.4. Shares allotted as fully paid-up without payment being received in cash (during 5 years preceding 31st March, 2014)

25,11,754 equity shares were allotted to the Shareholders of Utkal Manufacturing & Services Ltd upon acquisition of its assets by the Company in the year 2009-10, pursuant to the Scheme of Demerger of its Ferro Alloys Division.

3. RESERVES AND SURPLUS

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Capital Reserves			
Balance as per last account		0.91	0.91
Capital Redemption Reserve			
Balance as per last account		0.20	0.20
Securities Premium Reserve			
Balance as per last account		131.39	131.39
General Reserve			
Balance as per last account	272.34		266.95
Add: Transferred from Statement of Profit and Loss	4.00		5.39
		276.34	272.34
Surplus in the Statement of Profit and Loss			
Balance as per last account	394.78		361.48
Add : Profit for the year	39.12		53.89
Less : Appropriations			
Proposed Dividend @ 30%	(7.79)		(12.99)
Tax on Dividend	(1.33)		(2.21)
Transfer to General Reserve	(4.00)		(5.39)
		420.78	394.78
		829.62	799.62

Notes to Financial Statements

4. LONG-TERM BORROWINGS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Secured		
Term Loans from Banks	326.19	240.08
Term Loans from Others	436.42	394.14
Long Term Maturities of Finance Lease Obligations (Refer Note 37)	32.44	32.85
	795.05	667.07

4.1. Details of securities provided for Term-Loans and their repayment terms :

(EMI - Equated Monthly Instalment; EQI - Equated Quarterly Instalment)

Term Loans from Banks :

- Loan of ₹ 22.58 Crore (Previous Year: ₹ 21.84 Crore) secured by first charge by way of mortgage ranking pari-passu on the Company's movable & immovable properties, present & future, relating to the 120 MW Power Plant and charge on Company's immovable property measuring 60 acres situated at Choudwar. Repayment by 48 EQI of ₹ 0.60 Crore from Nov'12.
- Loan of ₹ 38.80 Crore (PY : ₹ 50.22 Crore) secured by first charge on the movable assets to be acquired out of the loan for Coal Handling Plant (CHP) and first charge by way of mortgage on pari-passu basis on immovable properties of the Company situated at Chhatisha and Kapaleswar, Choudwar excluding assets exclusively charged to other lenders. Repayment by 28 EQI of ₹ 2.29 Crore from Oct'12.
- Loan of ₹ 12.50 Crore (PY : ₹ 22.52 Crore) secured by first charge by way of mortgage on pari-passu basis on the immovable & movable assets of the Company's Therubali & Choudwar units (excluding the fixed assets exclusively charged), both present & future. Repayment by 24 EMI of ₹ 2.08 Crore. from Oct'13.
- Loan of ₹ 37.50 Crore (PY : Nil) secured by first pari-passu charge on fixed assets at Choudwar excluding those which are exclusively charged to other project lenders. Repayment by 35 EMI of ₹ 1.39 Crore from March'17 and last instalment of ₹ 1.35 Crore.
- Loan of ₹ 81.00 Crore (PY : Nil) 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.

- Loan of ₹ 28.00 Crore (PY : Nil) secured by extension of charge over the assets of 30MW Captive Power Plant (CPP) and pari-passu charge on plot no-43 on which CPP is erected at Choudwar, Cuttack with other term lenders. Repayment by 8 EQI of ₹ 3 Crore from June'14 and 4 EQI of ₹ 4.00 Crore from June'16.
- Loan of ₹ 44.37 Crore (PY : ₹ 52.20 Crore) secured by exclusive charge over the assets of 30 MW captive power plant (CPP) & first pari-passu charge on plot no. 43 on which CPP has been erected at Choudwar, with other term lenders. The loan is collaterally secured by second pari-passu charge on entire current assets of the Company. Repayment by 16 EQI of ₹ 2.175cr from June'10 and 20 EQI of ₹ 2.61 Crore from June ' 14.
- Loan of ₹ 6.75 Crore (PY : ₹ 14.10 Crore) secured by first exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar. Charge on all the present and future moveable fixed assets of gas cleaning plant & briquetting plant at Therubali, light density aggregate plant & fly ash brick plant at Choudwar. Repayment by 17 EQI from October'11.
- Loan of ₹ 54.45 Crore (PY : ₹ 79.20 Crore) secured by first exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar and charge on all the present and future movable fixed assets of gas cleaning plant & briquetting plant at Therubali, light density aggregate plant & fly ash brick plant at Choudwar. Repayment by 16 EQI from January'14.
- Vehicle Loan of ₹ 0.24 Crore (PY : Nil) secured by charge on the Vehicle. Repayment by 60 EMI @ ₹ 65232/- from January'14 to December'18.

Notes to Financial Statements

Term Loans from Others:

- (a) Loan of ₹ 264.65 Crore (PY : ₹ 289.27 Crore) secured by first charge by way of mortgage ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment of first instalment of ₹ 5.46 Crore in January' 13 and balance 47 EQI of ₹ 6.15 Crore from April' 14.
- (b) Loan of ₹ 106.58 Crore (PY : ₹ 93.42 Crore) secured by first charge by way of mortgage ranking with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment of first instalment of ₹ 2.20 Crore in January' 13 and balance 47 EQI of ₹ 2.48 Crore from April' 14.
- (c) Loan of ₹ 57.60 Crore (PY : Nil) secured by first pari-passu charge on the fixed assets (both movable & immovable) of the Company (both present & future) other than assets exclusively charged to other lenders. Subservient charge on the current assets of the Company. Repayment by 75 EMI from January'15.
- (d) Loan of ₹ 7.59 Crore (PY : ₹ 11.45 Crore) secured by first charge on winder at Mines. Repayment by EMIs from February'13 to November'16

Note: Term Loans from Banks amounting to ₹ 105.75 Crore (PY : ₹ 124.26 Crore) and Term Loans from Others amounting to ₹ 371.23 Crore (PY : ₹ 382.69 Crore) are further secured by personal guarantees of 2 directors of the Company.

5. DEFERRED TAX LIABILITY (NET)

In terms of Accounting Standard 22, the net Deferred Tax Liability (DTL) recognised during the year is ₹ 24.18 Crore (Previous Year: ₹ 33.90 Crore). Consequently, the net DTL as at year-end stands at ₹ 78.39 Crore (Previous Year : ₹ 54.21 Crore). The break-up of major components of net DTL is as under:

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
(a) Deferred Tax Liability:		
Related to depreciation on fixed assets	(94.60)	(64.02)
(b) Deferred Tax Assets:		
Related to disallowances under the Income-Tax Act, 1961	16.21	9.81
Net Deferred Tax Liability	(78.39)	(54.21)

6. OTHER LONG-TERM LIABILITIES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Electricity Duty	109.14	97.19
Security Deposits	-	10.68
Others	1.33	1.33
	110.47	109.20

7. LONG-TERM PROVISIONS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits	4.37	3.11
	4.37	3.11

Notes to Financial Statements

8. SHORT-TERM BORROWINGS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Secured : Loans Repayable on Demand	160.46	194.42
Working Capital Loans from Banks	160.46	194.42

8.1. Working Capital Loans from banks are secured by charge over stocks, receivables & current assets. Moreover, loans amounting to ₹ 73.51 Crore (Previous Year : ₹ 132.39 Crore) are further secured by personal guarantees of 2 directors of the Company.

9. TRADE PAYABLES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Creditors for supplies/services	171.89	124.38
	171.89	124.38

9.1. The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2014 as micro, small or medium enterprises. Consequently, interest paid/ payable by the Company to such 'Suppliers' during the year is ₹ NIL (Previous Year : NIL).

10. OTHER CURRENT LIABILITIES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long-term borrowings	137.31	111.75
Current maturities of finance lease obligations	0.41	0.38
Interest accrued but not due	12.23	8.97
Unpaid Dividend #	0.64	0.65
Due to Directors	1.26	6.04
Projects related creditors	12.55	21.18
Advance from Subsidiary	-	0.03
Advance from Customers	1.33	0.56
Earnest Money and Security Deposits	11.86	0.66
Other Liabilities	6.75	6.85
	184.34	157.07

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

11. SHORT-TERM PROVISIONS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits	9.46	7.58
Proposed Dividend	7.79	12.99
Tax on Dividend	1.33	2.21
	18.58	22.78

Notes to Financial Statements

12. FIXED ASSETS - TANGIBLE ASSETS

₹ in Crore

	GROSS BLOCK			DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 1st April, 2013	Additions	Deductions	As at 31st March, 2014	As at 1st April, 2013	For the year	Deductions	As at 31st March, 2014	As at 31st March, 2013
A. Own Assets									
Freehold Land	45.00	0.45	-	45.45	-	-	-	45.45	45.00
Buildings	364.50	26.54	0.11	390.93	87.67	25.51	0.07	113.11	276.83
Railway Siding & Runways	19.89	-	-	19.89	4.44	2.04	-	6.48	13.41
Office Equipments	9.13	0.98	0.05	10.06	5.44	0.63	0.04	6.03	4.03
Computer System	8.16	2.42	-	10.58	5.16	1.72	-	6.88	3.70
Machineries									
Plant & Machinery	860.34	219.91	9.36	1070.89	288.58	106.89	7.18	388.29	682.60
Furniture & Fixtures	5.24	0.98	0.04	6.18	3.55	0.44	0.04	3.95	2.23
Vehicles	18.29	1.70	0.91	19.08	8.61	2.71	0.57	10.75	8.33
Aircrafts	31.67	0.31	3.35	28.63	6.36	4.10	2.86	7.60	21.03
	1362.22	253.29	13.82	1601.69	409.81	144.04	10.76	543.09	1058.60
B. Leased Assets									
Leasehold Land	21.79	-	-	21.79	-	-	-	-	21.79
Plant & Machinery acquired on finance lease	33.28	-	-	33.28	0.81	4.98	-	5.79	27.49
	55.07	-	-	55.07	0.81	4.98	-	5.79	49.28
Total (A+B)	1417.29	253.29	13.82	1656.76	410.62	149.02	10.76	548.88	1107.88
Previous Year	857.89	622.16	62.76	1417.29	349.70	81.69	20.77	410.62	1006.67
Capital Work-in-Progress									78.16
Intangible Assets under Development									3.90

Note : Borrowing costs capitalised during the year ₹ 15.14 Crore (Previous Year : ₹ 49.91 Crore)

13. NON-CURRENT INVESTMENTS

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Trade Investments - at cost			
Investments in Shares of Subsidiary Companies (Unquoted)			
(a) 10,49,960 Equity Shares of ₹10/- each fully paid-up in Indian Metals & Carbide Ltd (Previous Year : 10,49,960 shares)	1.09		
Less : Provision for diminution in investment	1.06	0.03	0.03
(b) 50,000 Equity Shares of ₹10/- each fully paid-up in Utkal Power Ltd (Previous Year : 50,000 shares)		0.05	0.05
(c) 1,98,00,000 Equity Shares of ₹ 10/-each fully paid-up in Utkal Coal Ltd (Previous Year : 1,94,50,000 shares)		110.88	108.92
(d) 23,00,000 Equity Shares of ₹10/- each fully paid-up in IMFA Alloys Finlease Ltd (Previous Year : 23,00,000 shares)		2.30	2.30
(e) 9,80,000 Equity Shares of ₹10/- each fully paid-up in Utkal Green Energy Ltd (Previous Year : 9,80,000 shares)		0.98	0.98
(f) 1,47,38,801 Equity Shares fully paid-up in Indmet Mining Pte Limited (Previous Year : 1,47,38,801 shares)		53.13	53.13
		167.37	165.41

