INDIAN METALS & FERRO ALLOYS LIMITED

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30th June, 2021

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

**Sub: Notice of 59th AGM & Annual Report**

Dear Sir,

Enclosed please find herewith a copy of the Notice of 59th Annual General Meeting of the Company to be held on Saturday, the 24th July 2021 at 3.00 PM through Video Conference / Other Audio Visual Means along with a copy of Annual Report for the Financial Year 2020-21 for your information and record.

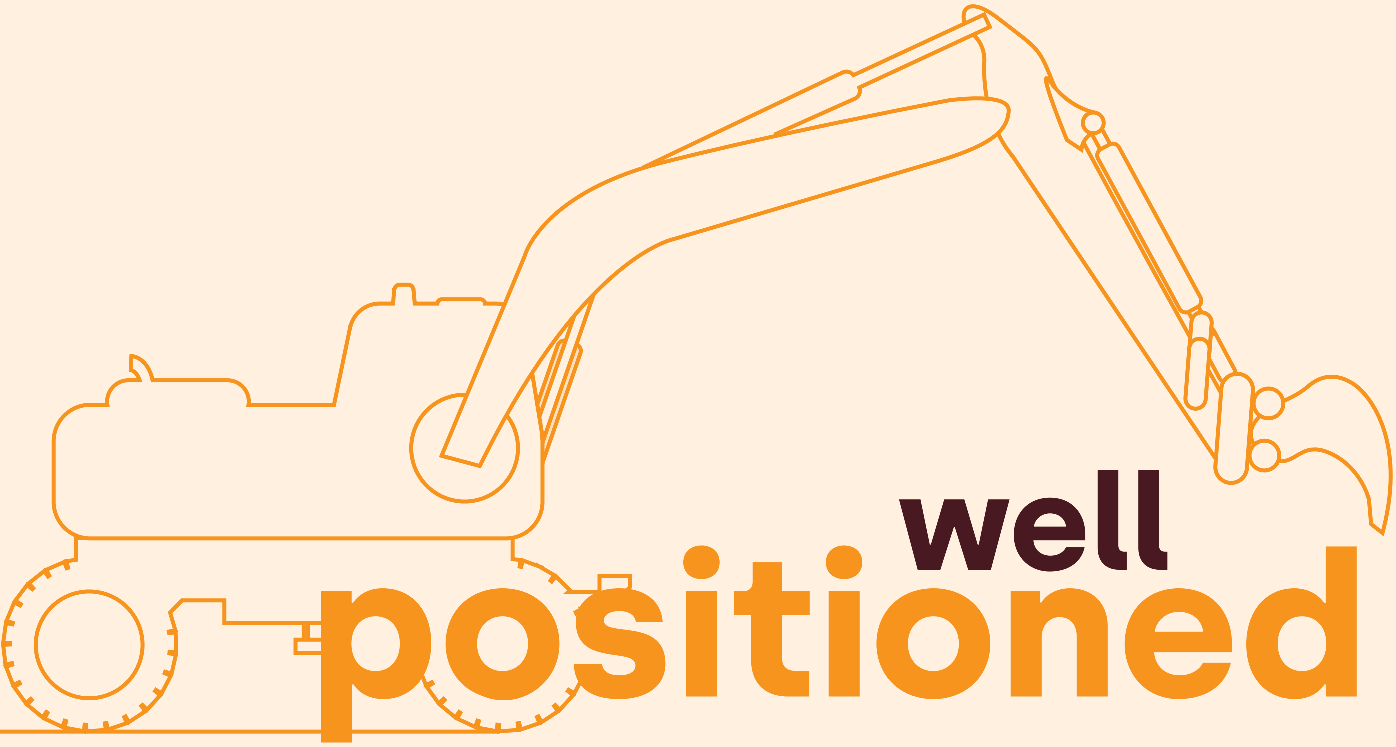
Thanking you,

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD

(PREM KHANDELWAL)
CFO & COMPANY SECRETARY

Encl: As above

**Annual Report 2020-21**
Indian Metals & Ferro Alloys Limited



# well positioned

# well prepared

# Report index

## 02-08

### Strategic Overview



## 10-51

### Statutory Reports



## 52-171

### Financial Statements

#### Standalone



#### Consolidated



### 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.

**https://www.imfa.in/**

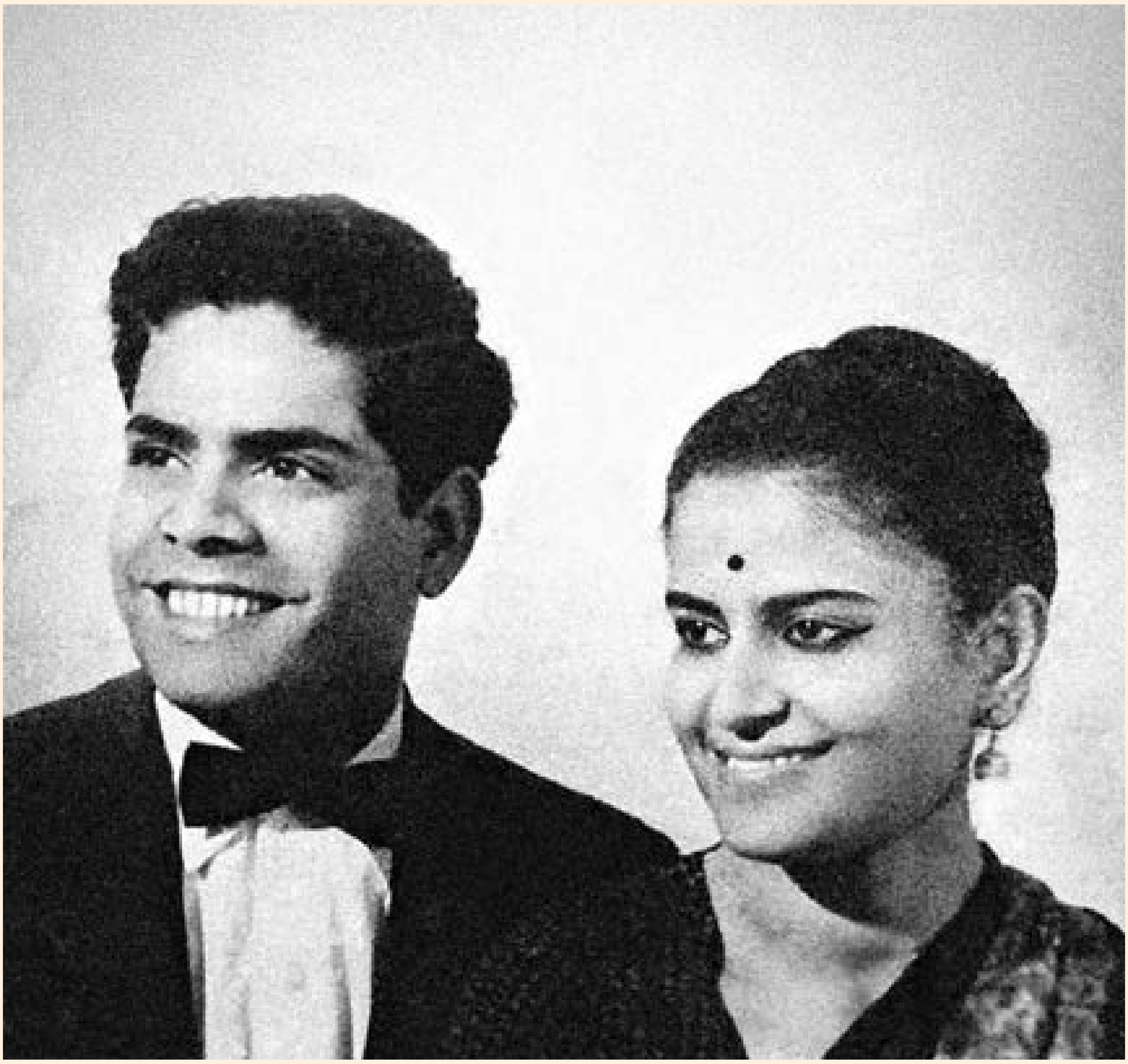
### Equity Share Information

**Market Capitalisation**

(31st March, 2021): ₹ 1220.31 Crore
Promoters holding: 58.69%
National Stock Exchange (NSE): IMFA
Bombay Stock Exchange (BSE): 533047

# Our inspiration

**Dr Bansidhar Panda and Mrs Ila Panda**



## Managing Director's Letter

# Prepared for the future

"We have an innate advantage of our critical raw materials being captively sourced, but logistics was initially challenging which then gradually settled down. Meticulous planning went into keeping track of all aspects of our operations, however minor, and teams coordinated seamlessly despite working from home."

**Dear Stakeholders,**

The year under review was extraordinary with a once-in-a-century pandemic testing our ability to face uncertainties on a scale never imagined and still deliver on stakeholder commitments; coming on the back of a year which was challenging in itself, it has proven that our fully integrated business model and established relationships with customers and suppliers alike give us the strength to overcome any challenge. Of course, none of this would have been possible without our committed workforce. Our priority in these challenging times is to protect our workforce, further strengthen our balance sheet, push ahead with our expansion plans in due course, and set the course for long term growth.

FY21 started on a mixed note with a national lockdown underlining the challenges of operating during a pandemic, but large fiscal stimulus worldwide gave hope of a revival in the commodities space. The government's pragmatic approach of saving lives and livelihoods meant that continuous process operations were allowed to operate, and we went to great lengths to protect our workforce while fulfilling our contractual commitments. After a steady H1, ferro chrome prices increased substantially enabling us to close the year on a high, confident about our ability to navigate through difficult terrain.

The second wave drove home the point that nothing can be taken for granted, but availability of vaccines offers hope that life can get back to near normal by the end of the current year. The economy had staged a smart recovery after the first wave which will undoubtedly be impacted as evident from several high frequency indicators; however, I am confident that appropriate stimulus measures will provide relief as was the case last year too. Meanwhile, there is talk of a commodities 'super cycle' driven by stimulus on tap and low interest rates which are the preferred tools of policy makers. This augurs well for the steel industry and, by definition, the ferro chrome industry. IMFA is, of course, uniquely positioned to benefit from an uptick in global economic activity.

## Getting our act together

Operating in the midst of a pandemic meant going to great lengths to protect our workforce, while moving as much of our review and administrative functions as possible to virtual mode. We have an innate advantage of our critical raw materials being captively sourced, but logistics was initially challenging which then gradually settled down. Meticulous planning went into keeping track of all aspects of our operations, however minor, and teams coordinated seamlessly despite working from home. Most importantly, offtake of finished product was never an issue for us given our long standing relationships with large buyers. In fact, if anything, our ability to deliver despite challenging circumstances has helped cement our reputation as a reliable partner.

We had expected ferro chrome prices to pick up in the first quarter itself as there was substantial cutback in output worldwide, but it came later in the year. If an export duty on South African chrome ore comes through as expected, then we can expect further improvement in ferro chrome pricing. In India too, aggressive bids during mining auctions have driven up raw material costs and the stretched balance sheets of some competitors could not withstand the pandemic shock. As India's leading producer of ferro chrome, we are well poised going ahead to garner a larger share.

Our proposed expansion in Kalinga Nagar, Jajpur (Odisha) was approved by the State Government in November 2019. While it is temporarily on the backburner, we intend to move ahead with conviction to expand our capacity and cater to growing demand for ferro chrome by effectively utilising mineral resources available through captive mines. A healthy balance sheet with gearing gives us the confidence to do so without taking on undue risk.

## Focussing on our team

Ensuring the safety of our people was our topmost priority, and their wellbeing remains our core focus. During the year, employees in allied functions transitioned to working from home but core manufacturing and mining activity cannot be done virtually. We instituted stringent safety protocols and went to great lengths to ensure the safety of our workforce. We were quick off the block when vaccines became available and, in a show of our commitment to our people, are committed to vaccinating not just our employees - permanent and contractual - but also their spouses and eligible dependents.

Learning & Development activities moved online and, in fact, we were perhaps able to be more effective as it became easier to engage outside resources. Besides work related programmes, our focus during this period has been on personal wellbeing and stress management. We will continue to invest in our people as they are the greatest resource available to us, and are committed to making IMFA a preferred workplace in our industry.

I am grateful to our dedicated workforce whose commitment not only gives me strength but also make the journey both rewarding and fulfilling.

## Supporting the community

We have always been supportive of the community of which we are a part. Despite operating under challenging circumstances, we continued to implement various initiatives through the Bansidhar & Ila Panda Foundation (BIPF). From supporting the community right through the pandemic to disseminating safety protocols and assisting frontline relief workers, BIPF played a pivotal role. We have also allocated funds to various infrastructure projects which will be of use to the local communities in which we operate.

## Seizing opportunities

Going forward, we believe governments across the world will focus more on infrastructure expenditure. India has enhanced its budgetary allocation in this regard for FY22 while the US has unveiled an ambitious plan to overhaul its legacy infrastructure. These developments augur well for us, and we are alert to any opportunities which will come our way.

In conclusion, I assure you of our best efforts to deliver superior performance than our peers while keeping the best interests of stakeholders foremost at all times.

Take care & stay safe!

Regards,

**Subhrakant Panda**
Managing Director

## Corporate Social Responsibility

# Staying Connected

**Bansidhar & Ila Panda Foundation (BIPF) hallmarks its decade long presence in the year 2021. We unleashed our CSR potential by adapting to the emerging challenges of pandemic. It brought forward a new way of staying connected with stakeholders. Digital network helped us reach far and wide for development projects, education and social well-being. We drive results in five core areas: Arogyadhara, Adhyayan, Sakshyam, Su-Swasthya and Samwaad-Samman; impacting over 2,65,000 lives across five verticals in 261 remote villages, covering 38 Gram Panchayats in five districts of Odisha.**

**3rd ICC Social Impact Summit and Awards was organised by Indian Chamber of Commerce on 12th March, 2021. BIPF participated in the medium category and was awarded as winner for their project "Adhyayan" for its integrated output oriented project in Education segment. Mr. Nicolas Low, Deputy High Commissioner, British High Commission-Kolkata conferred the Award to BIPF.**


BIPF emerged as the winner for their project 'Adhyayan' at the 3rd ICC Social Impact Summit and Awards 2021

## Project Arogyadhara

### Preventive and curative measures for a stronger and healthier community

We endeavour in providing curative and preventive healthcare to communities in under-served and un-served areas, mostly tribal residents in remote locations of Odisha. Well-equipped dispensaries, health camps, eye care, immunisation drives, pathological investigations, free medical consultations, medicines, referral services have brought in a positive behavioral change in people's attitude towards their health. We have recorded nearly 80,000 beneficiaries in FY 2020-21 through Arogyadhara.

### Campaign for COVID-19

During this pandemic we launched awareness campaign regarding COVID-19. The program focused on three major aspects of preventive care including {1} Periodic cleansing of hand with soap {2} use of right quality & proper way of wearing mask {3} maintaining safe distance as per the Govt. guidelines. Programs were organised with the active involvement of PRIs, ANMs, Aanganwadi Workers and ASHA workers. Community members were also informed about the myths and mis-conceptions related to COVID-19. Leaflets, wall painting and communication over social media especially through Whatsapp were our tools for creating awareness. During the period of crisis the foundation stood with the Covid worriers and provided them with possible support through district administration including supply of protection health gears like PPE Kits, Face masks and hand sanitisers. In the year 2020-21, we were able to reach more than 35,000 people with awareness message on prevention from Covid and support on Covid care facilities.

### Health Care

During the pandemic, our health worriers have continued their service to mankind through our established healthcare centers. More than 40,000 patients were treated during this period through our health dispensaries.

COVID relief distributed to the underprivileged

Immunisation Day camp dispensary

The BIPF school

### Adolescent girl health care program

Girls in their adolescent years face many issues related to safe health and hygiene practices; especially problems associated with anemia and personal hygiene. To create awareness amongst the adolescent girls of our project area, our CSR program took up an innovative initiative during this pandemic period. To stay connected with them, we created WhatsApp groups to communicate issues related to adolescent health and hygiene through various audio-visual sessions.

By creating such a learning environment, these girls got sensitised about adolescent health issues, symptoms, precautions and food habits etc. By involving frontline health care service providers like ANM and AWW as the part of the groups, these girls got access to IFA supplementation. More than 750 adolescent girls got benefited through our intervention. We also encouraged the girls to grow their own household back yard Nutri garden to fulfill their nutritional need.

### World Breast Feeding Week & MCH

World breast feeding week observed from 1st-7th August every year to create awareness on importance of early and exclusive breast feeding. To create awareness between the pregnant and lactating mothers, sensitisation camps are organised in Choudwar & Sukinda in the presence of representative from Dept. of Women & Child Development and Dept of Health. More than 1000 women were addressed during various programs at Sukinda, Nuasahi and Choudwar. Life skill trainings on Maternal & Child health were organised with support from frontline health workers on timely registration of pregnancy, importance of balanced diet, danger signs, precautions & checkup during pregnancy, Ante natal care, Post Natal care, birth registration, immunisation schedule & knowledge on Home & Institutional delivery was communicated to members.

### National Nutrition Week

National nutrition week is an annual event observed throughout India from 1st to 7th September, to spread awareness on the importance of nutrition for a healthy society as a vital aspect for the development and economic growth of a Nation. The Foundation organised a series of informative sessions at Choudwar, & Sukinda on the concept of healthy food and nutritious recipe especially for pregnant women, lactating mothers & small children.

## Project Adhyayan

### We believe inclusiveness and quality education are imperative for a progressive society

Adhyayan focuses on improving quality of education for children across various levels. We are working with government schools to strengthen existing infrastructure, build teaching capacity and provide supplies to create a positive learning environment. We have a modality of affording infrastructure and financial aid, alongside teaching and learning material and resources which are useful for those in student retention across remotely located government schools. We were able to reach more than 5000 children with infrastructural facilities like cycle stand, community library, and transport support for girls to peruse higher education, computer for digital literacy and such kind of any other support for school operation.

### Operation of Quality Education Institutions

Established in 1980s by us, the Chinmaya Vidyalay at Therubali (CVT) is managed by BIPF in collaboration with Chinmaya Mission. Here the holistic mode of education not only imparts high academic standard but also creates internal change for a bright mindset.

Established in 2019, The BIPF School (TBS) in Choudwar is an aesthetically designed infrastructure with restriction-free access for those with impairments; thus promoting academic inclusiveness. The "TBS" campus spans 4.5 acres and is equipped with state-of-the-art facilities to hone their sports and co-curricular interests.

Pandemic affected the on-premise functioning of regular classes thus creating an uncertainty for continuity of education for these children. Accepting the challenges put forward by the new normal, both the institutions have adopted the new methods of education and upgraded their technology to reach the students digitally thereby making teaching more interactive, celebrating children's day, teacher's day, International Yoga day and alike events as joyful experience which in turn helps students to cope

# Corporate Social Responsibility (contd.)

with the physiological barriers of staying confined within their home.

### Community Education Centre

Our aim is to ensure education for all and with help from our implementing agency BIPF; we established three Community Learning Centres at Choudwar and one in Sukinda. These centres are involved with adult education through an informal learning mode and learners are given teaching and learning material. By doing so, it has not only created a learning environment for the women, also helps them establish as well informed individuals knowing about their various rights. The center is more about woman empowerment. Through these literacy programmes 120 women and adolescent girls were empowered.

### Prof Ghanashyam Dash Scholarship

The 15th edition of Prof Ghanashyam Dash Scholarship was awarded to six meritorious students from Odisha, to pursue their studies in Medicine and Engineering (Mechanical, Computer Science & Electronics and Mining). Instituted in 2005, the scholarship promotes education and employability among students from economically marginalised families. Scholarship amount worth ₹ 4 Lakh was given to each student for the duration of their course across disciplines.

## Project Sakshyam

### Yuva Sakshyam and Unnati reaffirm our credence; youth and women are two intrinsic powers for an economically advanced state.

**Project YUVA Sakshyam** is a youth-centric skill development and livelihood initiative that helps provide employability and employment to youth. We wish to harness dormant capital to join forces in building a productive nation. The skill units impart livelihood, technical skills and vocational training along with entrepreneurship training (setting up micro-businesses). "Yuva Sakshyam" is run by the Foundation at our two ITI and three skill centers under DDUGKY in partnership with the Odisha Govt.

**Project UNNATI** is an integrated capacity building initiative that goes by the self-help approach for socio-economic empowerment of rural women in Odisha. Through vocational, skill development and micro finance opportunities, we have ably created a women-driven ecosystem, which understands the need for savings, credits, livelihood and financial literacy. This has made them an important household contributor and decision-maker. The self-help groups (SHGs) are linked with banks and government departments to receive financial assistance, training and support. Project Unnati addresses five Odisha districts, namely Keonjhar, Angul, Jajpur, Cuttack and Rayagada. Presently, project Unnati is working with 1500 women from 128 SHGs.

### Mushroom Farming and Maize Cultivation - Nutritional Benefit & Additional income

Maize and Mushroom not only have a huge nutritional but also economical value. Mushroom farming can be done at household back yard in the leisure time by utilising the agri-waste i.e. paddy as the main ingredient. More than 100 women are involved in mushroom and maize farming activities.

### Phenyl and Liquid Handwash

Ensuring hygiene at household level is one of the priorities of every woman, but getting the right product at the right price, restricts them to purchase the disinfectant for their own household. A total of 30 women from Choudwar & Sukinda were trained on making of Phenyl & Liquid Handwash. Menace of Covid played a positive role in their production as during the period of pandemic the demand for phenyl and liquid handwash was high but availability of products at the village level was difficult. Taking advantage of the situation, these entrepreneur women have started making quality product at an affordable price, which has been able to establish as a good brand and has gained confidence of buyers on the products. Now these women are earning their supplementary livelihood from selling of liquid handwash and phenyl.

### Provision of sanitary pads

Maintenance of personal hygiene is one of the essential components for the healthy growth of the adolescent girls but due to none availability of right guidance and right products, girls face various health issues. We ably addressed the issue of 3As i.e. Awareness, Accessibility and Affordability and thereby developed a group of 10 young women who can act as a catalyst for change for the adolescent girls in their areas through marketing quality sanitary napkins at an affordable price and delivered at their doorstep. These women are now working as an agent of change in these villages also earning income for their own livelihood.

### Tailoring Training

With an objective to Empower Tribal Rural Women and making them self-dependent, a tailoring and stitching unit is established at Therubali. They are given 6-months structural training so that they can start their own stitching enterprise or at least stitch/ mend their household cloths so that the money can be saved.

During the Covid they have reached outer community by providing quality mask at an affordable price. This fetches them good economic returns and a local fame in the community.

Sanitary Items distribution at Range office, Sukinda


Mushroom cultivation by Bharati Mohanta

Adult learning centre at Choudwar

### Capacity building on Incense Stick

Incense stick being the daily need in almost every household, BIPF has tried to encash this business opportunity. At the community level trained 10 women from Choudwar in perfuming the raw sticks and marketing of the products so that women can utilise their leisure hour for generation of money for their own use.

### Sustainable Livelihood through market linkages

Project Unnati has built-up capacity within women to engage in different livelihood activities through mobilising government schemes, providing quality training & platform for marketing their goods which has turned to be a boon for the members residing in periphery villages. In the project areas SHG members have started cultivating vegetables & mushrooms and phenyl production at commercial scale. These members are part of SHG group whom BIPF has nurtured and handhold to opt different livelihood activities. Today these members are self-dependent and independently they are marketing their produce and happy to make an earning out of it.

### International Women's Day

We celebrated International Women's Day on 8th March, 2021 across our locations. Over 300 women participated in the celebrations, which was used as a platform to speak on women's right and equality. Theme for 2021 "IWD' was "Choose to challenge- Gender bias & inequality". Focus was to sensitise women about gender disparity and how the disparity can be reduced by making women empowered, both socially and economically. Song, debate, rangoli competitions were also organised for all the participating members. In response to the current outbreak of Coronavirus; demonstration on hand washing practices, symptoms and precaution methods were also discussed.

## Project Su-Swasthya

### Swachh Bharat Swasth Bharat ideology has been upheld by IMFA

The Foundation also works with Department of rural water supply and sanitation, Government of Odisha to build infrastructure that provides safe drinking water and clean toilets. Project Su-Swasthya modalities involve Volunteers to demonstrate WASH (Water Sanitation & Hygiene) which has led to improved attendance in schools. Infrastructure creation like hand pumps, water purifiers, water tankers and disinfestations facilities. Within our villages of operation, 60% of households in the project village are using toilets regularly. Uninterrupted potable water supply and safe sanitation has helped in mitigating diseases. Regular follow-up and Community consultation are held for women and adolescent girls.

Water Supply through tankers during stretched periods and other drinking water facilities and purifiers help over 8000 people in accessing clean drinking water.

### Community Awareness on WASH

During FY 2020-21, multiple wash programs were organized for the local communities where SHG women, village leaders, ASHA & Anganwadi workers participated in the program. They were imparted lessons in the importance and maintenance of personal & family Hygiene.

### Celebration of Global Hand Washing Day

We observed this day on 15th October, 2020 to increase awareness on the importance of handwashing with soap as an easy, effective, and affordable way to prevent diseases and save lives. We initiated a week-long drive, including awareness programmes, wherein our executives demonstrated the process of properly washing hands among community members. More than 1500 women of SHG groups and community participated in the programme.

# Corporate Social Responsibility (contd.)

### Safe Drinking Water

Kaliapani village (with a population of 350) under Kaliapani Panchayat of Sukinda block, Jajpur District Odisha wherein access to safe drinking water is a major concern. Women commute 500m-1km twice/thrice a day to fetch water. Most of the hand pumps in the surrounding are defunct as water level remains very low during summers. Bansidhar & Ila Panda Foundation (BIPF) CSR arm of IMFA provided drinking water facilities through pipe line water system at their doorstep.

## 8th Shambhavi Puraskar

To acknowledge those who act as agents of social change and motivate others to follow in their footsteps.

Shambhavi Puraskar 2021 was conferred on Mr. Khirod Sahoo in the domain of Health & Advocacy for his selfless service and positive change brought into the lives of many residing in the Angul District of Odisha. Mr Khirod has organised several blood donations camps, supporting hundreds of sickle cell anemia and thalassemia children in crisis, sourcing the rare "Bombay Phenotype" blood is exemplary. Through advocacy, he has counselled and been vocal on the necessity of education, against child marriage, alcoholism, domestic violence & dogmatic social practices. The Bansidhar & Ila Panda Foundation (BIPF) has the proud privilege of conferring upon Mr Khirod Sahoo the Shambhavi Puraskar 2021 which carries a memento, citation and a cash prize of ₹ 2,50,000.

BIPF also recognises those individuals who stand out as an example of courage and are the pillars of strength to the community. This year, BIPF conferred the 'Jury Commendation Certificate 2021' upon Smt. Nibedita Lenka. Popularly known as "Yashoda Maa" she is a motherly support to over 100 meritorious students and has made it her mission to work relentlessly for underprivileged children, troubled teens, abused women and homeless individuals. Under her advice and supervision many youngsters have embarked on a life-changing path by embracing livelihood opportunity. The Shambhavi Puraskar Jury Commendation Certificate 2021, carries a citation and a cash prize of ₹ 50,000.

## Ideate 2020

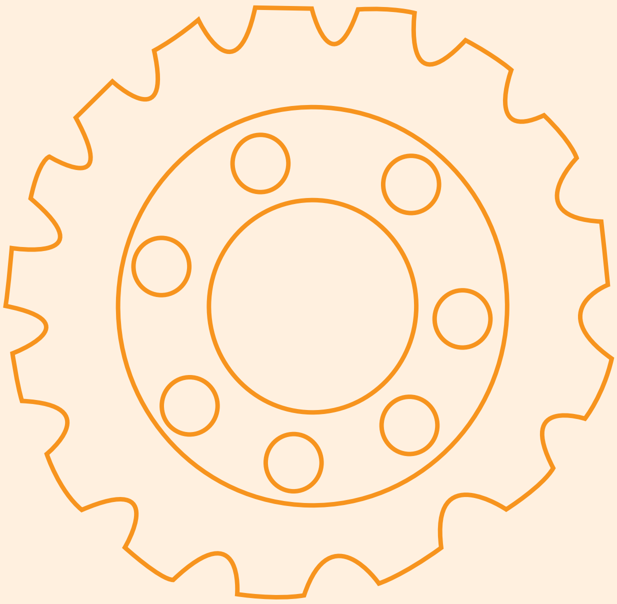
9th edition of Ideate in partnership with FICCI-Aditya Birla CSR Centre for Excellence on 10th November, 2020 over virtual platform, made live from New Delhi. The subject of deliberation was "Building Resilient Communities – Adopting to post Pandemic Challenges".

The advocacy panel brought forward key observations like the need for building a resilient and healthy workforce cannot be done by individual segments of society; it calls for a cohesive strategy and collective effort. It is time to converge with likeminded partners and pool our resources across sectors. Health is the most important vertical and thereby during pandemic attention was given to make the rural areas ready to attend priorities of pregnant women and counseling over mental health and anxiety issues. There is a need to trigger health investments, maximise use of technology (telemedicine, artificial intelligence, internet solutions) and infrastructure is essential. It was also analysed, how agriculture as livelihood opportunity when based on innovation, reaching out to farmers and building partnerships; agri-based organisations were able to launch "Better Farms, Better Lives".


Sambhavi Puraskar 2021

Shaifalika Panda, CEO of BIPF and Founder of TBS, at Ideate 2020

Su-Swasthya safe drinking water pipieline, Sukinda



# Management Discussion & Analysis


Ferro Chrome is an alloy of chromium and iron, with chrome content generally in the range of 50-70%. It's primary use is in the production of stainless steel to which it imparts the non-corrosive property; as such, there is a significant correlation between stainless steel and ferro chrome.

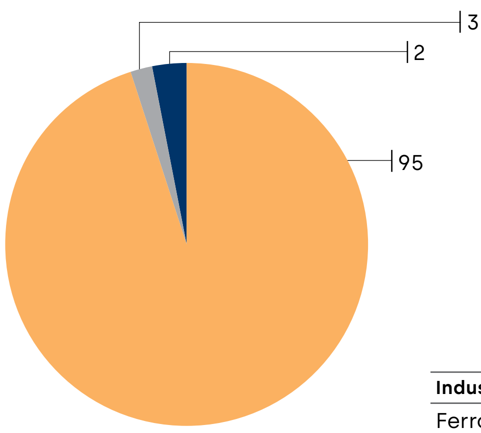
While the ferro chrome industry tends to be cyclical, the emergence of a significant production base in China which is relatively high cost being dependent on imported ore, has led to the Chinese cost of production acting as a floor. Increase in electricity tariffs in South Africa, the erstwhile industry leader which has the world's largest reserves of chrome ore, over the last decade has changed the dynamics of the industry. More recently, the prospects of an import duty on South African chrome ore and closure of small furnaces in China have contributed to a spurt in prices.

Major challenges of the chrome industry include regulations, cost of electricity, socio-political factors and logistics.

## Global chrome ore industry

Global chrome ore production dipped during 2020 (27.96 million tonnes) vis-à-vis 2019 (34.30 million tonnes), South Africa continued to be the highest chrome ore producer for 2020. Production reduced in most countries due to lockdown situation caused by pandemic. In India, production dropped both due to lockdown as well as change in ownership of mines after the auction.

## Global chrome output used in various industries




| Industry | (%) |
|---|---|
| Ferro chrome | 95 |
| Chemical | 2 |
| Refractory and foundry | 3 |

## Global ferro chrome production

The global ferro chrome market is estimated to grow at 4.3% in terms of value. The segment is projected to reach US$24.57 billion by 2027 on the back of rising stainless steel demand. In Asia, this demand is led by India and China.

China produces more than 50% of global stainless steel production and remains the top global ferro chrome producer. For the first three months of 2020, China was hit by the pandemic leading to impacted production. However, during the rest of the year, they made up substantially for the loss in production. Currently, China is laying a lot of emphasis towards carbon neutrality and, hence, closing down small furnaces which has boosted ferro chrome prices.

While South Africa used to the undisputed leader in the ferro chrome industry, a steady increase in electricity tariffs has seen them relegated to second position. The pandemic induced lockdown resulted in production capacity being further curtailed and some consolidation has also taken place.

## Indian ferro chrome industry

India's ferro chrome industry is primarily concentrated in Odisha, considering 95% of India's chrome ore reserves is available in the Sukinda Valley.

Ferro chrome producers that lack captive mines depend on merchant mines for their ore supplies. Due to the pandemic induced lockdowns, chrome ore production was lower in both the merchant and captive mines. As a result, ferro chrome production was somewhat constrained leading to spike in prices.

There was also significant development by way of the expiry of several chrome ore leases in 2020 for which auction was conducted. The process of changeover was timetaking and resulted in operations stopping for a while; besides, aggressive bids have led to an increase in the cost of chrome ore. Therefore, ferro chrome producers reliant on bought out ore have been impacted. Besides, some producers with stretched balance sheets have also not been able to withstand the pandemic shock. Going forward, ferro chrome demand is likely to increase further in India, due to growing per capita use of stainless steel, increased use in various industries such as engineering, infrastructure, consumer goods, automation (robotics) and mega infrastructure projects undertaken by the government.

## Global stainless steel sector

Global stainless steel industry is expected to reach 52.4 million metric tonnes by 2026, growing at a CAGR of 3% between 2021-2026 on the back of demand from heavy industries and automotive, construction, petrochemical, consumer goods, heavy and engineering industries, among others. The Asia-Pacific region continues to dominate the industry.

Stainless steel melt shop production declined by 2.5% from 52.22 million tonnes in 2019 to 50.89 million tonnes in 2020. China remains the top producer of stainless steel in the world and the largest consumer of chromium.

The global stainless steel sector has been growing as a result of a rise in investments across the spectrum and a greater number of production activities.

**Region wise performance**

(in million tonnes)

| Region | 2019 | 2020 | % Change (y-o-y) 2019/2020 |
|---|---|---|---|
| Europe | 6.81 | 6.32 | (7.1) |
| USA | 2.59 | 2.14 | (17.3) |
| China | 29.40 | 30.14 | 2.5 |
| Asia (without China and South Korea) | 7.89 | 6.43 | (18.6) |
| Others | 5.53 | 5.86 | 6.0 |
| **Total** | **52.22** | **50.89** | **(2.5)** |

(Source: International Stainless Steel Forum; ICDA)

## Indian stainless steel sector

India is fast becoming one of the largest stainless steel markets, in terms of consumption and production. Despite India's stainless steel consumption increasing significantly, production has not kept pace with it, leading to large quantities of import in the years preceding 2021.

In India, the COVID-induced lockdown led to decreased demand of stainless steel, which resulted in significantly lower output. Industry is gradually ramping up production with the expectation that demand will bounce back.

**India's stainless steel melt shop production**

(in million tonnes)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | y-o-y Change (%) (2019/2020) |
|---|---|---|---|---|---|---|---|---|
| 2.89 | 2.86 | 3.06 | 3.32 | 3.49 | 3.74 | 3.93 | 3.17 | (19) |

Source: ISSF Stainless Steel in Figures 2020

## Outlook

With India's rising demand for stainless steel, it remains a growing market for ferro chrome, despite a shortage in supply of chrome ore, hike in tariffs and rising electrical costs. However, a recovery in both the stainless steel and ferro chrome sectors is expected in the future with a glimpse of it even at the onset of FY 2021-22.

## IMFA proves its mettle again

Indian Metals & Ferro Alloys Limited (IMFA) delivered another year of responsible and sustainable results on the back of its top line performance.

## IMFA in a snapshot

IMFA is India's largest fully integrated value-added chrome producer. Established in 1961, it has established itself as a globally recognised brand in the industry on the back of its experience, expertise and excellence.

## Among the world's most cost-efficient ferro chrome producers

The Company's constant focus on innovation, quality and sustainable manufacturing empowered it to emerge as one the most cost-efficient manufacturer of ferro chrome globally.

## Assets IMFA sweats to maximise value

IMFA operates two manufacturing units at Therubali and Choudwar in Odisha with a total production capacity of 284,000 TPA and a smelting capacity of 190 MVA. It also enjoys two captive mines (in Sukinda and Mahargiri) with a capacity of 6.51 lakh TPA. IMFA has captive power generation capacity of 204.55 MW and solar power capacity of 4.55 MW.

## Industry standards for processes

IMFA adheres to various industry standards and is self certified on ISO 14001: Environment Management System and OHSAS 45001: Occupational Health and Safety whereas third party certification exists for ISO 9001: Quality Management System

## Global client base

The Company is trusted by multinational companies such as POSCO (South Korea), Marubeni Corporation (Japan) and Nisshin Steel (Japan), alongside domestic stainless steel giants such as Jindal Stainless, AIA Engineering, Shah Alloys and Viraj Profiles, among others for its commitment to quality.

## Quick facts

| | | |
|---|---|---|
| 2<br>Manufacturing units | 284,000 TPA<br>Production capacity | 6.51 lakh TPA<br>Captive mining capacity |
| 190 MVA<br>Smelting capacity | 204.55 MW<br>Captive power generation capacity | 4.55 MWp<br>Solar power generation capacity |

# SCORE analysis

## Strength

- Long-term production visibility with mining lease until 2049/2055
- Strategically located production complexes ensure curtailed freight cost
- Offtake assurance with longstanding contracts
- Global as well as domestic client bases

## Challenges

- VUCA industry landscape
- Dynamic raw material prices impact earning potential
- Unavailability of low ash, low phos coke in India

## Options

- Low per capita steel consumption in India provides growth opportunities
- Increase in global demand for stainless steel, resulting in improved demand for ferro chrome

## Responses

- Ensured power supply through captive plants, including solar power
- Incorporated latest technologies
- Industry standards for quality, health and safety and environment
- Social responsibility programmes

## Effectiveness

- Fully integrated business model
- One of the lowest cost producers of ferro chrome globally

## Business segments

### Ferro alloys

IMFA is primarily an exporter of ferro alloys, as ~88% of its yield is exported to the Far East – the hub of stainless steel manufacturing. The Company has long-term offtake contracts with large-scale manufacturers such as POSCO (South Korea). However, with stainless steel production in India slated to increase on the back of the 'Make in India' initiative, IMFA's focus too will gradually turn towards the domestic markets in line with higher demand for ferro chrome.

**Ferro alloys production and sales**

(in tonnes)

| Particulars | FY 2020-21 | FY 2019-20 | Percentage (%) increase / decrease |
|---|---|---|---|
| Production | 2,59,942 | 2,37,812 | 9.31 |
| Domestic sales | 20860 | 23,537 | (11.37) |
| International sales | 2,36,792 | 2,17,412 | 8.91 |

## Power

The Company enjoys a thermal power generation capacity of 200 MW that ensures access to uninterrupted power supply. Captive power generation at IMFA consists of 170 MW coal-based unit, 30 MW dual-fuel unit which operates on a mixture of coal and furnace gas, and 4.55 MW solar power unit.