Notes to Financial Statements

14. LONG-TERM LOANS & ADVANCES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Capital Advances	19.79	15.32
Security and Other Deposits	12.38	8.57
Deposit for electricity duty in No Lien & Escrow Accounts (Refer Note 38)	80.97	69.32
	113.14	93.21

15. OTHER NON-CURRENT ASSETS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Fixed Deposits with banks having maturity period of more than 12 months (under lien)	-	3.63
	-	3.63

16. CURRENT INVESTMENTS (At lower of Cost and Fair value)

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Investments in Mutual Fund - Unquoted		
396994.696 (Previous Year : Nil) units of Birla Sunlife Cash Manager-Growth-Regular Plan	12.09	-
Market Value ₹ 12.25 Crore (Previous Year : Nil)		
Nil (Previous Year : 2308169.283) units of Birla Sunlife Cash Manager-Daily Dividend-Regular Plan	-	23.14
Market Value ₹ Nil (Previous Year : ₹ 23.14cr)		
	12.09	23.14

17. INVENTORIES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
(a) Raw Materials	156.03	188.83
(b) Raw Materials in transit	17.36	1.86
(c) Finished Goods (Includes Finished Goods-in-Transit ₹ 25.67 Crore / Previous Year ₹ 33.23 Crore)	153.26	87.81
(d) Stores and Spares	45.87	40.51
(e) Loose Tools	0.14	0.12
	372.66	319.13

Notes to Financial Statements

17.1 Finished goods comprises of :

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
(a) Charge Chrome	152.88	86.89
(b) Ferro Silicon	0.01	0.45
(c) Fly Ash Bricks	0.37	0.47
	153.26	87.81

18. TRADE RECEIVABLES

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Trade Receivables (unsecured)			
(a) Over Six Months			
Considered good*	30.04		16.52
Considered doubtful	0.38		0.38
Less : Provision for doubtful debts	(0.38)	30.04	(0.38)
(b) Others - Considered good		26.74	29.79
		56.78	46.31

* includes ₹ 11.39 Crore due pending resolution of sub-judice matters

19. CASH AND BANK BALANCES

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents:			
(a) Balances with Banks:			
In Current Accounts (includes unclaimed dividend of ₹ 0.63 Crore / Previous Year ₹ 0.65 Crore)	16.00		34.14
As Fixed Deposits	2.40		27.40
		18.40	61.54
(b) Cash on hand		0.80	0.56
		19.20	62.10
Other Bank Balances:			
Fixed Deposits with banks having maturity period of less than 12 months (under lien)		0.64	-
		19.84	62.10

Notes to Financial Statements

20. SHORT-TERM LOANS & ADVANCES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Loans and Advances to Subsidiary Companies	188.24	5.06
Advances recoverable in cash or in kind or for value to be received	113.51	79.23
Advance Income Tax paid (including TDS)(Net of Provision for Tax ₹ 168.61Crore /Previous Year ₹156.23 Crore)	59.14	54.21
Deposits with Excise and Customs	62.24	64.69
MAT Credit Entitlement	22.65	-
	445.78	203.19

21. OTHER CURRENT ASSETS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Fixed Assets held for Disposal (Valued at lower of Net Book Value and Net Realisable Value)	1.55	0.03
	1.55	0.03

22. REVENUE FROM OPERATIONS

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of products:		
Ferro Chrome	1251.12	1199.26
Ferro Silicon	0.42	29.45
Power	11.31	7.20
Fly Ash Bricks	1.94	0.23
Total Sales	1264.79	1236.14
Less: Excise Duty	21.45	28.48
Net Sales	1243.34	1207.66
Other Operating Revenue:		
Export Incentives	61.84	64.04
Sale of Scrap	6.37	1.55
Others	6.30	-
	1317.85	1273.25

Notes to Financial Statements

23. OTHER INCOME

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest from Fixed Deposits	1.97	2.14
Interest from Others	8.01	2.81
Rent received	0.31	0.10
Profit on Sale of Fixed Assets	0.54	0.84
Claims Received	6.57	0.30
Dividend from Mutual Funds	0.15	0.23
Profit on sale of Investments	1.26	-
Liability no longer required written back	1.06	0.24
Other non operating Income	2.16	1.10
	22.03	7.76

24. COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Coal	259.01	208.89
Chrome Ore	188.56	147.94
Quartz	6.30	6.34
Coke	213.12	251.34
Carbon paste	16.54	16.63
Other materials	25.10	17.94
	708.63	649.08
Less: Inter Unit transfer of Chrome Ore(Net)	19.15	13.40
	689.48	635.68

25. CHANGES IN INVENTORIES OF FINISHED GOODS

₹ in Crore

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Closing stock of finished goods	153.26	87.81
Opening stock of finished goods	87.81	132.93
	(65.45)	45.12

Notes to Financial Statements

26. EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries, Wages, Bonus, Allowances, etc.	104.18	89.70
Contribution to Provident and Other Funds	10.75	9.43
Workmen and Staff Welfare Expenses	3.53	3.49
	118.46	102.62

27. FINANCE COST

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest on Long-Term Loans	86.63	37.12
Interest on Working Capital Loans	9.69	17.87
Other Borrowing Costs	11.25	8.19
Applicable loss on foreign currency transactions & translation	10.99	6.79
	118.56	69.97

28. OTHER EXPENSES

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing expenses		
Consumption of stores, spares and loose tools	31.17	22.52
Consumption of electricity	5.54	1.56
Electricity Duty	16.94	15.20
Energy transmission charges	5.04	3.74
Repairs and Maintenance :		
Plant and Machinery	20.41	24.84
Buildings	5.27	3.37
Others	3.65	5.91
Finished stock and slag handling expenses	19.24	12.24
Other factory expenses	26.38	20.54
Excise duty on closing stock of finished goods	7.19	(5.70)
	140.83	104.22
Selling & Distribution expenses		
Carriage outward and handling expenses	48.39	40.86
Export promotion expenses	2.14	1.57
Other selling expenses	24.70	23.87
	75.23	66.30

Notes to Financial Statements

28. OTHER EXPENSES (CONTD.)

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Establishment and other expenses		
Insurance	1.89	2.28
Rent	3.21	2.33
Rates and taxes	1.84	1.29
Travelling and conveyance	7.40	6.86
Legal and consultancy expenses	17.64	15.88
Auditors' remuneration and expenses	0.27	0.23
Commission & sitting fee (Non executive directors)	0.33	0.39
Applicable loss on foreign currency transactions & translation	8.70	17.50
Miscellaneous expenses	19.36	15.66
	60.64	62.42
Total Other Expenses	276.70	232.94

28.1 Auditors' Remuneration & Expenses

₹ in Crore

	Year ended 31st March 2014	Year ended 31st March 2013
As Auditor - Statutory Audit & Limited Reviews	0.25	0.21
Reimbursement of expenses	0.02	0.02
	0.27	0.23

29. EARNINGS PER SHARE

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Crore)	39.12	53.89
Weighted Average number of equity shares used as denominator for calculating EPS	2,59,77,053	2,59,77,053
Basic and diluted earnings per share (in ₹)	15.06	20.74
Nominal value per equity share (in ₹)	10.00	10.00

Notes to Financial Statements

30. CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
A. Contingent Liabilities		
(a) Guarantees :		
(i) Guarantees issued by Banks (Margin money against above ₹ 0.28 Crore ; Previous Year ₹ 2.54 Crore)	5.84	20.92
(ii) Guarantee given by the Company to a corporate on behalf of Utkal Coal Ltd, a subsidiary	27.50	159.21
(b) Claims against the Company not acknowledged as debts:		
Government Claims		
(i) Income Tax (deposits made under protest ₹ 54.29 Crore ; Previous Year ₹ 42.01 Crore)	109.78	240.97
(ii) Customs & Central Excise (deposits made under protest ₹ 0.18 Crore ; Previous Year ₹ 0.19 Crore)	0.76	6.54
(iii) Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable
(iv) Sales tax & Entry tax (deposits made under protest ₹ 6.00 Crore ; Previous Year ₹ 3.88 Crore)	14.77	9.35
(v) State Govt./Local Authority duties, levies & cess etc. disputed by the Company	231.31	28.45
Other Claims		
Legal suits filed against the Company in earlier years	1.53	1.70
B. Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	34.95	42.77

31. ADDITIONAL INFORMATION PERTAINING TO STATEMENT OF PROFIT AND LOSS

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
(a) Value of Imports on C.I.F basis :		
Raw Materials	256.38	290.80
Components and spare parts	6.00	18.24
Capital Goods	-	2.69
(b) Expenditure in foreign currency :		
Interest	2.81	3.76
Travelling	2.46	2.36
Others	4.26	3.31
(c) Earnings in foreign currency :		
F.O.B. value of exports	1042.69	951.21
(d) Remittance in foreign currency :		
On account of dividend to non-resident investors:		

Notes to Financial Statements

31. ADDITIONAL INFORMATION PERTAINING TO STATEMENT OF PROFIT AND LOSS (CONTD.)

	Year ended 31st March, 2014	Year ended 31st March, 2013
(i) Year to which dividend pertains	2012-13	2011-12
(ii) Number of Shareholders	3	3
(iii) Number of Equity Shares	5634759	5634759
(iv) Amount remitted (₹ in Crore)	2.82	2.82

(e) Value of directly imported and indigenously obtained raw materials, spare parts, components & stores consumed and the percentage of each to the total consumption :

₹ in Crore

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
(i) Raw materials				
Imported	264.20	38.32%	274.46	43.18%
Indigenous	425.28	61.68%	361.22	56.82%
(ii) Spare parts, components & stores				
Imported	6.97	11.07%	6.04	10.11%
Indigenous	55.98	88.93%	53.68	89.89%

32. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS) 15 – EMPLOYEE BENEFITS

(a) Defined Contribution Plan:

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

₹ in Crore

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Employer's contribution towards:		
- Provident Fund	3.20	2.75
- Employee Pension Scheme	1.57	1.32
- Employee State Insurance	0.69	0.42
- Superannuation Fund	1.08	1.05

Notes to Financial Statements

(b) Defined Benefit Plan:

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

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

₹ in Crore

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Present Value of obligation	18.46	16.61	4.20	3.52
Fair value of plan assets	17.78	16.58	-	-
(Net Assets / (liabilities) recognised in balance sheet	(0.68)	(0.03)	(4.20)	(3.52)
Non Current	(0.68)	(0.03)	(3.69)	(3.08)
Current	-	-	(0.51)	(0.44)

(ii) Changes in present value of obligation:

₹ in Crore

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2013-14	2012-13	2013-14	2012-13
Present Value of obligation at the beginning of the year	16.61	15.37	3.52	3.95
Interest Cost	1.58	1.28	0.35	0.33
Current service cost	1.22	1.06	0.80	0.07
Benefits paid	(1.41)	(1.62)	(1.79)	(1.73)
Actuarial (gain)/loss on obligation	0.46	0.52	1.32	0.90
Present value of obligation as at the end of the year	18.46	16.61	4.20	3.52

(iii) Changes in present value of obligation:

₹ in Crore

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2013-14	2012-13	2013-14	2012-13
Fair Value of plan assets as at the beginning of the year	16.58	15.24	-	-
Return on plan assets	1.55	1.42	-	-
Contributions	1.21	1.49	1.79	1.73
Benefits paid	(1.41)	(1.62)	(1.79)	(1.73)
Actuarial gain/ (loss) on plan assets	(0.15)	0.05	-	-
Fair value of plan assets as at the end of the year	17.78	16.58	-	-

Notes to Financial Statements

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

₹ in Crore

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Discount rate per annum compounded	8.25%	8.25%	8.25%	8.25%
Rate of increase in salaries	5.00%	5.00%	-	5.00%
Rate of return on plan assets	9.00%	9.00%	-	-
Expected average remaining working lives of employees (years)	17.04	16.35	17.04	16.35
Withdrawal rates	Varying between 8% per annum to 1% per annum depending on duration & age of the employees			
Mortality table	Standard table: Indian Assured Lives Mortality (2006-2008) (modified)			

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

₹ in Crore

Particulars	Gratuity				
	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	18.46	16.61	15.37	14.19	9.54
Plan assets	17.78	16.58	15.24	12.55	5.29
Surplus/(deficit)	(0.68)	(0.03)	(0.13)	(1.64)	(4.25)
Experience adjustments on plan liabilities	(0.46)	0.15	(15.37)	(17.90)	(10.19)
Experience adjustments on plan assets	(0.15)	0.05	0.13	-	-

₹ in Crore

Particulars	Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	4.20	3.52	3.95	3.45	2.67
Plan assets	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(4.20)	(3.52)	(3.95)	(3.45)	(2.67)
Experience adjustments on plan liabilities	1.31	0.83	(5.23)	(4.81)	(3.59)
Experience adjustments on plan assets	-	-	-	-	-

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

Notes to Financial Statements

34. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships :

Subsidiaries	Country of Origin
1 Indian Metals and Carbide Ltd	India
2 Utkal Power Ltd	India
3 Utkal Coal Ltd	India
4 IMFA Alloys Finlease Ltd	India
5 Utkal Green Energy Ltd	India
6 Indmet Mining Pte Ltd	Singapore
7 PT. Sumber Rahayu Indah	Indonesia

Key Management Personnel (KMP)

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

Relatives of Key Management Personnel

1 Mrs Paramita Mahapatra
2 Mrs Jagi Mangat Panda
3 Mrs Shaifalika Panda
4 Mrs Nivedita Ganapathi

Enterprises over which KMP's and/or their relatives are able to exercise significant influence (with whom transactions have taken place during the year)

1 B. Panda and Company Pvt Ltd
2 Madhuban Investments Pvt Ltd
3 Utkal Manufacturing & Services Ltd
4 Esquire Realtors Pvt Ltd
5 Kishangarh Environmental Development Action Pvt Ltd
6 Ortel Communications Ltd
7 Odisha Television Ltd
8 INDMET Commodities Pvt Ltd
9 Palios Corporation
10 Rutayan Ila Trust
11 Bansidhar & Ila Panda Foundation
12 Utkal Charitable Trust
13 Indian Metals Public Charitable Trust

Notes to Financial Statements

(b) Summary of transactions with Related Parties

₹ in Crore

Sl. No.	Nature of Transactions	Subsidiaries	KMP	Relatives of KMP	Enterprises over which KMP's and/or their relatives are able to exercise significant influence
1	Purchase of raw materials and stores etc.	- (-)	- (-)	- (-)	7.07 (35.07)
2	Services received	- (-)	0.21 (0.16)	0.24 (0.22)	126.24 (102.61)
3	Managerial remuneration	- (-)	6.67 (9.41)	- (-)	- (-)
4	Donations given	- (-)	- (-)	- (-)	2.33 (2.09)
5	Lease rentals paid	3.84 (0.55)	- (-)	- (-)	- (-)
6	Interest received on loan	5.10 (0.04)	- (-)	- (-)	- (-)
7	Investments made	1.96 (26.04)	- (-)	- (-)	- (-)
8	Loan given	203.05 (11.31)	- (-)	- (-)	- (-)
9	Loan repayment received	17.52 (11.31)	- (-)	- (-)	- (-)
10	Reimbursement of expenses	0.10 (-)	- (-)	- (-)	- (-)
11	Assets taken on finance lease	- (33.28)	- (-)	- (-)	- (-)
12	Outstanding balances as at 31st March, 2014 :				
a.	Receivables	187.93 (5.06)	- (-)	- (-)	0.22 (0.03)
b.	Payables	32.85 (33.26)	0.97 (5.83)	- (-)	55.21 (50.48)
c.	Guarantees given	27.50 (159.21)	- (-)	- (-)	- (-)
d.	Guarantees received	15.74 (22.17)	- (-)	- (-)	- (-)

Note: Figures in brackets represent corresponding amounts of previous year.

Notes to Financial Statements

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

- Purchase of raw materials and stores etc. is from Utkal Manufacturing and Services Limited ₹ 7.07 Crore (Previous Year : ₹ 35.07 Crore)
- Services received includes Utkal Manufacturing and Services Limited ₹ 121.61 Crore (Previous Year : ₹ 96.38 Crore)
- Managerial remuneration paid to Dr Bansidhar Panda ₹ 1.69 Crore (Previous Year : ₹ 2.79 Crore), Mr Baijayant Panda ₹ 1.70 Crore (Previous Year : ₹ 2.79 Crore), Mr Subhrakant Panda ₹ 1.89 Crore (Previous Year : ₹ 2.87 Crore), Mr Jayant Kumar Misra ₹ 0.77 Crore (Previous Year : ₹ 0.86 Crore) and Mr Chitta Ranjan Ray ₹ 0.62 Crore (Previous Year : ₹ 0.10 Crore)
- Donations given includes Bansidhar & Ila Panda Foundation ₹ 2.19 Crore (Previous Year : ₹ 1.92 Crore)
- Lease rentals paid to IMFA Alloys Finlease Limited ₹ 3.84 Crore (Previous Year : ₹ 0.55 Crore)
- Interest received on loan is from Utkal Coal Limited ₹ 5.10 Crore (Previous Year : ₹ 0.04 Crore)
- Investments made in Utkal Coal Limited ₹ 1.96 Crore (Previous Year : ₹ 26.04 Crore)
- Loan given to Utkal Coal Limited ₹ 203.05 Crore (Previous Year : ₹ 11.31 Crore)
- Loan repayment received from Utkal Coal Limited ₹ 17.52 Crore (Previous Year : ₹ 11.31 Crore)
- Assets taken on finance lease from IMFA Alloys Finlease Limited ₹ Nil (Previous Year : ₹ 33.28 Crore)
- Guarantees given to Utkal Coal Limited ₹ 27.50 Crore (Previous Year : ₹ 159.21 Crore)
- Guarantees received from Indmet Mining Pte Limited ₹ 15.74 Crore (Previous Year : ₹ 22.17 Crore)

35. DISCLOSURE PURSUANT TO CLAUSE 32(IV) OF THE LISTING AGREEMENT

Loans and advances in the nature of loans to subsidiaries

₹ in Crore

Name of the Subsidiary	Loans or Advances in the nature of Loan	Amount outstanding		Maximum amount outstanding during	
		As at 31st March, 2014	As at 31st March, 2013	2013-14	2012-13
Utkal Coal Limited	Loan	185.53	-	185.53	-

The aforesaid loan is repayable on demand and carries a rate of interest which is not below that as mentioned in section 372A of the Companies Act, 1956.

36. Disputes between the Company and Grid Corporation of Orissa Ltd("GRIDCO") relating to methodology for billing of power, wheeling of power, back-up power drawn during period of grid disturbance etc. were settled in favour of the Company vide a unanimous award of an Arbitral Tribunal dated 23rd March, 2008, by virtue of which GRIDCO was directed to pay ₹ 57.07 lakh alongwith interest and ₹ 30 lakh towards costs. Subsequently, GRIDCO filed a petition before the District Judge, Bhubaneswar objecting the award and obtained an interim stay on the operation of the said award. The Company filed its objection thereto on 9th February, 2009.

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

37. In the arbitration proceedings relating to a party's conversion contract with the erstwhile Indian Charge Chrome Ltd ("ICCL", amalgamated with the Company w.e.f 1st April, 2005 pursuant to Hon'ble Orissa High Court's order dated 13th October, 2006), an interim award was passed on 9th January, 2003 upholding issues in ICCL's favour, without quantification of the amount payable to ICCL towards its various claims of losses/damages, which is to be determined by the appointment of a Chartered Accountant or other expert.

Notes to Financial Statements

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.

38. 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 judgement 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 is paying the balance 14 paise per unit in an escrow account with State Bank of India from January, 2011 onwards. However, on the principles of prudence, the Company is fully providing for Electricity Duty @ 20 paise per unit in its books of account, on accrual basis.
39. With reference to a Right of Recompense ('ROR') dispute with Andhra Bank, the Hon'ble Orissa High Court, based on Company's application, directed vide its Order dated

9th April, 2010 that no coercive action shall be taken against the Company. The Company has paid ₹ 1.35 Crore to the bank, on the basis of the orders passed by the Hon'ble High Court from time to time, pending final adjudication of the case. The Company is of the opinion that the final ROR amount will not be materially higher than what has been already paid to the bank against its ROR.

40. 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.

41. DERIVATIVE INSTRUMENTS

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

Particulars	As at 31st March, 2014		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	28 (40)	17 (10)	101.32 (54.02)
Interest Rate Swap with USD/INR Call Option	1 (1)	14.06 (15.00)	74.25 (79.2)
Cross Currency Swap with Call Spread	1 (1)	2.88 (4.53)	15.74 (22.20)

Note: Figures in brackets represent corresponding numbers / amounts as at 31st March, 2013

Notes to Financial Statements

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	US Dollar equivalent (in million)	INR equivalent (in Crore)	US Dollar equivalent (in million)	INR equivalent (in Crore)
Loans Payable	16.40	97.74	9.50	51.32
Payable for import of goods	0.04	0.24	0.53	2.86

42. 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, 2014	As at 31st March, 2013
Not later than 1 year	2.65	2.46
Later than 1 year but not later than 5 years	1.99	2.63
Later than 5 years	0.81	0.75

Total lease rent payments recognised in the Statement of Profit and Loss for the year is ₹ 3.21 Crore (Previous Year ₹ 2.33 Crore).