### Power generation and sales

(in million units)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Power generation | 1,014 | 1,040 |
| Sales | - | - |

## Mining

IMFA focuses on sustainable mining and has made significant investments to ensure the safety and health of its miners. It has always embraced best-in-class and latest equipment and technology for this purpose. The Company was the first to begin underground mining in the region and operate a Rescue Room for quick response to unforeseen events.

### Mining output

(in tonnes)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Sukinda | 2,66,568 | 3,25,042 |
| Mahagiri | 2,55,252 | 1,91,580 |

## Financial review

### Financial performance

(₹ in Crore)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Revenue from operations | 1,844.23 | 1,611.94 |
| EBITDA (before exceptional items) | 389.03 | 111.36 |
| Profit/(Loss) after tax | 166.75 | (68.52) |
| Cash profit | 331.61 | 12.00 |
| Earnings per share (₹) | 61.81 | (25.40) |
| Cash EPS (₹) | 122.92 | 4.55 |
| Net worth | 1,226.69 | 1,068.48 |
| Capital employed | 1,782.63 | 1,660.10 |
| Fixed assets (including Capital Work in Progress (CWIP)) | 1,017.21 | 1,094.21 |

### Key ratios and margins

(₹ in Crore)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Debtors turnover ratio | 20.00 | 49.34 |
| Inventory turnover ratio | 4.14 | 3.74 |
| Interest coverage ratio | 5.12 | 0.25 |
| Current ratio | 1.56 | 1.28 |
| Debt equity ratio | 0.32 | 0.41 |
| Operating profit margin (%) (before exceptional items) | 15.93 | 1.53 |
| Net profit margin (%) (after exceptional items) | 9.04 | (4.24) |

### Change in financial ratios

| Particulars | FY 2020-21 | FY 2019-20 | Change (%) | Significance |
|---|---|---|---|---|
| Inventory turnover ratio | 4.14 | 3.74 | 10.70 | Higher sales tonnage coupled with better realisation. |
| Interest coverage ratio | 5.12 | 0.25 | 1,948.00 | Exponential increase in profit because of improved market scenario. |
| Current ratio | 1.56 | 1.28 | 21.88 | Increase in short term investment of cash surplus generated during the current year. |
| Operating profit margin (%) before exceptional items | 15.95 | 1.53 | 942.48 | Better sales realisation. |
| Net profit margin (%) after exceptional items | 9.04 | (4.24) | 313.21 | Better sales realisation. |
| Return on net worth (%) after exceptional item | 13.59 | (6.40) | 312.34 | Better sales realisation. |

## Source of funds

### Own funds

IMFA's net worth was ₹ 1226.69 Crore as on 31st March, 2021 vis-à-vis ₹ 1,068.48 Crore as on 31st March, 2020.

### Equity

The Company's has 2,69,77,053 equity shares with a face value of ₹ 10 per share in the market. Its promoters hold 58.69% of them as on 31st March, 2021.

### Reserves

IMFA's reserves stood at ₹ 1199.71 Crore as on 31st March, 2021 compared to ₹ 1041.5 Crore as on 31st March, 2020. Free reserves constitute ~87.75% of the total reserves.

### Long-term borrowings

Long-term borrowings stood at ₹ 390.32 Crore as on 31st March, 2021 as against ₹ 437.53 Crore on the same date of the previous year, as detailed here:

### Sources of funds

(₹ in Crore)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Long-term loans (including the unamortised borrowing cost of ₹ 3.99 Crore in FY 2020-21 & 5.50 Crore in FY 2019-20) | 297.58 | 345.92 |
| Current maturities of long-term borrowings (including the unamortised borrowing cost of ₹ 2.66 Crore in FY 2020-21 & 3.41 in FY 2019-20) | 92.73 | 91.61 |
| **Lease obligations** | | |
| Current maturities of finance lease obligations / Lease Payables | 2.87 | 2.56 |
| Long-term maturities of finance lease obligations / Lease Payables | 41.16 | 43.15 |

## Application of funds

### Gross block

The Company's gross block fixed asset stood at ₹ 1584.74 Crore as on 31st March, 2021 vis-s-vis 31st March, 2020 when it was ₹ 1541.33 Crore.

### Capital work-in-progress

IMFA's capital work-in-progress was ₹ 54.72 as on 31st March, 2021 as against ₹ 74.14 Crore as on 31st March, 2020.

## Risk management

As part of a cyclical industry, several risks threaten IMFA's sustainable progress. We have a robust risk management framework that enables us to continuously manage and monitor these risks. The risk management process at IMFA involves identifying and categorising potential risks, followed by mapping mitigation strategies based on short-, medium- and long-term outlooks.

The following risks were identified, monitored and strategised for FY 2020-21:

## Risks and their mitigation strategy

| Risk type | Description | Mitigation strategy | Risk outlook |
|---|---|---|---|
| **Industry risk** | Stainless steel enjoys a wide range of applications in various industries, including construction, automobile, chemical and household appliances, among others. A rise in population, booming construction industry, growing demand for automobiles and white goods, and evolving lifestyles are expected to bolster the demand for stainless steel. In case, this demand softens, IMFA's offtake will slow down. | The Company is minimising cost of production and developing long-term relationships to become a supplier of choice for key customers. It is working towards leveraging these market conditions | Long-term |
| **Raw material risk** | The unavailability of raw materials can diminish production and may lead to increased cost of production. | IMFA has captive mines in Odisha (Sukinda and Mahagiri) to ensure uninterrupted ore supply through eco-friendly and efficient underground mines. It further has captive power generation capacity based on thermal and solar energy technologies. With long-term vendor contracts in place the Company remains assured of receiving its other raw materials (low ash and low phos coke, among others). | Short- to long-term |
| **Regulatory risk** | IMFA's business may be deeply impacted by delay in regulatory approvals or altered legislations. | The Company is proactive in terms of meeting statutory compliances and does not foresee any undue delays in regulatory approvals. | Medium-term |
| **Operational risk** | Inefficient operations cause production costs to spike up and curb the Company's competitive edge. | IMFA has established a robust equipment maintenance routine and safety precautions. Moreover, it emphasises efficiency enhancement through technology upgradation and process modifications. | Short-term |
| **Exchange risk** | Any volatility in currency markets may bring down IMFA's margins as ~88% of its products are exported. | IMFA hedges export proceeds with forward contracts, derivatives and others. With a focus on long-term contracts as well as spot sales, the Company is optimising its offtake and realisations. | Short-term |

## Unlocking new possibilities with Team IMFA

Team IMFA is the Company's most important capital. IMFA is working towards providing its people a conducive work environment to flourish. The Company organises focused programmes to enable and empower its people and steer them towards excellence.

**4.51%**

Rate of attrition (among executives)

Team IMFA focused on the following areas of transformation during the year:

Building a safe work environment by promoting employee well-being both physical and psychological to reinforce confidence and augment performance

Reinforce the retention system in executing the priorities and objectives through strategic planning and goal achievement

Improve employee engagement through increased responsiveness, counselling, communication and recognition of employees for demonstrating IMFA values

Leverage expertise, build capacity and solidify commitment through training and professional development opportunities that supports diversity, inclusion and the strategic alignment of resources

During the year, the following initiatives were undertaken for the improvement and engagement of Team IMFA:

## Learning and development

This plays a crucial role in the Company's growth, building its people capacity. IMFA has several learning initiatives and programmes such as management orientation, team building and interpersonal effectiveness directly support the HRD aspirations and mandate.

### Key highlights FY 2020-21

Completed 3,170 hours of training till date

## Engagement and motivation

IMFA focuses on talent lifecycle and engagement. With continuous feedback from its employees and leaders, the Company is looking to build a fulfilling work culture. It is creating opportunities for talent to grow and reach their true potential.

### Key highlights FY 2020-21

- Organised Mental Well-being and Mindfulness session for all locations
- Conducted Virtual Management Retreat Leadership Centre of Excellence (LCoE)
- Created Remote Synergy Teams to keep abreast of recent happenings and brainstorm new ideas for innovation and growth
- Organised employee wellness programmes to create awareness on health and hygiene
- Awarded IMFA Group student scholarships to 06 students in FY 2020-21

## Performance management and retention

For IMFA, attracting and retaining top-class talent and a diverse team are a priority. It has thus developed a performance management and retention planning strategy to ensure its requirements are met.

## Key highlights FY 2020-21

Implemented DIRECT – PMS

Offered learning opportunities & higher responsibilities to retain appropriate talent

Distributed 'Long & Dedicated Service Awards (LDSA)' recognition for 324 employees for FY 2020-21

## Health, safety and environment (HSE)

Employee health and safety is crucial for the Company. Its integrated management system focuses on quality, environment and occupational health and safety.

### Health and safety key highlights FY 2020-21

- Followed COVID guidelines strictly at factory premises as well as offices during the year — and spread awareness regarding hygiene, social distancing and masks among employees and stakeholders
- Conducted all meetings and safety training programmes virtually.
- Built and continued 12-point initiative for proactive safety culture
- Developed model workplaces at Choudwar and Therubali under the Advance Action in Industries to Abate Accidents (AAINA) initiative as per the guidelines of the Directorate of Factories and Boilers, Cuttack Division
- Conducted full-scale mock drills at Choudwar and Therubali in the presence of statutory bodies and local administration to assess and improve the preparedness for handling emergencies
- Installed an ERP-driven compliance management system
- Converted critical Standard Operating Procedures (SOPs) into audio-visual presentations for easier understanding
- Reviewed and revised all SOPs
- Predicated production-based incentive for zero fatality
- Focused on HSE initiatives approved by Apex Safety Council chaired by the MD through an evaluation of compliance with Key Performance Indicators (KPIs) and guidelines reviewed quarterly by Business Unit heads
- Reduced number of violations on chronic and high consequence domains through stringent actions decreed for violators
- Strengthened quarterly housekeeping audits
- Organised special audio-visual training on behaviour-based safety for workforce
- Used new-generation inspection tool, Safety Observation and Interaction (SOI) to identify and eliminate unsafe workplace acts and conditions
- Imparted Safety Leadership training to middle management team using online platform

### Initiatives undertaken to manage employee morale during COVID

- Focused on employee well-being: Undertook special measures to promote COVID awareness, care for employees' physical and psychological health, reinforce confidence and augment performance, introduced standard operating procedures (SOPs) in corporate headquarters, production sites and mines to ensure a safe workplace
- Transforming the floorplate: Endeavoured to address exposure issues, density, facility requirements and while extenuating risks to empower the workforce to leverage space in new ways
- Counselling and communication strategy: Focused on individual employee counselling and framing apt communication flows and networks for information sharing and keeping in touch; also leveraged social media platforms as part of effective communication strategy to reach out to employees
- Recognising employee efforts: Initiated recognition other than monetary rewards such as public acknowledgment, tokens of appreciation, development opportunities, and others

### Environment key highlights FY 2020-21

- Installed Sewage Treatment Plants (STP) of capacity 80 KL/day and 50 KL/day at Mahagiri Enclave and Mahagiri Chromite Mines, respectively to treat domestic effluent
- Fitted drinking water treatment plant with capacity 72 KL/day and 120 KL/day at Mahagiri Chromite Mines and Mahagiri Enclave, respectively
- Set up bio-toilets at underground areas of Mahagiri Chromite Mines
- Provided water sprinkling system at the decline of Mahagiri Chromite Mines to control dust emission
- Added Dust Extraction System at TCP-2 Therubali to prevent air pollution
- Constructed raw material storage shed of 58m X 80m dimensions to keep raw materials under shed at Unit-II Choudwar and another shed of 60m X 38m dimension for storage of fines under shed at Unit-I Choudwar
- Installed IP camera at both the Effluent Treatment Plant (ETP) for monitoring and ensuring zero discharge to outside
- Set up a 50 KL/hour runoff water treatment plant at Choudwar Power Plant to treat the runoff water
- Fitted IP camera at 120 MW PP and 80 MW PP to monitor and view the boiler stack emission and fugitive emission of power plants
- Provided environmental awareness training to all employees and workmen

## Sustainable operations with waste recycling

Sustainability at IMFA focuses on waste re-utilisation. During the year, the Company used most of the fly ash generated ie.487,338 MT at its manufacturing units . IMFA's older power plants generate bottom ash, which is used for reclaiming degraded land and abandoned quarries. The fly ash generated at IMFA's boilers are suitable for brick manufacturing. The Company has already established two brick manufacturing units and provide subsidies to authorised brick manufacturers. Fly ash is also supplied to cement manufacturing units and long term offtake arrangements are in place. The leftover fly ash is used alongside bottom ash for land reclamations. A low density aggregate (LDA) unit has also been set up which is an alternate to natural aggregates (stone chips). However, offtake from this unit has not yet picked up as BIS certification, a prerequisite for use, took longer than anticipated. It is expected that the LDA plant will gradually ramp up output once pandemic related lockdowns are over, and consume a reasonable part of the fly ash generated by the company's power plants.

## Awards

During the year, IMFA bagged the following awards on safety:

- Choudwar Unit II won Silver in Kalinga Safety Excellence Award in the category of Large-Scale Industries, Ferro Alloys Sector during Odisha State Safety Conclave 2020-21
- Choudwar Unit III received Silver in Kalinga Safety Excellence Award in the category of Large-Scale Industries, Power Plant below 500 MW during Odisha State Safety Conclave 2020-21
- Mahagiri Mines won the prestigious "Hindustan Zinc Health & Safety Award 2019-20" for best Occupational Health and Safety performance in Underground Mines category.
- SMC received Silver in Kalinga Safety Excellence Award in the category of Mining Industries during Odisha State Safety Conclave 2020-21
- MMC received Bronze in Kalinga Safety Excellence Award in the category of Mining Industries during Odisha State Safety Conclave 2020-21

## Internal control systems

The Company has a comprehensive system of internal controls that enables efficient operations, optimal resource utilisation and compliance with applicable laws and regulations. These control measures strengthen the Company and protect it from loss or unauthorised use of assets by way of adequate checks and balances. The Company authorises, records and reports all transactions. An independent firm of Chartered Accountants serve as the internal auditor to execute the internal audit function. The management and audit committee of the Board observe and then recommend corrective measures, based on such audits to improve operations.

## Cautionary statement

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

# Directors' Report

Your Directors are pleased to present the 59th Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

## Financial Results

Amount in ₹ Crore

| | | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| 1 | Revenue from operations | 1,844.23 | 1,611.94 |
| 2 | Other Income | 51.30 | 21.98 |
| 3 | Total Income | 1,895.53 | 1,633.92 |
| 4 | Profit before finance cost, depreciation, taxation and exceptional items | 389.03 | 111.36 |
| 5 | Finance Cost | 57.42 | 99.38 |
| 6 | Depreciation | 104.22 | 104.21 |
| 7 | Exceptional items | - | 1.73 |
| 8 | Profit before Tax | 227.39 | (93.96) |
| 9 | Tax including Deferred Tax | 60.64 | (25.44) |
| 10 | Profit after Tax | 166.75 | (68.52) |
| 11 | Other Comprehensive Income/(Expenses) | (0.45) | (3.60) |
| 12 | Total Comprehensive Income/(Expenses) for the year | 166.30 | (72.12) |
| 13 | Dividend paid | 8.09 | 16.05 |
| 14 | Balance carried forward | 1,199.71 | 1,041.50 |

Your Company's revenue from operations during the year under review reached a new high of ₹ 1844.23 Crore (previous year: ₹ 1611.94 Crore) including highest ever foreign exchange earnings of ₹ 1705.29 Crore (previous year: ₹ 1449.12 Crore). EBITDA before exceptional items increased to ₹ 389.03 Crore (previous year: ₹ 111.36 Crore) and profit after tax stood at ₹ 166.75 Crore (previous year: loss of ₹ 68.52 Crore) due to good operations combined with better price realisation.

The demand for ferro chrome continued to improve in line with the increase in economic activities globally, and price also got a substantial boost from production constraints in China and the likely imposition of export duty on chrome ore by South Africa. This has led to an improved financial performance of the company enabling it to further pare down debt while also building up reserves for expansion plans.

## Dividend

Pursuant to the provisions of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has formulated a Dividend Distribution Policy. The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

The policy has been uploaded on the website of the Company and can be accessed at https://www.imfa.in/pdfs/Dividend-Distribution-Policy.pdf .

### Interim Dividend

The Board of Directors in its meeting held on 9th February, 2021 had approved payment of interim dividend of ₹ 3/- per Equity Share (@ 30%) on 2,69,77,053 Equity Shares of the Company of face value of ₹ 10/- each fully paid-up, out of the profits for FY 2020-21. Interim dividend was paid to the shareholders as per their shareholding as on the Record Date ie. 19th February, 2021.

### Final Dividend

In view of the excellent performance during the year under review, in addition to interim dividend, your Directors are pleased to recommend a final dividend of ₹ 7/- per equity share (@ 70%) of face value of ₹ 10/- each for the year ended 31st March, 2021, subject to approval of shareholders at the forthcoming Annual General Meeting of the Company. Final dividend, if approved by the shareholders, taken together with the interim dividend, will amount to total dividend of ₹ 10/- per equity share for FY 2020-21

## State of Company's Affairs

### Operations

The production of ferro chrome during the year under review was the highest ever at 259,942 tonnes (previous year: 237,812 tonnes) while electricity generation stood at 1014 MUs including 6.51 MUs from solar (previous year: 1040.26 MUs including 6.21 MU from solar) and chrome ore raising was 521,820 tonnes (previous year: 516,221 tonnes).

It is pertinent to note that your Company has consistently followed in letter and spirit the practice of value addition with ore raised from its mines being used only for captive consumption thus creating employment and maximising contribution to the exchequer.

## Annual Return

The extract of annual return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at its website at https://www.imfa.in/pdfs/Annual-Return-2019-20.pdf

## Number of Meetings of The Board

The Board met four times in financial year 2020-21 viz. on 27th July, 2020, 7th November, 2020, 15th December, 2020 and 9th February, 2021. The details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings are provided in the Corporate Governance Report.

## Directors' Responsibility Statement

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

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

(ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year under consideration;

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2021 on a going concern basis;

(v) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Declaration given by Independent Directors

The Independent Directors have given declaration that they meet the criteria specified under section 149(6) of the Companies Act, 2013 and regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

## Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached in the format prescribed as **Annexure-1** and forms integral part of the Annual Report.

## Policy on Directors' Appointment and Remuneration

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

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

## Auditors and Auditors' Report

### Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company in 57th Annual General Meeting held on 17th July, 2019 approved the appointment of M/s SCV & Co LLP, Chartered Accountants (Firm Registration No.000235N/N500089) as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 57th Annual General Meeting till the conclusion of 62nd Annual General Meeting of the Company. The Statutory Auditors have confirmed, they are not disqualified from continuing as Auditors of the Company.

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

### Secretarial Auditor

The Company has appointed M/s Sunita Mohanty & Associates, Company Secretaries to conduct secretarial audit and their Report is appended to this Report as **Annexure-2**

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

### Cost Auditor

Pursuant to section 148 of the Companies Act 2013, the Board of Directors on the recommendation of Audit Committee appointed M/s S S Sonthalia & Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2021-22 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. M/s S S Sonthalia & Co., Cost Accountants have given their consent to act as Cost Auditors and also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. Pursuant to Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year 2020 was filed with the Ministry of Corporate Affairs on 26th August, 2020. The Company has maintained the cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013.

## Particulars of Loans, Guarantees or Investments under Section 186

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements forming part of Annual Report.

## Particulars of Contracts or Arrangements with Related Parties

There are no contracts/arrangements/transactions which are not at arm's length basis and there are no material contracts/arrangements/transactions which are at arm's length basis. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

## Material Changes and Commitments Affecting The Financial Position of The Company

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

## Energy Conservation, etc.

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

## Risk Management Policy

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

## Corporate Social Responsibility (CSR)

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

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

## Annual Evaluation by The Board

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

i) Attendance of Board and Committee Meetings

ii) Quality of contribution to Board deliberations

iii) Strategic perspectives or inputs regarding future growth of Company and its performance

iv) Providing perspectives and feedback going beyond information provided by the management

v) Commitment to shareholder and other stakeholder interests

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

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

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

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

| Name of the Director | Ratio | Name of the Director | Ratio |
|---|---|---|---|
| Mr Baijayant Panda | 108:1 | General Shankar Roychowdhury (Retd) | 1.30:1 |
| Mr Subhrakant Panda | 116:1 | Mr S P Mathur | 1.39:1 |
| Mr J K Misra | 17:1 | Mr Bijoy Kumar Das | 1.38:1 |
| Mr C R Ray | 11:1 | Mr Stefan Georg Amrein | 0.06:1 |
| Major R N Misra (Retd) | 1.41:1 | Mrs Latha Ravindran* | 1.38:1 |
| Mr N R Mohanty | 1.43:1 | | |

*Appointed on 23rd July, 2020

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

| Name of the Director | % increase | Name of the Director/CFO&CS | % increase |
|---|---|---|---|
| Mr Baijayant Panda | 199 | Mr S P Mathur | 1524 |
| Mr Subhrakant Panda | 149 | General Shankar Roychowdhury (Retd | 8233 |
| Mr J K Misra | (6.86) | Mr Bijoy Kumar Das | 1259 |
| Mr C R Ray | (4.25) | Mrs Latha Ravindran* | - |
| Major R N Misra(Retd) | 1290 | Mr Stefan Georg Amrein | 33 |
| Mr N R Mohanty | 1431 | Mr Prem Khandelwal, CFO | (9.53) |

iii) the percentage increase in the median remuneration of employees in the financial year: (2.79 )

iv) the number of permanent employees on the rolls of company: 2165

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

Average percentile increase in the salaries of employees other than the managerial personnel : Nil

Percentile increase in the managerial remuneration : 40th

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

## Particulars of Employees

The information on top ten employees who were in receipt of remuneration of not less than ₹ 102,00,000/- (Rupees One Crore and Two Lakhs only) during the financial year or ₹ 850,000/- (Rupees Eight Lakh Fifty Thousand only) per month during any part of the said year as required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said statement is also open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

## Public Deposits

The Company has not accepted/renewed any public deposits during the year under review under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014. There are no deposits that remain unclaimed.

## Whistle Blower Policy

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

## Directors and Key Managerial Personnel

Mr Shankar Roy Chowdhury (DIN:01921688) retired from independent directorship of the Company w.e.f. 31st March, 2021 consequent to completion of his second term. The Board placed on record its appreciation of the valuable service rendered by him during his long tenure on the Board.

During the year Mrs Latha Ravindran (DIN: 08711691) was appointed as Non-executive Woman Independent Director for a period of five years effective from 23rd July, 2020 which was approved by shareholders at the 58th Annual General Meeting of the Company.

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

The Board at its meeting held on 9th February, 2021, pursuant to the recommendation of Nomination and Remuneration Committee and taking into account the report of performance evaluation, re-appointed Mr Bijoy Kumar Das (DIN: 00179886) as an independent director for a second consecutive term of 5 years with effect from 9th February, 2021. The Company has received notice under Section 160 of the Companies Act, 2013 signifying intention to propose him for the office of Director under section 152 of the Companies Act, 2013.

The Board opines that the independent directors so appointed/re-appointed are of integrity and possess the requisite expertise and experience (including the proficiency).

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

## Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred ₹ 19,15,514/-, being the unpaid and unclaimed dividend amount pertaining to FY 2012-13 to the IEPF authority.

## Disclosure with Respect to Unclaimed Suspense Account

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

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

## Internal Financial Control Systems and their Adequacy

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

Management and Audit Committee of the Board observes and then recommends corrective measures following such audits to improve business operations.

## Corporate Governance

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

## Significant and Material Orders Passed by the Regulators or Courts

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

## Subsidiary/Joint Venture Companies

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is attached as **Annexure-5**.

Based on the application of Utkal Green Energy Limited (UGEL) a subsidiary of the Company for removal of its name from the register of companies under section 248 of the Companies Act, 2013, Registrar of Companies struck off the name of UGEL from register of companies on 26th October, 2020.

## Disclosures under sexual harassment of women at workplace (Prevention, Prohibition & Redressal) act, 2013

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

## Disclosure under Insolvency and Bankruptcy Code

During the year under review there are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

## Disclosure under one time settlement

During the year under review your Company has not made any one time settlement with any of its Banks or Financial Institutions.

## Compliance with Secretarial Standards

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

## Industrial Relations

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

## Acknowledgement

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

For and on behalf of the Board

**(Subhrakant Panda)**
Managing Director
DIN: 00171845
Place - New Delhi

**(Jayant Kumar Misra)**
Director (Corporate) & COO
DIN: 00146526
Place - Bhubaneswar

Date: 9th June, 2021

# Annexure- 1

## Business Responsibility Report

### SECTION A GENERAL INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| 1. Corporate Identity Number (CIN) of the Company | L27101OR1961PLC000428 |
| 2. Name of the Company | Indian Metals and Ferro Alloys Limited |
| 3. Registered Office Address | IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar-751010, Bhubaneswar, Odisha |
| 4. Website | www.imfa.in |
| 5. E-mail Id | mail@imfa.in |
| 6. Financial Year reported | 2020-21 |
| 7. Sector(s) that the Company is engaged | Mining (Code – 13)<br>Manufacturing (Code – 27) |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | Ferro Chrome, Fly-ash Bricks and Low Density Aggregate |
| 9. Total number of locations where business activity is undertaken by the Company: | |
| (a) Number of International Locations | The products of the Company are exported to 8 countries in the world |
| (B) Number of National Locations | The business activities of the Company is being carried out at 11 National locations. |
| 10. Markets served by the Company – Local / state / National / International | The Company has a global footprint that serves both National and International markets. |

### SECTION B FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

| | |
|---|---|
| 1. Paid-Up Capital (INR) | ₹ 26.98 Crore |
| 2. Total Turnover (INR) | ₹ 1844.23 Crore |
| 3. Total Profit/(Loss) after Taxes (INR) | ₹ 166.75 Crore |
| 4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company has spent ₹ 6.21 Crore on CSR activities in FY 2020-21 which is 5.67% of profit after taxes of immediate three previous years. |
| 5. List of activities in which expenditure in 4 above has been incurred: | The details of CSR activities are given in Annexure-'4' – Annual Report on CSR activities forming part of the Board's Report. |

### SECTION C OTHER DETAILS

| | |
|---|---|
| 1. Does the Company have any Subsidiary Company/ Companies? | Yes, the Company has 4 subsidiaries viz. i) IMFA Alloys Finlease Ltd. ii) Utkal Coal Ltd. iii) Indmet Mining Pte Ltd. & iv) PT. Sumber Rahau Indah (subsidiary of Indmet Mining Pte. Ltd.) |
| 2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s) | None of the Subsidiary Companies participates in the Business Responsibility initiatives of the Parent Company. |
| 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the Business Responsibility initiatives of the Company? | The Company has not mandated any supplier, distributor etc. to participate in the Business Responsibility initiatives of the Company. However, they are encouraged to adopt Business Responsibility Initiatives and follow the concept expected from responsible businesses. |

### SECTION D BUSINESS RESPONSIBILITY INFORMATION

**1. Details of Director/Directors responsible for Business Responsibility.**

**(a) Details of the Director responsible for implementation of the Business Responsibility policy/policies:**

| Sl. No. | Particulars | Details |
|---|---|---|
| 1. | DIN Number | 00171845 |
| 2. | Name | Mr Subhrakant Panda |
| 3. | Designation | Managing Director |

### (b) Details of the Business Responsibility head:

| Sl. No. | Particulars | Details |
|---|---|---|
| 1. | DIN Number (if applicable) | 00146526 |
| 2. | Name | Mr J K Misra |
| 3. | Designation | Director (Corporate) & COO |
| 4. | Telephone number | +91 9937003000 |
| 5. | E-mail Id | jkmisra@imfa.in |

### 2. a) Principle-wise (as per NVGs) Business Responsibility Policy/Policies – Details of compliance - Reply in Yes (Y)/ No (N)

| Principle Number | Principle |
|---|---|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| P3 | Businesses should promote the well-being of all the employees |
| P4 | Businesses should respect the interests of, and be responsive towards all its stakeholders, especially those who are disadvantaged, vulnerable and marginalised |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| P8 | Businesses should support inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

| Sl. No. | Questions | Principles (as defined under Section E) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 1. | Do you have a policy/ policies for the Principles? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy been formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any National/ International standards? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | The policies confirm to the National and International standards like IS0 9001, ISO 45001, ISO 14001. | | | | | | | | |
| 4. | Has the policy been approved by the Board? If yes has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | Policies mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate. | | | | | | | | |
| 5. | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | The Company has Audit Committee, Risk Management Committee, Internal Complaints Committee, Stakeholders Relationship Committee, Safety Committee, CSR Committee, Ethics Committee, and also adequate internal control systems to oversee the implementation of policies. | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online. | CSR policy, Code of conduct, Ethics etc<br>CSR Policy : https://www.imfa.in/pdfs/CSR-Policy.pdf<br>Code of Conduct : https://www.imfa.in/pdfs/code.pdf<br>Whistle Blower Policy : https://www.imfa.in/pdfs/code.pdf | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | Yes. | | | | | | | | |
| 8. | Does the Company have in-house structure to implement the policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance Redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the Policy/policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Independent audit/evaluation is carried out by both internal & external agency in case of Quality certification policy & HSE policy. | | | | | | | | |

**2 b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: NOT APPLICABLE**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | The company has not understood the Principles. | - | - | - | - | - | - | - | - | - |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles. | - | - | - | - | - | - | - | - | - |
| 3. | The company does not have financial or manpower resources available for the task. | - | - | - | - | - | - | - | - | - |
| 4. | It is planned to be done within next 6 months. | - | - | - | - | - | - | - | - | - |
| 5. | It is planned to be done within the next 1 year. | - | - | - | - | - | - | - | - | - |
| 6. | Any other reason (please specify). | - | - | - | - | - | - | - | - | - |

**3. Governance related to Business Responsibility**

| | |
|---|---|
| (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: | The Business Responsibility performance is assessed on quarterly basis. |
| (b) Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Yes, The Business Responsibility is published as part of Directors Report in Annual Report and also disclosed on the website of the Company. This report is the second Business Responsibility of the Company. The web link for viewing Business Responsibility is www.imfa.in |

## SECTION E PRINCIPLE-WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

| | |
|---|---|
| 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others? | The Company has a Code of Conduct for its Directors and Employee. It also covers all dealings with suppliers, customers and other business associates.<br><br>Further, the Company has a Whistle Blower Policy which provides employees an opportunity to approach the Ethics Committee or Chairman of the Audit Committee for reporting alleged unethical behavior, fraud or violation of the Company's code of conduct and SEBI Insider Trading Regulations. |
| 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? | During the year, 174 investor complaints were received and all of them have been resolved. |

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Environment, health and safety continue to be key focus areas and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

| | |
|---|---|
| 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities: | **i) High Carbon Ferrochrome:-** IMFA is a leading producer of ferro chrome in the country and is recognised internationally as well as a reliable partner. The Company has invested heavily in pollution control equipment and taken other measures to meet the established standards.<br><br>**ii) Fly ash Bricks:-** Fly ash generated during generation of electricity is gainfully utilised by converting it to fly ash bricks.<br><br>**ii) LDA (Low Density Aggregate):-** Fly ash is also used for manufacturing low density aggregates which is a substitute for stone chips. |
| 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): | Disclosure requirement is optional. |
| 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? | Yes. |

| | |
|---|---|
| 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? | The Company believes its factories must benefit the communities in which they are located. It sources most of the stores and services from areas near the factories and works extensively with its vendors to improve capacities and capabilities.<br><br>The Company also obtains services from local & small service providers for maintenance and repairs of building, plant and machineries. |

**Principle 3: Businesses should promote the wellbeing of all employees**

IMFA firmly believes that the knowledge, expertise and passion of its employees drive the growth of the Company. It provides the work environment that promotes well-being of its employees while giving them various opportunities to grow. It has adopted various policies, procedures, manuals and conducts various training programs for the protection and welfare of the employees.

Apart from encouraging employees to learn and grow, the Company has also conducted various programs focused on wellness on body, mind, soul and financial health. These include on-site physical activities and workshops on financial health, physical health check-up and mental health counseling sessions for overall well-being of employees.

Further, in order to support employees and their family members who had contracted Covid-19 and need special medical care beyond home quarantine, the Company has set up Covid Care Centers at its plants and mines. These centers are managed by Doctors, paramedical and housekeeping staffs.

| | | |
|---|---|---|
| 1. | Total number of employees on rolls | 2,165 |
| 2. | Total number of employees hired on temporary / contractual/casual basis | 3,355 |
| 3. | Number of permanent women Employees | 29 |
| 4. | Number of permanent employees with disabilities | 2 |
| 5. | Do you have an employee association that is recognised by management? | Yes. |
| 6. | What percentage of your permanent employees is members of this recognised employee association? | Mines - 100% workmen<br>Choudwar plant – 100% workmen<br>Therubali plant- No recognised employee association |
| 7. | Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year. | Nil |
| 8. | What percentage of under mentioned employees were given safety & skill up- gradation training in the last year<br>(a) Permanent Employees<br>(b) Permanent Women Employees<br>(c) Casual/Temporary/Contractual Employees<br>(d) Employees with Disabilities | The percentage of employees under various categories who have been given safety & skill up-gradation training in last Financial year is follows:<br>(a) Permanent Employees = 82%<br>(b) Permanent Women Employees = 74%<br>(c) Casual/Temporary/Contractual Employees = 77%<br>(d) Employees with Disabilities = 100% |

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

IMFA understands the needs of its stakeholders and aims to meet the expectations of its stakeholders. It discloses all the relevant information about its products, business, financial performance, press releases and other statutory information on the website of the Company to ensure effective stakeholders engagement.

| | | |
|---|---|---|
| 1. | Has the Company mapped its internal and external stakeholders? | Yes. |
| 2. | Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? | Yes. |
| 3. | Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? | Yes, IMFA undertakes CSR programmes directly and through Bansidhar & Ila Panda Foundation (BIPF). These include development projects like Arogya Dhara, Project Adhyayan, and Project Su-Swasthy as well as infrastructural development, promotion of sports, etc to meet the requirement / satisfaction level of the community.<br><br>The details of the activities are given in Annexure-'4' – Annual Report on CSR Activities forming part of the Annual Report. |

**Principle 5: Businesses should respect and promote human rights**

IMFA firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Labor and Employee Welfare Policies.

Grievance Redressal Systems are put in place like Internal Complaints Committee, Ethics Committee, etc. which expeditiously resolve any issue which is reported.

| | | |
|---|---|---|
| 1. | Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? | It covers all stakeholders. |
| 2. | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | During the year, 174 investor complaints were received and all of them have been resolved. |

**Principle 6: Business should respect, protect and make efforts to restore the environment**

IMFA understands its responsibility towards environment and has taken various initiatives to reduce environmental impact. Energy conservation continues to be a priority area of the Company.

During the financial year 2020-21, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in Annexure-3 of the Board's Report.

| | | |
|---|---|---|
| 1. | Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others? | The Company has an Environment, Health and Safety Policy that covers areas of compliance with statutory standards. The Policy extends to all its stakeholders. |
| 2. | Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc. | Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for IMFA. The Company is continuously implementing process improvements to reduce emissions and waste.<br>The Company has put in place Solar Power plants of 4.55 MWp at Therubali. |
| 3. | Does the Company identify and assess potential environmental risks? | Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Policy. The Company follows sound environmental management practices across all its manufacturing units to assess and address environmental risks. |
| 4. | Does the Company have any project related to Clean Development Mechanism? | Yes, the Company produces around 4.8 MW power per day from use of waste gas. |
| 5. | Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc. | Yes, the details of initiatives taken for conservation of energy are given in Annexure-'3' of the Annual Report and the same is disclosed on the website of the Company.<br>Weblink:- www.imfa.in |
| 6. | Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported? | Yes. All the factories file periodic statutory declarations with the pollution control boards on the emissions and waste generation and they are within permissible limits granted by the pollution control board. |
| 7. | Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year. | NIL |

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

IMFA believes that working together with the institutions or associations engaged in policy advocacy like Federation of Indian Chambers of Commerce & Industry (FICCI), Indian Chromium Development Association (ICDA), Indian Chamber of Commerce (ICC), Confederation of Indian Industry (CII) etc will help the Company create positive social and environment impact while achieving its business goals.

The Company's approach to deal with these institutions is guided by the principles of Code of Business Conduct i.e., honesty, transparency, integrity and accountability.

| | | |
|---|---|---|
| 1. | Is your Company a member of any trade and chamber or association? | Yes, the Company is the Member of various trade and industrial associations such as FICCI, ICDA, ICC, CII and other similar organisations. |
| 2. | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No | Yes, IMFA has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders. |

### Principle 8: Businesses should support inclusive growth and equitable development

IMFA supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business.

| | | |
|---|---|---|
| 1. | Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof. | The details of projects in pursuit of policy related to Principle 8 are given as Annexure-'4' in Annual Report on CSR Activities forming part of the Board's Report. |
| 2. | Are the programs/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organisation? | The Company's Social Responsibility Projects are implemented through own foundation as well as internal team. In order to effectively reach out to its target audience and implement it's charitable, philanthropic and development activities, IMFA has established the following institutions:<br><br>**1) Indian Metals Public Charitable Trust (IMPaCT)**<br>Founded by Late Dr Bansidhar Panda and Late Mrs Ila Panda, IMPaCT is the charitable arm of IMFA. Among its noticeable initiatives are Sarala Award for promoting Odia literature and Ekalabya Puraskar for encouraging budding local sports talent. It also provides grants to scholars and runs an old age home.<br><br>**2) Bansidhar & Ila Panda Foundation (BIPF)**<br>Founded in 2011 to broaden the Company's social development initiatives in a focused and sustainable manner, BIPF's areas of interest are education, skill development, water & sanitation, and women & child development. Besides working independently, its charter includes partnering with government & private organisations. |
| 3. | Have you done any impact assessment of your initiative? | The Company assesses the impact of the CSR Projects and Programs undertaken at its Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment. |
| 4. | What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? | The Company has spent ₹ 6.21 Crore towards its CSR & community development initiatives for FY 2020-21. |
| 5. | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so? | The Company ensures its presence is established right from the commencement of the initiatives. It collaborates with the communities' right from need identification to project implementation phase. The Company has extensive engagement with various stakeholders. |

### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

IMFA has been providing value to its consumers since five decades and has put in place effective consumer complaints redressal system. The Company discloses the necessary information on its products to promote consumer awareness, market its products in a responsible manner and exercise due care in utilisation of natural resources.

| | | |
|---|---|---|
| 1. | What percentage of customer complaints/ consumer cases are pending as on the end of financial year? | The Company has not received any complaint during the financial year ended 31st March, 2021. |
| 2. | Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)? | Not applicable. |
| 3. | Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? | No. |
| 4. | Did your Company carry out any consumer survey/ consumer satisfaction trends? | Yes. |

# Annexure- 2

**Form No. MR-3**

## SECRETARIAL AUDIT REPORT

**For the Financial Year ended 31.03.2021**
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

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

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

Based on our verification of the Company's books, papers, minutes books, forms, and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit,we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes listed and compliance –mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers ,minute books, forms, and returns filed and other records maintained by Indian Metals & Ferro Alloys Limited ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:

i. The Companies Act , 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act,1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act,1999 and the rules and regulations made therunder to the extent of Foreign Direct Investment,Overseas Direct Investment and External Commercial Borrowings;

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

  a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading ) Regulations, 2015;

  c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; (Not applicable to the Company during audit period)

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

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

  f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client; (Not applicable to the Company during audit period)

  g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during audit period) and

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

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

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

  a. Mines Act, 1952;

  b. Mines Rules, 1955;

  c. Mines and Minerals (Development & Regulation) Act, 1957;

  d. Orissa Minerals (Prevention of theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007;

  e. Mines Rescue Rules, 1985;

  f. Metalliferous Mines Regulations, 1961;

  g. The Maternity Benefits Act, 1961;

  h. The Maternity Benefit (Mines & Circus) Rules, 1963;

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

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

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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Board of directors had appointed Mrs. Latha Ravindran (DIN :08711691) as Non-executive Independent Director on 28.02.2020 for a period of five years which was to be effective from the date of obtaining security clearance from Ministry of Civil Aviation. The security clearance from the Ministry of Civil Aviation was received by the Company on 23.07.2020 and accordingly required Form for the above appointment was filed with Ministry of Corporate Affairs. Therefore from 01.04.2020 till 23.07.2020, the Company does not have a woman Director in the Board as required U/s 149 of the Companies Act, 2013 and Woman Independent Director as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Top 1000 listed Companies as per market capitalisation).

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

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

For **Sunita Mohanty & Associates**
Company Secretaries

Name of Company Secretary in practice : **CS Jyotirmoy Mishra**
FCS No.: 6556
C P No: 6022
UDIN : F006556C000438781

Date: 9th June, 2021
Place - Bhubaneswar

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

**Annexure A**

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

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

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

For **Sunita Mohanty & Associates**
Company Secretaries

Name of the PCS : **CS Jyotirmoy Mishra**
FCS No.: 6556
C P No: 6022
UDIN : F006556C000438781

Place: Bhubaneswar
Date: 09/06/2021

# Annexure- 3

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

## A. Conservation of Energy

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

**Choudwar:**

(a) Light emitting diode (LED) light fittings were replaced in place of Metal Halaide (MH) and Compact Fluorescent lamp (CFL) fittings. Energy Saving: 3,55,603 Kwh/year.

(b) Interlock provided in Briquette plant dryer for automatic switching off during non-working of compressor at Unit-II.

(c) GCP-3 ID fan-1 & 2 inlet suction damper position percentage reduced for proper cleaning of filter bags. By doing this bag house input temperature reduced, effectively cleaning of filter bags & ultimately energy saving in ID fan motors.

(d) Installation of door limit switches for switching off lights in MRSS control room & jigging plant MCC room of Unit-II.

(e) One IE3 (Energy efficient) motor installed by replacing with conventional motor at Briquette plant of Unit-I.

(f) RMHS conveyors rout selection control circuit modified to avoid ideal running of four numbers conveyor of Unit-I.

Total energy savings (for steps taken at item b to e):1397.923MWh

**Therubali:**

(a) Energy used for the plant from 3 MW solar power plant

(b) Energy used for the plant from 1.5 MW solar power plant

(c) Generation of energy from 50KW Roof Top Solar Power Plant

Total energy savings : 6508.43 MWh

**Mines:**

(a) Installation of 30KW Rooftop Off-grid Solar power plant at Sukinda Chromite Mines (SMC) and connected to Laboratory and canteen lighting loads. Expected energy generation per month is 3000 KWH which in turns save ₹ 22,500/- per month.

(b) Installation of 40KW Rooftop Off-grid Solar power plant at Mahagiri Chromite Mines (MMC) and connected to Admin building, Pithead complex and Substation control room lighting loads. Expected energy generation per month is 3900 KWH which in turns save ₹ 29,000/- per month.

(c) Use of VFD in place of star-delta starter for reduction in starting current for 60HP Crusher motor & 75 HP Ventilation Fan motor at MMC, resulting in smooth start and reduction in power consumption.

(d) Use of underground cable in place of overhead line for power supply to Screening plant-1 & OB screening plant at MMC, thus reducing the overhead losses & break down time.

(e) Automatic on-off operation of streetlights through time switch at SMC, MMC and Mahagiri Enclave.

(f) Monitoring of power failure time to avoid unnecessary DG operation at SMC, MMC.

(g) Ensuring power factor more than 0.97 in each month by maintaining APFC panels at SMC & MMC.

(h) Replacement of conventional HPSV/MH/CFL/ Fluorescent lamps with lower wattage LED lamps in phased manner at SMC, MMC and Mahagiri Enclave.

(i) Installation of IR make 1200 cfm compressor to optimise the requirement of compressed air at MMC.

(j) Optimising operation of compressor in co-ordination with operation department for saving of electricity at MMC.

(k) Installation of Brush less Direct Current (BLDC) energy saving ceiling fans (32 Watt) at new buildings of Enclave, which saves 60% energy in comparison to conventional ceiling fans.

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

**Mines:**

(a) Installation of 30 KW Rooftop Off-grid Solar Power plant at SMC.

(b) Installation of 40 KW Rooftop Off-grid Solar Power plant at MMC.

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

**Choudwar:**

(a) Total cost involvement on energy efficient motor, two way switch, Door limit switch & RMHS control circuit modification at ₹ 1,33,716/-

(b) LED Light fitting and Pneumatic Conveying system: ₹ 19,00,000/-

**Mines :**

Use of LED lamp, LED cap lamp, VFD, APFC Panel motor etc.

(a) 30KW Solar Power Plant at SMC: ₹ 27.57 Lakh

(b) 40KW Solar Power Plant at MMC: ₹ 36.43 Lakh

(c) LED Lamp: ₹ 1.11 Lakh for SMC & ₹ 3.70 Lakh for MMC

(d) VFD: ₹ 5.10 Lakh for MMC

(e) 300 KVAR Automatic Power factor Controller Panel for MMC: ₹ 2.37 Lakh

## B. Technology Absorption:

### (i) Efforts made towards technology absorption

**Choudwar:**

(a) Soft starter installed for GCP-3 axial fan & BQP-3 compactor starting to obtain trouble free operation during frequent start stop at Unit-II.

(b) Briquette plant old mixer panel upgraded with advanced panel facilities of HMI(Human machine interface) like: digital monitor display, inbuilt PLC etc. for user friendly at Unit-I.

(c) Thermal image camera introduced to monitor thermal condition of electrode paste & equipment at Unit-I.

(d) Furnace Batching PLC upgraded to latest version at Unit-I.

(e) 33 KV,1600 Amps draw out type isolator panel installed and commissioned replacing 33 KV junction boxes at 50 MW PP for quick and safe changeover of furnace power supply feeders from different power plant sources.

(f) Boiler-6 SA bed temperature sensor changed from S-type to K-type thermocouple to increase reliability.

**Therubali:**

(a) Installation of HT panel in TCP-1 which is equipped with Vacuum Circuit Breaker instead of MOCB (Minimum Oil Circuit Breaker). This will eliminate the frequent oil renewal of breaker.

(b) Installation of dust extraction system in TCP-02 raw material handling system area, to arrest fugitive dust.

**Mines:**

(a) Providing power to MMC U/G by laying 3.5 Core, 400 Sq.mm. Cable through vertical bore hole from surface to +55mRL. Cable was lowered by steel wire rope after clamping with steel clamps using clamping machine.

(b) Extension of man winding operation by 450 KW DD Winder from +85mRL to +25mRL at MMC.

(c) Rerouting of 33KV line along with installation of two sets of AB switches at MMC 33KV feeder.

(d) Installation of Telemetry system for monitoring the underground water consumption as per CGWA norm at Mahagiri Enclave.

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

**Choudwar:**

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

(a) RTD of turbine thrust bearing and Generator bearing with Indian make in 120 MW PP.

(b) Indigenisation of Drive unit of BC-7 of coal conveying system at 30 MW PP

(c) 2 nos. GE make Numerical Protection Relays installed for 26 MVA Unit Aux. Transformers in 120 MW PP replacing with imported Reyrolle make.

(d) 2 nos. TR set control panel (Hind Rectifiers make) installed in 30 MW PP ESP replacing imported panels.

(e) ESP first and second field hopper level switch & controller of Boiler 6 replaced with indigenous (Nivo Make) in 30 MW PP.

(f) Drive and driven sprocket with chain replaced with Indian standard for FAB Hydraulic Vibrating system.

(g) Import substitution of carrying and returning Idler was done in Green Pellet conveyor of LDA plant.

1. Total number of quality improvement projects (QIPs) implemented: 07
2. Total expenditure for implementation of 07 number QIPs: ₹ 01.11 Lakh
3. Total potential savings/year: ₹ 74.6 Lakh

**Therubali:**

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

(a) Elimination of oil contamination with floor of Mechanical Workshop, during handling of oil

(b) Prevention of entanglement of auxiliary hoist chain sling hook with MH yoke, in TCP-3 EOT crane

(c) Elimination of fire incident at ladle heating burner

(d) Safe Movement of Dumper, after unloading the materials

(e) Online Screening and Segregation of Friable Chrome Ore

(f) Minimisation of hydraulic hose consumption in mud-gun & drilling machine operation

(g) Elimination of break down of Bucket Elevator,Mixer and Compactor of 20TPH Molasses Briquette Plant:

1. Total number of quality improvement projects (QIPs) implemented: 07
2. Total expenditure for implementation of 07 number QIPs: ₹ 2,12,619/-
3. Total potential benefit / year: ₹ 54,84,659

**Mines**

(a) Monitoring the underground water consumption online as per CGWA norm.

(b) Benefited for quick and safe replacement for Rock Breaker attachment and bucket.

(c) Reduction in water consumption by using STP treated water for plantation.

(d) Providing good quality water to company employees from WTP plant & Conserving ground water resource.

(e) Reduction of airborne dust generation in the haulage road.

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

(a) Year of import : Four Nos 10 MVA transformers in year 2018 and three number in year 2019

(b) Whether the technology been fully absorbed: Yes

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

**(iv) Expenditure incurred on Research & Development:**

**Mines:**

1. Lightning Protection system (LPS) adequacy study at SMC –₹ 2.86 Lakh
2. Pit slope stability study by CIMFR, Dhanbad at Sukinda Mines (Chromite) – ₹ 10 Lakh
3. Lightning Protection system (LPS) adequacy study at MMC –₹ 2.11 Lakh
4. Blast vibrometer - ₹ 3.40 Lakh.
5. Stope modelling, Strata monitoring and back filling scientific study – ₹ 19.00 Lakh

## C. Foreign Exchange Earnings and Outgo

Total foreign exchange earned (FOB value) and used

| | (₹ in Crore) |
|---|---|
| (a) Foreign Exchange earnings: | ₹ 1668.28 (previous year: 1436.24) |
| (b) Foreign Exchange outgo : | ₹ 257.70 (previous year: 300.85) |

# Annexure- 4

## CSR activities for FY 2020-21

**1 A brief outline of the company's CSR policy:**

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

**2 Composition of CSR Committee:**

| Sl. No. | Name of the Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Subhrakant Panda | Managing Director & Chairman of CSR committee | 4 | 4 |
| 3 | Mr. J K Misra | Director (Corporate) & COO | 4 | 4 |
| 2 | Mr. B K Das | Independent Director | 4 | 1 |
| 4 | Mrs. Latha Ravindran | Independent Director | 4 | 1 |

**3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

www.imfa.in

**4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub–rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable.

**5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Not Applicable.

| | | (₹ in Crore) |
|---|---|---|
| 6 | Average net profit of the company as per section 135(5) | 109.59 |

| | | | (₹ in Crore) |
|---|---|---|---|
| 7 | (a) | Two percent of average net profit of the company as per section 135(5) | 2.19 |
| | (b) | Surplus arising out of the CSR projects or programs or activities of the previous financial years. | 0 |
| | (c) | Amount required to be set off for the financial year, if any. | 0 |
| | **(d)** | **Total CSR obligation for the financial year (7a+7b-7c).** | **2.19** |

**8 (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (₹ in Crore) | Amount Unspent (₹ in Crore) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the fund. | Amount | Date of transfer |
| 6.21 | NIL | NA | NA | NA | NA |

**(b) Details of CSR amount spent against ongoing projects for the financial year:** No such project

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| Sl. No. | Name of the project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the project. | | Amount spent for the project (₹in Crore). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name | CSR registration number |
| 1 | Social development by focusing on community development programs involving health programmes, women & child care, safe water & sanitation, and malnutrition | Health Care & Community Development. (Clause I) | Yes | Odisha | Jajpur, Rayagada | 0.10 | Yes | | |
| | | | Yes | Odisha | Cuttack, Jajpur & Rayagada | 0.55 | No | Bansidhar & Ila Panda Foundation | CSR00002311 |
| | | | Yes | Odisha | Cuttack & Khurda | 0.05 | No | Indian Metals Public Charitable Trust | CSR00004064 |
| 2 | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. Enhancing employability by imparting vocational training and entrepreneurial skills leading to income generation and economic empowerment | Education & Skill Development (Clause II) | Yes | Odisha | Cuttack, Jajpur, Khurda & Rayagada | 2.31 | No | Bansidhar & Ila Panda Foundation | CSR00002311 |
| 3 | Rural development projects, working with Government, Gram Sabhas, Gram Panchayats, NGOs, CBOs, etc. for improving conditions in the communities where we operate with a focus on continuity and sustainability | Infrastructure Development (Clause X) | Yes | Odisha | Jajpur | 2.86 | No | Bansidhar & Ila Panda Foundation | CSR00002311 |
| 4 | Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts | Promotion of Culture (Clause V) | Yes | Odisha | Beneficiaries from various districts of Odisha. | 0.08 | No | Indian Metals Public Charitable Trust | CSR00004064 |
| 5 | Training to promote rural sports, Nationally recognised sports, Paralympic sports and Olympic sports. Promoting sports by instituting awards, promoting sporting events including supporting such activities at school level | Promotion of Sports (Clause VII) | Yes | Odisha | Beneficiaries from various districts of Odisha. | 0.06 | No | Indian Metals Public Charitable Trust | CSR00004064 |
| | **Total** | | | | | **6.03** | | | |

(d) **Amount spent in Administrative Overheads:**
₹ 0.18 Crore

(e) **Amount spent on Impact Assessment, if applicable:**
Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):**
₹ 6.21 Crore

(g) **Excess amount for set off, if any :**
NIL

**9** (a) **Details of Unspent CSR amount for the preceding three financial years:**
NIL

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**
NIL

**10** **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year {asset-wise details):**
No such Assets

**11** **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**
Not Applicable.

For Indian Metals & Ferro Alloys Ltd

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

Place: Bhubaneswar
Date : 9th June, 2021

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

**(Subhrakant Panda)**
Managing Director & Chairman of the CSR Committee
DIN: 00171845

New Delhi
9th June, 2021

# Annexure- 5

## FORM AOC -I

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

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

## Part "A" : Subsidiaries

₹ in Crore

| 1 | Sl. No. | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| 2 | **Name of the Subsidiary** | **Utkal Coal Ltd** | **IMFA Alloys Finlease Ltd** | **Utkal Green Energy Ltd (refer Note No. 2b)** | **Indmet Mining Pte Ltd** | **PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte Ltd)** |
| 3 | Reporting Period | 2020-21 | 2020-21 | 2020-21 | 2020-21 | 2020-21 |
| 4 | Reporting Currency | INR | INR | INR | INR (Converted) | INR (Converted) |
| 5 | Share Capital | 25.00 | 3.03 | - | 86.16 | 4.08 |
| 6 | Reserves & Surplus | 90.43 | 32.10 | - | (85.33) | (13.25) |
| 7 | Total Assets | 379.50 | 35.25 | - | 0.88 | 0.01 |
| 8 | Total Liabilities (excluding Share Capital and Reserves & Surplus) | 264.07 | 0.12 | - | 0.04 | 9.17 |
| 9 | Investments | - | - | - | - | - |
| 10 | Turnover | - | 2.65 | - | - | - |
| 11 | Profit before Taxation | (0.004) | 2.85 | - | (0.33) | (0.19) |
| 12 | Provision for Taxation | - | 0.83 | - | - | - |
| 13 | Profit after Taxation | (0.004) | 2.02 | - | (0.33) | (0.19) |
| 14 | Proposed Dividend | - | - | - | - | - |
| 15 | % of shareholding | 79.20% | 76% | 100% | 100% | 70% |

**Notes**

1 The figures in Balance Sheet and Profit & Loss Account have been converted at USD to INR @ INR 73.5047/USD and INR 74.4453 /USD respectively for Indmet Mining Pte Ltd & PT. Sumber Rahayu Indah.

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

a) Utkal Coal Ltd

b) Utkal Green Energy Limited has been struck off by the Registrar of Companies on 26th October, 2020 and accordingly during the year the Parent Company has fully written off its investment in the subsidiary amounting to ₹ 1.06 Crore.

c) PT Sumber Rahayu Indah

## Part "B" : Associates

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

| | | ₹ |
|---|---|---|
| 1 | Name of the Associate | Ferro Chrome Producers Association |
| 2 | Latest audited Balance Sheet Date | 31st March, 2020 |
| 3 | Date on which the Associate was associated | 16th September, 2016 |
| 4 | Shares of Associate held by the company on the year end | |
| | No. of shares | 2500 |
| | Amount of Investment in Associates | ₹ 25000/- |
| | Extend of Holding (in percentage) | 33.33% |
| 5 | Description of how there is significant influence | IMFA holds 33.33% shares of Ferro Chrome Producers Association (FCPA) |
| 6 | Reason why the associate is not consolidated | It is a company limited by shares formed under Section 8 of the Companies Act, 2013 and its operations are not significant and hence immaterial for consolidation. |
| 7 | Networth attributable to shareholding as per latest audited Balance Sheet | ₹ 291,024/- |
| 8 | Profit/(Loss) for the year | |
| | i. Considered in Consolidation | - |
| | ii. Not Considered in Consolidation | ₹ (1,203) |

**Associates which are yet to commence operation:** None

For and on behalf of the Board of Directors

| **Prem Khandelwal** | **Subhrakant Panda** | **Jayant Kumar Misra** |
|---|---|---|
| CFO & Company Secretary | Managing Director | Director (Corporate) & COO |
| | DIN: 00171845 | DIN: 00146526 |
| Place - Bhubaneswar | Place - New Delhi | Place - Bhubaneswar |

Date : 9th June 2021

# Report on Corporate Governance as on 31st March, 2021

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

## 1. Philosophy of code of governance:

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

## 2. Board of Directors

Your Company is managed by a Board of Directors comprising of a combination of Executive and Non-Executive Directors with the Non-Executive Directors constituting more than fifty percent of the total strength of the Board. The Company has regular Non-Executive Chairman and more than (1/3) one-third of the Board is comprising of Independent Directors.

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

**The composition of the Board as on 31st March, 2021 was as under:**

| Name of the Director | Category of Directorship | No. of Directorships in other* Public Limited Companies. | | Committee Position in Mandatory Committees** | | Names of the listed entities where the Director holds Directorships (Excluding this entity) | Share Holding |
|---|---|---|---|---|---|---|---|
| | | Chairman | Member | Chairman | Member | | |
| Major Rabinarayan Misra (Retd.) Chairman | Independent Non-Executive | - | 1 | 1 | 1 | - | - |
| Mr Baijayant Panda Vice Chairman# | Promoter Non-Independent Executive | - | - | - | - | - | 323064 |
| Mr Subhrakant Panda Managing Director# | Promoter Non-Independent Executive | 1 | - | - | - | - | 323620(Own), 12444 (under trusteeship of Shaisah Foundation and 13918046 under trusteeship of B Panda Trust) |
| Mr Jayant Kumar Misra Director(Corporate) & COO | Non-Independent Executive | 1 | 1 | - | 1 | - | 100 |
| Mr Chitta Ranjan Ray Whole-time Director | Non-Independent Executive | - | - | - | 1 | - | 46 |
| Mr Stefan Georg Amrein | Non-Independent Non-Executive | - | - | - | - | - | - |
| Mr Nalini Ranjan Mohanty | Independent Non-Executive | - | - | - | 2 | - | - |
| Mr Sudhir Prakash Mathur | Independent Non-Executive | - | 1 | 1 | 1 | - | - |
| General Shankar Roychowdhury (Retd)## | Independent Non-Executive | - | - | - | - | - | - |
| Mr Bijoy Kumar Das | Independent Non-Executive | - | - | - | - | - | - |
| Mrs Latha Ravindran$ | Independent Non-Executive | - | - | - | 1 | - | - |

#Mr Baijayant Panda, Mr Subhrakant Panda are brothers
## Mr Shankar Roychowdhury retired from the independent directorship of the company w.e.f close of business hour on 31/03/2021 upon completion of his second term.
* in companies other than Indian Metals & Ferro Alloys Limited and excludes Foreign Companies.
** Only Audit Committees and Stake Holder Relationship Committees of Indian Public Limited Companies have been considered for Committee Position.
$ Appointed as Non- Executive Independent Director w.e.f 23rd July, 2020

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

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

### Names of directors who have such skills/expertise/competence

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

### Board Confirmation on Independent Director:

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

**Subhrakant Panda**
Managing Director
DIN: 00171845

New Delhi
9th June, 2021

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

| Name of the Director | No. of Board Meetings attended during 2020-21 | Attendance at AGM held on 18th September, 2020 | Remarks |
|---|---|---|---|
| Major Rabinarayan Misra (Retd.) | 4 | Yes | |
| Mr Baijayant Panda | 3 | No | |
| Mr Subhrakant Panda | 4 | Yes | |
| Mr Jayant Kumar Misra | 4 | Yes | |
| Mr Chitta Ranjan Ray | 4 | Yes | |
| Mr Nalini Ranjan Mohanty | 4 | Yes | |
| Mr Sudhir Prakash Mathur | 4 | Yes | |
| General Shankar Roychowdhury (Retd) | Nil | No | |
| Mr Stefan Georg Amrein | 4 | Yes | |
| Mr Bijoy Kumar Das, | 4 | Yes | |
| Mrs Latha Ravindran | 4 | Yes | |

Dates on which Board Meetings were held : 27/07/2020, 07/11/2020, 15/12/2020, 09/02/2021,

### Familiarisation program for Independent Directors:

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

## 3. Audit Committee:

The Company has constituted an Audit Committee with a role in the following areas:

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

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

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Sudhir Prakash Mathur, Chairman | Independent Non-Executive | 4 |
| Major Rabinarayan Misra (Retd.) | Independent Non-Executive | 4 |
| Mr Nalini Ranjan Mohanty | Independent Non-Executive | 4 |

Audit Committee meetings were attended by Mr Sharat Prakash, Senior Partner, M/s Raghu Nath Rai & Co (Firm Registration No 000451N), Internal Auditor and Statutory Auditors - M/s SCV & Co LLP, Chartered Accountants (Firm Registration No.000235N/N500089). CFO & Company Secretary acts as the Secretary of the Audit Committee.

Dates on which meetings were held : 27/07/2020, 07/11/2020, 15/12/2020, 09/02/2021

## 4. Nomination & Remuneration Committee:

The broad terms of reference of the Nomination and Remuneration Committee are :

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

- To formulate the criteria for evaluation of all the Directors on the Board;
- To devise a policy on Board diversity; and
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals

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

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Nalini Ranjan Mohanty, Chairman | Non-Executive Independent | 2 |
| Major Rabinarayan Misra (Retd.) | Non-Executive Independent | 2 |
| Mr Bijoy Kumar Das | Non-Executive Independent | 1 |
| Mrs Latha Ravindran | Non-Executive Independent | 1 |

Dates on which meetings were held: 25/07/2020, 09/02/2021

## 5. Remuneration of Directors

Details of remuneration for 2020-21

### Non-Executive Directors

(Amount In ₹)

| Name | Commission | Sitting Fees | Stock Options | Total |
|---|---|---|---|---|
| Major Rabinarayan Misra (Retd.) | 8,33,333 | 70,000 | - | **9,03,333** |
| Mr Sudhir Prakash Mathur | 8,33,333 | 60,000 | - | **8,93,333** |
| Mr Nalini Ranjan Mohanty | 8,33,333 | 85,000 | - | **9,18,333** |
| General Shankar Roychowdhury | 8,33,333 | - | - | **8,33,333** |
| Mr Stefan Georg Amrein | - | 40,000 | - | **40,000** |
| Mr Bijoy Kumar Das | 8,33,333 | 50,000 | - | **8,83,333** |
| Mrs Latha Ravindran | 8,33,333 | 50,000 | - | **8,83,333** |
| **Total** | **50,00,000** | **3,55,000** | **-** | **53,55,000** |

The performance evaluation of independent directors is done by the entire Board of Directors (excluding the director being evaluated). For Remuneration Policy please refer to https://www.imfa.in/pdfs/Nomination-Remuneration-Policy.pdf .

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

### Executive Directors

(Amount In ₹)

| Name | Salary | Perquisites & Allowances | Commission/ Performance pay | Stock Options | Total |
|---|---|---|---|---|---|
| Mr Baijayant Panda<br>Vice Chairman | 2,04,00,000 | 26,12,160 | 4,58,48,615 | - | **6,88,60,775** |
| Mr Subhrakant Panda<br>Managing Director | 2,54,00,004 | 26,21,040 | 4,58,48,615 | - | **7,38,69,659** |
| Mr Jayant Kumar Misra<br>Director (Corporate) & COO | 65,40,000 | 31,36,284 | 12,00,000 | | **1,08,76,284** |
| Mr Chitta Ranjan Ray<br>Whole-time Director | 54,60,000 | 10,06,284 | 3,00,000 | - | **67,66,284** |
| **Total** | **5,78,00,004** | **93,75,768** | **9,31,97,230** | **-** | **16,03,73,002** |

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

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

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

Details of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2021 are given below.

| Name | Number of equity shares |
|---|---|
| Major Rabinarayan Misra (Retd.) | Nil |
| Mr Sudhir Prakash Mathur | Nil |
| Mr Nalini Ranjan Mohanty | Nil |
| General Shankar Roychowdhury | Nil |
| Mr Bijoy Kumar Das | Nil |
| Mr Stefan Georg Amrein | Nil |
| Mrs Latha Ravindran | Nil |

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

## 6. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee specifically looks into the redressal of shareholder's and investor's complaints like transfer of shares, non-receipt of dividend and non-receipt of balance sheet etc. The composition of the Committee and details of the meeting attended by the Directors are given under:

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Nalini Ranjan Mohanty, Chairman | Non-Executive -Independent | 3 |
| Mr Jayant Kumar Misra | Executive Non-Independent | 5 |
| Mr Chitta Ranjan Ray | Executive- Non Independent | 5 |
| Mrs Latha Ravindran | Non-Executive-Independent | Nil |

| | | |
|---|---|---|
| Dates on which meetings were held are | : | 27/07/2020, 07/11/2020, 15/12/2020, 08/02/2021 and 24/03/2021 |
| Name, designation & address of Compliance Officer | : | Mr. Prem Khandelwal<br>CFO & Company Secretary<br>Indian Metals & Ferro Alloys Limited<br>Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751 010<br>Phone: 0674-2611000<br>Fax : 0674-2580020<br>e-mail : pkhandelwal@imfa.in |
| No. of complaints received from the shareholders From 01.04.2020 to 31.03.2021 | : | 174 |
| No. not solved to the satisfaction of the Shareholders as on 31.03.2021 | : | NIL |
| No. of pending complaints as on 31.03.2021 | : | NIL |

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

## 7. Corporate Social Responsibility Committee

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

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Subhrakant Panda, Chairman | Executive Non-Independent | 4 |
| Mr Jayant Kumar Misra | Executive Non-Independent | 4 |
| Mr Bijoy Kumar Das | Non-Executive Independent | 1 |
| Mrs Latha Ravindran | Non-Executive Independent | 1 |

Dates on which meetings were held : 27/07/2020, 06/11/2020, 14/12/2020, 09/02/2021,

## 8. Finance Committee:

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

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Subhrakant Panda, Chairman | Executive Non-Independent | NIL |
| Mr Jayant Kumar Misra | Executive Non-Independent | 7 |
| Mr Chitta Ranjan Ray | Executive Non-Independent | 7 |

Dates on which meetings were held : 02/05/2020, 19/06/2020, 29/06/2020, 23/09/2020, 12/10/2020, 03/02/2021 & 18/03/2021

## 9. Allotment Committee:

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

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Jayant Kumar Misra | Executive Non-Independent | - |
| Mr Chitta Ranjan Ray | Executive Non-Independent | - |

Dates on which meetings were held : NIL

## 10. Immovable Property Disposal Committee:

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

| Name of Member | Category | No. of meetings attended during 2020-21 |
|---|---|---|
| Mr Jayant Kumar Misra | Executive Non-Independent | - |
| Mr Chitta Ranjan Ray | Executive Non-Independent | - |

Dates on which meetings were held : NIL

## 11. General Body Meetings:

Location and time where last three AGMs were held:

The last three AGMs were held on 17th July, 2018 (at 3.00 PM) and 17th July, 2019 (at 12 Noon) at the Registered Office of the Company at Bomikhal, P.O. Rasulgarh, Bhubaneswar–751010 and on 18th September, 2020 (at 3.00 PM) through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility. No Extraordinary General Meeting of the members took place during Financial year 2020-21.

Whether any Special Resolution passed in previous 3 AGMs : Details are furnished below.

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

At the AGM of the Company held on 17th July, 2019 Special Resolutions for Payment of minimum remuneration to Mr Baijayant Panda, Vice-Chairman of the Company, Mr Subhrakant Panda, Managing Director of the Company, Mr Jayant Kumar Misra, Director (Corporate) & COO of the Company, Mr Chitta Ranjan Ray Whole-time Director of the Company were passed by the shareholders under Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

At the AGM of the Company held on 18th September, 2020 no special resolution was passed .

During the financial year 2020-21, No Special Resolutions have been passed through postal ballot.

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

## 12. Means of communication:

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

## 13. General Shareholder Information:

Annual General Meeting :

| | | |
|---|---|---|
| Date & time | : | 24th July, 2021 at 3.00 PM |
| Venue | : | Through Video Conferencing / Other Audio Visual Means |
| Financial Year | : | 1st April, 2020 to 31st March, 2021 |
| Dates of Book closure | : | 23rd July, 2021 to 24h July, 2021 (both days inclusive) |
| Dividend Payment Date | : | Will be paid with in thirty days of declaration |
| Listing in Stock Exchanges | : | The equity shares are listed at BSE Limited and National Stock Exchange of India Ltd since 28th January, 2009 and 23rd July, 2010 respectively. Listing fee for the year 2020-21 has been paid to the above said Stock Exchanges. |
| Stock Code | : | BSE : 533047<br>NSE : IMFA |
| Market price data | : | The high/low market price shown during the period 01.04.2020 to 31.03.2021 at the Bombay Stock Exchange and National Stock Exchange are as under. |

**BSE:**

(In ₹)

| Month | High | Low |
|---|---|---|
| April, 20 | 144.45 | 108.80 |
| May, 20 | 149.95 | 122.50 |
| June, 20 | 171.85 | 136.00 |
| July, 20 | 189.00 | 147.50 |
| August, 20 | 266.00 | 170.60 |
| September, 20 | 265.00 | 216.00 |
| October, 20 | 266.00 | 214.95 |
| November, 20 | 304.90 | 253.00 |
| December, 20 | 319.00 | 253.85 |
| January, 21 | 431.30 | 279.45 |
| February, 21 | 528.65 | 387.00 |
| March, 21 | 502.45 | 429.80 |

**NSE:**

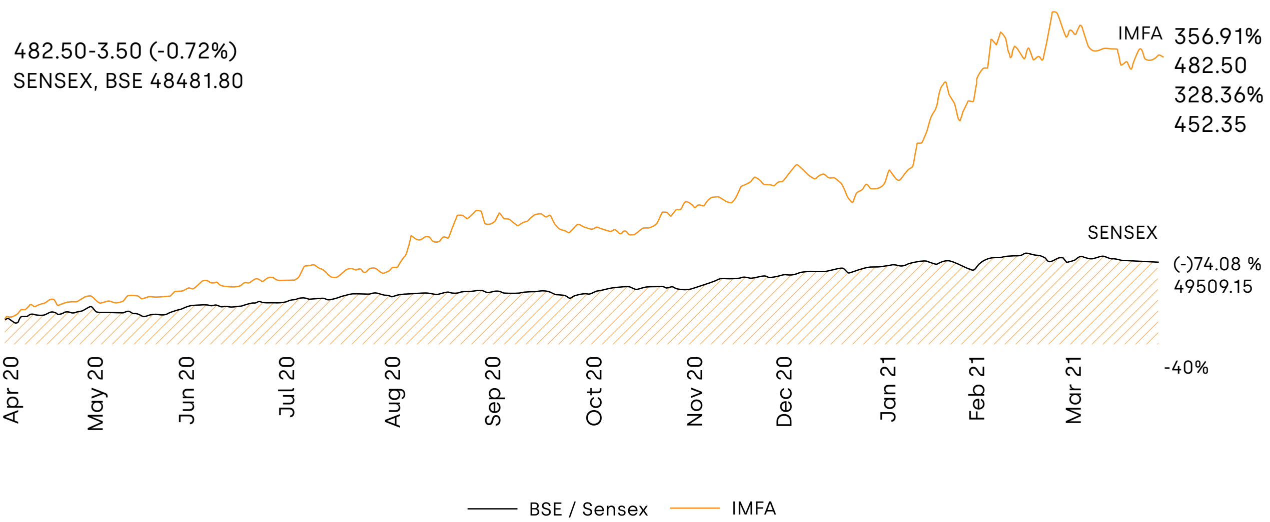
(In ₹)

| Month | High | Low |
|---|---|---|
| April, 20 | 144.40 | 105.00 |
| May, 20 | 152.45 | 123.00 |
| June, 20 | 171.00 | 142.00 |
| July, 20 | 190.00 | 152.10 |
| August, 20 | 266.00 | 168.30 |
| September, 20 | 283.40 | 215.10 |
| October, 20 | 265.00 | 215.00 |
| November, 20 | 304.90 | 251.95 |
| December, 20 | 320.00 | 252.60 |
| January, 21 | 432.00 | 279.05 |
| February, 21 | 529.80 | 385.15 |
| March, 21 | 502.45 | 430.00 |

**Performance in comparison to Broad-based indices:**

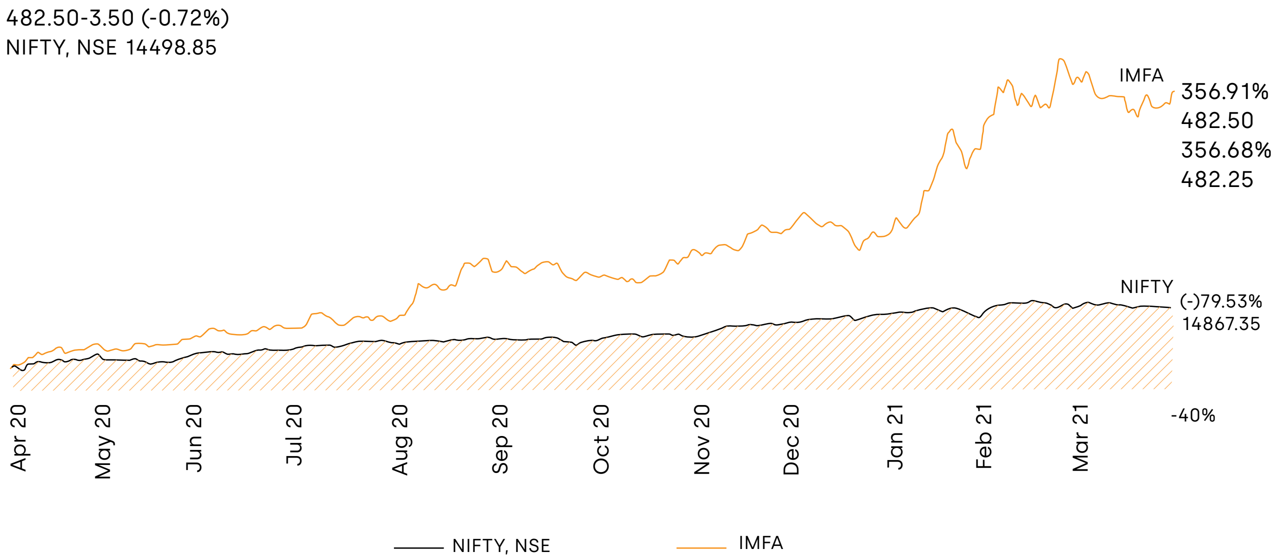
**Performance of share price of the Company in comparison to BSE Sensex is as under:**

**Indian Metals v/s BSE**



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

**Indian Metals v/s NSE**




| | | |
|---|---|---|
| Registrar and transfer agents | : | The Company does the share transfer work in-house. |
| Share Transmission/ other related activities | : | Share Transmission and other related requests should be lodged at the Company's Registered Office at IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar – 751010. The Stakeholders Relationship Committee meets as and when request for transmission and other related request received to approve share transmissions and other share related matters. |

**Distribution of shareholding as on 31st March, 2021:**

| No. of equity shares held | No. of shareholders | % to total |
|---|---|---|
| Up to - 500 | 31525 | 96.092 |
| 501 - 1000 | 613 | 1.869 |
| 1001 - 2000 | 291 | 0.887 |
| 2001 - 3000 | 108 | 0.329 |
| 3001 - 4000 | 73 | 0.223 |
| 4001 - 5000 | 50 | 0.152 |
| 5001 - 10000 | 74 | 0.225 |
| 10001 & above | 73 | 0.223 |
| **Total** | **32807** | **100** |

**Categories of shareholders as on 31st March, 2021:**

| Category | No. of shares | % |
|---|---|---|
| Promoters & Promoter Group | 15831856 | 58.69 |
| Mutual Fund / UTI | 122139 | 0.45 |
| Financial Institutions & Banks | 144 | 0 |
| Foreign Institutional Investors | 97955 | 0.36 |
| Bodies Corporate | 758656 | 2.81 |
| Trusts | 144 | 0 |
| Overseas Corporate Bodies | 5234759 | 19.40 |
| NRIs | 152474 | 0.57 |
| Individuals | 4778926 | 17.72 |
| **Total** | **26977053** | **100** |

| | | |
|---|---|---|
| Dematerialisation of shares & liquidity | : | The Company's shares are open for dematerialisation through both the Depositories NSDL & CDSL. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE919H01018. |
| Outstanding GDRs/ADRs/ Warrants or any convertible instruments | : | NIL |

**Plant locations:**

| | | |
|---|---|---|
| Factory | : | Therubali, Dist - Rayagada -765018, Odisha |
| | : | Choudwar, Dist.- Cuttack – 754 071, Odisha |
| Mines | : | Sukinda Chromite Mines PO Kaliapani, Sukinda, Dist. Jajpur, Odisha |
| | : | Mahagiri Chromite Mines Sukinda, Dist. Jajpur, Odisha |

| | | |
|---|---|---|
| Address for correspondence | : | **Indian Metals & Ferro Alloys Limited**<br>CIN: L27101OR1961PLC000428<br>Registered & Head Office:<br>Bomikhal, Rasulgarh (PO)<br>Bhubaneswar - 751 010, Odisha<br>Phone: (0674) 2611000<br>Fax : (0674) 2580020 / 2580145<br>email: mail@imfa.in; website: www.imfa.in |
| List of all Credit Ratings | : | Company has carried out the review of credit rating of its banking facilities from ICRA Limited (ICRA). Accordingly, ICRA has assigned the rating on 17th March, 2021 as follows:<br><br>Long Term: [ICRA]A (pronounced ICRA A) from [ICRA]A- (pronounced ICRA A minus) with Stable Outlook<br><br>Short Term: [ICRA]A1 (pronounced ICRA A one) from [ICRA]A2+ (pronounced ICRA A two plus) |

## 14. Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

The Board has received general disclosure of interest from the Directors under Section 184 of the Companies Act, 2013. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Company has formulated a policy on materiality on Related Party Transaction which has been hosted on the website of the Company at https://www.imfa.in/pdfs/Materiality-RP-Transactions.pdf.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:

NIL

(c) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has a Whistle Blower Policy and has established the necessary mechanism for employees to report concern about unethical behavior and no personnel is denied access to the Audit Committee. The said Whistle Blower Policy has been hosted on the website of the Company at https://www.imfa.in/investor-information/others.htm.