Future minimum lease rents receivable are summarized below:

₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Not later than 1 year	0.04	0.10
Later than 1 year but not later than 5 years	0.08	-
Later than 5 years	0.17	-

Finance Lease:

Company as a Lessee - Future minimum lease payments

₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Not later than 1 year	3.35	3.35
Later than 1 year but not later than 5 years	13.41	13.41
Later than 5 years	63.14	66.49

Notes to Financial Statements

Present value of minimum lease payments:

₹ in Crore

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Not later than 1 year	3.20	3.20
Later than 1 year but not later than 5 years	10.26	10.26
Later than 5 years	19.39	19.77

43. Previous year's figures have been rearranged/ regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

For **Haribhakti & Co**
Chartered Accountants
(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

Notes to Financial Statements

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956

₹ in Crore

1. Name of the subsidiary	Indian Metals & Carbide Ltd	Utkal Power Ltd	Utkal Coal Ltd	IMFA Alloys Finlease Ltd	Utkal Green Energy Ltd	Indmet Mining Pte Ltd	PT Sumber Rahayu Indah
2. Financial year of the subsidiary ended on	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
3. Holding Companies Interest:							
Number of shares held	10,49,960	50,000	1,98,00,000	23,00,000	9,80,000	1,47,38,801	Subsidiary of Indmet Mining Pte Ltd
Percentage of shareholding	99.99	100	79.20	76	100	100	70
4. The net aggregate amount of the subsidiary's profit/ (loss) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's Accounts							
For the financial year of the subsidiary	(0.03)	-	(0.04)	1.53	-	0.17	(0.86)
For the previous financial years of the subsidiary since it became the Holding Company's subsidiary.	(1.12)	(0.01)	(0.22)	0.16	(0.96)	(2.65)	(4.22)
5. The net aggregate amount of the subsidiary's profit/(loss) dealt with in the Holding Company's accounts							
For the financial year of the subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil
For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The figures of Indmet Mining Pte Ltd & PT. Sumber Rahayu Indah have been converted from USD to INR @ INR 59.60/USD.

For and on behalf of the Board of Directors

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

Place: Bhubaneswar
Date: 20th May, 2014

Independent Auditors' Report on the Consolidated Financial Statements

To the Board of Directors of Indian Metals and Ferro Alloys Limited

We have audited the accompanying consolidated financial statements of Indian Metals and Ferro Alloys Limited ("the Company") and its subsidiaries (the Company and its subsidiaries collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of the Company and its subsidiaries.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors and management accounts on the financial statements of the subsidiaries as mentioned in the 'Other Matters' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of ₹ 95.54 Crore as at 31st March, 2014, total revenues of ₹ 3.21 Crore and net cash outflows amounting to ₹ 5.39 Crore for the year then ended and as considered in the consolidated financial statements. The financial statements of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors, except for in case of a foreign sub-subsidiary where reliance has been placed on the management accounts (as it is not required to be audited as per the laws of the country in which it is incorporated). Our opinion is not qualified in respect of this matter.

For **Haribhakti & Co**

Chartered Accountants

Firm's Registration No. 103523W

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Place : Bhubaneswar

Date : 20th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

₹ in Crore

	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	25.98	25.98
Reserves and Surplus	3	855.11	823.89
		881.09	849.87
Minority Interest		30.54	30.44
Non-Current Liabilities			
Long-Term Borrowings	4	790.11	776.36
Deferred Tax Liability(Net)	5	78.33	54.10
Other Long-Term Liabilities	6	110.89	109.63
Long-Term Provisions	7	4.41	3.14
		983.74	943.23
Current Liabilities			
Short-Term Borrowings	8	160.46	194.42
Trade Payables	9	171.58	124.11
Other Current Liabilities	10	185.44	174.72
Short-Term Provisions	11	18.58	22.78
		536.06	516.03
		2,431.43	2,339.57
ASSETS			
Non- Current Assets			
Fixed Assets			
-Tangible Assets	12	1,271.24	1,168.39
- Capital Work-in-Progress		213.43	341.81
- Intangible Assets under Development		3.90	-
		1,488.57	1,510.20
Goodwill on Consolidation		69.36	64.77
Non-Current Investments	13	0.10	0.10
Long-Term Loans and Advances	14	113.19	93.26
Other Non-Current Assets	15	-	8.63
		1,671.22	1,676.96
Current Assets			
Current Investments	16	12.09	23.97
Inventories	17	372.71	319.18
Trade Receivables	18	56.78	46.31
Cash and Bank Balances	19	34.40	74.00
Short-Term Loans and Advances	20	282.25	198.73
Other Current Assets	21	1.98	0.42
		760.21	662.61
		2,431.43	2,339.57

Significant Accounting Policies and Notes to Consolidated Financial Statements 1 to 35

The Notes referred to above form an integral part of the Consolidated Financial Statements.

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

For **Haribhakti & Co**

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

₹ in Crore

	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
REVENUE			
Revenue from Operations	22	1,317.85	1,273.25
Other Income	23	17.06	8.23
Total Revenue		1,334.91	1,281.48
EXPENSES			
Cost of Materials Consumed	24	689.48	635.68
Changes in Inventories of Finished Goods	25	(65.45)	45.12
Employee Benefits Expense	26	118.75	102.65
Finance Cost	27	115.58	69.48
Depreciation and Amortisation	12	149.02	81.69
Other Expenses	28	277.62	235.00
Total Expenses		1,285.00	1,169.62
Profit before Prior Period /Exceptional Items & Tax		49.91	111.86
Prior Period Income		-	(2.45)
Exceptional Items – Expense		-	11.99
Profit Before Tax		49.91	102.32
Tax Expense:			
Current Tax		13.21	22.06
MAT Credit Entitlement (Including earlier years)		(22.65)	-
Deferred Tax		24.22	33.79
Earlier years' Adjustments		0.19	(6.35)
Profit After Tax (before adjustment for Minority Interest)		34.94	52.82
Minority Interest		(0.02)	-
Profit After Tax (after adjustment for Minority Interest)		34.92	52.82
Earnings Per Equity Share of par value of ₹ 10/- each			
Basic and Diluted (in ₹)	29	13.44	20.33

Significant Accounting Policies and Notes to Consolidated Financial Statements 1 to 35

The Notes referred to above form an integral part of the Consolidated Financial Statements.

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

For **Haribhakti & Co**

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 20th May, 2014

For and on behalf of the Board of Directors

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

Consolidated Cash Flow Statement for the year ended 31st March, 2014

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Cash Flow from Operating Activities		
Profit before tax	49.91	102.32
Adjustments for :		
Depreciation and Amortisation	149.02	81.69
Loss on sale/disposal of fixed assets(net)	0.17	6.73
Profit on sale of Investments	(1.26)	0.00
Unrealised foreign exchange (gain)/loss	(2.67)	1.59
Prior period income	0.00	(2.28)
Interest income	(4.97)	(5.06)
Dividend income	(0.16)	(0.26)
Pre-operative expense	0.00	0.44
Finance Cost	115.58	69.48
Liability no longer required written back	(1.06)	(0.24)
Operating Profit before Working Capital Changes	304.56	254.41
Adjustments for:		
Trade and other receivables	(54.14)	(41.98)
Inventories	(53.53)	10.56
Trade payables and other liabilities	58.10	34.22
Cash Generated from Operations	254.99	257.21
Direct Taxes paid	(18.26)	(44.85)
Net Cash generated from Operating Activities	236.73	212.36
B Cash Flow from Investing Activities		
Purchase of fixed assets	(133.63)	(237.97)
Sale of fixed assets	2.89	42.76
Fixed deposits	2.52	(5.00)
Sale / (Purchase) of Investments	13.11	(48.49)
Dividend received	0.15	0.23
Interest received	7.11	3.53
Net Cash (used In) / generated from Investing Activities	(107.85)	(244.94)
C Cash Flow from Financing Activities		
Proceeds from long term borrowings	286.63	189.81
Repayment of long term borrowings	(265.63)	(122.02)
Proceeds from/(Repayment) of short term borrowings(net)	(30.81)	63.61
Interest and financing charges paid	(147.51)	(100.13)
Proceeds from Issue of Equity Share Capital	0.00	53.34
Dividend paid (including dividend tax)	(15.20)	(15.10)
Net Cash (used in) / generated from Financing Activities	(172.52)	69.51
Net increase / (decrease) In Cash and Cash Equivalents (A+B+C)	(43.64)	36.93
Cash and Cash Equivalents at the beginning of the year	74.00	36.10
Effect of Exchange Rate on Translation of Foreign Currency	0.92	0.97
Cash and Cash Equivalents at the end of the year (Note No. 19)	31.28	74.00

Explanations:

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) "Cash Flow Statements" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been regrouped/ reclassified to confirm 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**

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Place: Bhubaneswar

Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

For and on behalf of the Board of Directors

Notes to Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Principles of Consolidation

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

- 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 unrealized profits or losses, in accordance with Accounting Standard (AS)21- "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.
- b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".
- c) The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the CFS as Goodwill or Capital Reserve, as the case may be.
- d) In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.

Minority Interest in the net assets of consolidated subsidiaries consists of:
 - (i) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
 - (ii) The minority share of movements in equity since the date the parent-subsidiary relationship came into existence.
- e) Minority's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the profit/loss after tax of the Group, in order to arrive at the profit/loss after tax attributable to shareholders of the Company.
- f) As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company 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, 2014.

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

Sl. No	Name of the Company	Ownership / voting power in % as at		Country of Incorporation
		31st March, 2014	31st March, 2013	
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%	78.90%	India
4	IMFA Alloys Finlease Ltd	76.00%	76.00%	India
5	Utkal Green Energy Ltd	100.00%	100.00%	India
6	Indmet Mining Pte Ltd	100.00%	100.00%	Singapore
7	PT. Sumber Rahayu Indah, [70 % Subsidiary of Indmet Mining Pte Ltd]	-	-	Indonesia

1.2 Other significant accounting policies

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

Notes to Financial Statements

2. SHARE CAPITAL

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Authorised :		
Equity Shares:		
3,00,00,000 Equity Shares of ₹ 10/-par value per share (31st March, 2013 : 3,00,00,000 shares)	30.00	30.00
Preference Shares:		
40,000 9.5% Redeemable Cumulative Preference Shares of ₹ 100/- par value per share (31st March, 2013 : 40,000 shares)	0.40	0.40
2,60,000 IInd Series Redeemable Cumulative Preference Shares of ₹ 100/- par value per share (31st March, 2013 : 2,60,000 shares)	2.60	2.60
	33.00	33.00
Issued, Subscribed and Paid-up:		
2,59,77,053 Equity Shares of ₹10 /- par value per share, fully paid up (31st March, 2013 : 2,59,77,053 shares)	25.98	25.98
	25.98	25.98

2.1. Reconciliation of equity shares outstanding is set out below:

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Shares outstanding at the beginning of the year	2,59,77,053	25.98	2,59,77,053	25.98
Shares allotted during the year	Nil	Nil	Nil	Nil
Shares cancelled during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	2,59,77,053	25.98	2,59,77,053	25.98

2.2. Rights, preferences & 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 shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares are eligible to receive the remaining assets of the company after distribution of all the preference amounts, in proportion to their shareholding.

The preference shareholders have a preferential right over equity shareholders in respect of repayment of capital and payment of dividend.

Notes to Financial Statements

2.3. Details of Shareholders holding more than 5% shares in the company

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% held	No. of shares	% held
LITEC Company Limited	38,44,259	14.80	38,44,259	14.80
Barabati Investment and Trading Co Pvt Ltd	26,34,778	10.14	26,34,778	10.14
Paramita Investments and Trading Co Pvt Ltd	26,34,778	10.14	26,34,778	10.14
KB Investment Pvt Ltd	25,16,401	9.69	25,16,401	9.69
Madhuban Investment Pvt Ltd	23,95,696	9.22	23,95,696	9.22
Reliance Capital Trustee Co Ltd - A/c Reliance Tax Saver (ELSS) Fund	14,95,974	5.76	7,60,535	2.93

2.4. Shares allotted as fully paid-up without payment being received in cash (during 5 years preceding 31st March, 2014)

25,11,754 equity shares were allotted to the Shareholders of Utkal Manufacturing & Services Ltd upon acquisition of its assets by the Company in the year 2009-10 pursuant to the Scheme of Demerger of its Ferro Alloys Division.

3. RESERVES AND SURPLUS

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Capital Reserves			
Balance as per last account		1.01	1.01
Capital Redemption Reserve			
Balance as per last account		1.22	0.20
Add: Addition/(deduction) during the year		(1.02)	1.02
		0.20	1.22
Securities Premium Reserve			
Balance as per last account		151.58	131.45
Add: Addition/(deduction) during the year		1.54	20.13
		153.12	151.58
Foreign Currency Translation Reserve			
Balance as per last account		10.34	6.26
Add: Adjustment for translation of Non Integral Foreign Operations		4.90	4.08
		15.24	10.34
Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)			
Balance as per last account		0.04	-
Add: Addition/(deduction) during the year		0.40	0.04
		0.44	0.04
General Reserve			
Balance as per last account	271.82		266.43
Add: Transferred from Statement of Profit and Loss	4.00		5.39

Notes to Financial Statements

3. RESERVES AND SURPLUS (CONTD.)

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
		275.82	271.82
Surplus in the Statement of Profit and Loss			
Balance as per last account	387.88		355.69
Add : Profit for the year	34.92		52.82
	422.80		408.51
Less : Appropriations			
Proposed Dividend @ 30 %	(7.79)		(12.99)
Tax on Dividend	(1.33)		(2.21)
Transfer to General Reserve	(4.00)		(5.43)
Transfer to Special Reserve	(0.40)		-
		409.28	387.88
		855.11	823.89

4. LONG-TERM BORROWINGS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Secured		
Term Loans from Banks	326.19	314.65
Term Loans from Others	463.92	461.71
	790.11	776.36

4.1. Details of securities provided for Term-Loans and their repayment terms :

(EMI - Equated Monthly Instalment; EQI - Equated Quarterly Instalment)

Term Loans from Banks :

- Loan of ₹ 22.58 Crore (Previous Year: ₹ 21.84 Crore) secured by first charge by way of mortgage ranking pari-passu on the Company's movable & immovable properties, present & future, relating to the 120 MW Power Plant and charge on Company's immovable property measuring 60 acres situated at Choudwar. Repayment by 48 EQI of ₹ 0.60 Crore from Nov'12.
- Loan of ₹ 38.80 Crore (PY : ₹ 50.22 Crore) secured by first charge on the movable

assets to be acquired out of the loan for Coal Handling Plant (CHP) and first charge by way of mortgage on pari-passu basis on immovable properties of the Company situated at Chhatisha and Kapaleswar, Choudwar excluding assets exclusively charged to other lenders. Repayment by 28 EQI of ₹ 2.29 Crore from Oct'12.

- Loan of ₹ 12.50 Crore (PY : ₹ 22.52 Crore) secured by first charge by way of mortgage on pari-passu basis on the immovable & movable assets of the Company's Therubali & Choudwar units (excluding the fixed assets exclusively charged), both present & future. Repayment by 24 EMI of ₹ 2.08 Crore from Oct'2013.
- Loan of ₹ 37.50 Crore (PY : Nil) secured by first pari-passu charge on fixed assets at Choudwar

Notes to Financial Statements

excluding those which are exclusively charged to other project lenders. Repayment by 35 EMI of ₹ 1.39 Crore from March'17 and last instalment of ₹ 1.35 Crore.

- (e) Loan of ₹ 81.00 Crore (PY : Nil) 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 EQIs from December' 14.
- (f) Loan of ₹ 28.00 Crore (PY : Nil) secured by extension of charge over the assets of 30MW Captive Power Plant (CPP) and pari-passu charge on plot no-43 on which CPP is erected at Choudwar, Cuttack with other term lenders. Repayment by 8 EQI of ₹ 3 Crore from June'14 and 4 EQI of ₹ 4 Crore from June'16.
- (g) Loan of ₹ 44.37 Crore (PY : ₹ 52.20 Crore) secured by exclusive charge over the assets of 30 MW captive power plant (CPP) & first pari-passu charge on plot no. 43 on which CPP has been erected at Choudwar, with other term lenders. The loan is collaterally secured by second pari-passu charge on entire current assets of the Company. Repayment by 16 EQI of ₹ 2.175 Crore from June'10 and 20 EQI of ₹ 2.61 Crore from June ' 14.
- (h) Loan of ₹ 6.75 Crore (PY : ₹ 14.10 Crore) secured by first exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar. Charge on all the present and future moveable fixed assets of gas cleaning plant & briquetting plant at Therubali, light density aggregate plant & fly ash brick plant at Choudwar. Repayment by 17 EQI from October'11.
- (i) Loan of ₹ 54.45 Crore (PY : ₹ 79.20 Crore) secured by first exclusive charge by way of hypothecation over plant & machinery of 27 MVA furnace at Choudwar and charge on all the present and future movable fixed assets of gas cleaning plant & briquetting plant at Therubali, light density aggregate plant & fly ash brick plant at Choudwar. Repayment by 16 EQI from January'14.
- (j) Vehicle Loan of ₹ 0.24 Crore (PY : Nil) secured by charge on the Vehicle. Repayment by 60 EMI @ ₹ 65,232/- from January'14 to December'18.

Term Loans from Others:

- (a) Loan of ₹ 264.65 Crore (PY : ₹ 289.27 Crore) secured by first charge by way of mortgage ranking pari-passu with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment of first instalment of ₹ 5.46 Crore in January' 13 and balance 47 EQI of ₹ 6.15 Crore from April' 14.
- (b) Loan of ₹ 106.58 Crore (PY : ₹ 93.42 Crore) secured by first charge by way of mortgage ranking with other term lenders on the Company's movable & immovable properties, present & future, relating to the 120 MW power plant. Repayment of first instalment of ₹ 2.20 Crore in January' 13 and balance 47 EQI of ₹ 2.48 Crore from April' 14.
- (c) Loan of ₹ 57.60 Crore (PY : Nil) secured by first pari-passu charge on the fixed assets (both movable & immovable) of the Company (both present & future) other than assets exclusively charged to other lenders. Subservient charge on the current assets of the Company. Repayment by 75 EMIs from January'15.
- (d) Loan of ₹ 7.59 Crore (PY : ₹ 11.45 Crore) secured by first charge on winder at Mines. Repayment by EMIs from February'13 to November'16.
- (e) Loan of ₹ 27.50 Crore (PY : Nil), secured by first charge over all the fixed assets of Utkal Coal Limited, both present & future on pari-passu basis. An unconditional and irrevocable corporate guarantee has been given by the Holding Company in respect of such loan. Further, exclusive pledge of 70% of the fully paid up equity share capital of the Company has been created in favour of the lender. The loan is repayable in 60 EQI starting from 30th January, 2016.

Note: Term Loans from Banks amounting to ₹ 105.75 Crore (PY : ₹ 124.26 Crore) and Term Loans from Others amounting to ₹ 371.23 Crore (PY : ₹ 382.69 Crore) are further secured by personal guarantees of 2 directors of the Company.

Notes to Financial Statements

5. DEFERRED TAX LIABILITY (NET)

In terms of Accounting Standard 22, the net Deferred Tax Liability (DTL) recognised during the year is ₹ 24.22 Crore (Previous Year ₹ 33.79 Crore). Consequently, the net DTL as at year-end stands at ₹ 78.33 Crore (Previous Year : ₹ 54.10 Crore). The break-up of major components of net DTL is as under:

₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Deferred Tax Liability:		
Related to depreciation on fixed assets	(94.60)	(64.02)
Others	(0.02)	-
	(94.62)	(64.02)
(b) Deferred Tax Assets:		
Related to disallowances under the Income-Tax Act, 1961	16.29	9.92
	16.29	9.92
Net Deferred Tax Liability	(78.33)	(54.10)

6. OTHER LONG-TERM LIABILITIES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Electricity Duty	109.14	97.19
Security Deposits	0.41	11.11
Others	1.34	1.33
	110.89	109.63

7. LONG-TERM PROVISIONS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits	4.41	3.14
	4.41	3.14

8. SHORT-TERM BORROWINGS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Secured : Loans Repayable on Demand		
Working Capital Loans from Banks	160.46	194.42
	160.46	194.42

8.1. Working Capital Loans from banks are secured by charge over stocks, receivables & current assets. Moreover, loans amounting to ₹ 73.51 Crore (Previous Year : ₹ 132.39 Crore) are further secured by personal guarantees of 2 directors of the Company.

Notes to Financial Statements

9. TRADE PAYABLES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Creditors for supplies/services	171.58	124.11
	171.58	124.11

10. OTHER CURRENT LIABILITIES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long-term borrowings	137.31	128.83
Current maturities of finance lease obligations	-	0.38
Interest accrued but not due	12.29	9.03
Unpaid Dividend #	0.64	0.65
Due to Directors	1.26	6.04
Projects related creditors	13.52	21.18
Advance from Customers	1.33	0.56
Earnest Money and Security Deposits	11.86	0.66
Other Liabilities	7.23	7.39
	185.44	174.72

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

11. SHORT-TERM PROVISIONS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits	9.46	7.58
Proposed Dividend	7.79	12.99
Tax on Dividend	1.33	2.21
	18.58	22.78

Notes to Financial Statements

12. FIXED ASSETS - TANGIBLE ASSETS

₹ in Crore

Particulars	GROSS BLOCK			As at 31st March, 2014	DEPRECIATION & AMORTISATION			As at 31st March, 2014	NET BLOCK	
	As at 1st April, 2013	Additions	Deductions		As at 1st April, 2013	For the year	Deductions		As at 31st March, 2014	As at 31st March, 2013
A. Own Assets										
Freehold Land	54.59	0.87	-	55.46	-	-	-	-	55.46	54.59
Buildings	364.61	26.55	0.11	391.05	87.78	25.51	0.07	113.22	277.83	276.83
Railway Siding & Runways	19.89	-	-	19.89	4.44	2.04	-	6.48	13.41	15.45
Office Equipments	9.13	0.98	0.05	10.06	5.44	0.63	0.04	6.03	4.03	3.69
Computer System	8.24	2.42	-	10.66	5.19	1.74	-	6.93	3.73	3.05
Machineries										
Plant & Machinery	860.56	219.91	9.36	1,071.11	288.68	106.91	7.18	388.41	682.70	571.88
Furniture & Fixtures	5.27	0.98	0.04	6.21	3.56	0.44	0.04	3.96	2.25	1.71
Vehicles	18.42	1.70	0.91	19.21	8.68	2.73	0.57	10.84	8.37	9.74
Aircrafts	31.67	0.31	3.35	28.63	6.36	4.10	2.86	7.60	21.03	25.31
	1,372.38	253.72	13.82	1,612.28	410.13	144.10	10.76	543.47	1,068.81	962.25
B. Leased Assets										
Leasehold Land	173.67	1.27	-	174.94	-	-	-	-	174.94	173.67
Plant & Machinery acquired on finance lease	33.28	-	-	33.28	0.81	4.98	-	5.79	27.49	32.47
	206.95	1.27	-	208.22	0.81	4.98	-	5.79	202.43	206.14
Total (A+B)	1,579.33	254.99	13.82	1,820.50	410.94	149.08	10.76	549.26	1,271.24	1,168.39
Previous Year	1,011.61	630.48	62.76	1,579.93	349.85	81.86	20.77	410.94	1,168.39	661.76
Capital Work-in-Progress									213.43	341.81
Intangible Assets under Development									3.90	-

- Note :** 1. Borrowing costs capitalised during the year ₹ 39.96 Crore (Previous Year : ₹ 71.54 Crore).
2. Depreciation amounting to ₹ 0.06 Crore (Previous Year : ₹ 0.17 Crore) has been transferred to Capital Work in Progress.