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

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

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

https://www.imfa.in/pdfs/MaterialSubsidiaries.pdf.

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

https://www.imfa.in/pdfs/Materiality-RP-Transactions.pdf.

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

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

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

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

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

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

(k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.: ₹ 38,63,780/-.

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

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

**Subsidiary Companies:**

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

## 15. Non-compliance of any requirement of corporate governance report:

None

## 16. Disclosures relating to adoption of discretionary requirements as specified in Part E of Schedule II SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 (Listing Regulations):

None

## 17. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations:

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

| Item | Compliance status (Yes/No/NA) |
|---|---|
| **As per regulation 46(2) of the LODR:** | |
| Details of business | Yes |
| Terms and conditions of appointment of independent directors | Yes |
| Composition of various committees of board of directors | Yes |
| Code of conduct of board of directors and senior management personnel | Yes |
| Details of establishment of vigil mechanism/ Whistle Blower policy | Yes |
| Criteria of making payments to non-executive directors | Yes |
| Policy on dealing with related party transactions | Yes |
| Policy for determining 'material' subsidiaries | Yes |
| Details of familiarisation programs imparted to independent directors | Yes |
| Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances other relevant details | Yes |
| Email address for grievance redressal and other relevant details entity who are responsible for assisting and handling investor grievances | Yes |
| Financial results | Yes |
| Shareholding pattern | Yes |
| Details of agreements entered into with the media companies and/or their associates | Not Applicable |
| Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange | Yes |
| New name and the old name of the listed entity | Not Applicable |
| Advertisements as per regulation 47(1) | Yes |
| Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments obtained | Yes |
| Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year | Yes |
| **As per other regulations of the LODR:** | |
| Whether company has provided information under separate section on its website as per Regulation 46(2) | Yes |
| Materiality Policy as per Regulation 30 | Yes |
| Dividend Distribution policy as per Regulation 43A (as applicable) | Not Applicable |
| **It is certified that these contents on the website of the listed entity are correct.** | **Yes** |

### II. Annual Affirmations

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

| Particulars | Regulation Number | Compliance status (Yes/ No/ NA) |
|---|---|---|
| Recommendation of Board | 17(11) | Yes |
| Maximum number of directorship | 17A | Yes |
| Composition of Audit Committee | 18(1) | Yes |
| Meeting of Audit Committee | 18(2) | Yes |
| Composition of nomination & remuneration committee | 19(1) & (2) | Yes |
| Quorum of Nomination and Remuneration Committee meeting | 19(2A) | Yes |
| Meeting of nomination & remuneration committee | 19(3A) | Yes |
| Composition of Stakeholder Relationship Committee | 20(1), 20(2) and 20(2A) | Yes |
| Meeting of stakeholder relationship committee | 20(3A) | Yes |
| Composition and role of risk management committee | 21(1), (2), (3), (4) | Not Applicable |
| Meeting of Risk Management Committee | 21(A3) | Not Applicable |
| Vigil Mechanism | 22 | Yes |
| Policy for related party Transaction | 23(1), (1A), (5), (6), (7) & (8) | Yes |
| Prior or Omnibus approval of Audit Committee for all related party transactions | 23(2), (3) | Yes |
| Approval for material related party transactions | 23(4) | Not Applicable |
| Disclosure of related party transactions on consolidated basis | 23(9) | Yes |
| Composition of Board of Directors of unlisted material Subsidiary | 24(1) | Not Applicable |
| Other Corporate Governance requirements with respect to subsidiary of listed entity | 24(2), (3), (4), (5) & (6) | Yes |
| Annual Secretarial Compliance Report | 24(A) | Yes |
| Alternate Director to Independent Director | 25(1) | Not Applicable |
| Maximum Tenure | 25(2) | Yes |
| Meeting of independent directors | 25(3) & (4) | Yes |
| Familiarisation of independent directors | 25(7) | Yes |
| Declaration from Independent Director | 25(8) & (9) | Yes |
| D & O Insurance for Independent Directors | 25(10) | Yes |
| Memberships in Committees | 26(1) | Yes |
| Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3) | Yes |
| Disclosure of Shareholding by Non-Executive Directors | 26(4) | Yes |
| Policy with respect to Obligations of directors and senior management | 26(2) & 26(5) | Yes |

## 18. Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members & Senior Executives of the Company. The Code of Conduct is available on the website of the Company www.imfa.in.

**DECLARATION**

As provided under Listing Regulations the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2021.

**Subhrakant Panda**
Managing Director
DIN: 00171845

New Delhi
9th June, 2021

## 19. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the Listing Regulations

To
The Board of Directors
**Indian Metals & Ferro Alloys Ltd.**

Dear Sirs,

**Sub : CEO & CFO Certificate**

A. We have reviewed the financial statements and the cash flow statement of Indian Metals & Ferro Alloys Ltd for the year ended 31st March, 2021 and that to the best of our knowledge and belief we state that:

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

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   (i) There has not been any significant change in internal control over financial reporting during the year under reference.

   (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.

   (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

**Prem Khandelwal**
CFO & Company Secretary
Bhubaneswar

**Subhrakant Panda**
Managing Director
New Delhi
DIN: 00171845

9th June, 2021

## 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, 2021, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However in this regard we would like to draw your attention that Board of Directors of the Company had appointed Mrs. Latha Ravindran as an Additional Director (Non Executive & Independent Director) on 28th February, 2020 subject to obtaining security clearance from Ministry of Civil aviation which was delayed due to Covid-19 Pandemic and ultimately approval came on 23rd July, 2020. Accordingly her appointment became effective from 23rd July, 2020. Therefore during the period under review, starting from 01/04/2020 till 22/07/2020, the Company does not have a woman (Independent) Director in the Board as required U/s 149 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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

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

For **Sunita Mohanty & Associates**
Company Secretaries

**Jyotirmoy Mishra**
Partner
Membership No.: F 6556
CP No. 6022
UDIN : F006556C000438867

Place: Bhubaneswar
Date – 09/06/2021

**Standalone**

# Independent Auditor's Report

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

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of **INDIAN METALS AND FERRO ALLOYS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Ind AS financial statements:

a) Note Nos. 45 and 46 to the Standalone Ind AS financial statements relating to the Company's exposure in its subsidiary and non-recognition of income from interest on unsecured loan given to the subsidiary, respectively. These matters have arisen out of the cancellation of allotment of the coal block being held by the subsidiary vide the Hon'ble Supreme Court of India's order dated 24th September, 2014 and the subsequent events in connection therewith.

b) Note No. 57 to the standalone Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations, carrying amounts of investments, recoverability of receivables and other assets and management's evaluation of the future performance of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter Description | How the matter was addressed |
|---|---|
| **A. Evaluation of uncertain tax Positions (as described in Note 39A to the Standalone Ind AS financial statements)**<br><br>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. | Our Procedures included, but were not limited to, the following :<br>• We obtained details of completed tax assessments and demands till the year ended March 31, 2021 from the management.<br>• We involved our internal experts to evaluate the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.<br>• Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |

| Key Audit Matter Description | How the matter was addressed |
|---|---|
| | • We discussed with the management's tax team to understand the status of all significant provisions, and any changes to management's judgements in the year.<br>• We read correspondence with tax authorities and Company's external tax advisors/lawyers to evaluate our assessment of recorded estimates and evaluate the completeness of the provisions recorded and whether any change was required to management's position on these uncertainties. |
| **B. Pending litigations including litigation for electricity duty and excess extraction of minerals (as described in Note 39A (b), 47,48 and 49 to the Standalone Ind AS financial statements)**<br>The Company is subject to number of claims and litigations mainly related to excess extraction of minerals, differential stamp duty & registration fee and electricity duty which is pending at different adjudication authorities and Courts. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty about the outcome.<br>This area is significant to our audit, since the amounts involved are material to the Standalone Ind AS financial statements and involves estimation of outcome. | Our Procedures included, but were not limited to, the following :<br>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof;<br>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;<br>• Performed substantive procedures including tracing from underlying documents / communications from the respective authorities and recomputation of the amounts involved;<br>• Assessed management's conclusions through discussions held with their in-house experts and understanding precedents in similar cases;<br>• Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities/courts; and<br>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone Ind AS financial statements. |

## Information other than the Standalone Ind AS financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Board of Directors including annexures to Board's Report but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's responsibility for the Audit of the Standalone Ind AS financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) The matter described in the in para (a) of Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 39, 47, 48 and 49 to the Standalone Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

For **SCV & Co. LLP**
Chartered Accountants
Firm Registration No. 000235n/N500089

**(Rajiv Puri)**
Partner
Membership No. 084318
ICAI UDIN: 21084318AAAACX8681

Place: New Delhi
Dated: 9th June, 2021

**Standalone**

# Annexure "A" To the Independent Auditor's Report

**Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date.**

i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular phased programme of verification which, in our opinion having regard to the size of the Company and nature of its fixed assets, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties recorded as fixed assets in the books of accounts of the Company are held in the name of the Company as at the balance sheet date except as detailed herein below:

| Land/ Buildings | Total number of cases | Leasehold/ Freehold | Gross Block as at 31st March, 2021 (in Crore) | Net Block as at 31st March, 2021 (in Crore) | Remarks |
|---|---|---|---|---|---|
| Land | 5 | Freehold | 0.02 | 0.02 | The deed of conveyance is in the erstwhile name of subsidiary which had amalgamated with the Company. |
| Land | 2 | Leasehold | 13.92 | 12.17 | The deed of conveyance is in the erstwhile name of entity which had amalgamated with the Company |

ii. Physical verification of inventory has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on physical verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.

iii. The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) According to the Information and explanations given to us, we are of the opinion that the terms and conditions of the grant of the aforesaid loans are not prejudicial to the Company's interest, except that the loans and interest thereon are repayable/payable on demand, which may be prejudicial to the Company's interest as one of the borrowing Company's ability to repay/pay such loan/interest is contingent on the outcome of certain matters as detailed in Note 45 and 46 to the Standalone Ind AS financial statements.

(b) According to the information and explanations given to us, the aforesaid loans and interest thereon are repayable/payable on demand. We have been informed that no demand on aforesaid for loans and interest has been made by the Company till date and accordingly, the paragraph 3 (iii)(b) of the order is not applicable to the Company.

(c) As explained in paragraph 3 (iii) (b) aforesaid, there is no amount which is overdue.

iv. In our opinion and according to the information and explanations given to us, the Company has not made investments, given security, guarantee which is covered under provisions of section 185 and 186 of the Companies Act, 2013. In respect of loan given during the year, the same in our opinion is in compliance of section 185 and 186 of Companies Act, 2013.

v. As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacturing of High Carbon Ferro Chrome. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues were outstanding, as on 31st March, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of our examination of the books of account, the dues as at 31st March 2021 of income tax, goods and services tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, are as follows:

| Name of the Statute | Nature of dues | Amount involved (₹ in Crore) | Amount unpaid (₹ In Crore) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 0.97 | 0.17 | Assessment Years 1987-88 to 1989-90 | Orissa High Court |
| Income Tax Act, 1961 | Income Tax | 3.05 | ---- | Assessment Year 2016-2017 | Commissioner of Income Tax (Appeals)-I, Bhubaneshwar |
| Orissa Sales Tax Act, 1947 | Sales Tax | 0.00* | 0.00* | 1990-91 to 1991-92 | Orissa High Court |
| Orissa Sales Tax Act, 1947 | Sales Tax | 0.07 | 0.04 | 1994-95 | Odisha Sales Tax Tribunal |
| Finance Act, 1994 | Service Tax | 0.50 | 0.48 | 2012-2017 | Commissioner (Appeals), Central Excise, Customs & Service Tax |
| Central Excise Act, 1944 | Excise Duty | 0.39 | 0.19 | 1993-2002 | Orissa High Court |
| Central Excise Act,1944 | Cenvat Credit reversal | 0.01 | 0.01 | 2011-2012 | Deputy Commissioner of Central Excise, Customs & Service Tax |
| Central Excise Act,1944 | Cenvat Credit reversal | 19.18 | 18.18 | 2009-2014 | Customs, Excise & Service Tax Appellate Tribunal |
| Central Excise Act,1944 | Cenvat Credit reversal | 1.36 | 1.26 | April, 2015 to September, 2015 | Commissioner (Appeals), Central Excise, Customs & Service Tax |
| Central Excise Act, 1944 | Cenvat Credit reversal | 5.47 | 5.26 | April, 2014 to September, 2015 | Customs, Excise & Service Tax Appellate Tribunal |
| Central Excise Act, 1944 | Cenvat Credit reversal | 9.07 | 8.73 | October, 2015 to June, 2017 | Customs, Excise & Service Tax Appellate Tribunal |
| Odisha Value Added Tax Act, 2004 | Value Added Tax | 9.29 | 6.91 | October, 2011 to March, 2015 | Odisha Sales Tax Tribunal |
| Goods and Services Tax Act, 2017 | CGST and SGST | 2.86 | 2.65 | October-November, 2018 | State Tax Officer, CT and GST, Rayagada |

*Figures below rounding off norms (₹ 11,149/-)

viii. Based on our audit procedures and on the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or to any banks. The Company did not have dues to financial institutions, government and to debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.

x. According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.

**Standalone**

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **SCV & Co. LLP**
Chartered Accountants
Firm Registration No. 000235n/N500089

**(Rajiv Puri)**
Partner
Membership No. 084318
ICAI UDIN: 21084318AAAACX8681

Place: New Delhi
Dated: 9th June, 2021

# Annexure "B" To the Independent Auditor's Report

**Annexure referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.**

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

We have audited the internal financial controls over financial reporting of INDIAN METALS AND FERRO ALLOYS LIMITED ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SCV & Co. LLP**
Chartered Accountants
Firm Registration No. 000235n/N500089

**(Rajiv Puri)**
Partner
Membership No. 084318
ICAI UDIN: 21084318AAAACX8681

Place: New Delhi
Dated: 9th June, 2021

**Standalone**

# Balance Sheet

as at 31st March, 2021

(₹ in Crore)

| | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **A. ASSETS** | | | |
| **1. Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 3(a) | 902.63 | 952.04 |
| (b) Right of Use Assets | 3(b) | 49.77 | 56.80 |
| (c) Capital Work-in-Progress | 3(a) | 54.72 | 74.14 |
| (d) Investment Property | 4 | 10.09 | 10.37 |
| (e) Other Intangible Assets | 5 | - | 0.86 |
| (f) Financial Assets | | | |
| (i) Investments in Subsidiaries and Associate | 6 | 113.72 | 113.72 |
| (ii) Other Investments | 7 | 0.35 | 0.33 |
| (iii) Loans | 8 | 10.62 | 9.35 |
| (iv) Other Financial Assets | 9 | 2.88 | 2.24 |
| (g) Non-Current Tax Assets (Net) | | 18.20 | 39.82 |
| (h) Other Non-Current Assets | 10 | 205.39 | 195.88 |
| **Total Non-Current Assets** | | **1,368.37** | **1,455.55** |
| **2. Current Assets** | | | |
| (a) Inventories | 11 | 445.33 | 431.55 |
| (b) Financial Assets | | | |
| (i) Investments | 12 | 113.48 | 27.03 |
| (ii) Trade Receivables | 13 | 92.20 | 32.67 |
| (iii) Cash and Cash Equivalents | 14 | 6.65 | 4.53 |
| (iv) Bank balances other than (iii) above | 15 | 42.81 | 37.34 |
| (v) Loans | 16 | 262.88 | 263.93 |
| (vi) Other Financial Assets | 17 | 2.36 | 2.25 |
| (c) Other Current Assets | 18 | 190.55 | 142.78 |
| **Total Current Assets** | | **1,156.26** | **942.08** |
| **Assets classified as held for sale** | 19 | 0.05 | 0.02 |
| **Total Assets** | | **2,524.68** | **2,397.65** |
| **B. EQUITY AND LIABILITIES** | | | |
| **1. Equity** | | | |
| (a) Equity Share Capital | 20(a) | 26.98 | 26.98 |
| (b) Other Equity | 20(b) | 1,199.71 | 1,041.50 |
| **Total Equity** | | **1,226.69** | **1,068.48** |
| **2. Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 293.59 | 340.42 |
| (ii) Lease Liabilities | | 41.16 | 43.15 |
| (iii) Other Financial Liabilities | 22 | 132.84 | 134.03 |
| (b) Provisions | 23 | 13.33 | 12.98 |
| (c) Deferred Tax Liabilities (Net) | 24 | 75.02 | 61.04 |
| **Total Non-Current Liabilities** | | **555.94** | **591.62** |
| **3. Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 25 | 280.68 | 268.38 |
| (ii) Trade Payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 26 | 10.96 | 16.72 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 26 | 178.70 | 168.97 |
| (iii) Lease Liabilities | | 2.87 | 2.56 |
| (iv) Other Financial Liabilities | 27 | 247.28 | 254.78 |
| (b) Other Current Liabilities | 28 | 12.44 | 12.15 |
| (c) Provisions | 29 | 9.12 | 13.99 |
| **Total Current Liabilities** | | **742.05** | **737.55** |
| **Total Equity and Liabilities** | | **2,524.68** | **2,397.65** |
| Notes to Financial Statements | 1 to 62 | | |

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

# Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Crore)

| Particulars | Note No. | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| **1. INCOME** | | | |
| (a) Revenue from Operations | 30 | 1,844.23 | 1,611.94 |
| (b) Other Income | 31 | 51.30 | 21.98 |
| **Total Income** | | **1,895.53** | **1,633.92** |
| **2. EXPENSES** | | | |
| (a) Cost of Materials Consumed | 32 | 908.34 | 939.84 |
| (b) Changes in Inventories of Finished Goods and Work-in-progress | 33 | 27.00 | 0.35 |
| (c) Employee Benefits Expense | 34 | 166.28 | 155.09 |
| (d) Finance Costs | 35 | 57.42 | 99.38 |
| (e) Depreciation and Amortisation Expense | 36 | 104.22 | 104.21 |
| (f) Loss/ (gain) on foreign currency transactions and translations including mark to market valuation (net) | | (9.04) | 18.98 |
| (g) Impairment loss of trade receivables and other financial assets | | 0.26 | 17.64 |
| (h) Other Expenses | 37 | 413.66 | 390.66 |
| **Total Expenses** | | **1,668.14** | **1,726.15** |
| **3. Profit/(Loss) before Exceptional Items and Tax** | | 227.39 | (92.23) |
| 4. Exceptional Items - (Income)/Expense (Net) | 56 | - | 1.73 |
| **5. Profit/(Loss) Before Tax** | | **227.39** | **(93.96)** |
| 6. Tax Expense: | | | |
| - Current Tax | | 46.41 | - |
| - Earlier Years' Adjustments | | - | (1.69) |
| - Deferred Tax | | 14.23 | (23.75) |
| **7. Profit/(Loss) After Tax** | | **166.75** | **(68.52)** |
| **8. Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement gains/(losses) on defined benefit plans | | (0.70) | (5.54) |
| - Income tax relating to items that will not be reclassified to profit or loss | | 0.25 | 1.94 |
| **9. Total Comprehensive Income for the year [comprising profit and other comprehensive income for the year]** | | **166.30** | **(72.12)** |
| **10. Earnings per Equity Share of par value of ₹ 10/- each** | | | |
| Basic (in ₹) | 38 | 61.81 | (25.40) |
| Diluted (in ₹) | 38 | 61.81 | (25.40) |
| Notes to Financial Statements | 1 to 62 | | |

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

**Standalone**

# Statement of Changes in Equity

for the year ended 31st March, 2021

## A. Equity Share Capital

(₹ in Crore)

| Balance at the beginning | | Changes in equity share capital during the year | | Balance at the end | |
|---|---|---|---|---|---|
| As at 1st April, 2019 | As at 1st April, 2020 | 2019-20 | 2020-21 | As at 31st March, 2020 | As at 31st March, 2021 |
| 13.06 | 26.98 | 13.92 | - | 26.98 | 26.98 |

## B. Other Equity

(₹ in Crore)

| Particulars | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|
| | Securities Premium Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | |
| **Balance as at 1st April, 2019** | **146.72** | **0.20** | **277.36** | **705.39** | **1,129.67** |
| Profit for the year | - | - | - | (68.52) | (68.52) |
| Other comprehensive income (net of tax) | - | - | - | (3.60) | (3.60) |
| Dividend | - | - | - | (13.49) | (13.49) |
| Tax on Dividend | - | - | - | (2.56) | (2.56) |
| **Balance as at 31st March, 2020** | **146.72** | **0.20** | **277.36** | **617.22** | **1,041.50** |
| Profit/(Loss) for the year | - | - | - | 166.75 | 166.75 |
| Other comprehensive income (net of tax) | - | - | - | (0.45) | (0.45) |
| Dividend | - | - | - | (8.09) | (8.09) |
| **Balance as at 31st March, 2021** | **146.72** | **0.20** | **277.36** | **775.43** | **1,199.71** |

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**For and on behalf of the Board of Directors**

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

# Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities** | | |
| | **Profit before tax** | 227.39 | (93.96) |
| | Adjustments for: | | |
| | Depreciation and Amortisation Expense | 104.22 | 104.21 |
| | Loss/(Profit) on sale/disposal of Property, Plant and Equipment (Net) | (7.35) | 3.08 |
| | Impairment on Property, Plant and Equipment | 6.44 | 2.63 |
| | Write off of Capital-work-in-process | 2.62 | - |
| | Profit on sale of Current Investments | (3.14) | (5.18) |
| | Profit on fair valuation of Current Investments | (0.09) | 5.84 |
| | Unrealised foreign exchange loss | (3.26) | 17.33 |
| | Interest Income | (4.34) | (3.58) |
| | Dividend Income | (1.73) | (1.09) |
| | Finance Costs | 57.42 | 99.38 |
| | Impairment loss of trade receivables and other financial assets | 0.26 | 17.64 |
| | Other Non operating Revenue | (1.10) | - |
| | Exceptional Items - (Income)/Expense (Net) | - | 1.73 |
| | Liabilities no longer required written back | (1.26) | (7.21) |
| | **Operating Profit before Working Capital Changes** | **376.08** | **140.82** |
| | Adjustments for: | | |
| | (Increase) / decrease in Trade and other receivables | (127.00) | 47.98 |
| | (Increase) / decrease in Inventories | (13.78) | 113.82 |
| | Increase / (decrease) in Trade payables and other liabilities | (3.89) | (79.79) |
| | **Cash Generated from Operations** | **231.41** | **222.83** |
| | Direct Taxes (paid)/ refund | (24.79) | 1.71 |
| | **Net Cash Generated from Operating Activities** | **206.62** | **224.54** |
| **B.** | **Cash Flow from Investing Activities** | | |
| | Purchase of Property, Plant and Equipment and Capital Work-in-Progress | (35.53) | (95.12) |
| | Proceeds from sale of Property, Plant and Equipment | 10.42 | 2.01 |
| | Purchase of current investments | (538.94) | (246.16) |
| | Sale of current investments | 455.70 | 283.57 |
| | Loan given to Subsidiaries | (0.14) | (0.22) |
| | Repayment of loan from Subsidiaries | 0.93 | - |
| | Increase/(decrease) in deposits | 0.21 | 0.13 |
| | Dividend received | 1.73 | 1.09 |
| | Interest received | 2.50 | 3.58 |
| | **Net Cash Used in Investing Activities** | **(103.12)** | **(51.12)** |

Standalone

# Statement of Cash Flows
for the year ended 31st March, 2021

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **C. Cash Flow from Financing Activities** | | |
| Proceeds from Non-current borrowings | 7.97 | 40.00 |
| Repayment of Non-current borrowings | (52.92) | (118.13) |
| Proceeds from/(Repayment) of Current borrowings(Net) | 14.32 | (1.36) |
| Repayment of lease liabilities | (1.68) | (2.20) |
| Interest and financing charges paid | (56.79) | (82.58) |
| Interest on lease paid | (4.19) | (4.10) |
| Dividend paid (including dividend distribution tax) | (8.09) | (13.49) |
| Dividend distribution tax | - | (2.56) |
| **Net Cash Used in Financing Activities** | **(101.38)** | **(184.42)** |
| **Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)** | 2.12 | (11.00) |
| **Cash and Cash Equivalents at the beginning of the year** | 4.53 | 15.53 |
| **Cash and Cash Equivalents at the end of the year (refer Note No. 14)** | **6.65** | **4.53** |
| **Notes:** | | |
| 1. Cash and Cash Equivalents at the end of the year comprises of: | | |
| Cash on hand | 0.67 | 0.69 |
| Balance with Banks: | | |
| - In Current Accounts | 5.98 | 3.84 |
| **Total** | **6.65** | **4.53** |

2. The above Statement of Cash Flows has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
3. Refer Note No. 54 for Changes in liabilities arising from financing activities.
4. Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

# Notes

to Financial Statements for the year ended 31st March, 2021

## 1. General information

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

The Company, incorporated in 1961, is a leading, fully integrated producer of ferro chrome in India. Located in the State of Odisha known for its natural resources, IMFA is India's largest producer of ferro chrome with 190 MVA installed furnace capacity backed up by 204.55 MW captive power facilities and extensive chrome ore mining tracts. The Company's ferro chrome output is primarily exported to Korea, China, Japan and Taiwan.

These financial statements were approved for issue by the board of directors of the Company on 9th June, 2021.

## 2. Significant accounting policies

### 2.1 Statement of compliance

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

### 2.2 Basis of preparation

#### (i) Historical Cost Convention

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

#### (ii) Fair Value Measurement

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

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

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

#### (iii) Functional and presentational currency

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

#### (iv) Rounding off amounts

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

#### (v) Use of estimates and judgements

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

In particular, following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in standalone financial statements:

a. Assessment of useful life of property, plant and equipment and intangible asset – refer note 2.5

b. Recognition and estimation of tax expense including deferred tax– refer note 42

c. Estimation of obligations relating to employee benefits: key actuarial assumptions – refer note 43

d. Fair value measurement -refer note 2.2 (ii) & 41(b)

e. Recognition and measurement of provision and contingency-refer note 39

f. Estimated impairment of financial assets and non-financial assets- refer note 2.12

g. Measurement of Lease liabilities and Right of Use Asset – refer notes 3(b) and 55

# Notes
to Financial Statements for the year ended 31st March, 2021

### 2.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

### 2.4 Revenue recognition

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

a. The Company recognises revenue from sale of goods when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when it no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised net of taxes collected on behalf of third parties.

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

b) Inter unit transfers are adjusted against respective expenses.

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

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

e) Export Incentives are recognised as per schemes specified in foreign Trade Policy, as amended from time to time, on accrual basis in the year when right to receive as per terms of the scheme is established and are accounted to the extent there in no uncertainty about its ultimate collection.

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

### 2.5 Property, Plant and Equipment

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

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

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

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The Company has adopted the useful life as specified in Schedule II to the Act, except for certain assets for which the useful life has been estimated based on the Company's past experiences in this regard, duly supported by technical advice. Accordingly, the useful

# Notes

to Financial Statements for the year ended 31st March, 2021

lives of tangible assets of the Company which are different from the useful lives as specified by Schedule II are given below:

| Asset description | Estimated useful life duly supported by Technical Advice (in years) | Estimated useful life as per Schedule II (in years) |
|---|---|---|
| Furnaces | 8 | 25 |
| Certain items of Continuous Process Plant | 26 – 42 | 25 |
| Railways Sidings | 15 - 26 | 15 |

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

### 2.6 Investment Property

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

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

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

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

### 2.7 Intangible Assets

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

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

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

### 2.8 Borrowing Costs

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

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

### 2.9 Inventories

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

Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads.

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

# Notes
to Financial Statements for the year ended 31st March, 2021

## 2.10 Financial Instruments

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

### Financial Assets

#### Classification

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

#### Initial recognition and measurement

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

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

#### Financial assets measured at amortised cost

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

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

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

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

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

### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### Derecognition of financial assets

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

### Financial liabilities

#### Classification

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

#### Initial recognition and measurement

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

#### Financial liabilities at fair value through profit or loss

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

#### Financial liabilities measured at amortised cost

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

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of

# Notes

to Financial Statements for the year ended 31st March, 2021

the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

#### Trade and other payables

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

#### Financial guarantee contracts

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

Embedded derivatives

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

#### Derecognition of financial liabilities

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

### 2.11 Derivative financial instruments

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

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

### 2.12 Impairment

#### Financial assets

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

#### Non-financial assets

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

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

### 2.13 Investment in Subsidiaries and Associate

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

# Notes
to Financial Statements for the year ended 31st March, 2021

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

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

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

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

### 2.14 Leases

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

The Company has applied Ind AS 116 from 1st April, 2019 onwards using the modified retrospective approach.

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

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

For short-term and low value leases are classified as operating leases. Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

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

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

### 2.15 Foreign currency transactions and translations

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

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

### 2.16 Employee benefits

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

# Notes

to Financial Statements for the year ended 31st March, 2021

b) Gratuity liability is defined benefit plans. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements of the net defined benefit liability/asset comprise:

   i) actuarial gains and losses;

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

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

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

c) Compensated absence is other long term employee benefits. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

### 2.17 Taxes on Income

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

#### Current tax

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

#### Deferred tax

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

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

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

#### Minimum Alternate Tax (MAT)

MAT Credit is recognised as an asset only when and to the extent that is more likely than not that they will be recovered and that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when:

# Notes

to Financial Statements for the year ended 31st March, 2021

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised but are disclosed in notes.

### 2.19 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to expenses are deducted in reporting the related expense.

### 2.20 Non-current assets (or disposal groups) classified as held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

### 2.21 Earning Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

### 2.22 Recent Accounting Pronouncements

**a) New and amended standards adopted by the Company :**

The company has applied the following amendments to Ind AS for the first time for their annual reporting period 1st April, 2020:

i) Definition of Material – amendments to Ind AS 1 and Ind AS 8

ii) COVID-19 related concessions - amendments to Ind AS 116

iii) Interest Rate Benchmark Reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the financial statements.

**b) Standards issued but Not yet effective :**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

# Notes
to Financial Statements for the year ended 31st March, 2021

### 3(a). Property, Plant and Equipment and Capital Work-in-Progress

(₹ in Crore)

| Particulars | Tangible Assets - Owned | | | | | | | | | Tangible Assets - Leased | | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Buildings | Railway Siding & Runways | Plant and Equipment | Furniture and Fixtures | Computers | Office Equipments | Motor Vehicles | Aircrafts | Land | Plant and Equipment | | |
| **Gross Carrying Amount** | | | | | | | | | | | | | |
| **As at 1st April, 2019** | **54.88** | **383.13** | **10.02** | **815.75** | **3.17** | **7.17** | **8.45** | **12.45** | **27.24** | **10.56** | **47.28** | **1,380.10** | **118.05** |
| Additions/Adjustments | 1.15 | 71.35 | 0.45 | 52.32 | 0.85 | 0.55 | 1.74 | 3.46 | 0.37 | - | - | 132.24 | 108.98 |
| Disposals/Adjustments | - | 0.26 | - | 7.09 | - | 0.02 | 0.07 | 1.13 | 0.10 | - | - | 8.67 | 152.89 |
| Reclassified as Right of Use Assets on adoption of Ind AS 116 | | | | | | | | | | (10.56) | (47.28) | (57.84) | |
| **As at 31st March, 2020** | **56.03** | **454.22** | **10.47** | **860.98** | **4.02** | **7.70** | **10.12** | **14.78** | **27.51** | **-** | **-** | **1,445.83** | **74.14** |
| Additions/Adjustments | - | 28.64 | - | 22.60 | 0.24 | 1.24 | 1.10 | 7.74 | - | - | - | 61.56 | 58.23 |
| Disposals/Adjustments | - | 0.07 | - | 0.59 | 0.00 | 0.08 | 0.03 | 0.18 | 16.60 | - | - | 17.55 | 77.65 |
| **As at 31st March, 2021** | **56.03** | **482.79** | **10.47** | **882.99** | **4.26** | **8.86** | **11.19** | **22.34** | **10.91** | **-** | **-** | **1,489.84** | **54.72** |
| **Accumulated Depreciation , Amortisation & Impairment** | | | | | | | | | | | | | |
| **As at 1st April, 2019** | **-** | **121.75** | **5.63** | **240.90** | **2.11** | **5.74** | **5.65** | **6.98** | **9.96** | **0.67** | **15.12** | **414.51** | **-** |
| Charge for the year | - | 28.23 | 0.75 | 58.87 | 0.62 | 0.91 | 2.02 | 2.21 | 2.41 | - | - | 96.02 | - |
| Provision for Impairment | - | 2.40 | - | 0.20 | - | - | 0.02 | 0.01 | - | - | - | 2.63 | |
| Disposals/Adjustments | - | 0.08 | - | 2.51 | - | 0.02 | 0.06 | 0.86 | 0.05 | - | - | 3.58 | - |
| Reclassified as Right of Use Assets on adoption of Ind AS 116 | - | - | - | - | - | - | - | - | - | (0.67) | (15.12) | (15.79) | |

# Notes
to Financial Statements for the year ended 31st March, 2021

## 3(a). Property, Plant and Equipment and Capital Work-in-Progress

(₹ in Crore)

| Particulars | Tangible Assets - Owned | | | | | | | | | Tangible Assets - Leased | | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Buildings | Railway Siding & Runways | Plant and Equipment | Furniture and Fixtures | Computers | Office Equipments | Motor Vehicles | Aircrafts | Land | Plant and Equipment | | |
| **As at 31st March, 2020** | **-** | **152.30** | **6.38** | **297.46** | **2.73** | **6.63** | **7.63** | **8.34** | **12.32** | **-** | **-** | **493.79** | **-** |
| Charge for the year | - | 29.69 | 0.65 | 59.39 | 0.49 | 0.63 | 1.60 | 2.20 | 1.65 | - | - | 96.30 | - |
| Provision for Impairment (net of reversal) | | 5.90 | | 0.53 | - | - | (0.01) | 0.02 | | - | - | 6.44 | - |
| Disposals/Adjustments | - | 0.02 | - | (0.12) | - | 0.05 | 0.02 | 0.15 | 9.20 | - | - | 9.32 | - |
| **As at 31st March, 2021** | **-** | **187.87** | **7.03** | **357.50** | **3.22** | **7.21** | **9.20** | **10.41** | **4.77** | **-** | **-** | **587.21** | **-** |
| **Net Carrying Amount :** | | | | | | | | | | | | | |
| **As at 31st March, 2021** | **56.03** | **294.92** | **3.44** | **525.49** | **1.04** | **1.65** | **1.99** | **11.93** | **6.14** | **-** | **-** | **902.63** | **54.72** |
| **As at 31st March, 2020** | **56.03** | **301.92** | **4.09** | **563.52** | **1.29** | **1.07** | **2.49** | **6.44** | **15.19** | **-** | **-** | **952.04** | **74.14** |

1. CSR assets under 'Property, Plant and Equipment' are as follows.

(₹ in Crore)

| | Buildings | Plant and Equipment | Motor Vehicles | Total |
|---|---|---|---|---|
| Gross Carrying Amount | 9.43 | 1.57 | 0.05 | 11.05 |
| Accumulated Depreciation | 3.27 | 0.89 | 0.03 | 4.19 |
| Provision for Impairment | 6.16 | 0.68 | 0.02 | 6.86 |
| Net Carrying Amount | - | - | - | - |

2. Capital Work-in-Progress includes ₹ Nil (Previous Year : ₹0.14 Crore) relating to CSR assets.

3. Borrowing costs capitalised during the year ₹ 0.87 Crore (Previous Year : ₹ 1.62 Crore).

4. Refer Note No. 21.1 for information on property, plant and equipment pledged as security by the Company.

5 (a) Provision for impairment created on CSR assets of ₹ 6.86 Crore and reversal of impairment of ₹0.42 Crore which was created last year on the assets located at Nuasahi Mines.(Previous Year : 2.63).