13. NON-CURRENT INVESTMENTS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Investments in Shares (Unquoted) - at cost		
95,054 Equity Shares of ₹10/- each fully paid - up in Kalinga Hospital Ltd (Previous Year : 95,054 shares)	0.10	0.10
	0.10	0.10

14. LONG-TERM LOANS AND ADVANCES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Capital Advances	19.79	15.35
Security and Other Deposits	12.43	8.59
Deposit for electricity duty in No Lien & Escrow Accounts	80.97	69.32
	113.19	93.26

Notes to Financial Statements

15. OTHER NON-CURRENT ASSETS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Fixed Deposits with banks having maturity period of more than 12 months (under lien)	-	8.63
	-	8.63

16. CURRENT INVESTMENTS (At lower of Cost and Fair value)

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Investments in Mutual Fund - Unquoted		
396994.696 (Previous Year : Nil) units of Birla Sunlife Cash Manager-Growth-Regular Plan Market Value ₹ 12.25 Crore (Previous Year : Nil)	12.09	-
Nil (Previous Year-2391247.891) units of Birla Sunlife Cash Manager-Daily Dividend-Regular Plan Market Value ₹ Nil (Previous Year ₹ 23.97 Crore)	-	23.97
	12.09	23.97

17. INVENTORIES

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
(a) Raw Materials	156.03	188.83
(b) Raw Materials in transit	17.36	1.86
(c) Finished Goods (Includes Finished Goods-in-Transit ₹ 25.67 Crore / Previous Year ₹ 33.23 Crore)	153.26	87.81
(d) Stores and Spares	45.92	40.56
(e) Loose Tools	0.14	0.12
	372.71	319.18

17.1 Finished goods comprises of :

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
(a) Charge Chrome	152.88	86.89
(b) Ferro Silicon	0.01	0.45
(c) Fly Ash Bricks	0.37	0.47
	153.26	87.81

Notes to Financial Statements

18. TRADE RECEIVABLES

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Trade Receivables (unsecured)			
(a) Over Six Months			
Considered good*	30.04		16.52
Considered doubtful	0.38		0.38
Less : Provision for doubtful debts	(0.38)	30.04	(0.38)
(b) Others - Considered good		26.74	29.79
		56.78	46.31

* includes ₹ 11.39 Crore due pending resolution of sub-judice matters

19. CASH AND BANK BALANCES

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents :			
(a) Balances with Banks:			
In Current Accounts (includes unclaimed dividend of ₹ 0.63 Crore / Previous Year ₹ 0.65 Crore)	16.87		46.03
As Fixed Deposits	13.60		27.40
		30.47	73.43
(b) Cash on hand		0.81	0.57
		31.28	74.00
Other Bank Balances:			
Fixed Deposits with banks having maturity period of less than 12 months (under lien)		3.12	-
		34.40	74.00

20. SHORT-TERM LOAN AND ADVANCES

₹ in Crore

		As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good			
Advances recoverable in cash or in kind or for value to be received		113.56	79.82
Capital Advances		24.28	-
Advance Income Tax paid (including TDS)(Net of Provision for Tax ₹ 169.76 Crore. / Previous Year ₹156.44 Crore.)		59.14	54.21
Deposits with Excise and Customs		62.62	64.70
MAT Credit Entitlement		22.65	-
		282.25	198.73

Notes to Financial Statements

21. OTHER CURRENT ASSETS

₹ in Crore

	As at 31st March, 2014	As at 31st March, 2013
Fixed Assets held for Disposal (Valued at lower of Net Book Value and Net Realisable Value)	1.55	0.42
Other Receivables	0.43	-
	1.98	0.42

22. REVENUE FROM OPERATIONS

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of products:		
Ferro Chrome	1,251.12	1,199.26
Ferro Silicon	0.42	29.45
Power	11.31	7.20
Fly Ash Bricks	1.94	0.23
Total Sales	1,264.79	1,236.14
Less: Excise Duty	21.45	28.48
Net Sales	1,243.34	1,207.66
Other Operating Revenue:		
Export Incentives	61.84	64.04
Sale of Scrap	6.37	1.55
Others	6.30	-
	1,317.85	1,273.25

23. OTHER INCOME

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest from Fixed Deposits	2.09	2.61
Interest from Others	2.91	2.81
Rent received	0.31	0.10
Profit on Sale of Fixed Assets	0.54	0.84
Claims Received	6.57	0.30
Dividend from Mutual Funds	0.15	0.23
Profit on sale of Investments	1.26	-
Liability no longer required written back	1.06	0.24
Other non operating Income	2.17	1.10
	17.06	8.23

Notes to Financial Statements

24. COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Coal	259.01	208.89
Chrome Ore	188.56	147.94
Quartz	6.30	6.34
Coke	213.12	251.34
Carbon paste	16.54	16.63
Other materials	25.10	17.94
	708.63	649.08
Less: Inter Unit transfer of Chrome Ore (Net)	19.15	13.40
	689.48	635.68

25. CHANGES IN INVENTORIES OF FINISHED GOODS

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Closing stock of finished goods	153.26	87.81
Opening stock of finished goods	87.81	132.93
	(65.45)	45.12

26. EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries, Wages, Bonus, Allowances, etc.	104.47	89.73
Contribution to Provident and Other Funds	10.75	9.43
Workmen and Staff Welfare Expenses	3.53	3.49
	118.75	102.65

27. FINANCE COST

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest on Long-Term Loans	86.63	37.12
Interest on Working Capital Loans	9.69	17.87
Other Borrowing Costs	8.27	7.70
Applicable loss on foreign currency transactions & translation	10.99	6.79
	115.58	69.48

Notes to Financial Statements

28. OTHER EXPENSES

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing expenses		
Consumption of stores, spares and loose tools	31.17	22.52
Consumption of electricity	5.54	1.56
Electricity Duty	16.94	15.20
Energy transmission charges	5.04	3.74
Repairs and Maintenance :		
Plant and Machinery	20.41	24.84
Buildings	5.27	3.37
Others	3.65	5.91
Finished stock and slag handling expenses	19.24	12.24
Other factory expenses	26.39	20.54
Excise duty on closing stock of finished goods	7.19	(5.70)
	140.84	104.22
Selling & Distribution expenses		
Carriage outward and handling expenses	48.39	40.86
Export promotion expenses	2.14	1.57
Other selling expenses	24.70	23.87
	75.23	66.30
Establishment and other expenses		
Insurance	1.89	2.28
Rent	3.70	2.33
Rates and taxes	1.84	1.30
Travelling and conveyance	7.42	6.86
Legal and consultancy expenses	17.84	15.88
Auditors' remuneration and expenses	0.34	0.28
Commission & sitting fees (Non executive directors)	0.34	0.39
Applicable loss on foreign currency transactions & translation	8.70	17.50
Miscellaneous expenses	19.48	17.66
	61.55	64.48
Total Other Expenses	277.62	235.00

28.1 Auditors' Remuneration & Expenses

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
As Auditor - Statutory Audit & Limited Reviews	0.32	0.26
Reimbursement of expenses	0.02	0.02
	0.34	0.28

Notes to Financial Statements

29. EARNINGS PER SHARE

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Crore)	34.92	52.82
Weighted Average number of equity shares used as denominator for calculating EPS	2,59,77,053	2,59,77,053
Basic and diluted earnings per share (in ₹)	13.44	20.33
Nominal value per equity share (in ₹)	10.00	10.00

30. CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Crore

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Contingent Liabilities		
(a) Guarantees:		
(i) Guarantees issued by Banks (Margin money against above ₹ 0.28 Crore ; Previous Year ₹ 2.54 Crore)	5.84	20.92
(b) Claims against the Company not acknowledged as debts:		
Government Claims		
(i) Income Tax (deposits made under protest ₹ 54.29 Crore; Previous Year ₹ 42.01 Crore)	109.78	240.97
(ii) Customs & Central Excise (deposits made under protest ₹ 0.18 Crore ; Previous Year ₹ 0.19 Crore)	0.76	6.54
(iii) Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable
(iv) Sales tax & Entry tax (deposits made under protest ₹ 6.00 Crore ; Previous Year ₹ 3.88 Crore)	14.77	9.35
(v) State Govt./Local Authority duties, levies & cess etc. disputed by the Company	231.31	28.45
Other Claims		
Legal suits filed against the Company in earlier years	2.09	2.26
B. Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	54.25	66.65

Notes to Financial Statements

31. RELATED PARTY DISCLOSURES

(a) List of Related Parties and Relationships :

Key Management Personnel (KMP)

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

Relatives of Key Management Personnel

1 Mrs Paramita Mahapatra
2 Mrs Jagi Mangat Panda
3 Mrs Shaifalika Panda
4 Mrs Nivedita Ganapathi

Enterprises over which KMP's and/or their relatives are able to exercise significant influence (with whom transactions have taken place during the year)

1 B. Panda and Company Pvt Ltd
2 Madhuban Investments Pvt Ltd
3 Utkal Manufacturing & Services Ltd
4 Esquire Realtors Pvt Ltd
5 Kishangarh Environmental Development Action Pvt Ltd
6 Ortel Communications Ltd
7 Odisha Television Ltd
8 INDMET Commodities Pvt Ltd
9 Palios Corporation
10 Rutayan Ila Trust
11 Bansidhar & Ila Panda Foundation
12 Utkal Charitable Trust
13 Indian Metals Public Charitable Trust

(b) Summary of transactions with Related Parties

₹ in Crore

Sl. No.	Nature of Transactions	KMP	Relatives of KMP	Enterprises over which KMP's and/or their relatives are able to exercise significant influence
1	Purchase of raw materials and stores etc.	- (-)	- (-)	7.07 (35.07)
2	Services received	0.21 (0.16)	0.24 (0.22)	126.24 (102.61)
3	Managerial remuneration	6.67 (9.41)	- (-)	- (-)
4	Donations given	- (-)	- (-)	2.33 (2.09)
5	Outstanding balances as at 31st March, 2014 :			
a.	Receivables	- (-)	- (-)	0.22 (0.03)
b.	Payables	0.97 (5.83)	- (-)	55.21 (50.48)

Note: Figures in brackets represent corresponding amounts of previous year.