(b) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rule, 2021 ("the Rules"), the Company intends to transfer its CSR capital assets created in earlier years to its social development arm i.e. Bansidhar and Ila Panda Foundation (BIPF), a Charitable Trust for carrying out CSR activities. The Transfer will be undertaken upon obtaining the required approvals from the Government of Odisha for transfer of land in favour of BIPF. Provision for impairment has been made of ₹ 6.86 Crore on the carrying amount of the CSR assets in the financial statements because the Company will not be able to recover the carrying amount of the CSR assets from its Trust in any form.

6. The title deeds of freehold land amounting to ₹0.02 Crore recorded as 'property, plant & equipment' in the books of account of the Company are held in the name of an erstwhile subsidiary of the company, which has amalgamated with the company.

# Notes

to Financial Statements for the year ended 31st March, 2021

## 3 (b). Right of Use Assets

(₹ in Crore)

| Particulars | Leasehold Land | Plant and Equipment | Building | Other Equipments | Total |
|---|---|---|---|---|---|
| **Gross Block** | | | | | |
| **As at 1st April, 2019 (Reclassified as Right of Use Assets on adoption of Ind AS 116 (refer Note No. 3(a))** | **10.56** | **47.28** | **-** | **-** | **57.84** |
| Transition impact on adoption of Ind AS 116 | 5.44 | - | 11.94 | 0.31 | 17.69 |
| Additions / Adjustments | - | 4.82 | - | - | 4.82 |
| Deductions / Adjustments | - | 1.25 | - | - | 1.25 |
| **As at 31st March, 2020** | **16.00** | **50.85** | **11.94** | **0.31** | **79.10** |
| Additions / Adjustments | 0.23 | - | 1.06 | - | 1.29 |
| Deductions / Adjustments | - | 1.89 | - | - | 1.89 |
| **As at 31st March, 2021** | **16.23** | **48.96** | **13.00** | **0.31** | **78.50** |
| Accumulated Depreciation & Amortisation | | | | | |
| **As at 1st April, 2019 (Reclassified as Right of Use Assets on adoption of Ind AS 116 (refer Note No. 3(a))** | **0.67** | **15.12** | **-** | **-** | **15.79** |
| Transition impact on adoption of Ind AS 116 | - | - | - | - | - |
| Charge for the year | 0.56 | 4.21 | 2.15 | 0.08 | 7.00 |
| Deductions / Adjustments | - | 0.49 | - | - | 0.49 |
| **As at 31st March, 2020** | **1.23** | **18.84** | **2.15** | **0.08** | **22.30** |
| Charge for the year | 0.57 | 3.79 | 2.34 | 0.08 | 6.78 |
| Deductions / Adjustments | - | 0.35 | - | - | 0.35 |
| **As at 31st March, 2021** | **1.80** | **22.28** | **4.49** | **0.16** | **28.73** |
| **Net Carrying Amount :** | | | | | |
| **As at 31st March, 2021** | **14.43** | **26.68** | **8.51** | **0.15** | **49.77** |
| **As at 31st March, 2020** | **14.77** | **32.01** | **9.79** | **0.23** | **56.80** |

1. The aggregate depreciation & amortisation expense on right of use assets are included under depreciation & amortisation expense in the statement of profit and loss.
2. The Company's obligations under finance leases are secured by lessors title to the leased assets.
3. The title deeds of leasehold land amounting to ₹ 2.64 Crore (net carrying value ₹ 2.39 Crore) recorded as 'Right of Use Assets' in the books of account of the Company are held in the name of an erstwhile the company, which has amalgamated with the company.

# Notes
to Financial Statements for the year ended 31st March, 2021

## 4. Investment Property

(₹ in Crore)

| Particulars | Leasehold Land (Right of Use Asset) | Building | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| As at 1st April, 2019 | 11.28 | 0.62 | 11.90 |
| Additions/Adjustments | - | - | - |
| Deductions/Adjustments | - | - | - |
| As at 31st March, 2020 | **11.28** | **0.62** | **11.90** |
| Additions/Adjustments | - | - | - |
| Deductions/Adjustments | - | - | - |
| As at 31st March, 2021 | **11.28** | **0.62** | **11.90** |
| Accumulated Amortisation | | | |
| As at 1st April, 2019 | **0.98** | **0.26** | **1.24** |
| Charge for the year | 0.25 | 0.04 | 0.29 |
| Disposals / Adjustments | - | - | - |
| As at 31st March, 2020 | **1.23** | **0.30** | **1.53** |
| Charge for the year | 0.25 | 0.03 | 0.28 |
| Disposals / Adjustments | - | - | - |
| As at 31st March, 2021 | **1.48** | **0.33** | **1.81** |
| **Net Carrying Amount :** | | | |
| As at 31st March, 2021 | **9.80** | **0.29** | **10.09** |
| As at 31st March, 2020 | **10.05** | **0.32** | **10.37** |

The title deed of leasehold land are held in the name of erstwhile company which has amalgamated with the Company (IMFA).

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

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Rental Income | - | - |
| Direct operating expenses that generated rental income | - | - |
| Direct operating expenses that did not generate rental income | 0.26 | 0.27 |

### Fair value

(₹ in Crore)

| Particulars | Level | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| Investment Property | Level 3 | 48.93 | 48.68 |

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

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

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

# Notes

to Financial Statements for the year ended 31st March, 2021

## 5. Other Intangible Assets
**(Internally Generated)**

(₹ in Crore)

| Particulars | Computer Software |
|---|---:|
| **Gross Carrying Amount** | |
| **As at 1st April, 2019** | **4.50** |
| Additions/Adjustments | - |
| Disposals/Adjustments | - |
| **As at 31st March, 2020** | **4.50** |
| Additions/Adjustments | - |
| Disposals/Adjustments | - |
| **As at 31st March, 2021** | **4.50** |
| **Accumulated Amortisation** | |
| **As at 1st April, 2019** | **2.74** |
| Charge for the year | 0.90 |
| Disposals/Adjustments | - |
| **As at 31st March, 2020** | **3.64** |
| Charge for the year | 0.86 |
| Disposals/Adjustments | - |
| **As at 31st March, 2021** | **4.50** |
| **Net Carrying Amount :** | |
| **As at 31st March, 2021** | - |
| **As at 31st March, 2020** | **0.86** |

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

## 6. Investments in Subsidiaries and Associate

(₹ in Crore)

| | As at 31st March, 2021 | | As at 31st March, 2020 |
|---|---:|---:|---:|
| **Non-Current Investments (Measured at Cost)** | | | |
| **Investments in Equity Instruments of Subsidiary Companies (Unquoted)** | | | |
| (a) 1,98,00,000 Equity Shares of ₹ 10/-each, | | | |
| fully paid-up in Utkal Coal Limited. | | 111.42 | 111.42 |
| (31st March, 2020: 1,98,00,000 shares) | | | |
| (Also refer Note No. 45 & 46) | | | |
| (b) 23,00,000 Equity Shares of ₹ 10/- each, | | | |
| fully paid-up in IMFA Alloys Finlease Limited. | | 2.30 | 2.30 |
| (31st March, 2020: 23,00,000 shares) | | | |
| (c) 10,55,384 Equity Shares of ₹ 10/- each, | | | |
| fully paid-up in Utkal Green Energy Limited (refer Note No. 6.1 below) | 1.06 | | 1.06 |
| (31st March, 2020: 10,55,384 shares) | | | |
| Less: Impairment loss Allowance | - | | (1.06) |
| Less: Write off of investments during the year | (1.06) | - | - |
| (d) 1,47,38,801 Equity Shares of S $1 /-each, | | | |
| fully paid-up in Indmet Mining Pte Limited. (refer Note 6.2 below) | | 53.13 | 53.13 |
| (31st March, 2020: 1,47,38,801 shares) | | | |
| Less: Impairment loss Allowance | | (53.13) | (53.13) |

**Standalone**

# Notes
to Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Investments in Equity Instruments of Associate Company (Unquoted)** | | |
| 2,500 Equity Shares of ₹ 10/- each, | | |
| fully paid-up in Ferro Chrome Producers Association. (refer Note 6.3 below) | - | - |
| (31st March, 2020: 2,500 shares) | | |
| | **113.72** | **113.72** |
| **Aggregate amount of unquoted investments** | 113.72 | 113.72 |
| **Aggregate amount of impairment in value of investments:** | 53.13 | 54.19 |
| **Movement of impairment in value of investments:** | | |
| **Opening Balance** | 54.19 | 53.13 |
| Impairment created / (reversed) | (1.06) | 1.06 |
| **Closing Balance** | **53.13** | **54.19** |

**Notes:**

**6.1** Utkal Green Energy Limited has been struck off by the Register of Companies on 26th October, 2020 and the company is dissolved. In view of the above the Company has fully written off its investment in the subsidiary.

**6.2** Indmet Mining Pte Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has an Indonesian subsidiary company, PT Sumber Rahayu Indah ('PT Sumber'). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised. Consequently, the Company initiated arbitration proceedings against the Government of the Republic of Indonesia on 24th July, 2015 pursuant to Article 3 of the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and invoked Article 9 of the Agreement between the Governments of the Republic of Indonesia and the Republic of India for the Promotion and Protection of Investments (the "Treaty"), raising claims of breach of the protections granted under the Treaty. The Arbitral Tribunal, vide its award dated 29th March, 2019 rejected the claim filed by the Company and also awarded costs to the opposite party.

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

**6.3** Investment in equity shares of Ferro Chrome Producers Association amounts to ₹ 25,000 (31st March, 2020: ₹ 25,000).

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

## 7. Other Investments

(₹ in Crore)

| | As at 31st March, 2021 | | As at 31st March, 2020 |
|---|---|---|---|
| **Non- Current Investments (Measured at FVTPL)** | | | |
| **Investments in Equity Instruments (Unquoted)** | | | |
| 95,054 Equity Shares of ₹ 10/- each, | | | |
| fully paid-up in Kalinga Hospital Limited. | | 0.35 | 0.33 |
| (31st March, 2020: 95,054 shares) | | | |
| **Investment in Preference Shares (Unquoted)** | | | |
| 1,00,00,000 Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each, | | | |
| fully paid-up in Ortel Communications Limited. | 10.00 | | 10.00 |
| (31st March, 2020: 1,00,00,000) | | | |
| Less: Expected Credit Loss | (10.00) | - | (10.00) |
| | | **0.35** | **0.33** |
| **Aggregate amount of unquoted investments** | | 0.35 | 0.33 |
| **Aggregate amount of impairment in value of investments** | | 10.00 | 10.00 |

# Notes

to Financial Statements for the year ended 31st March, 2021

## 8. Loans

**(Measured at amortised cost)**

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured, Considered good | | |
| Security and Other Deposits | | |
| with Government Authorities | 8.33 | 8.69 |
| with Others* | 2.29 | 0.66 |
| | **10.62** | **9.35** |

* Security deposits includes deposits due from the director of ₹ 0.11 Crore (Previous year : ₹ 0.11 Crore)

## 9. Other Financial Assets

**(Measured at amortised cost)**

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Non-Current portion of Other Bank Balances<br>- Fixed Deposit in banks having original maturity of more than 12 months and remaining maturity of more than 12 months (Under Lien*) | 1.65 | 1.44 |
| Interest accrued but not due on Fixed Deposits with Banks | 1.23 | 0.80 |
| | **2.88** | **2.24** |
| *includes | | |
| Margin money deposits | 1.65 | 1.29 |
| Deposits pledged with banks against borrowings | - | **0.15** |

## 10. Other Non-Current Assets

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Capital Advances | - | 0.03 |
| Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No. 49) | 100.75 | 100.75 |
| Interest accrued but not due on Deposits with Banks * | 83.72 | 73.57 |
| Deposits with Government Authorities (paid under protest) | 16.19 | 16.19 |
| Prepaid Rent for Operating Leases | 4.73 | 5.34 |
| | **205.39** | **195.88** |

* On No Lien & Escrow Accounts

## 11. Inventories

**(Valued at lower of Cost or Net Realiseable Value)**

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Raw Materials | 213.27 | 206.19 |
| Raw Materials-in-Transit | 53.07 | 22.38 |
| Finished Goods | 84.99 | 87.75 |
| Finished Goods-in-Transit | 40.85 | 41.94 |
| Work-in-progress | 3.99 | 27.14 |
| Stores and Spares | 48.98 | 46.03 |
| Loose Tools | 0.18 | 0.12 |
| | **445.33** | **431.55** |

Standalone

# Notes
to Financial Statements for the year ended 31st March, 2021

## 12. Investments

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Current Investments (Measured at FVTPL)** | | |
| **Investments in Equity Instruments (Quoted)** | | |
| 5,65,000 shares (31st March, 2020: 5,65,000 shares) of Bharat Road Network Limited | 1.62 | 1.88 |
| **Investments in Mutual Funds (Unquoted)** | | |
| 46,03,312.721units (31st March, 2020: Nil units) of Aditya Birla Sunlife Arbitrage Fund - Growth - Direct Plan | 10.03 | |
| 7,26,644.191units (31st March, 2020: Nil units) of Aditya Birla Sunlife Balanced Advantage Fund - Growth - Direct Plan | 5.13 | - |
| 1,89,112.987 units (31st March, 2020: Nil) of Nippon India Ultra Short Duration Fund-Direct Growth Plan - Growth Option | 61.45 | - |
| 66,38,716.290 units (31st March, 2020: 5,63,810.61 units) of ICICI Liquid fund - Direct Plan Growth balance | 15.19 | 16.56 |
| Nil (31st March, 2020:10,312.26 units) of Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option | - | 5.00 |
| 62,295.363 units (31st March, 2020: 11,759.935 units) of Nippon India Money Market Fund-Direct Plan Growth Plan - Growth Option | 20.06 | 3.59 |
| | **113.48** | **27.03** |
| **Aggregate amount of quoted investments** | 1.62 | 1.88 |
| **Aggregate amount of unquoted investments** | 111.86 | 25.15 |

## 13. Trade Receivables

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured, considered good | 92.20 | 32.67 |
| Unsecured credit impaired | - | 0.38 |
| Less: Impairment allowances for doubtful debts | - | (0.38) |
| | **92.20** | **32.67** |

## 14. Cash and Cash Equivalents

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Balances with Banks: | | |
| - In Current Accounts | 5.98 | 3.84 |
| Cash on hand | 0.67 | 0.69 |
| | **6.65** | **4.53** |

## 15. Other Bank Balances

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Earmarked balance with bank (unpaid dividend) | 1.11 | 1.25 |
| Fixed Deposit in banks with original maturity of more than three months but remaining maturity of less than 12 months * | | |
| -Not under Lien | 10.66 | 8.60 |
| -Under Lien* | 31.04 | 27.49 |
| | **42.81** | **37.34** |

# Notes

to Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| *includes | | |
| Margin money deposits | | |
| - 12 months or less | 12.61 | 9.21 |
| Deposits pledged with banks against borrowings | | |
| - 12 months or less | 18.43 | 18.28 |

## 16. Loans

**(Measured at amortised cost)**

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured, Considered good : | | |
| Loan to subsidiaries (refer Note No. 16.1) | 263.90 | 264.69 |
| Less: Impairment loss Allowance | 1.02 | 0.76 |
| | 262.88 | **263.93** |
| **Movement of impairment loss allowance on loans :** | | |
| **Opening Balance** | 0.76 | 0.99 |
| Impairment created / (reversed) | 0.26 | (0.23) |
| **Closing Balance** | 1.02 | 0.76 |

**Notes**

**16.1 Details of Loans /Guarantees given by the Company**

(₹ in Crore)

| Name of the Company / Entity | Amount outstanding | | Maximum amount outstanding during | | Purpose for which the loan utilised / to be utilised | Rate of Interest Per Annum |
|---|---|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | 2020-21 | 2019-20 | | |
| Utkal Coal Limited* | 263.90 | 264.69 | 264.69 | 264.69 | Setting up of Coal Mining Project and meeting operational fund requirements | 9.00% |

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

The Company has provided a Guarantee to a Bank for loan availed by Bansidhar & Ila Panda Foundation amounting to ₹ 12.13 Crore (Previous Year : ₹ 12.50 Crore) to meet expenses towards construction of a School.

*Also refer Note Nos. 45 & 46

## 17. Other Financial Assets

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Interest accrued but not due on Fixed Deposits with Banks | 0.23 | 1.00 |
| Derivative Assets (Measured at FVTPL) | | |
| - Foreign currency forward contracts not designated as hedge | 2.13 | - |
| Other receivable | - | 1.25 |
| | 2.36 | **2.25** |

**Standalone**

# Notes
to Financial Statements for the year ended 31st March, 2021

## 18. Other Current Assets

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured, considered good | | |
| Goods & Services Tax (GST) | 96.06 | 74.34 |
| Advances to Suppliers | 50.67 | 25.25 |
| Advance Royalty | 3.93 | 10.12 |
| Deposits / Advances with Excise & Customs | 4.54 | 6.78 |
| Employee Advances | 0.33 | 0.42 |
| Other Advances | 3.19 | 0.25 |
| Export Incentives Receivable | 18.54 | 15.65 |
| VAT Credit Receivable | 1.07 | 0.02 |
| Prepaid Expenses | 11.61 | 9.34 |
| Prepaid Rent for Operating Leases | 0.61 | 0.61 |
| | 190.55 | **142.78** |

## 19. Assets classified as held for sale

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Opening balance | 0.02 | 0.04 |
| Additions/Adjustments | 0.03 | - |
| Disposals/Adjustments | - | 0.02 |
| Closing balance | 0.05 | **0.02** |

## 20 (a). Share Capital

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Authorised:** | | |
| **Equity Shares:** | | |
| 3,52,50,000 Equity Shares, ₹ 10/- par value per share | 35.25 | 35.25 |
| (31st March, 2020: 3,52,50,000 Equity Shares) | | |
| **Preference Shares:** | | |
| 90,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share | 0.90 | 0.90 |
| (31st March, 2020: 90,000 Preference Shares) | | |
| 2,60,000 IInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share | 2.60 | 2.60 |
| (31st March, 2020: 2,60,000 Preference Shares) | | |
| | 38.75 | **38.75** |
| **Issued, Subscribed and Paid-up:** | | |
| 2,69,77,053 Equity Shares, ₹ 10/- par value per share, fully paid | 26.98 | 26.98 |
| (31st March, 2020: 2,69,77,053 Equity Shares) | | |
| | 26.98 | **26.98** |

# Notes
to Financial Statements for the year ended 31st March, 2021

### Reconciliation of the Number of Equity Shares outstanding

| Equity Shares | As at 31st March, 2021 | | As at 31st March, 2020 * | |
|---|---|---|---|---|
| | No. of shares | ₹ in Crore | No. of shares | ₹ in Crore |
| At the beginning of the year | 2,69,77,053 | 26.98 | 1,30,59,007 | 13.06 |
| Add: Issued during the year | - | - | 1,39,18,046 | 13.92 |
| At the end of the year | 2,69,77,053 | 26.98 | 2,69,77,053 | 26.98 |

* Equity Share issued amounting to ₹ 13.92 Crore represents 1,39,18,046 Equity Shares of ₹ 10 each fully paid, issued and allotted to the shareholders of B. Panda & Company Private Limited (erstwhile holding company) on 30th April, 2019 pursuant to the Scheme of amalgamation.

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

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

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

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

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

| Name of the Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | No. of shares | % of Shareholding | No. of shares | % of Shareholding |
| B. Panda Trust (through Mr. Subhrakant Panda, Trustee) | 1,39,18,046 | 51.59 | 1,39,18,046 | 51.59 |
| LITEC Company Limited | 34,44,259 | 12.77 | 34,44,259 | 12.77 |
| Fox Consulting Services Pte. Limited | 17,90,500 | 6.64 | 17,90,500 | 6.64 |

## 20(b). Other Equity

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Securities Premium Reserve** | | |
| Balance outstanding at the beginning of the year | 146.72 | 146.72 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | **146.72** | **146.72** |
| **Capital Redemption Reserve** | | |
| Balance outstanding at the beginning of the year | 0.20 | 0.20 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | **0.20** | **0.20** |
| **General Reserve** | | |
| Balance outstanding at the beginning of the year | 277.36 | 277.36 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | **277.36** | **277.36** |

Standalone

# Notes

to Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Retained earnings** | | |
| Balance outstanding at the beginning of the year | 617.22 | 705.39 |
| Add : Net profit/ (loss) for the year | 166.75 | (68.52) |
| Add : Other comprehensive income arising from remeasurement of employee defined benefit obligation (net of tax) | (0.45) | (3.60) |
| Less: Appropriations | | |
| - Interim Dividend Paid | (8.09) | - |
| - Final Dividend Paid | - | (13.49) |
| - Dividend distribution tax | - | (2.56) |
| Balance outstanding at the end of the year | **775.43** | **617.22** |
| | **1,199.71** | **1,041.50** |

### Nature and Purpose of Reserves

#### Securities Premium Reserve

Securities Premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

#### Capital Redemption Reserve

Capital Redemption Reserve is created out of transfer from General Reserve.

#### General Reserve

General reserve is created by the Company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contigencies, creating working capital for business operations, strengthing the financial position of the company.

#### Retained earnings

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## 21. Borrowings (Measured at amortised cost)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured** | | |
| **Rupee Term Loans from:** | | |
| Banks | 373.47 | 425.53 |
| **Vehicle Loans** | 10.19 | 3.09 |
| **Total Borrowings** | **383.66** | **428.62** |
| **Less: Current Maturities** | | |
| Banks & Vehicle loans | 90.07 | 88.20 |
| | **90.07** | **88.20** |
| **Total Non-Current Borrowings** | **293.59** | **340.42** |

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

Amounts carried in Note No. 21 and 27 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

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

#### Term Loans from Banks :

(a) Loan of ₹ 5.56 Crore (31st March, 2020: 22.23 Crore) for general capital expenditure, secured by first pari-passu charge by way of mortgage on the land (about 167) acres situated at Chhatisa 3 and

# Notes

to Financial Statements for the year ended 31st March, 2021

Kapaleswar mouza, Choudwar, Cuttack along with movable fixed assets and buildings and structures thereon excluding the assets which are exclusively charged to other lenders. Repayment by 8 EQI of ₹ 5.55 Crore from February '19 and last instalment of ₹ 5.56 Crore.

(b) Loan of ₹ 114.00 Crore (31st March, 2020: ₹ 121.50 Crore) for 30 MW Captive Power Plant (CPP) at Choudwar and general capital expenditure, secured by first pari-passu charge over all that piece and parcel of land admeasuring about 2.975 acres at plot no. 43 at Choudwar, Cuttack, (not forming part of the 60 acres land for 120MW power plant lenders) together with buildings and structures, all plants and machineries and other movable fixed assets situated thereon, both present and future and first pari-passu charge on fixed assets (both movable and immovable) of the Company (both present and future) situated at Therubali other than assets exclusively charged to other lenders. Repayment by 4 EQI of ₹ 2.25 Crore from December '17, 4 EQI of ₹ 3.00 Crore from December '18, 8 EQI of ₹ 3.75 Crore from December '19 and 22 EQI of ₹ 4.50 Crore from June '22.

(c) Loan of ₹ 39.00 Crore (31st March, 2020: ₹ 40.00 Crore) for normal capital expenditure including expansion of housing project at choudwar and fresh construction of hausing project at Sukinda/Mahagiri, secured by first pari-passu charge over proposed residential housing project including land at Choudwar ranking pari passu with Corporation Bank,Exclusive charge over proposed residential housing project including land situated at sukinda/mahagiri, first pari passu charge over the fixed assets both present & future over 30MW PP situated at Choudwar and fixed assets including movable fixed assets and plant & machinery situated at Therubali ranking pari passu with existing RTL facilities with ICICI Bank except Gas Cleaning plant and Briquetting plant at therubali, first pari passu charge over land about 167 acres situated at Chhatisa 3 and Kapaleswar mouza, Choudwar along with movable fixed assets and building & structure thereon excluding the assets which are charged to other lenders ranking pari passu with RBL Bank. Repayment by 4 EQI of ₹ 0.25 Crore from June'20 and 20 EQI of ₹ 1.95 Crore from June'21.

(d) Loan of ₹ 50.87 Crore (31st March, 2020: ₹ 57.23 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(e) Loan of ₹ 46.25 Crore (31st March, 2020: ₹ 54.92 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(f) Loan of ₹ 30.35 Crore (31st March, 2020: ₹ 36.42 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(g) Loan of ₹ 46.25 Crore (31st March, 2020: ₹ 52.03 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(h) Loan of ₹ 24.37 Crore (31st March, 2020: ₹ 25.92 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(i) Loan of ₹ 8.02 Crore (31st March, 2020: ₹ 12.24 Crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (4,75,675.20 sq fts) situated at Plot No. 34/78 and 34/82, Tahsil-Tangi Choudwar, PS-Choudwar, Mouza-Chhatisa No. 2, Cuttack, Odisha and the proposed building to be constructed. Repayment of ₹ 20.00 Crore by 24 UQI from June'16 and ₹ 5.85 Crore in 71 EMI from November '17.

(j) Vehicle Loan of ₹ 2.40 Crore (31st March, 2020: ₹ 3.09 Crore) secured by charge on the Vehicles. Repayment in EMI as per the repayment schedules of respective vehicles.

(k) Loan of ₹ 10.23 Crore (31st March, 2020: ₹ 11.94 Crore) for setting up of 3 MW Solar Power Plant secured by first exclusive charge by way of hypothecation over plant and machinery and other movable and immovable assets of 3 MW Solar Power Plant and mortgage of 16.42 acres of land on which the plant is installed at Therubali. Repayment by 31 EQI of ₹ 0.43 Crore from May '19 and last instalment of ₹ 0.42 Crore.

Standalone

# Notes
to Financial Statements for the year ended 31st March, 2021

(l) Loan of ₹ 5.20 Crore (31st March, 2020: ₹ 0.00 Crore) for common COVID-19 Emergency Credit Line (CCECL) secured against extension of 1st paripassu charge on current assets of the company. Repayment by 18 EMI of ₹ 0.40 Crore from November '2020.

(m) Loan of ₹ 6.99 Crore (31st March, 2020: ₹ 0.00 Crore) purchase of 6 no of Volvo- tipper vehicles and secured by charge on the Vehicle financed. Repayment by 41 EMI from March '2021 as per the repayment schedules of respective vehicles.

(n) Loan of ₹ 0.825 Crore (31st March, 2020: ₹ 0.00 Crore) purchase of BMW vehicle and secured by charge on the Vehicle financed. Repayment by 60 EMI from May '2021 as per the repayment schedule of vehicle.

## 22. Other Financial Liabilities

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Electricity Duty | 131.51 | 132.70 |
| Others | 1.33 | 1.33 |
| | **132.84** | **134.03** |

## 23. Provisions

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Provision for Employee Benefits (refer Note No. 43) | | |
| - Gratuity | 6.90 | 5.88 |
| - Compensated absence | 6.43 | 7.10 |
| | **13.33** | **12.98** |

## 24. Deferred Tax Liabilities (Net)

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **(a) Deferred Tax Liabilities:** | | |
| Difference between tax base and book base of Property, Plant and Equipment, Investment Property and Intangible Assets | 94.88 | 98.25 |
| | | |
| **(b) Deferred Tax Assets:** | | |
| Financial assets at Fair value through profit or loss | (3.70) | (9.62) |
| Defined Benefit Obligations | (6.84) | (11.68) |
| Carry Forward Losses | - | (7.01) |
| Others | (9.32) | (8.90) |
| **Net Deferred Tax Liabilities** | **75.02** | **61.04** |

## 25. Borrowings

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured:** | | |
| **Loans Repayable on Demand** | | |
| Working Capital Loans from Banks | 280.68 | 268.38 |
| | **280.68** | **268.38** |

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

# Notes

to Financial Statements for the year ended 31st March, 2021

## 26. Trade Payables

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| - total outstanding dues of micro enterprises and small enterprises (refer Note No. 26.1) | 10.96 | 16.72 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 178.70 | 168.97 |
| | 189.66 | 185.69 |

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

(₹ in Crore)

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| a) | The principal amount and interest due thereon remaining unpaid to any supplier | 10.53 | 16.29 |
| b) | The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day | - | - |
| c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appoin ted day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) | The amount of interest accrued and remaining unpaid | 0.43 | 0.43 |
| e) | The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| | | 10.96 | 16.72 |

## 27. Other Financial Liabilities

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Measured at amortised cost** | | |
| - Current Maturities of Borrowings (refer Note No. 21) | 90.07 | 88.20 |
| - Interest accrued but not due on borrowings | 1.14 | 4.61 |
| - Unclaimed Dividend* | 1.11 | 1.25 |
| - Earnest Money and Security Deposits | 2.32 | 4.38 |
| - Liability for Operating and Other Expenses | 121.81 | 110.64 |
| - Creditors for Capital Goods | 6.41 | 14.05 |
| - Payable to Employees | 21.24 | 13.95 |
| **Measured at FVTPL** | | |
| - Financial Guarantee Liability | 0.05 | 0.05 |
| - Derivative Liabilities | | |
| - Foreign currency forward contracts not designated as hedge | - | 7.38 |
| - Swaps not designated as hedge | 3.13 | 10.27 |
| | 247.28 | 254.78 |

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

**Standalone**

# Notes
to Financial Statements for the year ended 31st March, 2021

## 28. Other Current Liabilities

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Advance from Customers* | 1.50 | 1.44 |
| Statutory dues payable | 10.94 | 10.71 |
| | 12.44 | **12.15** |

*contract liabilities for which the Company is obliged to transfer of goods to the customers (refer Note No. 53)

## 29. Provisions

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| - Gratuity | 6.02 | 12.22 |
| - Compensated absence | 3.10 | 1.77 |
| | 9.12 | **13.99** |

## 30. Revenue from Operations

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Sale of products *** | | |
| Ferro Chrome | 1,806.23 | 1,558.04 |
| Fly Ash Bricks | 1.46 | 2.52 |
| Low Density Aggregate | 0.04 | 0.18 |
| | 1,807.73 | **1,560.74** |
| **Other Operating Revenues:** | | |
| Export Incentives | 31.48 | 42.61 |
| Sale of Scrap | 5.02 | 8.59 |
| | 1,844.23 | **1,611.94** |

* also refer Note No. 53

## 31. Other Income

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Interest income on bank deposits | 2.35 | 2.74 |
| Interest income on security deposits measured at amortised cost | 0.13 | 0.20 |
| Interest Others | | |
| - Interest income on income tax refund received | 1.71 | 3.06 |
| - Others | 0.15 | 0.84 |
| Dividend | | |
| - Dividend on investment in subsidiary measured at cost | 1.73 | 1.04 |
| - Dividend on other investment measured at FVTPL | - | 0.05 |
| Rent | 0.45 | 0.30 |
| Insurance Claims Received | 26.69 | 0.13 |
| Profit on sale of Current Investments measured at FVTPL | 3.14 | 5.18 |
| Profit on fair valuation of Current Investments measured at FVTPL | 0.09 | - |
| Profit on Sale of Property, Plant and Equipment (net) | 7.35 | - |
| Liabilities no longer required written back | 1.26 | 7.21 |
| Other non-operating Income | 6.25 | 1.23 |
| | 51.30 | **21.98** |

# Notes

to Financial Statements for the year ended 31st March, 2021

## 32. Cost of Materials Consumed

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Coal | 236.30 | 247.63 |
| Chrome Ore | 415.05 | 392.10 |
| Quartz | 8.02 | 7.51 |
| Coke | 252.30 | 290.44 |
| Carbon paste | 21.44 | 21.09 |
| Other materials | 15.42 | 20.39 |
| | **948.53** | **979.16** |
| Less: Inter Unit transfer of Chrome Ore (Net) | 40.19 | 39.32 |
| | **908.34** | **939.84** |

## 33. Changes in Inventories of Finished Goods and Work-in-progress

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Closing stock of finished goods | 125.84 | 129.69 |
| Work-in-progress | 3.99 | 27.14 |
| | **129.83** | **156.83** |
| Opening stock of finished goods | 129.69 | 157.18 |
| Work-in-progress | 27.14 | - |
| | **156.83** | **157.18** |
| | **27.00** | **0.35** |

## 34. Employee Benefits Expense

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Salaries, Wages, Bonus, Allowances etc. | 150.17 | 138.78 |
| Contribution to Provident and Other Funds | 12.46 | 12.55 |
| Workmen and Staff Welfare Expenses | 3.65 | 3.76 |
| | **166.28** | **155.09** |

## 35. Finance Costs

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Interest on financial liabilities measured at amortised cost | | |
| - Interest on long term loans from Banks* | 45.83 | 51.06 |
| - Interest on working capital from Banks | 8.08 | 11.24 |
| - Interest on lease liabilities | 4.19 | 4.25 |
| Other Interest | 0.65 | 0.80 |
| Exchange differences regarded as an adjustment to borrowing costs | (6.17) | 27.02 |
| Bank charges including other borrowing cost | 4.84 | 5.01 |
| | **57.42** | **99.38** |

*Borrowing cost capitalised during the year ₹ 0.87 Crore (Previous Year : ₹ 1.62 Crore).

**Standalone**

# Notes
to Financial Statements for the year ended 31st March, 2021

## 36. Depreciation and Amortisation Expense

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Depreciation and Amortisation Expense :** | | |
| - Property, plant and equipment | 96.30 | 96.02 |
| - Right of use assets | 6.78 | 7.00 |
| - Investment property | 0.28 | 0.29 |
| - Other intangible assets | 0.86 | 0.90 |
| | 104.22 | **104.21** |

## 37. Other Expenses

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| Consumption of stores, spares and loose tools | | 19.45 | 21.57 |
| Consumption of electricity | | 67.26 | 38.41 |
| Electricity Duty | | 54.35 | 55.60 |
| Energy transmission charges | | 6.36 | 7.51 |
| Repairs and Maintenance: | | | |
| - Plant and Machinery | | 36.59 | 33.91 |
| - Buildings | | 4.20 | 5.69 |
| - Others | | 8.21 | 7.03 |
| Finished stock and slag handling expenses | | 19.60 | 19.13 |
| Other factory expenses | | 29.22 | 25.92 |
| Securities service charges | | 15.68 | 16.05 |
| Carriage outward and handling expenses | | 76.76 | 61.82 |
| Export promotion expenses | | 0.29 | 1.71 |
| Other selling expenses | | 28.23 | 24.17 |
| Insurance | | 6.87 | 7.05 |
| Rent | | 1.82 | 3.83 |
| Rates and taxes | | 2.68 | 3.25 |
| Travelling and conveyance | | 2.79 | 6.03 |
| Legal and professional fees | | 5.98 | 9.18 |
| Payments to the Auditors (refer Note No. 37.1) | | 0.31 | 0.33 |
| Directors' Fees | | 0.04 | 0.04 |
| Loss on Sale of Property, Plant and Equipment (net) | | - | 3.08 |
| Capital-work-in-progress writen off | | 2.62 | - |
| Bad debts | 0.38 | | |
| Less: Impairment allowances for doubtful debts | (0.38) | - | - |
| Provision for Impairment on Property, Plant and Equipment (net) | | 6.44 | 2.63 |
| Loss on fair valuation of Current Investments measured at FVTPL | | - | 5.84 |
| Corporate Social Responsibility Expenses (refer Note No. 52) | | 6.21 | 5.09 |
| Donations * | | 2.12 | 9.75 |
| Miscellaneous expenses | | 9.58 | 16.04 |
| **Total Other Expenses** | | 413.66 | **390.66** |

* Donations includes political contribution of ₹ 60,000/- (Previous Year: ₹ 3.11 Crore)

# Notes

to Financial Statements for the year ended 31st March, 2021

### 37.1 Payments to the Auditors (excluding taxes)

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| As Auditor - Statutory Audit & Limited Reviews | 0.30 | 0.29 |
| For certification and other matters | 0.01 | 0.01 |
| For reimbursement of expenses | - | 0.03 |
| | **0.31** | **0.33** |

## 38. Earnings Per Share

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| **(a)** | **Profit after tax attributable to Equity Shareholders (₹ in Crore)** | 166.75 | (68.52) |
| (b) | Weighted Average number of Equity Shares [(b) + (c)] | 2,69,77,053 | 2,69,77,053 |
| (c) | Basic and diluted earnings per share (in ₹) | 61.81 | (25.40) |
| (d) | Nominal value per Equity Share (in ₹) | 10.00 | 10.00 |

## 39. Contingent Liabilities and Commitments

(₹ in Crore)

| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **A.** | **Contingent Liabilities** | | |
| **(a)** | **Claims against the Company not acknowledged as debts:** | | |
| | **Government Claims** | | |
| | (i) Income Tax (deposits made under protest 31st March, 2021 : ₹ 40.07 Crore, 31st March, 2020 : ₹ 39.65 Crore) | 40.25 | 40.36 |
| | (ii) Cenvat Credit reversal and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 1.64 Crore, 31st March, 2020 : ₹ 1.64 Crore) | 57.17 | 51.15 |
| | (iii) Excise Duty and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 0.21 Crore, 31st March, 2020 : ₹ 0.21 Crore) | 1.76 | 1.73 |
| | (iv) Goods and Service Tax and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 0.21 Crore, 31st March, 2020 : ₹ 0.21 Crore) | 3.91 | 3.43 |
| | (v) Provisional duty bonds to customs authority pending final debonding of 100% EOU | 0.34 | 0.34 |
| | (vi) Entry tax (deposits made under protest 31st March, 2021 : ₹ 6.68 Crore, 31st March, 2020 : ₹ 6.68 Crore) | 15.76 | 15.63 |
| | (vii) Sales tax (deposits made under protest 31st March, 2021 : ₹ 0.07 Crore, 31st March, 2020 : ₹ 0.07 Crore) | 0.29 | 0.28 |
| | (viii) Value Added Tax and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 3.15 Crore, 31st March, 2020 : ₹ 3.15 Crore) | 9.30 | 3.18 |
| | (ix) State Govt./Local Authority rent, duties, levies & cess etc. (deposits made under protest 31st March, 2021 : ₹ 14.05 Crore, 31st March, 2020 : ₹ 14.05 Crore) | 72.85 | 72.33 |
| | (x) Service Tax and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 0.02 Crore, 31st March, 2020 : ₹ 0.02 Crore) | 0.78 | 0.69 |
| | **Other Claims** | | |
| | Legal suits filed against the Company | 0.89 | 0.89 |

# Notes
to Financial Statements for the year ended 31st March, 2021

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

(i) Demand notices in respect of six mines had been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 237.06 Crore for the alleged excess extraction of minerals over the quantity permitted under the mining plan/scheme, environmental clearance or consent to operate and other statutory permissions during the period from 1993 to 2010 under Section 21(5) of Mines & Minerals (Development and Regulation) Act, 1957 ('Act'). The Company filed Revision Applications before Mines Tribunal, New Delhi against all such demands. Vide Common Order dated 11.10.2017, Revisionary Authority of Mines Tribunal has set aside the impugned demands in respect of all six mines and remanded back to Government of Odisha for taking necessary action in light of Supreme Court Judgment dated 02.08.2017 in Common Cause-vs-Union of India. Subsequently, demand notices in respect of four mines viz., Sukinda Chromite Mines, Chingudipal Chromite Mines, Bangur Chromite Mines and Nuasahi Chromite Mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 122.90 Crore for alleged excess extraction of minerals over the quantity permitted under environment clearance only during 2000-01 to 2010-11 under Section 21(5) of the Act. Aggrieved by the said notices, the Company filed Revision Applications before the Mines Tribunal, New Delhi challenging the said demand notices. The Revisionary Authority of Mines Tribunal vide order dated 10.05.2018 stayed the demand notices with a direction that the State Government shall not take any coercive measures to recover the amounts demanded and the matters are pending.

(ii) Consequent upon revision in mining plan enhancing the annual production capacity to 6.00 Lakh MT in the year 2019-20 & 3.71 Lakh MT in the year 2016-17 in respect of Mahagiri and Sukinda Chromite Mines respectively, the District Sub-Registrar, Jajpur has raised demand notices amounting to ₹ 45.20 Crore towards differential stamp duty & registration fee in respect of both the Mining Lease Deeds pursuant to Notification No. 312-SM-REM-3/2011-SM dated 13.01.2021 of Commissioner-cum-Secretary to the Government of Odisha, Department of Steel and Mines, as published in the Odisha Gazette on 18.01.2012. The Company has filed writ petitions before the Hon'ble High Court of Odisha challenging the legality and validity of such demand notices. The Hon'ble High Court vide its interim orders dated 17.03.2021 has given direction to the authorities that no coercive action shall be taken against the Company for such demand notices till the next date of hearing & the matters are pending.

**B. Commitments**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances) | 23.80 | 44.86 |

## 40 Financial risk management

### 40.1 Financial risk factors

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

### i) Market risk

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

### (a) Currency risk

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

# Notes

to Financial Statements for the year ended 31st March, 2021

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

(₹ in Crore)

| Particulars | Change in currency exchange rate | | Effect on Profit Before Tax | |
|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| USD | +5% | +5% | (15.13) | (12.31) |
| | -5% | -5% | 15.13 | 12.31 |

## (b) Interest rate risk

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

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

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Floating rate borrowings | 654.15 | 693.91 |
| Fixed rate borrowings | 10.19 | 3.09 |

## ii) Credit risk

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

The Company is exposed to credit risk in relation to financial guarantee given by the Company on behalf of a related party. The Company's maximum exposure in this regard is the maximum amount the Company could have to pay if the guarantee is called on 31st March, 2021 is ₹ 12.13 Crore (PY : ₹ 12.50 Crore). This financial guarantee has been issued to a bank on behalf of the related party. Based on the expectation at the end of the reporting period, the Company considers the likelihood of any claim under guarantee is remote. Company has provided impairment loss allowance of ₹ 0.05 Crore as on 31st March, 2021 (PY: 0.05 Crore) based on fair value of the Corporate guarantee given.

## (a) Trade receivables

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

The ageing of trade receivables is as follows:

(₹ in Crore)

| Particulars | Outstanding | | | Total |
|---|---|---|---|---|
| | Upto 6 months | Above 6 months and upto 12 months | Above 12 months | |
| **Trade receivables** | | | | |
| **As at 31st March 2021** | | | | |
| Secured | - | - | - | - |
| Unsecured | 81.97 | 0.21 | 10.02 | 92.20 |
| Gross total | **81.97** | **0.21** | **10.02** | **92.20** |
| Impairment allowances for doubtful debts | - | - | - | - |
| Net total | 81.97 | 0.21 | 10.02 | 92.20 |

Standalone

# Notes

to Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| Particulars | Outstanding | | | Total |
|---|---|---|---|---|
| | Upto 6 months | Above 6 months and upto 12 months | Above 12 months | |
| **As at 31st March 2020** | | | | |
| Secured | - | - | - | - |
| Unsecured | 21.23 | 0.05 | 11.77 | 33.05 |
| Gross total | **21.23** | **0.05** | **11.77** | **33.05** |
| Impairment allowances for doubtful debts | - | - | (0.38) | (0.38) |
| Net total | **21.23** | **0.05** | **11.39** | **32.67** |

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

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

## iii) Liquidity risk

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

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

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2021 |
|---|---|---|
| **Floating rate** | | |
| - Expiring within one year - Working Capital Loans | 37.94 | 105.85 |
| - Expiring within one year - Term Loans | - | - |
| - Expiring beyond one year - Term Loans | - | - |

Subject to the continuance of satisfactory credit ratings, the bank facilities may be drawn upon at any time. Average maturity of undrawn facilities of term loans expiring beyond one year is Nil (As at 31st March, 2020: Nil).

The table below provide regarding remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Crore)

| As at March 31, 2021 | On Demand | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| Borrowings | 280.68 | 90.07 | 293.59 | 664.34 |
| Trade Paybles | - | 189.66 | - | 189.66 |
| Lease liability | | 2.87 | 41.16 | 44.03 |
| Other Liabilities | - | 157.21 | 132.84 | 290.05 |
| **Total** | **280.68** | **439.81** | **467.59** | **1,188.08** |

| As at March 31, 2020 | On Demand | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| Borrowings | 268.38 | 88.20 | 340.42 | 697.00 |
| Trade Paybles | - | 185.69 | - | 185.69 |
| Lease liability | - | 2.56 | 43.15 | 45.71 |
| Other Liabilities | - | 166.58 | 134.03 | 300.61 |
| **Total** | **268.38** | **443.03** | **517.60** | **1,229.01** |

# Notes
to Financial Statements for the year ended 31st March, 2021

**40.2 Capital management**

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

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

## 41(a).Fair value of Financial Assets and Liabilities

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

(₹ in Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets designated at fair value through profit or loss** | | | | |
| Investment in Equity Instruments and Mutual Funds | 113.83 | 113.83 | 27.36 | 27.36 |
| Derivative assets | 2.13 | 2.13 | - | - |
| **Financial Assets designated at amortised cost** | | | | |
| Trade Receivables | 92.20 | 92.20 | 32.67 | 32.67 |
| Security and Other Deposits | 10.62 | 10.62 | 9.35 | 9.35 |
| Loan to Subsidiaries | 262.88 | 262.88 | 263.93 | 263.93 |
| Cash and Cash Equivalents | 6.65 | 6.65 | 4.53 | 4.53 |
| Fixed Deposits with Banks includes interest accrued but not due | 45.92 | 45.92 | 40.58 | 40.58 |
| Other Financial assets | - | - | 1.25 | 1.25 |
| **Total Financial Assets** | **534.23** | **534.23** | **379.67** | **379.67** |
| **Financial Liabilities designated at fair value through profit or loss** | | | | |
| Derivative Liabilities | 3.13 | 3.13 | 17.65 | 17.65 |
| Financial Guarantee Liability | 0.05 | 0.05 | 0.05 | 0.05 |
| **Financial Liabilities designated at amortised cost** | | | | |
| Borrowings (including current maturities) | 664.34 | 664.34 | 697.00 | 697.00 |
| Lease Liabilities | 44.03 | 44.03 | 45.71 | 45.71 |
| Trade Payables | 189.66 | 189.66 | 185.69 | 185.69 |
| Electricity Duty | 131.51 | 131.51 | 132.70 | 132.70 |
| Interest accrued but not due on borrowings | 1.14 | 1.14 | 4.61 | 4.61 |
| Unclaimed Dividend | 1.11 | 1.11 | 1.25 | 1.25 |
| Earnest Money and Security Deposits | 2.32 | 2.32 | 4.38 | 4.38 |
| Liability for Operating and Other Expenses | 121.81 | 121.81 | 110.64 | 110.64 |
| Creditors for Capital Goods | 6.41 | 6.41 | 14.05 | 14.05 |
| Payable to Employees | 21.24 | 21.24 | 13.95 | 13.95 |
| Other Financial Liabilities | 1.33 | 1.33 | 1.33 | 1.33 |
| **Total Financial Liabilities** | **1,188.08** | **1,188.08** | **1,229.01** | **1,229.01** |

Standalone

# Notes
to Financial Statements for the year ended 31st March, 2021

## 41(b). Fair valuation techniques

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

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

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

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

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

### Fair Value hierarchy

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

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

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

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

(₹ in Crore)

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | |
| Investment in Equity Instruments and Mutual Funds | 113.83 | - | 0.35 | 27.36 | - | 0.33 |
| Derivative Assets | - | 2.13 | - | - | - | - |
| **Total Financial Assets** | **113.83** | **2.13** | 0.35 | **27.36** | **-** | **0.33** |
| **Financial Liabilities** | | | | | | |
| Derivative Liabilities | - | 3.13 | - | - | 17.65 | - |
| Financial Guarantee Liability | - | 0.05 | - | - | 0.05 | - |
| **Total Financial Liabilities** | **-** | **3.18** | **-** | **-** | **17.70** | **-** |

During the year ended 31st March, 2021 and 31st March, 2020, there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurements.

# Notes

to Financial Statements for the year ended 31st March, 2021

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy, as at 31st March, 2021 and 31st March, 2020 :

| Particulars | Fair value hierarchy | Valuation technique | Inputs used |
|---|---|---|---|
| **Financial Assets** | | | |
| Derivative Assets | | | |
| - Forward Contracts | Level 2 | Market valuation techniques | Forward foreign currency exchange rates, interest rates to discount future cash flow |
| Unquoted Equity Instruments | Level 3 | Net asset value | Net asset value based latest available financial statements. |
| **Financial Liabilities** | | | |
| Derivative Liabilities | | | |
| - Interest rate and cross currency swaps | Level 2 | Market valuation techniques | Prevailing/forward interest rates in market, interest rates to discount future cash flow |
| Financial Guarantee Liability | Level 2 | Discounted cash flow of probable cash shortfall | Risk free rate of return as provided by Fixed Income Money Market and Derivatives Association of India (FIMMDA), ICRA transition matrix |

## 41(c). Derivative Instruments

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

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Nos. | US Dollar equivalent (in Crore) | INR equivalent (in Crore) | Nos. | US Dollar equivalent (in Crore) | INR equivalent (in Crore) |
| Forward Contracts | 63 | 1.38 | 101.44 | 120 | 3.64 | 274.78 |
| Cross Currency Swap | 2 | 0.32 | 23.57 | 3 | 0.82 | 62.16 |

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

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Loans Payable | Payable for import of goods | Loans Payable | Payable for import of goods |
| US Dollar (in Crore) | 3.80 | 1.14 | 3.46 | 0.15 |
| NOK (in Crore) | - | - | - | 0.06 |
| INR (in Crore) | 279.52 | 84.05 | 261.07 | 11.96 |

## 42. Disclosure pursuant to Indian Accounting Standard 12 - Income Taxes

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

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Profit Before Taxes (Accounting Profit) | 227.39 | (93.96) |
| Applicable tax rate (as enacted by the relevant Finance Act) | 34.944% | 34.944% |
| Computed tax expense | 79.46 | (32.83) |
| **Increase/(reduction) in the aforesaid computed tax expense on account of:** | | |
| Tax holiday u/s 80-IA | (22.12) | - |
| Dividend, being exempt from tax | (0.60) | (0.38) |
| Profit on sale of Property, Plant & Equipment (Net), not taxable | (0.16) | 1.07 |
| Expenses not deductible | 2.33 | 4.89 |
| Earlier year tax adjustments | - | (1.69) |
| Deduction u/s 80G | 1.48 | - |
| Deferred tax related adjustments (including impact on deferred tax for the year due to change in applicable tax rate) | - | 1.56 |
| **Income tax expense (Current tax + Deferred tax)** | **60.39** | **(27.38)** |

Standalone

# Notes
to Financial Statements for the year ended 31st March, 2021

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

(₹ in Crore)

| Particulars | Property, plant and equipment and investment property | Intangible assets | Financial assets at FVTPL | Defined benefit plan/ Other long term benefits | Others | Total |
|---|---|---|---|---|---|---|
| **As at 1st April 2019** | **101.66** | **0.45** | **(1.36)** | **(5.45)** | **(8.57)** | **86.73** |
| Charged /(credited) | | | | | | - |
| - to profit or loss | (3.61) | (0.25) | (8.26) | (4.29) | (7.34) | (23.75) |
| - to other comprehensive income | - | - | - | (1.94) | - | (1.94) |
| **As at 31st March, 2020** | **98.05** | **0.20** | **(9.62)** | **(11.68)** | **(15.91)** | **61.04** |
| Charged/(credited) | | | | | | |
| - to profit or loss | (3.17) | (0.20) | 5.92 | 5.09 | 6.59 | 14.23 |
| - to other comprehensive income | - | - | - | (0.25) | - | (0.25) |
| **As at 31st March, 2021** | **94.88** | **-** | **(3.70)** | **(6.84)** | **(9.32)** | **75.02** |

## 43. Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

### (a) Defined Contribution Plan:

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

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Employer's contribution towards: | | |
| - Provident Fund | 4.00 | 4.00 |
| - Employee Pension Scheme | 2.98 | 3.01 |
| - Employee State Insurance | 0.87 | 0.96 |
| - Superannuation Fund | 0.98 | 1.14 |

### (b) Defined Benefit Plan:

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

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Insurance Companies.

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

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

# Notes
to Financial Statements for the year ended 31st March, 2021

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

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Present Value of obligation | 35.73 | 34.89 | 8.24 | 6.81 |
| Fair value of plan assets | (31.06) | (23.60) | - | - |
| Net (Assets) / liabilities recognised in balance sheet | 4.67 | 11.29 | - | - |
| Non Current | - | - | 6.90 | 5.88 |
| Current | 4.67 | 11.29 | 1.34 | 0.93 |

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

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Present Value of obligation at the beginning of the year | 34.89 | 28.89 | 6.81 | 5.48 |
| Interest Cost | 2.25 | 2.10 | 0.45 | 0.40 |
| Current service cost | 2.31 | 2.31 | 0.58 | 0.48 |
| Past service cost | - | - | - | - |
| Benefits paid | (3.36) | (2.81) | (0.62) | (0.63) |
| Actuarial (gain)/loss on obligation | (0.36) | 4.40 | 1.02 | 1.08 |
| Present value of obligation as at the end of the year | 35.73 | 34.89 | 8.24 | 6.81 |

### (iii) Changes in plan assets:

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Fair Value of plan assets as at the beginning of the year | 23.60 | 24.67 | - | - |
| Return on plan assets | 1.79 | 1.78 | - | - |
| Contributions | 9.06 | - | - | - |
| Benefits paid | (3.35) | (2.79) | - | - |
| Actuarial gain/ (loss) on plan assets | (0.04) | (0.06) | - | - |
| Fair value of plan assets as at the end of the year | 31.06 | 23.60 | - | - |

### (iv) Recognised in profit and loss

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Current service cost | 2.31 | 2.31 | 0.58 | 0.48 |
| Past service cost | - | - | | |
| Net Interest cost | 0.46 | 0.32 | 0.45 | 0.40 |

# Notes
to Financial Statements for the year ended 31st March, 2021

### (v) Recognised in Other comprehensive Income

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Remeasurement actuarial gain/(loss) | (0.70) | (5.54) |

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

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Discount rate per annum compounded | 6.81% | 6.77% | 6.81% | 6.77% |
| Rate of increase in salaries | 5.00% | 5.00% | 5.00% | 5.00% |
| Rate of return on plan assets | 6.81% | 6.77% | - | - |
| Expected average remaining working lives of employees (years) | 14.82 | 15.22 | 14.97 | 15.34 |
| Withdrawal rates | 4.00% | | | |
| Mortality table | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate |

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

### (vii) Risk exposure

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

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

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

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

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

# Notes

to Financial Statements for the year ended 31st March, 2021

## (viii) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions are as follows:-

(₹ in Crore)

| Particulars | Change in assumption | Effect on Gratuity obligation - Funded | Effect on Gratuity obligation- Unfunded |
|---|---|---|---|
| **For the year ended 31st March, 2020** | | | |
| Discount rate | +1% | (1.65) | (0.39) |
| | -1% | 1.85 | 0.44 |
| Salary rate | +1% | 1.96 | 0.49 |
| | -1% | (1.78) | (0.43) |
| Attrition rate | +1% | 0.23 | 0.05 |
| | -1% | (0.25) | (0.05) |
| **For the year ended 31st March, 2021** | | | |
| Discount rate | +1% | (1.66) | (0.47) |
| | -1% | 1.87 | 0.53 |
| Salary rate | +1% | 1.99 | 0.58 |
| | -1% | (1.81) | (0.52) |
| Attrition rate | +1% | 0.19 | 0.06 |
| | -1% | (0.21) | (0.07) |

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

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

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

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

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

### (c) Other Long Term Employee Benefit :

During the year, the Company based upon discussion with the Actuary has classified its employees compensated absence policy as other long term employees benefit plan instead of defined benefit plan being followed hitherto. The Company accordingly has recognised the actuarial gains and losses in the Statement of Profit and Loss in the current year and reclassified the comparative financial information included in these standalone financial statements. Due to this change the actuarial losses amounting to ₹ 0.19 Crore earlier recognised in Other Comprehensive Income (OCI) (net of tax) now have been reclassified to the Statement of Profit and Loss and therefore there is an increase in employee benefit expense by ₹ 0.29 Crore and increase in deferred tax liabilities by ₹ 0.10 Crore in the Statement of Profit and Loss , OCI increased by ₹ 0.19 Crore and EPS decreased by ₹ 0.07 for the year ended 31st March, 2020. There is no impact on the retained earnings balance as at opening date of the comparative period i.e 1st April 2019.

**Standalone**

# Notes

to Financial Statements for the year ended 31st March, 2021

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

### (a) Names of Related Parties :

| | | | |
|---|---|---|---|
| **(i)** | **Parent Entity** | | **Country of Origin** |
| | B. Panda Trust (through Mr. Subhrakant Panda, Trustee) | | India |
| **(ii)** | **Subsidiaries** | | **Country of Origin** |
| | 1 | Utkal Coal Ltd. | India |
| | 2 | IMFA Alloys Finlease Ltd. | India |
| | 3 | Utkal Green Energy Ltd. (struck off by the Register of Companies and dissolved w.e.f 26th October, 2020) | India |
| | 4 | Indmet Mining Pte. Ltd. | Singapore |
| | 5 | PT. Sumber Rahayu Indah [Subsidiary of Indmet Mining Pte. Ltd.] | Indonesia |
| **(iii)** | **Associate** | | |
| | Ferro Chrome Producers Association (registered under Section 8 of the Act) | | India |
| **(iv)** | **Key Management Personnel (KMP)** | | |
| | **Name** | | **Designation** |
| | 1 | Major Rabinarayan Misra (Retd.) | Non-Executive Chairman |
| | 2 | Mr. Baijayant Panda | Vice Chairman |
| | 3 | Mr. Subhrakant Panda | Managing Director |
| | 4 | Mr. Jayant Kumar Misra | Director (Corporate) & COO |
| | 5 | Mr. Chitta Ranjan Ray | Whole Time Director |
| | 6 | Mr. Nalini Ranjan Mohanty | Non-Executive Independent Director |
| | 7 | Mr. Sudhir Prakash Mathur | Non-Executive Independent Director |
| | 8 | General Shankar Roychoudhury (Retd.) | Non-Executive Independent Director |
| | 9 | Mr. Bijoy Kumar Das | Non-Executive Independent Director |
| | 10 | Mrs. Latha Ravindran (w.e.f 23rd July, 2020) | Non-Executive Independent Director |
| | 11 | Mr. Stefan Georg Amrein | Non-Executive Non-Independent Director |
| | 12 | Mr. Prem Khandelwal | CFO & Company Secretary |
| **(v)** | **Close family members of KMP** | | |
| | 1 | Mrs. Jagi Mangat Panda - Wife of Mr. Baijayant Panda. | |
| | 2 | Mrs. Shaifalika Panda - Wife of Mr. Subhrakant Panda. | |
| | 3 | Mrs. Nivedita Ganapathi - Sister of Mr. Baijayant Panda and Mr. Subhrakant Panda. | |
| | 4 | Ms. Paramita Panda - Sister of Mr. Baijayant Panda and Mr. Subhrakant Panda. | |
| **(vi)** | **Other entities with whom transactions have taken place during the year** | | |
| | 1 | UMSL Ltd. | Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP |
| | 2 | Esquire Realtors Pvt. Ltd. | |
| | 3 | Kishangarh Environmental Development Action Pvt. Ltd. | |
| | 4 | Odisha Television Ltd. | |
| | 5 | Saisha Foundation | |
| | 6 | Rutayan Ila Trust | |
| | 7 | Bansidhar & Ila Panda Foundation | |
| | 8 | Utkal Charitable Trust | |
| | 9 | Indian Metals Public Charitable Trust | |
| | 10 | Raila Enterprises Pvt. Ltd. | |
| | 11 | Barabati Realtors Pvt. Ltd. | |
| | 12 | Nuvion Consulting | |

# Notes

to Financial Statements for the year ended 31st March, 2021

## (b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous years)

(₹ in Crore)

| Sl. No. | Nature of Transactions | Parent entity | Subsidiaries | KMP | Close family members of KMP | Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP |
|---|---|---|---|---|---|---|
| 1 | Dividend Paid | 4.18 | - | 0.19 | 0.19 | 0.00 |
| | | (6.96) | (-) | (0.49) | (0.16) | (0.30) |
| 2 | Dividend Received | - | 1.73 | - | - | - |
| | | (-) | (1.04) | (-) | (-) | (-) |
| 3 | Purchase of Raw Material and Stoers | - | - | - | - | 0.06 |
| | | (-) | (-) | (-) | (-) | (-) |
| 4 | Sale of Goods | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (0.005) |
| 5 | Services Received | - | - | 0.52 | 0.01 | 86.65 |
| | | (-) | (-) | (0.38) | (0.01) | (89.71) |
| 5 | Service Rendered | - | - | - | - | 0.13 |
| | | (-) | (-) | (-) | (-) | (0.16) |
| 6 a. | Remuneration | - | - | 7.58 | 0.49 | - |
| | | (-) | (-) | (7.91) | (0.54) | (-) |
| 6 b. | Gratuity and Leave Encashment | - | - | 7.57 | 0.14 | - |
| | | (-) | (-) | (6.84) | (-) | (-) |
| 7 | Sitting Fees | - | " - | 0.04 | - | - |
| | | (-) | (-) | (0.04) | (-) | (-) |
| 8 | Donations Given | - | - | - | - | 1.88 |
| | | (-) | (-) | (-) | (-) | (4.57) |
| 9 | Corporate Social Responsibility expenses | - | - | - | - | 6.10 |
| | | (-) | (-) | (-) | (-) | (2.79) |
| 10 | Lease rentals paid | - | 3.96 | - | - | - |
| | | (-) | (3.98) | (-) | (-) | (-) |
| 11 | Loan Given | - | 0.14 | - | - | - |
| | | (-) | (0.23) | (-) | (-) | (-) |
| 12. | Loan repayment received | - | 0.93 | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| 13 | Reimbursement of Expenses | - | - | - | - | 0.03 |
| | | (-) | (-) | (-) | (-) | (-) |
| 14 a | Outstanding balances as at 31st March, 2021. | | | - | | |
| | a. Receivables | - | 262.88 | 0.11 | - | 0.05 |
| | b. Payables | - | 29.32 | 1.12 | 0.05 | 7.90 |
| | c. Guarantees given | - | - | - | - | 12.13 |
| 14 b | Outstanding balances as at 31st March, 2020 : | | | - | | |
| | a. Receivables | - | 263.93 | - | - | 0.01 |
| | b. Payables | - | 29.72 | 0.50 | 0.17 | 25.95 |
| | c. Guarantees given | - | - | - | - | 12.50 |

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

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

**Standalone**

# Notes

to Financial Statements for the year ended 31st March, 2021

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

1 Dividend received from IMFA Alloys Finlease Limited ₹ 1.73 Crore (Previous Year : ₹ 1.04 Crore).

2 Services Received includes services from UMSL Ltd. ₹ 81.35 Crore.(Previous Year : ₹ 82.24 Crore)

3 Services Rendered includes services to UMSL Ltd. ₹ 0.13 Crore.(Previous Year : ₹ 0.16 Crore).

4 Purchase of Raw materials and stores from UMSL Ltd ₹0.06 Crore (Previous Year : ₹ Nil).

5 Remuneration includes amount paid to Mr. Baijyant Panda ₹ 2.30 Crore (Previous Year : ₹ 2.30 Crore) , Mr. Subhrakant Panda ₹ 2.80 Crore (Previous Year : ₹ 2.97 Crore), Mr. Jayant Kumar Misra ₹ 1.09 Crore (Previous Year : ₹ 1.17 Crore), Mr. Chitta Ranjan Ray ₹ 0.68 Crore (Previous Year : ₹ 0.71 Crore), Mr. Prem Khandelwal ₹ 0.71 Crore (Previous Year : ₹ 0.76 Crore),

6 Donations includes amount given to Bansidhar & Ila Panda Foundation ₹ 1.78 Crore (Previous year : ₹ 3.97 Crore) and Indian Metals and Public charitable trust ₹ 0.10 Crore (Previous Year : ₹ 0.60 Crore).

7 Corporate Social Responsibility Expenses include amount given to Bansidhar & Ila Panda Foundation of ₹ 5.90 Crore.(Previous year : ₹ 2.79 Crore) and Indian Metals and Public charitable trust ₹ 0.20 Crore (Previous Year : Nil).

8 Lease rentals paid to IMFA Alloys Finlease Limited amounted ₹ 3.96 Crore.(Previous year : ₹ 3.98 Crore).

9 Loan given includes amount paid to Utkal Coal Limited ₹0.14 Crore (Previous Year : ₹ 0.22 Crore)

10 Loan repayment received includes amount from Utkal Coal Limited ₹0.93 Crore (Previous Year : ₹ Nil).

11 Guarantee provided to Bank for loan availed by Bansidhar & Ila Panda Foundation for Loan availed ₹ 12.13 Crore (Previous Year : ₹ 12.50 Crore).

**d) Compensation to Key Management Personnel**

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

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Short-term employee benefits | 7.62 | 7.94 |
| Post-employment benefits | 7.57 | 6.84 |
| | 15.19 | **14.78** |

**45.** The Company holds 79.2% equity in Utkal Coal Ltd (UCL), as SPV which was allotted the Utkal 'C' coal block that was subsequently cancelled by virtue of an order of the Hon'ble Supreme Court. Litigation pertaining to compensation for leased land was finally dropped after the Central Government reinitiated the auction process. However, the allotment to a State PSU was annulled after it failed to execute the pertinent agreement. While the coal block was then considered for fresh auction once again, it has not been included in the latest list issued by the Nominated Authority and apparently will be awarded through an allotment process. Meanwhile, the Company has filed a petition in the Hon'ble Delhi High Court in March 2020 praying for early determination and payment of compensation which is being heard. Hence, UCL is hopeful of receiving compensation amount pending which no accounting adjustments have been made in its books of accounts; therefore, no provision is considered necessary against the Company's net exposure in UCL as at 31st March, 2021 amounting to ₹ 111.42 Crore equity and ₹ 262.88 Crore unsecured loan.

**46.** In view of the circumstances detailed above in Note No. 45 and considering the probability that the Company will collect the consideration to which it is entitled to, with effect from 1st October, 2014, the Company had postponed recognition of income from interest on unsecured loan given to UCL. The interest income would be considered as revenue in the year of settlement of compensation.

**47.** Disputes between the Company and Grid Corporation of Orissa Ltd. ("GRIDCO") relating to methodology for billing of power, wheeling of power, back-up power drawn during period of grid disturbance etc. were settled in favour of the Company vide a unanimous award of an Arbitral Tribunal 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

# Notes

to Financial Statements for the year ended 31st March, 2021

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

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

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

On the principles of prudence, the Company fully provided for Electricity Duty @ 20 paise per unit in it's books of account, on accrual basis till September, 2015. Subsequent to the Department of Energy, Government of Odisha's Notification No. 8309 dated 1st October 2015, wherein the amended rate of Electricity Duty for a Captive Power Generator was specified at par with that of a Licensee, the Company is paying the applicable duty @ 30 paise per unit to the Government of Odisha with effect from October, 2015. Further, Department of Energy, Government of Odisha vide notification No. 3442 dated 12th May, 2017 has enhanced the rate of Electricity Duty from 30 paise to 55 paise per unit for a Captive Power Generator and the Company continues to pay the enhanced duty.

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

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

**Standalone**

# Notes

to Financial Statements for the year ended 31st March, 2021

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

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| i) | Gross amount required to be spent by the Company during the year | 2.19 | 4.98 |
| ii) | Amount approved by the Board during the year | 10.12 | 5.09 |
| iii) | Amount spent during the year on | | |
| | - Construction / acquisition of any property, plant and equipment | - | - |
| | - On purposes other than the above | 6.21 | 5.09 |
| | | 6.21 | **5.09** |
| iv) | Details of Related Party Transactions: | | |
| | - Contribution during year | 6.10 | 2.79 |
| | - Payable as at the end of the year | 0.16 | 0.70 |

## 53. Disclosure under Ind AS 115 Revenue from Contracts with Customers

### (i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2021 by offerings and contract-type.

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Type of product | | |
| Ferro Chrome | 1,806.23 | 1,558.04 |
| Fly Ash Bricks | 1.46 | 2.52 |
| Low Density Aggregate | 0.04 | 0.18 |
| **Total** | **1,807.73** | **1,560.74** |

### Total revenues from contracts with customers

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Revenue from Customers based in India | 102.44 | 109.60 |
| Revenue from Customers based outside India | 1,705.29 | 1451.14 |
| **Total** | **1,807.73** | **1,560.74** |

### Sale by performance obligations

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Upon delivery | 635.39 | 578.96 |
| Upon shipment | 1,172.34 | 981.78 |
| **Total** | **1,807.73** | **1,560.74** |

### Timing of Revenue Recognition

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Revenue of goods transferred to customers at a point in time | 1,807.73 | 1,560.74 |
| Revenue of goods transferred to customers over time | - | - |
| **Total** | **1,807.73** | **1,560.74** |

# Notes
to Financial Statements for the year ended 31st March, 2021

**(ii) Trade receivables and Contract Balances**

The company clasifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no 13 & 28 respectively.

The revenue recognised during the year ended 31st March, 2021 includes revenue against advances from customers amounting to ₹ 1.44 Crore at the beginning of the year.

**(iii) Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and the explanation as to when the Company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2021 is Nil.

## 54. Changes in liabilities arising from financing activities

(₹ in Crore)

| | | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| **(i)** | **Long Term Borrowings** | | |
| | Opening balance | 428.62 | 506.74 |
| | Amount borrowed during the year | 7.97 | 40.00 |
| | Amount repaid during the year | (55.19) | (119.49) |
| | Amortised cost adjustment | 2.26 | 1.37 |
| | Foreign exchange difference | - | - |
| | **Closing balance** | **383.66** | **428.62** |
| **(ii)** | **Lease obligations:** | | |
| | Opening Balance | 45.71 | 30.37 |
| | Additions | 1.06 | 17.39 |
| | Finance cost accrued during the year | 4.19 | 4.25 |
| | Payment for Leases | (6.93) | (6.30) |
| | **Closing balance** | **44.03** | **45.71** |
| **(iii)** | **Short-term borrowings** | | |
| | Opening balance | 268.38 | 258.80 |
| | Amount borrowed / (repaid) during the year (net) | 14.32 | (1.36) |
| | Foreign Exchange difference | (2.02) | 10.94 |
| | **Closing balance** | **280.68** | **268.38** |

## 55. Leases

The Company has applied Ind AS 116 - Leases using the modified retrospective approach effective from 1st April, 2019.

**The following is the movement of lease liabilities for the year ended 31st March, 2021**

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Opening Balance | 45.71 | 30.37 |
| Additions | 1.06 | 17.39 |
| Finance cost accrued during the year | 4.19 | 4.25 |
| Payment for leases | (6.93) | (6.30) |
| **Closing balance** | **44.03** | **45.71** |

**Standalone**

# Notes
to Financial Statements for the year ended 31st March, 2021

### Maturity analysis of lease liabilities

### Maturity analysis – contractual discounted cash flows

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Less than one year | 2.87 | 2.56 |
| One to five years | 6.93 | 7.09 |
| More than five years | 34.23 | 36.06 |
| **Total discounted lease liabilities at 31st March, 2021** | **44.03** | **45.71** |

### Discounted Cash flows

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Current | 2.87 | 2.56 |
| Non-Current | 41.16 | 43.15 |
| **Lease liabilities as at 31st March, 2021** | **44.03** | **45.71** |

Rental expenses recorded as short-term leases under Ind AS 116, during the year ended 31st March, 2021 is ₹ 18.51 Crore. (Previous year : ₹ 14.01 Crore)

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Short term leases | 18.51 | 14.01 |
| Lease of low value assets | - | - |
| **Total** | **18.51** | **14.01** |

The incremental borrowing rate of 9% p.a. to 9.9% p.a. has been applied to lease liabilities recognised in the Standalone Balance Sheet.

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

(₹ in Crore)

| Particulars | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| (a) Impairment loss on investment in Equity Shares of the subsidiaries namely Utkal Green Energy Limited (UGEL) and write off of investment in Utkal Power Limited (UPL) for the year ended 31st March, 2020 | | - | 1.73 |
| (b) Investment in Utkal Green Energy Limited (UGEL) "a subsidiary" written off during the year | 1.06 | | |
| Less: Impairment loss allowances already made | (1.06) | - | - |
| | | - | **1.73** |

# Notes

to Financial Statements for the year ended 31st March, 2021

**57.** The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc. as well as liabilities accrued. The Company has further evaluated the impact of COVID–19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers and (ii) termination or deferment of contracts by customers. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same. However, the Company is closely monitoring the situation for any future impact.

**58 (a).** Pursuant to an amendment vide Odisha Electricity Regulation Commission (OERC) Notification No. OERC/RA/RE-5/2013 dated 31st December 2019 and subsequent OERC order dated 11th September, 2020, the Company has recognised ₹ 4.50 Crore during the year towards credit available for excess renewable energy certificates (REC) due to reduction in renewable power obligation.

**58 (b)** There was a major breakdown in one furnace at Therubali which resulted in a shutdown for about 4 months. An insurance claim was lodged against material damage and Business Interruption loss, and the Company has received ₹ 24.64 Crore towards settlement of the claim which has been accounted for as other income during the current financial year.

**59.** The Company has taken necessary steps for surrender of Nuasahi Chromite Mines. Consequently, the total assets amounting to ₹ 2.21 Crore which are no more usable by the Company have been written off during the financial year 2020-21. Against this write off, there was impairment provision of ₹ 2.63 Crore has been created in financial year 2019-20; thus the excess provision of ₹0.42 Crore has been reversed.

**60.** The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contributions by the company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India however, the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective, if any.

**61.** The Board of Directors of the Company has declared interim dividend of ₹ 3/- per share (face value of ₹ 10/- each) for the financial year 2020-21 in its meeting held on 9th February, 2021. The Board of Directors of the Company has proposed dividend of ₹ 7/- per share (face value of ₹ 10/- each) for the financial year 2020-21 in its meeting held on 9th June, 2021.

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

Consolidated

# Independent Auditor's Report

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

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **INDIAN METALS AND FERRO ALLOYS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2021, the Consolidated profit including other comprehensive income, their Consolidated cash flows and the Consolidated changes in equity for the year then ended.

### Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements'* section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

### Material Uncertainty Related to Going Concern

We draw attention to the following "Material Uncertainty Related to Going Concern" paragraph to the Independent Auditor's report dated 5th June, 2021 on the separate financial statements of Utkal Coal Limited, a subsidiary of the Company, for the financial year ended 31st March, 2021 reproduced by us as under -

"As more fully explained in Note 19 to the separate financial statements of subsidiary and Note 41 to the consolidated Ind AS financial statements which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern."

The Opinion of the auditor of the said company is not modified in respect of this matter. Our opinion is also not modified in respect of this matter.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Ind AS financial statements:

a) Note No. 41 to the Consolidated Ind AS financial statements relating to the Company's exposure in a subsidiary and non-recognition of income from interest on unsecured loan given to the subsidiary, respectively. These matters have arisen out of the cancellation of allotment of the coal block being held by the subsidiary vide the Hon'ble Supreme Court of India's Order dated 24th September,2014 and the subsequent events in connection therewith.

b) Note NO.59 to the Consolidated IND AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations, recoverability of receivables and other assets and management's evaluation of the future performance of the Group. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter Description | How the matter was addressed |
|---|---|
| **A. Evaluation of uncertain tax Positions (as described in Note 37A to the Consolidated Ind AS financial statements)**<br><br>The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. | Our Procedures included, but were not limited to, the following :<br><br>• We obtained details of completed tax assessments and demands till the year ended March 31, 2021 from the management.<br><br>• We involved our internal experts to evaluate the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.<br><br>• Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.<br><br>• We discussed with management's tax team to understand the status of all significant provisions, and any changes to management's judgements in the year.<br><br>• We read correspondence with tax authorities and Company's external tax advisors/lawyers to evaluate our assessment of recorded estimates and evaluate the completeness of the provisions recorded and whether any change was required to management's position on these uncertainties.<br><br>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone Ind AS financial statements. |
| **B. Pending litigations including litigation for electricity duty and excess extraction of minerals (as described in Note 37A (b), 43,44 and 45 to the Consolidated Ind AS financial statements)**<br><br>The Holding Company is subject to number of claims and litigations mainly related to excess extraction of minerals, differential stamp duty & registration fee and electricity duty which is pending at different adjudication authorities and Courts. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty about the outcome. | Our Procedures included, but were not limited to, the following :<br><br>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof;<br><br>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;<br><br>• Performed substantive procedures including tracing from underlying documents / communications from the respective authorities and recomputation of the amounts involved;<br><br>• Assessed management's conclusions through discussions held with their in-house experts and understanding precedents in similar cases;<br><br>• Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities/courts; and<br><br>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone Ind AS financial statements. |

## Information other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Board of Directors including annexures to Board's Report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Management and Those Charged with Governance for the Consolidated Ind AS financial Statements

The Holding Company's Board of Directors is responsible in terms of the requirements of the Companies Act, 2013 for the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's responsibility for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) and (b) of the section titled "Other Matters" in this audit report.