Notes to Financial Statements

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

1. Purchase of raw materials and stores etc. is from Utkal Manufacturing and Services Limited ₹ 7.07 Crore. (Previous Year : ₹ 35.07 Crore.)
2. Services received includes Utkal Manufacturing and Services Limited ₹ 121.61 Crore (Previous Year : ₹ 96.38 Crore)
3. Managerial remuneration paid to Dr Bansidhar Panda ₹ 1.69 Crore.(Previous Year : ₹ 2.79 Crore), Mr Baijayant Panda ₹ 1.70 Crore (Previous Year : ₹ 2.79 Crore), Mr Subhrakant Panda ₹ 1.89 Crore (Previous Year : ₹ 2.87 Crore), Mr Jayant Kumar Misra ₹ 0.77 Crore. (Previous Year : ₹ 0.86 Crore) and Mr Chitta Ranjan Ray ₹ 0.62 Crore (Previous Year : ₹ 0.10 Crore)
4. Donations given includes Bansidhar & Ila Panda Foundation ₹ 2.19 Crore. (Previous Year : ₹ 1.92 Crore)

32. DERIVATIVE INSTRUMENTS

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

Particulars	As at 31st March, 2014		
	Nos.	US Dollar equivalent (in million)	INR equivalent (in Crore)
Forward Contracts	28 (40)	17 (10)	101.32 (54.02)
Interest Rate Swap with USD/INR Call Option	1 (1)	14.06 (15.00)	74.25 (79.20)
Cross Currency Swap with Call Spread	1 (1)	2.88 (4.53)	15.74 (22.20)

Note: Figures in brackets represent corresponding numbers / amounts as at 31st March, 2013

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	US Dollar equivalent (in million)	INR equivalent (in Crore)	US Dollar equivalent (in million)	INR equivalent (in Crore)
Loans Payable	16.40	97.74	9.50	51.32
Payable for import of goods	0.04	0.24	0.53	2.86

Notes to Financial Statements

33. SEGMENT INFORMATION

The Company has identified two broad reportable segments viz. 'Ferro Alloys' and 'Power'. Segments have been identified and reported taking into account nature of products, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company 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 enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Primary Segment Information (Business Segment)

₹ in Crore

Particulars	Ferro Alloys			Power			Others			Unallocable			Total		
	2013-14	2012-13		2013-14	2012-13		2013-14	2012-13		2013-14	2012-13		2013-14	2012-13	
1. Segment Revenue															
External Sales	1,230.09	1,200.23		11.31	7.20		1.94	0.23		-	-		1,243.34	1,207.66	
Inter Segment Sales	-	-		434.84	293.95		0.02	-		-	-		434.86	293.95	
Elimination	-	-		(434.84)	(293.95)		(0.02)	-		-	-		(434.86)	(293.95)	
Total Revenue	1,230.09	1,200.23		11.31	7.20		1.94	0.23		-	-		1,243.34	1,207.66	
2. Segment Result before Finance Cost, Prior Period Items, Exceptional Items and Taxes															
Finance Cost	266.99	263.95		(20.36)	(4.45)		(0.53)	(0.32)		(80.61)	(77.84)		165.49	181.34	
Prior Period Income	-	-		-	-		-	-		-	-		115.58	69.48	
Exceptional Items - Expense	-	-		-	-		-	-		-	-		-	2.45	
Profit Before Tax	-	-		-	-		-	-		-	-		49.91	102.32	
Tax Expense	-	-		-	-		-	-		-	-		14.97	49.50	
Profit After Tax (before adjustment for Minority Interest)	-	-		-	-		-	-		-	-		34.94	52.82	
3. Other Information															
Segment Assets	795.83	742.65		1,336.51	1,386.32		75.37	40.04		223.72	170.56		2,431.43	2,339.57	
Segment Liabilities	136.19	99.69		178.97	171.94		5.63	2.60		141.67	115.86		462.46	390.09	
Capital Expenditure	24.56	74.13		67.74	165.31		36.53	20.81		1.68	31.14		130.51	291.39	
Depreciation and Amortisation	23.82	26.16		115.93	48.78		0.75	0.32		8.52	6.43		149.02	81.69	
Non-cash Expenses other than Depreciation and Amortisation	0.54	-		0.16	-		-	-		-	-		0.70	-	

As per Accounting Standard on Segment Reporting (AS17), the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

Notes to Financial Statements

- 34.** The audited financial statements of Indmet Mining Pte Ltd for the year 2013-14 have been prepared in accordance with Singapore Financial Reporting Standards (FRS) generally followed in the country of its incorporation. Differences in accounting policies as between FRS and Indian GAAP are not material, in the context of consolidation of the said entity in the consolidated financial statements

The unaudited financial statements of PT Sumber Rahayu Indah for the year 2013-14 have been prepared in accordance with Accounting Service and Review Standard established by the Indonesian Institute of Public Accountants (IAPI) generally followed in the country of its incorporation. Differences in accounting policies as between Accounting Service and Review Standard and Indian GAAP are not material, in the context of consolidation of the said entity in the consolidated financial statements.

- 35.** Previous year's figures have been rearranged/ regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

For **Haribhakti & Co**
Chartered Accountants
(Firm's Registration No. 103523W)

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: 20th May, 2014

Prem Khandelwal
CFO & Company Secretary

For and on behalf of the Board of Directors

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

Notes to Financial Statements

Statement regarding subsidiary companies pursuant to Sec 212(8) of the Companies Act, 1956 as at 31st March, 2014

₹ in Crore

Name of the Subsidiary	Indian Metals & Carbide Ltd	Utkal Power Ltd	Utkal Coal Ltd	IMFA Alloys Finlease Ltd	Utkal Green Energy Ltd	Indmet Mining Pte Ltd	Pt. Sumber Rahayu Indah
Share Capital	1.05	0.05	25.00	3.03	0.98	69.86	3.31
Reserves and Surplus	(0.81)	(0.01)	90.75	28.79	(0.96)	(2.49)	(7.26)
Total Assets	0.25	1.23	330.70	34.10	0.08	67.43	0.04
Total Liabilities	0.25	1.23	330.70	34.10	0.08	67.43	0.04
Investments	0.10	-	-	-	-	52.15	-
Turnover	-	-	-	2.98	-	0.24	-
Profit / (Loss) before Tax	(0.03)	-	(0.05)	2.97	-	0.19	(1.23)
Provision for Tax	-	-	-	0.96	-	0.02	-
Profit / (Loss) after Tax	(0.03)	-	(0.05)	2.01	-	0.17	(1.23)
Proposed Dividend	-	-	-	-	-	-	-
Transferred to Reserve	-	-	-	0.40	-	-	-

The figures of Indmet Mining Pte Ltd & PT. Sumber Rahayu Indah have been converted from USD to INR @ INR 59.60/USD.

For and on behalf of the Board of Directors

Prem Khandelwal
CFO & Company Secretary

Subhrakant Panda
Managing Director

Baijayant Panda
Vice Chairman

Place: Bhubaneswar
Date: 20th May, 2014

Note

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman

Dr B Panda

Vice Chairman

Mr Bajjayant Panda

Managing Director

Mr Subhrakant Panda

Director (Corporate) & COO

Mr J K Misra

Whole-time Director

Mr C R Ray

Directors

Mrs Paramita Mahapatra

Mr D Bandyopadhyay

Major R N Misra (Retd.)

Dr S Acharya

Mr N R Mohanty, Padma Shri

Mr Alexius Markus Amrein

Mr S P Mathur

General Shankar Roychowdhury (Retd.)

CFO & Company Secretary

Mr Prem Khandelwal

Auditors

Haribhakti & Co.

Chartered Accountants

Bankers/Term Lenders

IDBI Bank Limited

Power Finance Corporation Limited

PTC India Financial Services Limited

State Bank of India

Standard Chartered Bank

ICICI Bank Limited

DBS Bank Limited

Srei Infrastructure Finance Limited

Registered Office

IMFA Building, Bomikhal, P.O. Rasulgarh
Bhubaneswar - 751010, Odisha

Plants

Therubali, Dist: Rayagada, Odisha

Choudwar, Dist: Cuttack, Odisha

Mines

Sukinda, Dist: Jajpur, Odisha

Mahagiri, Dist: Jajpur, Odisha

Chingudipal, Dist: Jajpur, Odisha

Nuasahi, Dist: Keonjhar, Odisha

Bangur, Dist: Keonjhar, Odisha

Registration & Share Transfer Work

Members are requested to correspond directly with Company Secretary at the Registered Office of the Company
e-mail: investor-relation@imfa.in

BOOK POST

Printed matter



If undelivered please return to:

INDIAN METALS & FERRO ALLOYS LIMITED

IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar - 751 010, Odisha

Phone : +91 674 3051000, 2580100; Fax: +91 674 2580020, 2580145

Email: mail@imfa.in; Website: www.imfa.in

CIN: L27101OR1961PLC000428



INDIAN METALS & FERRO ALLOYS LIMITED

Regd. Office: IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar - 751 010, Odisha

Phone : +91 674 3051000, 2580100; Fax: +91 674 2580020, 2580145

Email: mail@imfa.in; Website: www.imfa.in

CIN: L27101OR1961PLC000428

Notice

Notice is hereby given that the 52nd Annual General Meeting (AGM) of the members of INDIAN METALS & FERRO ALLOYS LIMITED will be held at the Registered Office of the Company at IMFA Building, Bomikhal, PO: Rasulgarh, Bhubaneswar – 751010, Odisha on Tuesday, the 22nd July 2014 at 3.00 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2014 including Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the FY 2013-14.
3. To appoint a Director in place of Mr Alexius Markus Amrein (holding DIN.00529345) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s Haribhakti & Co., Chartered Accountants (Firm Registration No. 103523W) as Auditors of the Company to hold office from the conclusion of this 52nd Annual General Meeting till conclusion of the 57th Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr Sudhir Prakash Mathur (holding DIN.00173775), Independent Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March 2019."

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, General Shankar Roychowdhury (holding DIN.01921688), Independent Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March 2019."

7. To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all earlier resolutions and pursuant to section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 2500 crores (Rupees twenty five hundred crores only) ."

8. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of M/s S. S. Sonthalia & Co. as Cost Auditor of the Company for the Financial Year 2014-15 on a remuneration of ₹ 55,000 (Rupees fifty five thousand only) plus service tax be and is hereby ratified."

By Order of the Board of Directors

Place: Bhubaneswar
Date : 20th May, 2014

(Prem Khandelwal)
CFO & Company Secretary

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxies submitted on behalf of the companies, societies, etc. must be supported by an appropriate resolution / authority as applicable.

2. Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of business mentioned under item 5 to 8 is annexed hereto.
3. Disclosure pursuant to clause 49 of the listing agreement with respect to the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting is given in the Annexure.
4. The register of members of the Company shall remain closed from 15th July, 2014 to 22nd July, 2014 both days inclusive.
5. Dividend, if declared, will be paid to those members whose names shall appear on the Register of Members as on 14th July, 2014 in respect of those Shareholders holding the shares in physical form. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as on that date.
6. Members are requested to furnish their Bank Account details, change of address etc. to the Company in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) should be furnished to their respective Depository Participants (Dps).
7. Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) wherever available. The dividend would be credited to their bank account as per the mandate given by

the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.

8. Members who desire to have any information/clarification as regards the audited annual accounts for the year ended 31st March, 2014 are requested to write to the Company Secretary at least 7 days before the date of meeting.
9. Members are requested to bring their copy of the Annual Report along with attendance slip (sent herewith).
10. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Act, all unclaimed/unpaid dividend remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim. Members who have not yet encashed their dividend warrants for the financial years 2006-07 onwards, are requested to correspond with the Company to make their claims.

The Ministry of Corporate Affairs (MCA) on 10th May 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006-07, as on the date of the 51st Annual General Meeting (AGM) held on 27th July 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investor Information" on the Website of the Company viz. www.imfa.in.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except 2nd & 4th Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of this 52nd Annual General Meeting of the Company.
12. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
13. The Board recommends Resolutions 1 to 8 above for the approval of the Members.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 102 of the Companies Act, 2013.

Item No. 5 & 6

Mr S P Mathur and General Shankar Roychowdhury are the Non-Executive Independent Directors of the Company. They retire by rotation at this Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, they being eligible and offering themselves for appointment are proposed to be appointed as Independent Directors for five consecutive years for a term upto 31st March 2019. A notice has been received from a member proposing their names as candidates for the office of the Director of the Company.

In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company. Copy of the draft letters of appointment of Mr Mathur and General Chowdhury as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding 2nd & 4th Saturdays.

Details regarding Mr Mathur and General Roychowdhury and their brief resume are given in the Annexure attached to the Notice. Keeping in view their experience and expertise, appointment as Independent Directors is recommended.

Except Mr Mathur and General Roychowdhury, none of the Directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No.5 & 6.

Item No.7

The members of the Company at their 38th Annual General Meeting held on 30th September 2000 had approved a borrowing limit of ₹ 200 crore (Rupees two hundred crore only) under section 293(1)(d) of the Companies Act, 1956. Further pursuant to the Court sanctioned Composite Scheme of Arrangement and Amalgamation between the erstwhile Indian Charge Chrome Limited with the Company dated

13th October, 2006, the borrowing limit of the Company enhanced to ₹ 3700 crore (Rupees thirty seven hundred crore only) by taking in to account the approved borrowing limit of ₹ 3500 crore (Thirty five hundred crore only) of erstwhile Indian Charge Chrome Limited under section 293(1)(d) of the Companies Act, 1956 at that point of time.

However, section 180(1)(c) of the Companies Act, 2013 now requires that the Board of Directors shall not borrow money(s) in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business except with the consent of the Company accorded by way of a Special Resolution. Keeping in mind the future borrowing requirement approval of the members is being sought to borrow money upto ₹ 2500 crore (Rupees twenty five hundred crore only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

Item No.8

The Board of Directors of the Company at their meeting held on 20th May, 2014 have appointed M/s S. S. Sonthalia & Co. as Cost Auditor of the Company for the Financial Year 2014-15 on a remuneration of ₹ 55,000 (Rupees fifty five thousand only) plus service tax. In terms of section 148 of the Companies Act, 2013 and rules made there under the remuneration has to be ratified by the members. It is therefore necessary for the members to pass an ordinary resolution under section 148 and other applicable provisions of the Companies Act, 2013 as set out at Item No. 8 of the Notice,

None of the Directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

By Order of the Board of Directors

Place: Bhubaneswar

Date : 20th May, 2014

(Prem Khandelwal)

CFO & Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

1. Mr Alexius Markus Amrein

Father's Name	Mr. Josef Amrein
Date of Birth	3rd August, 1936
Nationality	Swiss
Date of Appointment	21st January, 2006
Qualifications	Degree in Chemistry & Economics from the University of Zurich and a Diploma (Commerce & Trade) Swiss Association of Business Schools
Expertise in specific functional areas	Vast and rich experience in the field of metal trading, engineering consultancy and corporate management.
Directorships held in other Companies	Litec Aktiengesellschaft
Member of Committees of the Board	NIL
Member of Committees in other Companies	NIL
Shares held in the Company	NIL (in his individual capacity) Litec Aktiengesellschaft holds 3844259 equity shares and he represents the said Company as a Nominee on the Board.
Relationships between Directors inter-se	None

2 Mr S P Mathur

Father's Name	Late J. Sahai
Date of Birth	12th October, 1946
Nationality	Indian
Date of Appointment	28th October, 2007
Qualifications	B.Com., CA
Expertise in specific functional areas	Vast and rich experience in accounts, corporate laws, finance and corporate management.
Directorships held in other Companies	Orissa Media Ventures Pvt. Ltd.
Member of Committees of the Board	Audit Committee
Member of Committees in other Companies	NIL
Shares held in the Company	NIL
Relationships between Directors inter-se	None

3. General Shankar Roychowdhury

Father's Name	Late Sunil Chandra Roychowdhury
Date of Birth	6th September, 1937
Nationality	Indian
Date of Appointment	21st January, 2008
Qualifications	Graduate of National Defence Academy, Indian Military Academy, Defence Services Staff College, Army War College, National Defence College and also Doctorate D. Litt. (Honoris CAVSA).
Expertise in specific functional areas	Former Chief of Army Staff, Indian Army, former Member of Parliament, Rajya Sabha. Vast and rich experience in the field of , ferro alloys, mining, power and corporate management.
Directorships held in other Companies	NIL
Member of Committees of the Board	NIL
Member of Committees in other Companies	NIL
Shares held in the Company	NIL
Relationships between Directors inter-se	None



INDIAN METALS & FERRO ALLOYS LIMITED

Regd. Office: IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar - 751 010, Odisha

Phone : +91 674 3051000, 2580100; Fax: +91 674 2580020, 2580145

Email: mail@imfa.in; Website: www.imfa.in

CIN: L27101OR1961PLC000428

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING

Joint shareholders may obtain additional Slip at the venue of the meeting

DP Id*	
--------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE MEMBER

I/we hereby record my/our presence at the **52nd Annual General Meeting** of the Company at the Registered Office of the Company at IMFA Building, Bomikhal, PO: Rasulgarh, Bhubaneswar – 751010, Odisha on Tuesday, 22nd July, 2014 at 3 p.m.

*Applicable for Investors holding shares in electric form

Member's/Proxy's Signature





INDIAN METALS & FERRO ALLOYS LIMITED

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CIN: L27101OR1961PLC000428

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No. / DP ID* - Client ID No*:

I/We being the member(s) of shares of the above named Company hereby appoint:

(1) Name:.....Address:

..... E-mail Id: Signature:....., or failing him;

(2) Name:.....Address:

..... E-mail Id: Signature:....., or failing him;

(3) Name:.....Address:

..... E-mail Id: Signature:..... as my/

our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **52nd Annual General Meeting** of the Company, to be held on Tuesday, 22nd July, 2014 at 3.00 p.m. at the Registered Office of the Company at IMFA Building, Bomikhal, PO: Rasulgarh, Bhubaneswar – 751010, Odisha and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional**	
Ordinary Business		For	Against
1	Adoption of Financial Statements Reports of Board of Directors and Auditors of the Company for the year ended 31st March 2014		
2	Declaration of Dividend on the equity shares		
3	Re-appointment of Mr Alexius Markus Amrein (holding DIN.00529345), who retires by rotation		
4	Appointment of M/s Haribhakti & Co., Chartered Accountants as Auditors of the Company and fixing their remuneration		
Special Business			
5	Appointment of Mr Sudhir Prakash Mathur (holding DIN.00173775) as an Independent Director		
6	Appointment of General Shankar Roychowdhury (holding DIN.01921688) as an Independent Director		
7	Approval under Section 180(1)(c) of the Companies Act, 2013 for borrowing moneys upto ₹ 2500 crores (Rupees twenty five hundred crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company		
8	Approval of Remuneration of the Cost Auditors		

Signed this.....day of..... 2014

Signature of shareholder

Signature of Proxy holder(s).....

Affix
₹ 1 Revenue
Stamp

*Applicable for Investors holding shares in electric form

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 52nd Annual General Meeting.
3. **It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above before submission.



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CIN: L27101OR1961PLC000428

Folio No./DP Id./Client Id:

Name:

Address:

Joint Holder(s):

No. of shares held:

Dear Member,

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Indian Metals & Ferro Alloys Limited ("IMFA" or "the Company") is offering e-voting facility to its members in respect of the businesses to be transacted at the 52nd Annual General Meeting scheduled to be held on Tuesday, the 22nd July, 2014 at 3.00 PM.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities. The e-voting particulars are set out below:

EVEN (E-Voting Event Number)	User ID	Password/PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting : From 9.00 AM (IST) on 16th July, 2014

End of e-voting : Up to 6.00 PM (IST) on 18th July, 2014

The cut-off date (record date) for the purpose of e-voting is 13th June, 2014.

Please read the instructions printed overleaf before exercising the vote. This communication forms an integral part of the Notice dated 20th May, 2014 for the 52nd Annual General Meeting scheduled to be held on 22nd July, 2014 which is sent herewith for reference. Attention is invited to the statement on the accompanying Notice that the business of the meeting may be transacted through electronic voting system and that the Company is providing facility for voting by electronic means.

The Notice of the Annual General Meeting and this communication are also available on the website of the Company at www.imfa.in.

Bhubaneswar

20th May, 2014

Yours faithfully,

For Indian Metals & Ferro Alloys Limited

Prem Khandelwal

CFO & Company Secretary

Instructions and other information relating to e-voting are as under:

1. **(A) In case a member receives an email from NSDL** (for members whose email IDs are registered with the Company/Depository Participant(s):
 - (i) Open e-mail and open PDF file viz; "IMFA e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Indian Metals & Ferro Alloys Limited
 - (viii) Now you are ready for e-Voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail sourjya_biswajit@yahoo.com with a copy marked to evoting@nsdl.co.in.
- (B) In case a member receives physical copy of the Notice of AGM** (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):
 - (i) Initial password and User Id as provided overleaf.
- (ii) Please follow all steps from SI.No.(ii) to SI.No.(xii) above to cast vote.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
3. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The e-voting period commences on 16th July, 2014 (9:00 am) and ends on 18th July, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th June, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
6. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) i.e. 13th June, 2014.
7. The Board of Directors has appointed **Shri Sourjya Prakash Mohapatra, a Practicing Chartered Accountant as a Scrutinizer** to scrutinize the e-voting process in a fair and transparent manner.
8. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th June 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
9. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
10. The Results shall be declared on or after the 52nd Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.imfa.in and on the website of NSDL within two(2) days of passing of the resolutions at the 52nd Annual General Meeting of the Company and communicated to the BSE Limited and NSE Limited.