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

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

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

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

## Other Matters

a) We did not audit the financial statements of four subsidiaries included in the Consolidated Ind AS financial statements, whose annual financial statements and other financial information reflect total assets of ₹ 477.09 Crore as at March 31, 2021, total revenue of ₹ 2.86 Crore, total net profit after tax of ₹ 1.68 Crore and total comprehensive income of ₹ 1.68 Crore and net cash outflow of ₹ 0.10 Crore for the year ended on that date, as considered in the consolidated Ind AS Financial Statement. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

b) The Consolidated audited Ind AS Financial Statement include total assets of ₹ 62.34 Crore as at March 31, 2021, total revenues of ₹ 0.00 Crore (₹ 23 thousands), total net loss after tax of ₹ 0.33 Crore and total comprehensive income of ₹ -0.33 Crore, and net cash outflow of ₹0.34 Crore for the year ended on that date, as considered in the consolidated Ind AS Financial Statement in respect of two subsidiaries included in above paragraph which are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is solely based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

## Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the subsidiaries, referred to in the Other Matters section above we report, to the extent applicable that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books, and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    (e) The matters described in the 'Material Uncertainty Related to Going Concern' and in the in para (a) of 'Emphasis of Matter' paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group.

**Consolidated**

(f) On the basis of written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies of its subsidiary companies incorporated in India, none of the directors of Group companies incorporated in India, is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements has disclosed the impact of pending litigations on the financial position of the Group- Refer Note 37, 43, 44 and 45 to the Consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanation given to us and based on the consideration of reports of statutory auditors of the subsidiary companies incorporated in India, the managerial remuneration for the year ended 31st March, 2021 has been paid/provided by Holding Company, its subsidiary companies incorporated in India to their directors in accordance with the provisions of section 197 read with schedule V to the Act.

For **SCV & Co. LLP**
Chartered Accountants
Firm Registration No. 000235N/N500089

**(Rajiv Puri)**
Partner
Membership No. 084318
ICAI UDIN: 21084318AAAACY4719

Place: New Delhi
Dated: 9th June, 2021

# Annexure "A" To the Independent Auditor's Report

**Annexure referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.**

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

We have audited the internal financial controls over financial reporting of **INDIAN METALS AND FERRO ALLOYS LIMITED** (the "Holding Company" or the 'Company") and its subsidiaries which are companies incorporated in India as of 31st March, 2021 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary companies' which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **SCV & Co. LLP**
Chartered Accountants
Firm Registration No. 000235N/N500089

**(Rajiv Puri)**
Partner
Membership No. 084318
ICAI UDIN: 21084318AAAACY4719

Place: New Delhi
Dated: 9th June, 2021

Consolidated

# Consolidated Balance Sheet

as at 31st March, 2021

(₹ in Crore)

| | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **A. ASSETS** | | | |
| **1. Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 2(a) | 939.29 | 994.03 |
| (b) Right of Use Assets | 2(b) | 185.11 | 190.10 |
| (c) Capital Work-in-Progress | 2(a) | 247.95 | 263.97 |
| (d) Investment Property | 3 | 10.09 | 10.37 |
| (e) Goodwill | | 20.50 | 20.50 |
| (f) Other Intangible Assets | 4 | - | 0.86 |
| (g) Investments in Associate | 5 | - | - |
| (h) Financial Assets | | | |
| (i) Investments | 6 | 0.35 | 0.33 |
| (ii) Loans | 7 | 10.64 | 9.37 |
| (iii) Other Financial Assets | 8 | 2.88 | 2.24 |
| (i) Non-Current Tax Assets (Net) | | 18.27 | 40.83 |
| (j) Other Non-Current Assets | 9 | 205.39 | 195.88 |
| **Total Non-Current Assets** | | **1,640.47** | **1,728.48** |
| **2. Current Assets** | | | |
| (a) Inventories | 10 | 445.33 | 431.55 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 119.39 | 32.43 |
| (ii) Trade Receivables | 12 | 92.20 | 32.68 |
| (iii) Cash and Cash Equivalents | 13 | 7.46 | 5.36 |
| (iv) Bank balances other than (iii) above | 14 | 42.90 | 37.80 |
| (v) Other Financial Assets | 15 | 2.36 | 2.25 |
| (c) Other Current Assets | 16 | 191.21 | 143.44 |
| **Total Current Assets** | | **900.85** | **685.51** |
| **Assets classified as held for sale** | 17 | 0.05 | 0.02 |
| **Total Assets** | | **2,541.37** | **2,414.01** |
| **B. EQUITY AND LIABILITIES** | | | |
| **1. Equity** | | | |
| (a) Equity Share Capital | 18(a) | 26.98 | 26.98 |
| (b) Other Equity | 18(b) | 1,214.85 | 1,056.94 |
| **Equity attributable to owners of the Parent** | | **1,241.83** | **1,083.92** |
| (c) Non-Controlling Interest | | 30.47 | 30.59 |
| **Total Equity** | | **1,272.30** | **1,114.51** |
| **2. Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 293.59 | 340.42 |
| (ii) Lease Liabilities | | 12.92 | 14.13 |
| (iii) Other Financial Liabilities | 20 | 132.86 | 134.05 |
| (b) Provisions | 21 | 13.33 | 12.98 |
| (c) Deferred Tax Liabilities (Net) | 22 | 75.08 | 61.05 |
| **Total Non-Current Liabilities** | | **527.78** | **562.63** |
| **3. Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 280.68 | 268.38 |
| (ii) Trade Payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 24 | 10.96 | 16.72 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 24 | 178.38 | 168.66 |
| (iii) Lease Liabilities | | 2.10 | 1.86 |
| (iv) Other Financial Liabilities | 25 | 247.55 | 255.05 |
| (b) Other Current Liabilities | 26 | 12.50 | 12.21 |
| (c) Provisions | 27 | 9.12 | 13.99 |
| **Total Current Liabilities** | | **741.29** | **736.87** |
| **Total Equity and Liabilities** | | **2,541.37** | **2,414.01** |
| Notes to Consolidated Financial Statements | 1 to 61 | | |

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Crore)

| Particulars | Note No. | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| **1. INCOME** | | | |
| (a) Revenue from Operations | 28 | 1,844.23 | 1,611.94 |
| (b) Other Income | 29 | 49.78 | 21.24 |
| **Total Income** | | **1,894.01** | **1,633.18** |
| **2. EXPENSES** | | | |
| (a) Cost of Materials Consumed | 30 | 908.34 | 939.84 |
| (b) Changes in Inventories of Finished Goods and Work-in-Progress | 31 | 27.00 | 0.35 |
| (c) Employee Benefits Expense | 32 | 166.39 | 155.20 |
| (d) Finance Costs | 33 | 54.78 | 96.68 |
| (e) Depreciation and Amortisation Expense | 34 | 104.22 | 104.21 |
| (f) Loss on foreign currency transactions and translations including mark to market valuation (net) | | (9.04) | 18.98 |
| (g) Impairment loss of trade receivables and other financial assets | | - | 17.86 |
| (h) Other Expenses | 35 | 413.86 | 390.84 |
| **Total Expenses** | | **1,665.55** | **1,723.96** |
| **3. Profit/(Loss) before Exceptional Items and Tax** | | 228.46 | (90.78) |
| **4.** Exceptional Items - (Income)/Expense (Net) | | - | - |
| **5. Profit/(Loss) Before Tax** | | 228.46 | (90.78) |
| **6.** Tax Expense: | | | |
| - Current Tax | | 47.20 | 0.75 |
| - Earlier Years' Adjustments | | - | (1.69) |
| - Deferred Tax | | 14.28 | (23.87) |
| **7. Profit/(Loss) After Tax** | | **166.98** | **(65.97)** |
| **8. Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement gains/(losses) on defined benefit plans | | (0.70) | (5.54) |
| - Income tax relating to items that will not be reclassified to profit or loss | | 0.25 | 1.94 |
| Items that will be reclassified to profit or loss | | | |
| - Exchange differences in translating the financial statements of a foreign operation | | (0.10) | 0.06 |
| **9. Total Comprehensive Income for the year (before adjustment for Non-Controlling Interest)** | | **166.43** | **(69.51)** |
| [Comprising profit and other comprehensive income for the year] | | | |
| **10. Profit/(Loss) attributable to :** | | | |
| (a) Owners of the Parent | | 166.55 | (66.49) |
| (b) Non-Controlling Interest | | 0.43 | 0.52 |
| **11. Other Comprehensive Income/(Expense) (net of tax) attributable to :** | | | |
| (a) Owners of the Parent | | (0.55) | (3.54) |
| (b) Non-Controlling Interest | | - | - |
| **12. Total Comprehensive Income/(Expense) after tax attributable to :** | | | |
| (a) Owners of the Parent | | 166.00 | (70.03) |
| (b) Non-Controlling Interest | | 0.43 | 0.52 |
| **13. Earnings per Equity Share of par value of ₹ 10/- each** | | | |
| Basic (in ₹) | 36 | 61.74 | (24.65) |
| Diluted (in ₹) | | 61.74 | (24.65) |
| Notes to Consolidated Financial Statements | 1 to 61 | | |

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

**Consolidated**

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

## A. Equity Share Capital

(₹ in Crore)

| Balance at the beginning | | Changes in equity share capital during the year | | Balance at the end | |
|---|---|---|---|---|---|
| As at 1st April, 2019 | As at 1st April, 2020 | 2019-20 | 2020-21 | As at 31st March, 2020 | As at 31st March, 2021 |
| 26.98 | 26.98 | - | - | 26.98 | 26.98 |

## B. Other Equity and Non-Controlling Interest

(₹ in Crore)

| Particulars | Attributable to the equity shareholders of the Parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Reserves and Surplus | | | | | | | | |
| | Securities Premium Reserve | Capital Redemption Reserve | Special Reserve | General Reserve | Retained Earnings | Exchange differences on translating the financial statements of a foreign operation | Total other equity attributable to owners of the Parent (a) | Non-Controlling Interest (b) | Total other equity (a) + (b) |
| **Balance as at 1st April, 2019** | **168.45** | **0.20** | **2.51** | **276.60** | **667.31** | **28.16** | **1,143.23** | **30.47** | **1,173.70** |
| Profit/(Loss) for the year | - | - | - | - | (66.49) | - | (66.49) | 0.52 | |
| Other comprehensive income (net of tax) | - | - | - | - | (3.60) | 0.06 | (3.54) | - | |
| Final Dividend | - | - | - | - | (13.49) | - | (13.49) | (0.33) | |
| Tax on Dividend | - | - | - | - | (2.77) | - | (2.77) | (0.07) | |
| Transfer from retained earnings to special reserve | - | - | 0.47 | - | (0.47) | - | - | - | |
| **Balance as at 31st March, 2020** | 168.45 | 0.20 | 2.98 | 276.60 | 580.49 | 28.22 | 1,056.94 | 30.59 | 1,087.53 |
| Profit/(Loss) for the year | - | - | - | - | 166.55 | - | 166.55 | 0.43 | |
| Other comprehensive income (net of tax) | - | - | - | - | (0.45) | (0.10) | (0.55) | - | |
| Interim Dividend | - | - | - | - | (8.09) | - | (8.09) | (0.55) | |
| Transfer from retained earnings to special reserve | - | - | 0.41 | - | (0.41) | - | - | - | |
| **Balance as at 31st March, 2021** | **168.45** | **0.20** | **3.39** | **276.60** | **738.09** | **28.12** | **1,214.85** | **30.47** | **1,245.32** |

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities** | | |
| | **Profit before tax** | 228.46 | (90.78) |
| | Adjustments for: | | |
| | Depreciation and Amortisation Expense | 104.22 | 104.21 |
| | Loss/(Profit) on sale/disposal of Property, Plant and Equipment (Net) | (7.35) | 3.08 |
| | Impairment on Property, Plant and Equipment | 6.44 | 2.63 |
| | Write off of Capital-work-in-process | 2.62 | - |
| | Profit on sale of Current Investments | (3.14) | (5.18) |
| | Loss on fair valuation of Current Investments | (0.09) | 5.79 |
| | Unrealised foreign exchange loss | (3.26) | 17.33 |
| | Interest Income | (4.34) | (3.59) |
| | Dividend Income | (0.21) | (0.27) |
| | Finance Costs | 54.77 | 96.67 |
| | Impairment loss of trade receivables and other financial assets | - | 17.88 |
| | Other Operating Revenue | (1.10) | - |
| | Liabilities no longer required written back | (1.26) | (7.21) |
| | **Operating Profit before Working Capital Changes** | **375.76** | **140.56** |
| | Adjustments for: | | |
| | (Increase) / decrease in Trade and other receivables | (126.60) | 48.22 |
| | (Increase) / decrease in Inventories | (13.78) | 113.83 |
| | Increase / (decrease) in Trade payables and other liabilities | (3.60) | (83.06) |
| | **Cash Generated from Operations** | **231.78** | **219.55** |
| | Direct Taxes paid/ (refund) | (24.64) | 0.96 |
| | **Net Cash Generated from Operating Activities** | **207.14** | **220.51** |
| **B.** | **Cash Flow from Investing Activities** | | |
| | Purchase of Property, Plant and Equipment and Capital Work-in-Progress | (35.78) | (95.20) |
| | Proceeds from sale of Property, Plant and Equipment | 10.42 | 2.01 |
| | Purchase of Investments | (538.94) | (246.16) |
| | Sale of Investments | 455.41 | 282.26 |
| | Increase/(decrease) in deposits | 0.21 | 3.55 |
| | Dividend received | - | 0.27 |
| | Interest received | 2.50 | 3.59 |
| | **Net Cash Used in Investing Activities** | **(106.18)** | **(49.68)** |

**Consolidated**

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **C. Cash Flow from Financing Activities** | | |
| Proceeds from Non-current borrowings | 7.97 | 40.00 |
| Repayment of Non-current borrowings | (52.94) | (118.13) |
| Proceeds from/(Repayment) of Current borrowings (net) | 14.32 | (1.35) |
| Repayment of lease liabilities | (1.68) | (2.20) |
| Interest and financing charges paid | (56.79) | (82.58) |
| Interest on lease paid | (1.54) | (1.39) |
| Dividend paid | (8.64) | (13.82) |
| Dividend distribution tax | - | (2.84) |
| **Net Cash Used in Financing Activities** | **(99.30)** | **(182.31)** |
| **Net increase in Cash and Cash Equivalents (A+B+C)** | 1.66 | (11.48) |
| **Cash and Cash Equivalents at the beginning of the year** | 5.36 | 16.44 |
| Effect of Exchange Rate on Translation of Foreign Currency | 0.44 | 0.40 |
| **Cash and Cash Equivalents at the end of the year (refer Note No. 14)** | **7.46** | **5.36** |
| Notes: | | |
| 1. Cash and Cash Equivalents at the end of the year comprises of: | | |
| Cash on hand | 0.67 | 0.70 |
| Balance with Banks: | | |
| - In Current Accounts | 6.79 | 4.66 |
| **Total** | **7.46** | **5.36** |

2. The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
3. Refer Note No. 55 for Changes in liabilities arising from financing activities.
4. Previous year's figures have been rearranged/regrouped to conform to the classification of the current year, wherever considered necessary.

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

**Rajiv Puri**
Partner
Membership No. 084318
Place: New Delhi
Date: 9th June, 2021

**Subhrakant Panda**
Managing Director
(DIN - 00171845)
Place: New Delhi
Date: 9th June, 2021

**Jayant Kumar Misra**
Director (Corporate) & COO
(DIN -00146526)
Place: Bhubaneswar
Date: 9th June, 2021

**Prem Khandelwal**
CFO & Company Secretary
Place: Bhubaneswar
Date: 9th June, 2021

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 1.1 General information

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

The Company, incorporated in 1961, is a leading, fully integrated producer of ferro chrome in India. Located in the State of Odisha known for its natural resources, IMFA is India's largest producer of ferro chrome with 190 MVA installed furnace capacity backed up by 204.55 MW captive power facilities and extensive chrome ore mining tracts. The Company's ferro chrome output is primarily exported to Korea, China, Japan and Taiwan.

The Company together with its subsidiaries is hereinafter referred to as "the Group"

These financial statements were approved for issue by the board of directors of the Company on 9th June, 2021.

## 1.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries. Control is achieved when the Company is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Company re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the Company and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

**Consolidation Procedure:**

a. The financial statements of the Company and it's subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".

b. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange differences on translating the financial statements of foreign subsidiaries are recognised in other comprehensive income and is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

c. Excess of fair value of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the cost of acquisition, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

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

Non-Controlling Interest in the net assets of consolidated subsidiaries consists of:

i. The amount of equity attributable to Non-Controlling Interest at the date on which investment in a subsidiary is made; and

ii. The Non-Controlling Interest's share of movements in equity since the date the parent-subsidiary relationship came into existence.

e. Non-Controlling Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the profit/loss after tax of the Group, in order to arrive at the profit/loss after tax attributable to shareholders of the Company.

f. The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

g. The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2021.

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

| Sl. No. | Name of the Company | Ownership / voting power in % as at | | Principal place of Business/ Country of Incorporation |
|---|---|---|---|---|
| | | 31st March, 2021 | 31st March, 2020 | |
| 1 | Utkal Coal Ltd. | 79.20% | 79.20% | India |
| 2 | IMFA Alloys Finlease Ltd. | 76.00% | 76.00% | India |
| 3 | Utkal Green Energy Ltd. (100% ownership upto 26th October, 2020) (see Note no. 42) | - | 100.00% | India |
| 4 | Indmet Mining Pte. Ltd. | 100.00% | 100.00% | Singapore |
| 5 | PT. Sumber Rahayu Indah [70 % Subsidiary of Indmet Mining Pte. Ltd.] | - | - | Indonesia |

h) The Company has an investment of ₹ 25,000 in 2500 equity shares of ₹ 10/- each of Ferro Chrome Producers Association ("FCPA"), an Associate Company registered under Section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholders by FCPA. Since shareholders of Section 8 companies has no rights either on profit/surplus or to make good losses or deficit of the company, therefore same has not been considered for consolidation.

## 1.3. Significant accounting policies

### 1.3.1 Statement of compliance

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

### 1.3.2 Basis of preparation

#### (i) Historical Cost Convention

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

#### (ii) Fair Value Measurement

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

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

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

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

### (iii) Functional and presentational currency

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

### (iv) Rounding off amounts

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

### (v) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

In particular, following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in consolidated financial statements:

a. Assessment of useful life of property, plant and equipment and intangible asset – refer note 1.3.5

b. Recognition and estimation of tax expense including deferred tax– refer note 53

c. Estimation of obligations relating to employee benefits: key actuarial assumptions – refer note 49

d. Fair value measurement -refer note 1.3.2(ii), & 52

e. Recognition and measurement of provision and contingency-refer note 1.3.17 & 37

f. Estimated impairment of financial assets and non-financial assets- refer note 1.3.12

g. Measurement of Lease liabilities and Right of Use Asset – refer notes 1.3.13, 2(b) & 56

### 1.3.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

### 1.3.4 Revenue recognition

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

a. The Group recognises revenue from sale of goods when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when it no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised net of taxes collected on behalf of third parties.

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

b) Inter unit transfers are adjusted against respective expenses.

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

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

e) Export Incentives are recognised as per schemes specified in foreign Trade Policy, as amended from time to time, on accrual basis in the year when right to receive as per terms of the scheme is established and are accounted to the extent there in no uncertainty about its ultimate collection.

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

### 1.3.5 Property, Plant and Equipment

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

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

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

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date

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

| Asset description | Estimated useful life duly supported by Technical Advice (in years) | Estimated useful life as per Schedule II (in years) |
|---|---|---|
| Furnaces | 8 | 25 |
| Certain items of Continuous Process Plant | 26 – 42 | 25 |
| Railways Sidings | 15 – 26 | 15 |

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

### 1.3.6 Investment Property

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

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

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

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

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

### 1.3.7 Intangible Assets

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

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

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

### 1.3.8 Borrowing Costs

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

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

### 1.3.9 Inventories

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

Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads.

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

### 1.3.10 Financial Instruments

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

#### Financial Assets

**Classification**

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

**Initial recognition and measurement**

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

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

**Financial assets measured at amortised cost**

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

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

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

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

**Cash and cash equivalents**
The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with a maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Derecognition of financial assets**
A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

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

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

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

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

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

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

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

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

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

**Derecognition of financial liabilities**

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

### 1.3.11 Derivative financial instruments

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

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

### 1.3.12 Impairment

**Financial assets**

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

**Non-financial assets**

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

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

### 1.3.13 Leases

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

The Group has applied Ind AS 116 from 1st April, 2019 onwards using the modified retrospective approach.

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

At the date of commencement of the lease, the Group recognises a ROU asset and a corresponding lease liability for all lease arrangements under which

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

it is a lessee, except for short-term leases and low value leases.

For short-term and low value leases are classified as operating leases. Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

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

### 1.3.14 Foreign currency transactions and translations

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

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

### 1.3.15 Employee benefits

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

b) Gratuity liability is defined benefit plans. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements of the net defined benefit liability/asset comprise:

   i) actuarial gains and losses;

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

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

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

c) Compensated absence is other long term employee benefits. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

### 1.3.16 Taxes on Income

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

**Current tax**
Current tax is the amount of tax payable on the taxable income for the year in the relevant jurisdiction.

**Deferred tax**
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination)

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

**Minimum Alternate Tax (MAT)**

MAT Credit is recognised as an asset only when and to the extent that is more likely than not that they will be recovered and that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group 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 Group will pay normal income tax during the specified period.

### 1.3.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised but are disclosed in notes.

### 1.3.18 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to expenses are deducted in reporting the related expense.

### 1.3.19 Non-current assets (or disposal groups) classified as held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

### 1.3.20 Earning Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Parent Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per equity

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

### 1.3.21 Operating Segment

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group. Operating Segment is identified based on the type of products and services, the different risks and returns, and the internal business reporting system.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue /expenses / assets / liabilities".

### 1.3.22 Recent Accounting Pronouncements

**a) New and amended standards adopted by the Company:**

The company has applied the following amendments to Ind AS for the first time for their annual reporting period 1st April, 2020:

i) Definition of Material – amendments to Ind AS 1 and Ind AS 8

ii) COVID-19 related concessions - amendments to Ind AS 116

iii) Interest Rate Benchmark Reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the financial statements.

**b) Standards issued but Not yet effective :**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 2(a). Property, Plant and Equipment and Capital Work-in-Progress

(₹ in Crore)

| Particulars | Tangible Assets - Owned | | | | | | | | | Tangible Assets - Leased | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Buildings | Railway Siding & Runways | Plant and Equipment | Furniture and Fixtures | Computers | Office Equipments | Motor Vehicles | Aircrafts | Land | | |
| **Gross Carrying Amount** | | | | | | | | | | | | |
| **As at 1st April, 2019** | **64.86** | **383.13** | **10.02** | **863.04** | **3.18** | **7.17** | **8.45** | **12.45** | **27.24** | **192.27** | **1,571.81** | **304.44** |
| Additions/Adjustments | 1.16 | 71.35 | 0.45 | 57.14 | 0.85 | 0.55 | 1.74 | 3.46 | 0.37 | - | 137.07 | 112.42 |
| Disposals/Adjustments | - | 0.26 | - | 8.34 | - | 0.02 | 0.07 | 1.13 | 0.10 | - | 9.92 | 152.89 |
| Reclassified as Right of Use Assets on adoption of Ind AS 116 | | | | | | | | | | (192.27) | (192.27) | |
| **As at 31st March, 2020** | **66.02** | **454.22** | **10.47** | **911.84** | **4.03** | **7.70** | **10.12** | **14.78** | **27.51** | **-** | **1,506.69** | **263.97** |
| Additions/Adjustments | - | 28.64 | - | 22.60 | 0.24 | 1.24 | 1.10 | 7.74 | - | - | 61.56 | 61.63 |
| Disposals/Adjustments | - | 0.07 | - | 2.48 | 0.00 | 0.08 | 0.03 | 0.18 | 16.60 | - | 19.44 | 77.65 |
| **As at 31st March, 2021** | **66.02** | **482.79** | **10.47** | **931.96** | **4.27** | **8.86** | **11.19** | **22.34** | **10.91** | **-** | **1,548.81** | **247.95** |
| **Accumulated Depreciation , Amortisation & Impairment** | | | | | | | | | | | | |
| **As at 1st April, 2019** | **-** | **121.76** | **5.63** | **256.03** | **2.12** | **5.74** | **5.65** | **6.98** | **9.96** | **13.79** | **427.66** | **-** |
| Charge for the year | - | 28.23 | 0.75 | 63.08 | 0.62 | 0.91 | 2.02 | 2.21 | 2.41 | - | 100.23 | - |
| Provision for Impairment | - | 2.40 | - | 0.20 | - | - | 0.02 | 0.01 | - | - | 2.63 | |
| Disposals/Adjustments | - | 0.08 | - | 3.00 | - | 0.02 | 0.06 | 0.86 | 0.05 | - | 4.07 | - |
| Reclassified as Right of Use Assets on adoption of Ind AS 116 | - | - | - | - | - | - | - | - | - | (13.79) | (13.79) | |

**Consolidated**

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| Particulars | Tangible Assets - Owned | | | | | | | | | Tangible Assets - Leased | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Buildings | Railway Siding & Runways | Plant and Equipment | Furniture and Fixtures | Computers | Office Equipments | Motor Vehicles | Aircrafts | Land | | |
| **As at 31st March, 2020** | **-** | **152.31** | **6.38** | **316.31** | **2.74** | **6.63** | **7.63** | **8.34** | **12.32** | **-** | **512.66** | **-** |
| Charge for the year | - | 29.69 | 0.65 | 63.18 | 0.49 | 0.63 | 1.60 | 2.20 | 1.65 | - | 100.09 | - |
| Provision for Impairment (net of reversal) | | 5.90 | | 0.53 | - | | (0.01) | 0.02 | | - | 6.44 | - |
| Disposals/Adjustments | - | 0.02 | - | 0.23 | - | 0.05 | 0.02 | 0.15 | 9.20 | - | 9.67 | - |
| **As at 31st March, 2021** | **-** | **187.88** | **7.03** | **379.79** | **3.23** | **7.21** | **9.20** | **10.41** | **4.77** | **-** | **609.52** | **-** |
| **Net Carrying Amount :** | | | | | | | | | | | | |
| **As at 31st March, 2021** | **66.02** | **294.91** | **3.44** | **552.17** | **1.04** | **1.65** | **1.99** | **11.93** | **6.14** | **-** | **939.29** | **247.95** |
| **As at 31st March, 2020** | **66.02** | **301.91** | **4.09** | **595.53** | **1.29** | **1.07** | **2.49** | **6.44** | **15.19** | **-** | **994.03** | **263.97** |

1. CSR assets under 'Property, Plant and Equipment' are as follows.

(₹ in Crore)

| | Buildings | Plant and Equipment | Motor Vehicles | Total |
|---|---|---|---|---|
| Gross Carrying Amount | 9.43 | 1.57 | 0.05 | 11.05 |
| Accumulated Depreciation | 3.27 | 0.89 | 0.03 | 4.19 |
| Provision for Impairment | 6.16 | 0.68 | 0.02 | 6.86 |
| Net Carrying Amount | - | - | - | - |

2. Capital Work-in-Progress includes ₹ Nil (Previous Year : ₹0.14 Crore) relating to CSR assets.

3. Borrowing costs capitalised during the year ₹ 0.87 Crore (Previous Year : ₹ 1.62 Crore).

4. Refer Note No. 21.1 for information on property, plant and equipment pledged as security by the Company.

5. Depreciation and Amortisation amounting to ₹ 3.28 Crore (Previous Year : ₹ 3.28 Crore) has been transferred to Capital Work-in-Progress.

6(a). Provision for impairment created on CSR assets of ₹ 6.86 Crore and reversal of impairment of ₹0.42 Crore which was created last year on the assets located at Nuasahi Mines.(Previous Year : 2.63 Crore).

6 (b). Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rule, 2021 ("the Rules"), the Company intends to transfer its CSR capital assets created in earlier years to its social development arm i.e. Bansidhar and Ila Panda Foundation (BIPF), a Charitable Trust for carrying out CSR activities. The Transfer will be undertaken upon obtaining the required approvals from the Government of Odisha for transfer of land in favour of BIPF. Provision for impairment has been made of ₹ 6.86 Crore on the carrying amount of the CSR assets in the financial statements because the Company will not be able to recover the carrying amount of the CSR assets from its Trust in any form.

7. The title deeds of freehold land amounting to ₹0.02 Crore recorded as 'property, plant & equipment' in the books of account of the Company are held in the name of an erstwhile subsidiary of the company, which has amalgamated with the company.

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 2 (b). Right of Use Assets

(₹ in Crore)

| Particulars | Leasehold Land | Building | Other Equipments | Total |
|---|---|---|---|---|
| Gross Block | | | | |
| **As at 1st April, 2019 (Reclassified as Right of Use Assets on adoption of Ind AS 116 (refer Note No. 2(a))** | **192.27** | **-** | **-** | **192.27** |
| Transition impact on adoption of Ind AS 116 | 5.44 | 11.94 | 0.31 | 17.69 |
| Additions / Adjustments | - | - | - | - |
| Deductions / Adjustments | - | - | - | - |
| **As at 31st March, 2020** | **197.71** | **11.94** | **0.31** | **209.96** |
| Additions / Adjustments | 0.23 | 1.06 | - | 1.29 |
| Deductions / Adjustments | - | - | - | - |
| **As at 31st March, 2021** | **197.94** | **13.00** | **0.31** | **211.25** |
| Accumulated Depreciation & Amortisation | | | | |
| **As at 1st April, 2019 (Reclassified as Right of Use Assets on adoption of Ind AS 116 (refer Note No. 2(a))** | **13.79** | **-** | **-** | **13.79** |
| Transition impact on adoption of Ind AS 116 | - | - | - | - |
| Charge for the year | 3.84 | 2.15 | 0.08 | 6.07 |
| Deductions / Adjustments | - | - | - | - |
| **As at 31st March, 2020** | **17.63** | **2.15** | **0.08** | **19.86** |
| Charge for the year | 3.86 | 2.34 | 0.08 | 6.28 |
| Deductions / Adjustments | - | - | - | - |
| **As at 31st March, 2021** | **21.49** | **4.49** | **0.16** | **26.14** |
| **Net Carrying Amount :** | | | | |
| **As at 31st March, 2021** | **176.45** | **8.51** | **0.15** | **185.11** |
| **As at 31st March, 2020** | **180.08** | **9.79** | **0.23** | **190.10** |

1. The aggregate depreciation & amortisation expense on right of use assets are included under depreciation & amortisation expense in the statement of profit and loss.
2. The title deeds of leasehold land amounting to ₹ 2.64 Crore (net carrying value ₹ 2.39 Crore) recorded as 'Right of Use Assets' in the books of account of the Company are held in the name of an erstwhile the company, which has amalgamated with the company.

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## 3. Investment Property

(₹ in Crore)

| Particulars | Leasehold Land (Right of Use Asset) | Building | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| As at 1st April,2019 | 11.28 | 0.62 | 11.90 |
| Additions/Adjustments | - | - | - |
| Deductions/Adjustments | - | - | - |
| As at 31st March, 2020 | **11.28** | **0.62** | **11.90** |
| Additions/Adjustments | - | - | - |
| Deductions/Adjustments | - | - | - |
| As at 31st March, 2021 | **11.28** | **0.62** | **11.90** |
| Accumulated Amortisation | | | |
| As at 1st April, 2019 | **0.98** | **0.26** | **1.24** |
| Charge for the year | 0.25 | 0.04 | 0.29 |
| Disposals / Adjustments | - | - | - |
| As at 31st March, 2020 | **1.23** | **0.30** | **1.53** |
| Charge for the year | 0.25 | 0.03 | 0.28 |
| Disposals / Adjustments | - | - | - |
| As at 31st March, 2021 | **1.48** | **0.33** | **1.81** |
| **Net Carrying Amount :** | | | |
| As at 31st March, 2021 | **9.80** | **0.29** | **10.09** |
| As at 31st March, 2020 | **10.05** | **0.32** | **10.37** |

The title deed of leasehold land are held in the name of erstwhile company which has amalgamated with the Company (IMFA).

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

(₹ in Crore)

| Particulars | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Rental Income | - | - |
| Direct operating expenses that generated rental income | - | 0.01 |
| Direct operating expenses that did not generate rental income | 0.26 | 0.27 |

### Fair value

(₹ in Crore)

| Particulars | Level | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| Investment Property | Level 3 | 48.93 | 48.68 |

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

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

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

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## 4. Other Intangible Assets
**(Internally Generated)**

(₹ in Crore)

| Particulars | Computer Software |
|---|---|
| Gross Carrying Amount | |
| **As at 1st April, 2019** | 4.50 |
| Additions/Adjustments | - |
| Disposals/Adjustments | - |
| **As at 31st March, 2020** | **4.50** |
| Additions/Adjustments | - |
| Disposals/Adjustments | - |
| **As at 31st March, 2021** | **4.50** |
| **Accumulated Amortisation** | |
| **As at 1st April, 2019** | **2.74** |
| Charge for the year | 0.90 |
| Disposals/Adjustments | - |
| **As at 31st March, 2020** | **3.64** |
| Charge for the year | **0.86** |
| Disposals/Adjustments | - |
| **As at 31st March, 2021** | **4.50** |
| **Net Carrying Amount :** | |
| **As at 31st March, 2021** | - |
| **As at 31st March, 2020** | **0.86** |

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

## 5. Investments in Associate

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Non-Current Investments** | | |
| **Investments in Equity Instruments of Associate Company (Unquoted)** | | |
| 2,500 Equity Shares of ₹ 10/- each, | - | - |
| fully paid-up in Ferro Chrome Producers Association. (refer Note 5.1 below) (31st March, 2020: 2,500 Equity Shares) | | |
| **Aggregate amount of unquoted investments** | - | - |

**5.1** Investment in equity shares of Ferro Chrome Producers Association amounts to ₹ 25,000 (31st March, 2020: ₹ 25,000).

**Consolidated**

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 6. Investments

(₹ in Crore)

| | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **Non-Current Investments (Measured at FVTPL)** | | | |
| **Investments in Equity Instruments (Unquoted)** | | | |
| 95,054 Equity Shares of ₹ 10/- each, | | | |
| fully paid-up in Kalinga Hospital Limited. | | 0.35 | 0.33 |
| (31st March, 2020: 95,054 shares) | | | |
| **Investment in Preference Shares (Unquoted)** | | | |
| 1,00,00,000 Non-Convertible Redeemable Cumulative Preference shares of ₹ 10/- each, | | | |
| fully paid-up in Ortel Communications Limited. | 10.00 | | 10.00 |
| (31st March, 2020: 1,00,00,000) | | | |
| Less: Expected Credit Loss | (10.00) | - | (10.00) |
| | | 0.35 | **0.33** |
| **Aggregate amount of unquoted investments** | | 0.33 | 0.33 |
| **Aggregate amount of impairment in value of investments** | | 10.00 | 10.00 |

## 7. Loans
**(Measured at amortised cost)**

(₹ in Crore)

| **Particulars** | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured, Considered good: | | |
| Security and Other Deposits | | |
| with Government Authorities | 8.36 | 8.71 |
| with Others | 2.28 | 0.66 |
| | 10.64 | **9.37** |

## 8. Other Financial Assets
**(Measured at amortised cost)**

(₹ in Crore)

| **Particulars** | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Non-Current portion of Other Bank Balances | | |
| -Fixed Deposit in banks having original maturity of more than 12 months and remaining maturity of more than 12 months (Under Lien*) | 1.65 | 1.44 |
| Interest accrued but not due on Fixed Deposits with Banks | 1.23 | 0.80 |
| | 2.88 | **2.24** |
| * includes | | |
| Margin money deposits | 1.65 | 1.29 |
| Deposits pledged with banks against borrowings | - | 0.15 |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 9. Other Non-Current Assets

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Capital Advances | - | 0.03 |
| Deposit for electricity duty in No Lien & Escrow Accounts (refer Note No. 45) | 100.75 | 100.75 |
| Interest accrued but not due on Deposits with Banks * | 83.72 | 73.57 |
| Deposits with Government Authorities (paid under protest) | 16.19 | 16.19 |
| Prepaid Rent for Operating Leases | 4.73 | 5.34 |
| | 205.39 | 195.88 |

*On No Lien & Escrow Accounts

## 10. Inventories
**(Valued at lower of Cost or Net Realiseable Value)**

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Raw Materials | 213.27 | 206.19 |
| Raw Materials-in-Transit | 53.07 | 22.38 |
| Finished Goods | 84.99 | 87.75 |
| Finished Goods-in-Transit | 40.85 | 41.94 |
| Work-in-progress | 3.99 | 27.14 |
| Stores and Spares | 48.98 | 46.03 |
| Loose Tools | 0.18 | 0.12 |
| | 445.33 | 431.55 |

## 11. Investments

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Current Investments (Measured at FVTPL)** | | |
| **Investments in Equity Instruments (Quoted)** | | |
| 5,65,000 shares (31st March, 2020: 5,65,000 shares) of Bharat Road Network Limited | 1.62 | 1.88 |
| **Investments in Mutual Funds (Unquoted)** | | |
| 46,03,312.721units (31st March, 2020: Nil units) of Aditya Birla Sunlife Arbitrage Fund - Growth - Direct Plan | 10.03 | - |
| 7,26,644.191units (31st March, 2020: Nil units) of Aditya Birla Sunlife Balanced Advantage Fund - Growth - Direct Plan | 5.13 | - |
| 1,89,112.987 units (31st March, 2020: Nil) of Nippon India Ultra Short Duration Fund-Direct Growth Plan - Growth Option | 61.45 | |
| 66,38,716.290 units (31st March, 2020: 5,63,810.61 units) of ICICI Liquid fund - Direct Plan Growth balance | 15.19 | 16.56 |
| Nil (31st March, 2020:10,312.26 units) of Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option | - | 5.00 |
| 62,295.363 units (31st March, 2020: 11,759.935 units) of Nippon India Money Market Fund-Direct Plan Growth Plan - Growth Option | 20.06 | 3.59 |
| 164213.212 units (31st March, 2020 : 1805484.29 units) of Kotak Equity Arbitrage Advantage Fund - Direct Plan - Growth | 0.50 | 5.25 |
| 89.779 units (31st March, 2020 : 35.089 units) of Kotak Liquid Direct Plan Growth | 0.04 | 0.01 |
| 19370.595 units (31st March, 2020 : 545.573 units) of Kotak Low Duration Fund- Direct Plan Growth | 5.37 | 0.14 |
| | 119.39 | 32.43 |
| **Aggregate amount of quoted investments** | 1.62 | 1.88 |
| **Aggregate amount of unquoted investments** | 117.77 | 30.55 |

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## 12. Trade Receivables

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured, considered good | 92.20 | 32.68 |
| Unsecured credit impaired | - | 0.38 |
| Less: Impairment allowances for doubtful debts | - | (0.38) |
| | **92.20** | **32.68** |

## 13. Cash and Cash Equivalents

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Balances with Banks: | | |
| -In Current Accounts | 6.79 | 4.66 |
| Cash on hand | 0.67 | 0.70 |
| | **7.46** | **5.36** |

## 14. Other Bank Balances

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Earmarked balance with bank (unpaid dividend) | 1.11 | 1.25 |
| Fixed Deposit in banks with original maturity of more than three months but remaining maturity of less than 12 months * | | |
| -Not under Lien | 10.75 | 9.06 |
| -Under Lien* | 31.04 | 27.49 |
| | **42.90** | **37.80** |
| *includes | | |
| Margin money deposits | | |
| - 12 months or less | 12.61 | 9.21 |
| Deposits pledged with banks against borrowings | | |
| - 12 months or less | 18.43 | 18.28 |

## 15. Other Financial Assets

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Interest accrued but not due on Fixed Deposits with Banks | 0.23 | 1.00 |
| Derivative Assets (Measured at FVTPL) | | |
| - Foreign currency forward contracts not designated as hedge | 2.13 | - |
| Other receivable | - | 1.25 |
| | **2.36** | **2.25** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 16. Other Current Assets

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| Goods & Services Tax (GST) | 96.72 | 74.99 |
| Advances to Suppliers | 50.67 | 25.25 |
| Advance Royalty | 3.93 | 10.12 |
| Deposits/Advances with Excise & Customs | 4.54 | 6.78 |
| Employee Advances | 0.33 | 0.42 |
| Other Advances | 3.19 | 0.25 |
| Export Incentives Receivable | 18.54 | 15.65 |
| VAT Credit Receivable | 1.07 | 0.03 |
| Prepaid Expenses | 11.61 | 9.34 |
| Prepaid Rent for Operating Leases | 0.61 | 0.61 |
| | 191.21 | **143.44** |

## 17. Assets classified as held for sale

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Opening balance | 0.02 | 0.04 |
| Additions/Adjustments | 0.03 | - |
| Disposals/Adjustments | - | 0.02 |
| Closing balance | 0.05 | **0.02** |

## 18 (a). Share Capital

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Authorised:** | | |
| **Equity Shares:** | | |
| 3,52,50,000 Equity Shares, ₹ 10/- par value per share | 35.25 | 35.25 |
| (31st March, 2020: 3,52,50,000 Equity Shares) | | |
| **Preference Shares:** | | |
| 90,000 9.5% Redeemable Cumulative Preference Shares, ₹ 100/- par value per share | 0.90 | 0.90 |
| (31st March, 2020: 90,000 Preference Shares) | | |
| 2,60,000 IInd Series Redeemable Cumulative Preference Shares, ₹ 100/- par value per share | 2.60 | 2.60 |
| (31st March, 2020: 2,60,000 Preference Shares) | | |
| | 38.75 | **38.75** |
| **Issued, Subscribed and Paid-up:** | | |
| 2,69,77,053 Equity Shares, ₹ 10/- par value per share, fully paid | 26.98 | 26.98 |
| (31st March, 2020: 2,69,77,053 Equity Shares) | | |
| | 26.98 | **26.98** |

Consolidated

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

### Reconciliation of the Number of Equity Shares outstanding

| Equity Shares | As at 31st March, 2021 | | As at 31st March, 2020 * | |
|---|---|---|---|---|
| | No. of shares | ₹ in Crore | No. of shares | ₹ in Crore |
| At the beginning of the year | 2,69,77,053 | 26.98 | 1,30,59,007 | 13.06 |
| Add: Issued during the year | - | - | 1,39,18,046 | 13.92 |
| At the end of the year | 2,69,77,053 | 26.98 | 2,69,77,053 | 26.98 |

* Equity Share issued amounting to ₹ 13.92 Crore represents 1,39,18,046 Equity Shares of ₹ 10 each fully paid, issued and allotted to the shareholders of B. Panda & Company Private Limited (erstwhile holding company) on 30th April, 2019 pursuant to the Scheme of amalgamation.

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

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

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

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

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

| Name of the Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | No. of shares | % of Shareholding | No. of shares | % of Shareholding |
| B. Panda Trust (through Mr. Subhrakant Panda, Trustee) | 1,39,18,046 | 51.59 | 1,39,18,046 | 51.59 |
| LITEC Company Limited | 34,44,259 | 12.77 | 34,44,259 | 12.77 |
| Fox Consulting Services Pte. Limited | 17,90,500 | 6.64 | 17,90,500 | 6.64 |

## 18(b). Other Equity attributable to owners of the Parent

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Securities Premium Reserve** | | |
| Balance outstanding at the beginning of the year | 168.45 | 168.45 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | 168.45 | **168.45** |
| **Capital Redemption Reserve** | | |
| Balance outstanding at the beginning of the year | 0.20 | 0.20 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | 0.20 | **0.20** |
| **Special Reserve** | | |
| Balance outstanding at the beginning of the year | 2.98 | 2.51 |
| Add : Profit for the year | 0.41 | 0.47 |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | 3.39 | **2.98** |
| **General Reserve** | | |
| Balance outstanding at the beginning of the year | 276.60 | 276.60 |
| Add : Profit for the year | - | - |
| Less: Utilised during the year | - | - |
| Balance outstanding at the end of the year | 276.60 | **276.60** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Retained earning** | | |
| Balance outstanding at the beginning of the year | 580.49 | 667.31 |
| Add : Profit for the year | 166.55 | (66.49) |
| Add : Other comprehensive income arising from remeasurement of employee defined benefit obligation (net of tax) | (0.45) | (3.60) |
| Less: Appropriations | | |
| - Interim Dividend | (8.09) | - |
| - Final Dividend | - | (13.49) |
| - Dividend distribution tax | - | (2.77) |
| - Transfer from retained earnings to special reserve | (0.41) | (0.47) |
| Balance outstanding at the end of the year | **738.09** | **580.49** |
| **Exchange differences on translating the financial statements of a foreign operation** | | |
| Balance outstanding at the beginning of the year | 28.22 | 28.16 |
| Add : Other comprehensive income (net of tax) | (0.10) | 0.06 |
| Less : Utilised during the year | - | - |
| Balance outstanding at the end of the year | **28.12** | **28.22** |
| | **1,214.85** | **1,056.94** |

**Nature and Purpose of Reserves**

### Securities Premium Reserve

Securities Premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### Capital Redemption Reserve

Capital Redemption Reserve is created out of transfer from General Reserve.

### Special Reserve

Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934

### General Reserve

General reserve is created by the Company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contigencies, creating working capital for business operations, strengthing the financial position of the company.

### Retained earning

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

### Exchange differences on translating the financial statements of a foreign operation

Created on conversion of financial statements of foreign subsidiary and foreign step down subsidiary.

## 19. Borrowings (Measured at amortised cost)

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured** | | |
| **Rupee Term Loans from:** | | |
| Banks | 373.47 | 425.53 |
| **Vehicle Loans** | 10.19 | 3.09 |
| **Total Borrowings** | **383.66** | **428.62** |
| **Less: Current Maturities** | | |
| Banks | 90.07 | 88.20 |
| | 90.07 | 88.20 |
| **Total Non-Current Borrowings** | **293.59** | **340.42** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

**19.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 25) and their repayment terms:**

Amounts carried in Note No. 19 and 25 represent Amortised Cost whereas amounts mentioned herein below represent the payables as on the dates mentioned.

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

**Term Loans from Banks :**

(a) Loan of ₹ 5.56 Crore (31st March, 2020: 22.23 Crore) for general capital expenditure, secured by first pari-passu charge by way of mortgage on the land (about 167) acres situated at Chhatisa 3 and Kapaleswar mouza, Choudwar, Cuttack along with movable fixed assets and buildings and structures thereon excluding the assets which are exclusively charged to other lenders. Repayment by 8 EQI of ₹ 5.55 Crore from February '19 and last instalment of ₹ 5.56 Crore.

(b) Loan of ₹ 114.00 Crore (31st March, 2020: ₹ 121.50 Crore) for 30 MW Captive Power Plant (CPP) at Choudwar and general capital expenditure, secured by first pari-passu charge over all that piece and parcel of land admeasuring about 2.975 acres at plot no. 43 at Choudwar, Cuttack, (not forming part of the 60 acres land for 120MW power plant lenders) together with buildings and structures, all plants and machineries and other movable fixed assets situated thereon, both present and future and first pari-passu charge on fixed assets (both movable and immovable) of the Company (both present and future) situated at Therubali other than assets exclusively charged to other lenders. Repayment by 4 EQI of ₹ 2.25 Crore from December '17, 4 EQI of ₹ 3.00 Crore from December '18, 8 EQI of ₹ 3.75 Crore from December '19 and 22 EQI of ₹ 4.50 Crore from June '22.

(c) Loan of ₹ 39.00 Crore (31st March, 2020: ₹ 40.00 Crore) for normal capital expenditure including expansion of housing project at choudwar and fresh construction of hausing project at Sukinda/Mahagiri, secured by first pari-passu charge over proposed residential housing project including land at Choudwar ranking pari passu with Corporation Bank,Exclusive charge over proposed residential housing project including land situated at sukinda/mahagiri, first pari passu charge over the fixed assets both present & future over 30MW PP situated at Choudwar and fixed assets including movable fixed assets and plant & machinery situated at Therubali ranking pari passu with existing RTL facilities with ICICI Bank except Gas Cleaning plant and Briquetting plant at therubali, first pari passu charge over land about 167 acres situated at Chhatisa 3 and Kapaleswar mouza, Choudwar along with movable fixed assets and building & structure thereon excluding the assets which are charged to other lenders ranking pari passu with RBL Bank. Repayment by 4 EQI of ₹ 0.25 Crore from June'20 and 20 EQI of ₹ 1.95 Crore from June'21.

(d) Loan of ₹ 50.87 Crore (31st March, 2020: ₹ 57.23 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(e) Loan of ₹ 46.25 Crore (31st March, 2020: ₹ 54.92 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(f) Loan of ₹ 30.35 Crore (31st March, 2020: ₹ 36.42 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(g) Loan of ₹ 46.25 Crore (31st March, 2020: ₹ 52.03 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(h) Loan of ₹ 24.37 Crore (31st March, 2020: ₹ 25.92 Crore) for 120 MW Power Plant at Choudwar, secured by first charge ranking pari-passu with other term lenders on the Company's movable and immovable properties, present and future, relating to the 120 MW power plant. Repayment by 38 UQI from June'15.

(i) Loan of ₹ 8.02 Crore (31st March, 2020: ₹ 12.24 Crore) for Housing Project at Choudwar, secured by mortgage of residential land admeasuring 10 acres 920 decimal (4,75,675.20 sq fts) situated at Plot No. 34/78 and 34/82, Tahsil-Tangi Choudwar, PS-Choudwar, Mouza-Chhatisa No. 2, Cuttack, Odisha and the proposed building to be constructed. Repayment of ₹ 20.00 Crore by 24 UQI from June'16 and ₹ 5.85 Crore in 71 EMI from November '17.

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(j) Vehicle Loan of ₹ 2.40 Crore (31st March, 2020: ₹ 3.09 Crore) secured by charge on the Vehicles. Repayment in EMI as per the repayment schedules of respective vehicles.

(k) Loan of ₹ 10.23 Crore (31st March, 2020: ₹ 11.94 Crore) for setting up of 3 MW Solar Power Plant secured by first exclusive charge by way of hypothecation over plant and machinery and other movable and immovable assets of 3 MW Solar Power Plant and mortgage of 16.42 acres of land on which the plant is installed at Therubali. Repayment by 31 EQI of ₹ 0.43 Crore from May '19 and last instalment of ₹ 0.42 Crore.

(l) Loan of ₹ 5.20 Crore (31st March, 2020: ₹ 0.00 Crore) for common COVID-19 Emergency Credit Line (CCECL) secured against extension of 1st paripassu charge on current assets of the company. Repayment by 18 EMI of ₹ 0.40 Crore from November '2020.

(m) Loan of ₹ 6.99 Crore (31st March, 2020: ₹ 0.00 Crore) purchase of 6 no of Volvo- tipper vehicles and secured by charge on the Vehicle financed. Repayment by 41 EMI from March '2021 as per the repayment schedules of respective vehicles.

(n) Loan of ₹ 0.82 Crore (31st March, 2020: ₹ 0.00 Crore) purchase of BMW vehicle and secured by charge on the Vehicle. Repayment by 60 EMI from May '2021 as per the repayment schedule of vehicle.

## 20. Other Financial Liabilities

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Electricity Duty | 131.51 | 132.70 |
| Others | 1.35 | 1.35 |
| | 132.86 | 134.05 |

## 21. Provisions

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Provision for Employee Benefits | | |
| - Gratuity | 6.90 | 5.88 |
| - Compensated absence | 6.43 | 7.10 |
| | 13.33 | 12.98 |

## 22. Deferred Tax Liabilities (Net)

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **(a)Deferred Tax Liabilities:** | | |
| Difference between tax base and book base of Property, Plant and Equipment, | | |
| Investment Property and Intangible Assets | 94.88 | 98.25 |
| Others | - | 0.01 |
| **(b)Deferred Tax Assets:** | | |
| Financial assets at Fair value through profit or loss | (3.70) | (9.62) |
| Defined Benefit Obligations | (6.84) | (11.68) |
| Carry Forward Losses | - | (7.01) |
| Others | (9.26) | (8.90) |
| **Net Deferred Tax Liabilities** | **75.08** | **61.05** |

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## 23. Borrowings

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured:** | | |
| **Loans Repayable on Demand** | | |
| Working Capital Loans from Banks | 280.68 | 268.38 |
| | **280.68** | **268.38** |

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

## 24. Trade Payables

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| - total outstanding dues of micro enterprises and small enterprises (refer Note No. 24.1) | 10.96 | 16.72 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 178.38 | 168.66 |
| | **189.34** | **185.38** |

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

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| a) The principal amount and interest due thereon remaining unpaid to any supplier | 10.53 | 16.29 |
| b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) The amount of interest accrued and remaining unpaid | 0.43 | 0.43 |
| e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| | **10.96** | **16.72** |

## 25. Other Financial Liabilities

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Measured at amortised cost** | | |
| - Current Maturities of Borrowings (refer Note No.19) | 90.07 | 88.20 |
| - Interest accrued but not due on borrowings | 1.14 | 4.61 |
| - Unclaimed Dividend* | 1.11 | 1.25 |
| - Earnest Money and Security Deposits | 2.32 | 4.38 |
| - Liability for Operating and Other Expenses | 122.07 | 110.89 |
| - Creditors for Capital Goods | 6.42 | 14.06 |
| - Commission / Remuneration Payable to Directors | | |
| - Payable to Employees | 21.24 | 13.96 |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Measured at FVTPL** | | |
| - Financial Guarantee Liability | 0.05 | 0.05 |
| - Derivative Liabilities | | |
| - Foreign currency forward contracts not designated as hedge | - | 7.38 |
| - Swaps not designated as hedge | 3.13 | 10.27 |
| | **247.55** | **255.05** |

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

## 26. Other Current Liabilities

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Advance from Customers* | 1.50 | 1.44 |
| Statutory Liabilities | 11.00 | 10.77 |
| | **12.50** | **12.21** |

*contract liabilities for which the Company is obliged to transfer of goods to the customers (refer Note No. 54)

## 27. Provisions

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Provision for Employee Benefits | | |
| - Gratuity | 6.02 | 12.22 |
| - Compensated absence | 3.10 | 1.77 |
| | **9.12** | **13.99** |

## 28. Revenue from Operations

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Sale of products *** | | |
| Ferro Chrome | 1,806.23 | 1,558.04 |
| Fly Ash Bricks | 1.46 | 2.52 |
| Low Density Aggregate | 0.04 | 0.18 |
| | **1,807.73** | **1,560.74** |
| **Other Operating Revenues:** | | |
| Export Incentives | 31.48 | 42.61 |
| Sale of Scrap | 5.02 | 8.59 |
| | **1,844.23** | **1,611.94** |

* also refer Note No. 54

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## 29. Other Income

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Interest income on bank deposits measured at amortised cost | 2.35 | 2.75 |
| Interest income on security deposit measured at amortised cost | 0.13 | 0.20 |
| Interest Others | | |
| - Interest income on income tax refund received | 1.71 | 3.06 |
| - Others | 0.15 | 0.84 |
| Dividend | | |
| - Dividend on other investment measured at FVTPL | - | 0.27 |
| Rent | 0.45 | 0.30 |
| Profit on Sale of Property, Plant and Equipment (net) | 7.35 | - |
| Claims Received | 26.69 | 0.13 |
| Profit on sale of Current Investments | 3.13 | 5.24 |
| Gain/(loss) on fair valuation of Current Investments | 0.31 | - |
| Liability no longer required written back | 1.26 | 7.22 |
| Other non-operating Income | 6.25 | 1.23 |
| | **49.78** | **21.24** |

## 30. Cost of Materials Consumed

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Coal | 236.30 | 247.63 |
| Chrome Ore | 415.05 | 392.10 |
| Quartz | 8.02 | 7.51 |
| Coke | 252.30 | 290.44 |
| Carbon paste | 21.44 | 21.09 |
| Other materials | 15.42 | 20.39 |
| | **948.53** | **979.16** |
| Less: Inter Unit transfer of Chrome Ore (Net) | 40.19 | 39.32 |
| | **908.34** | **939.84** |

## 31. Changes in Inventories of Finished Goods and Work-in-progress

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Closing stock of finished goods | 125.84 | 129.69 |
| Work-in-progress | 3.99 | 27.14 |
| | **129.83** | **156.83** |
| Opening stock of finished goods | 129.69 | 157.18 |
| Work-in-progress | 27.14 | - |
| | **156.83** | **157.18** |
| | **27.00** | **0.35** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 32. Employee Benefits Expense

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Salaries, Wages, Bonus, Allowances etc. | 150.28 | 138.89 |
| Contribution to Provident and Other Funds | 12.46 | 12.55 |
| Workmen and Staff Welfare Expenses | 3.65 | 3.76 |
| | **166.39** | **155.20** |

## 33. Finance Costs

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Interest on financial liabilities measured at amortised cost | | |
| - Interest on long term loans from Banks* | 45.84 | 51.06 |
| - Interest on working capital from Banks | 8.08 | 11.24 |
| - Interest on lease liabilities | 1.54 | 1.55 |
| Other Interest | 0.65 | 0.80 |
| Exchange differences regarded as an adjustment to borrowing costs | (6.17) | 27.02 |
| Other Borrowing Costs | 4.84 | 5.01 |
| | **54.78** | **96.68** |

*Borrowing cost capitalised during the year ₹ 0.87 Crore (Previous Year : ₹ 1.62 Crore).

## 34. Depreciation and Amortisation Expense

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| **Depreciation and Amortisation Expense :** | | |
| - Property, plant and equipment | 96.80 | 96.95 |
| - Right of use assets | 6.28 | 6.07 |
| - Investment property | 0.28 | 0.29 |
| - Intangible assets | 0.86 | 0.90 |
| | **104.22** | **104.21** |

## 35. Other Expenses

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| Consumption of stores, spares and loose tools | | 19.45 | 21.57 |
| Consumption of electricity | | 67.26 | 38.41 |
| Electricity Duty | | 54.35 | 55.60 |
| Energy transmission charges | | 6.36 | 7.51 |
| Repairs and Maintenance : | | | |
| - Plant and Machinery | | 36.59 | 33.91 |
| - Buildings | | 4.20 | 5.69 |
| - Others | | 8.21 | 7.03 |
| Finished stock and slag handling expenses | | 19.60 | 19.13 |
| Other factory expenses | | 29.22 | 25.92 |
| Securities service charges | | 15.68 | 16.05 |
| Carriage outward and handling expenses | | 76.76 | 61.82 |
| Export promotion expenses | | 0.29 | 1.71 |
| Other selling expenses | | 28.23 | 24.17 |

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| Insurance | | 6.87 | 7.05 |
| Rent | | 1.89 | 3.84 |
| Rates and taxes | | 2.68 | 3.26 |
| Travelling and conveyance | | 2.79 | 6.03 |
| Legal and professional fees | | 6.11 | 9.31 |
| Payments to the Auditors (refer Note No. 35.1) | | 0.31 | 0.33 |
| Directors' Fees | | 0.04 | 0.04 |
| Profit/ loss on Sale of Property, Plant and Equipment (net) | | - | 3.08 |
| Capital-work-in-progress writen off | | 2.62 | - |
| Bad debts | 0.38 | | |
| Less: Impairment allowances for doubtful debts | (0.38) | - | - |
| Impairment Loss on Property, Plant and Equipment | | 6.44 | 2.63 |
| Loss on fair valuation of Current Investments (net) | | | 5.84 |
| Corporate Social Responsibility Expenses (refer Note No. 47) | | 6.21 | 5.09 |
| Impairment Loss Allowance | | - | 0.49 |
| Donations* | | 2.12 | 9.75 |
| Miscellaneous expenses | | 9.58 | 15.58 |
| **Total Other Expenses** | | **413.86** | **390.84** |

*Donations includes political contribution of ₹ 60,000/- (Previous Year: ₹ 3.11 Crore)

## 35.1 Payments to the Auditors (excluding taxes)

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| As Auditor - Statutory Audit & Limited Reviews | 0.30 | 0.29 |
| For certification and other matters | 0.01 | 0.01 |
| For reimbursement of expenses | - | 0.03 |
| | **0.31** | **0.33** |

## 36. Earnings Per Share

(₹ in Crore)

| | | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| (a) | Profit/(Loss) after tax as per Consolidated Statement of Profit and Loss attributable to Owners of the Parent (₹ in Crore) | 166.55 | (66.49) |
| (b) | Weighted Average number of Equity Shares | 2,69,77,053 | 2,69,77,053 |
| (c) | Basic and diluted earnings per share (in ₹) | 61.74 | (24.65) |
| (d) | Nominal value per Equity Share (in ₹) | **10.00** | **10.00** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 37. Contingent Liabilities and Commitments

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **A. Contingent Liabilities** | | |
| **(a) Claims against the Company not acknowledged as debts:** | | |
| Government Claims | | |
| (i) Income Tax (deposits made under protest 31st March, 2021 : ₹ 40.13 Crore, 31st March, 2020 : ₹ 39.71 Crore) | 40.32 | 40.43 |
| (ii) Cenvat Credit reversal and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 1.64 Crore, 31st March, 2020 : ₹ 1.64 Crore) | 57.17 | 51.15 |
| (iii) Excise Duty and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 0.21 Crore, 31st March, 2020 : ₹ 0.21 Crore) | 1.76 | 1.73 |
| (iv) Goods and Service Tax and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 0.21 Crore, 31st March, 2020 : ₹ 0.21 Crore) | 3.91 | 3.43 |
| (v) Provisional duty bonds to customs authority pending final debonding of 100% EOU | 0.34 | 0.34 |
| (vi) Entry tax (deposits made under protest 31st March, 2021 : ₹ 6.68 Crore, 31st March, 2020 : ₹ 6.68 Crore) | 15.76 | 15.63 |
| (vii) Sales tax (deposits made under protest 31st March, 2021 : ₹ 0.07 Crore, 31st March, 2020 : ₹ 0.07 Crore) | 0.29 | 0.28 |
| (viii) Value Added Tax and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 3.15 Crore, 31st March, 2020 : ₹ 3.15 Crore) | 9.30 | 3.18 |
| (ix) "State Govt./Local Authority rent, duties, levies & cess etc. (deposits made under protest 31st March, 2021 : ₹ 14.05 Crore, 31st March, 2020 : ₹ 14.05 Crore)" | 72.85 | 72.33 |
| (x) Service Tax and penalty thereon (deposits made under protest 31st March, 2021 : ₹ 0.02 Crore, 31st March, 2020 : ₹ 0.02 Crore) | 0.78 | 0.69 |
| Other Claims | | |
| Legal suits filed against the Company | 1.45 | 1.45 |

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

Demand notices in respect of six mines had been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 237.06 Crore for the alleged excess extraction of minerals over the quantity permitted under the mining plan/scheme, environmental clearance or consent to operate and other statutory permissions during the period from 1993 to 2010 under Section 21(5) of Mines & Minerals (Development and Regulation) Act, 1957 ('Act'). The Company filed Revision Applications before Mines Tribunal, New Delhi against all such demands. Vide Common Order dated 11.10.2017, Revisionary Authority of Mines Tribunal has set aside the impugned demands in respect of all six mines and remanded back to Government of Odisha for taking necessary action in light of Supreme Court Judgment dated 02.08.2017 in Common Cause-vs-Union of India. Subsequently, demand notices in respect of four mines viz., Sukinda Chromite Mines, Chingudipal Chromite Mines, Bangur Chromite Mines and Nuasahi Chromite Mines have been raised by the respective Deputy Director of Mines and Mining Officers of Government of Odisha amounting to ₹ 122.90 Crore for alleged excess extraction of minerals over the quantity permitted under environment clearance only during 2000-01 to 2010-11 under Section 21(5) of the Act. Aggrieved by the said notices, the Company filed Revision Applications before the Mines Tribunal, New Delhi challenging the said demand notices. The Revisionary Authority of Mines Tribunal vide order dated 10.05.2018 stayed the demand notices with a direction that the State Government shall not take any coercive measures to recover the amounts demanded and the matters are pending.

**(c)** Consequent upon revision in mining plan enhancing the annual production capacity to 6.00 Lakh MT in the year 2019-20 & 3.71 Lakh MT in the year 2016-17 in respect of Mahagiri and Sukinda Chromite Mines respectively, the District Sub-Registrar, Jajpur has raised demand notices amounting to ₹ 45.20 Crore towards differential stamp duty & registration fee in respect of both the Mining Lease Deeds pursuant

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

to Notification No. 312-SM-REM-3/2011-SM dated 13.01.2021 of Commissioner-cum-Secretary to the Government of Odisha, Department of Steel and Mines, as published in the Odisha Gazette on 18.01.2012. The parent company has filed writ petitions before the Hon'ble High Court of Odisha challenging the legality and validity of such demand notices. The Hon'ble High Court vide its interim orders dated 17.03.2021 has given direction to the authorities that no coercive action shall be taken against the parent company for such demand notices till the next date of hearing & the matters are pending.

### B. Commitments

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Estimated amount of capital contracts remaining to be executed and not provided for (Net of Advances) | 23.80 | 44.86 |

**38.** Indmet Mining Pte. Ltd ('Indmet'), a wholly-owned subsidiary incorporated in Singapore, has an Indonesian subsidiary company, PT Sumber Rahayu Indah ('PT Sumber'). PT Sumber is holding a coal mining concession in Indonesia but due to overlapping boundary issues, the mining concession could not be operationalised. Consequently, the Company initiated arbitration proceedings against the Government of the Republic of Indonesia on 24th July, 2015 pursuant to Article 3 of the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and invoked Article 9 of the Agreement between the Governments of the Republic of Indonesia and the Republic of India for the Promotion and Protection of Investments (the "Treaty"), raising claims of breach of the protections granted under the Treaty. The Arbitral Tribunal, vide its award dated 29th March, 2019 rejected the claim filed by the Company and also awarded costs to the opposite party.

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

Further, as on 31st March, 2019, goodwill amounting ₹ 57.83 Crore, being the excess of the cost of investment in PT Sumber over Indmet's share in the net assets of PT Sumber, has been fully impaired in these Consolidated Financial Statements of the Group.

## 39. Segment Information

The Group has identified three broad reportable segments viz. 'Ferro Alloys', 'Power' & 'Mining'. Segments have been identified and reported taking into account nature of products, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the Chief Operating Officer of the Group (Chief Operating Decision Maker). Activities not meeting the quantitative threshold as specified in Ind AS 108 are reported as 'All Other Segments'. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group with following additional policies for Segment Reporting:

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to the group as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

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

As per Ind AS 108 'Operating Segments', the Company has reported segment information on consolidated basis including business conducted through its subsidiaries.

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

**a. Information about Operating Segment**

**i). Segment Revenue and Results**

(₹ in Crore)

| Particulars | Ferro Alloys | | Power | | Mining | | All Other Segments | | Unallocable | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| **Segment Revenue** | | | | | | | | | | | | |
| External Sales | 1,806.23 | 1,558.04 | - | - | - | - | 1.50 | 2.70 | - | - | 1,807.73 | 1,560.74 |
| Inter Segment Sales | - | - | 408.43 | 421.38 | 225.03 | 224.14 | 0.24 | 0.37 | - | - | 633.70 | 645.89 |
| Elimination | - | - | (408.43) | (421.38) | (225.03) | (224.14) | (0.24) | (0.37) | - | - | (633.70) | (645.89) |
| **Total Revenue** | 1,806.23 | **1,558.04** | - | **-** | - | **-** | 1.50 | **2.70** | - | **-** | 1,807.73 | **1,560.74** |
| **Segment Result before Finance Cost, Exceptional Items and Taxes** | 264.20 | 69.68 | (5.92) | (5.85) | (10.75) | (18.81) | (7.12) | (8.22) | 42.77 | (30.90) | 283.18 | 5.90 |
| Finance Costs | | | | | | | | | | | 54.72 | 96.68 |
| Exceptional Items - Expense (Net) | | | | | | | | | | | - | - |
| **Profit/(Loss) Before Tax** | | | | | | | | | | | 228.46 | **(90.78)** |
| Tax Expenses | | | | | | | | | | | 61.48 | (24.81) |
| **Profit/(Loss) After Tax** | | | | | | | | | | | 166.98 | **(65.97)** |

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## ii) Segment Assets and Liabilities

(₹ in Crore)

| Particulars | Segment Assets | | Segment Liabilities | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Ferro Alloys | 866.47 | 784.88 | 188.79 | 145.31 |
| Power | 830.82 | 834.49 | 245.55 | 258.94 |
| Mining | 496.63 | 477.59 | 42.19 | 52.57 |
| All other segments | 43.35 | 48.64 | 2.05 | 2.31 |
| Unallocable | 304.10 | 268.41 | 111.13 | 127.38 |
| **Total** | **2541.37** | **2414.01** | **589.71** | **586.51** |
| Other Liabilities including borrowings and Leases | | | 679.36 | 712.99 |
| **Total Liabilities** | | | **1,269.07** | **1,299.50** |

## iii) Other Segment Information

(₹ in Crore)

| Particulars | Additions to Non-Curent Assets | | Depreciation and Amortisation | | Non Cash Expenses other than Depreciation and Amortisation | |
|---|---|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Ferro Alloys | 27.42 | 53.94 | 31.10 | 31.40 | - | - |
| Power | 2.47 | - | 45.46 | 47.27 | - | - |
| Mining | 26.33 | 28.91 | 13.49 | 10.08 | - | - |
| All other segments | 0.05 | 0.16 | 5.27 | 5.98 | - | - |
| Unallocable | -12.63 | 13.58 | 8.90 | 9.48 | 5.71 | 43.63 |
| **Total** | **43.64** | **96.59** | **104.22** | **104.21** | **5.71** | **43.63** |

## iv) Unallocated Assets comprises of:

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Property, Plant and Equipment | 76.94 | 92.88 |
| Investments | 119.72 | 32.78 |
| Capital Work-in-progress | 1.59 | 14.22 |
| Goodwill | 20.50 | 20.50 |
| Income Tax Assets (Net) | 18.26 | 40.84 |
| Other Assets | 67.09 | 67.19 |
| Total Assets | **304.10** | **268.41** |

## v) Unallocated Liabilities comprises of :

(₹ in Crore)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Deferred Tax Liabilities (Net) | 75.02 | 61.06 |
| Other Liabilities | 36.11 | 66.32 |
| **Total Liabilities** | **111.13** | **127.38** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

**b. Information about major customers**

Revenue under the segment 'Ferro Alloys' includes revenue from three customers (Previous Year : three customers) amounting to ₹ 1080.13 Crore (Previous Year : 1003.03 Crore) each contributing to more than 10% of total revenue. The details are given below:

(₹ in Crore)

| Ranking | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| I | 635.39 | 579.52 |
| II | 232.69 | 223.94 |
| III | 212.05 | 199.57 |
| **Total** | **1,080.13** | **1,003.03** |

**c. Geographical information**

Geographical information analyses the Company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

Geographical location of customers

(₹ in Crore)

| | India | | Outside India | | Total | |
|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Revenue by Geographical markets | 102.44 | 109.60 | 1,705.29 | 1,451.14 | 1,807.73 | 1,560.74 |
| Non-current Assets | 1,640.47 | 1,728.48 | - | - | 1,640.47 | 1,728.48 |

Consolidated

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

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

### (a) Names of Related Parties :

| | | | |
|---|---|---|---|
| **(i)** | **Parent Entity** | | **Country of Origin** |
| | B. Panda Trust (through Mr. Subhrakant Panda, Trustee) | | India |
| **(ii)** | **Associate** | | |
| | Ferro Chrome Producers Association (registered under Section 8 of the Act) | | India |
| **(iii)** | **Key Management Personnel (KMP)** | | |
| | **Name** | | **Designation** |
| | 1 | Major Rabinarayan Misra (Retd.) | Non-Executive Chairman |
| | 2 | Mr. Baijayant Panda | Vice Chairman |
| | 3 | Mr. Subhrakant Panda | Managing Director |
| | 4 | Mr. Jayant Kumar Misra | Director (Corporate) & COO |
| | 5 | Mr. Chitta Ranjan Ray | Whole Time Director |
| | 6 | Mr. Nalini Ranjan Mohanty | Non-Executive Independent Director |
| | 7 | Mr. Sudhir Prakash Mathur | Non-Executive Independent Director |
| | 8 | General Shankar Roychoudhury (Retd.) | Non-Executive Independent Director |
| | 9 | Mr. Bijoy Kumar Das | Non-Executive Independent Director |
| | 10 | Mrs. Latha Ravindran (w.e.f 23rd July, 2020) | Non-Executive Independent Director |
| | 11 | Mr. Stefan Georg Amrein | Non-Executive Non-Independent Director |
| | 12 | Mr. Prem Khandelwal | CFO & Company Secretary |
| **(iv)** | **Close family members of KMP** | | |
| | 1 | Mrs. Jagi Mangat Panda - Wife of Mr. Baijayant Panda. | |
| | 2 | Mrs. Shaifalika Panda - Wife of Mr. Subhrakant Panda. | |
| | 3 | Mrs. Nivedita Ganapathi - Sister of Mr. Baijayant Panda and Mr. Subhrakant Panda. | |
| | 4 | Ms. Paramita Panda - Sister of Mr. Baijayant Panda and Mr. Subhrakant Panda. | |
| **(v)** | **Other entities with whom transactions have taken place during the year** | | |
| | 1 | UMSL Ltd. | Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP |
| | 2 | Esquire Realtors Pvt. Ltd. | |
| | 3 | Kishangarh Environmental Development Action Pvt. Ltd. | |
| | 4 | Odisha Television Ltd. | |
| | 5 | Saisha Foundation | |
| | 6 | Rutayan Ila Trust | |
| | 7 | Bansidhar & Ila Panda Foundation | |
| | 8 | Utkal Charitable Trust | |
| | 9 | Indian Metals Public Charitable Trust | |
| | 10 | Raila Enterprises Pvt. Ltd. | |
| | 11 | Barabati Realtors Pvt. Ltd. | |
| | 12 | Nuvion Consulting | |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## (b) Summary of Transactions with Related Parties

(Figures in brackets represent corresponding amounts of previous years)

(₹ in Crore)

| Sl. No. | Nature of Transactions | Parent entity | KMP | Close family members of KMP | Entities controlled or jointly controlled or under significant influence of KMP and / or close family members of KMP |
|---|---|---|---|---|---|
| 1 | Dividend Paid | 4.18 | 0.19 | 0.19 | 0.00 |
| | | (6.96) | (0.49) | (0.16) | (0.30) |
| 2 | Purchase of Raw Material and Stoers | - | - | - | 0.06 |
| | | (-) | (-) | (-) | (-) |
| 3 | Sale of Goods | - | - | - | - |
| | | (-) | (-) | (-) | (0.005) |
| 4 | Services Received | - | 0.52 | 0.01 | 86.65 |
| | | (-) | (0.38) | (0.01) | (89.71) |
| 5 | Service Rendered | - | - | - | 0.13 |
| | | (-) | (-) | (-) | (0.16) |
| 6 a. | Remuneration | - | 7.58 | 0.49 | - |
| | | (-) | (7.91) | (0.54) | (-) |
| 6 b. | Gratuity and Leave Encashment | - | 7.57 | 0.14 | - |
| | | (-) | (6.84) | (-) | (-) |
| 7 | Sitting Fees | - | 0.04 | - | - |
| | | (-) | (0.04) | (-) | (-) |
| 8 | Donations Given | - | - | - | 1.88 |
| | | (-) | (-) | (-) | (4.57) |
| 9 | Corporate Social Responsibility expenses | - | - | - | 6.10 |
| | | (-) | (-) | (-) | (2.79) |
| 10 | Reimbursement of Expenses | - | - | - | 0.03 |
| | | (-) | (-) | (-) | (-) |
| 11 a | Outstanding balances as at 31st March 2021. | - | | | |
| | a. Receivables | - | 0.11 | - | 0.05 |
| | b. Payables | - | 1.12 | 0.05 | 7.90 |
| | c. Guarantees given | - | - | - | 12.13 |
| 11 b | Outstanding balances as at 31st March, 2020 : | - | | | |
| | a. Receivables | - | - | - | 0.01 |
| | b. Payables | - | 0.50 | 0.17 | 25.95 |
| | c. Guarantees given | - | - | - | 12.50 |

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

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

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

1 Services Received includes services from UMSL Ltd. ₹ 81.35 Crore.(Previous Year : ₹ 82.24 Crore)

2 Services Rendered includes services to UMSL Ltd. ₹ 0.13 Crore.(Previous Year : ₹ 0.16 Crore).

3 Purchase of Raw materials and stores from UMSL Ltd ₹0.06 Crore (Previous Year : ₹ Nil).

Consolidated

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

4 Remuneration includes amount paid to Mr. Baijyant Panda ₹ 2.30 Crore (Previous Year : ₹ 2.30 Crore) , Mr. Subhrakant Panda ₹ 2.80 Crore (Previous Year : ₹ 2.97 Crore), Mr. Jayant Kumar Misra ₹ 1.09 Crore (Previous Year : ₹ 1.17 Crore), Mr. Chitta Ranjan Ray ₹ 0.68 Crore (Previous Year : ₹ 0.71 Crore), Mr. Prem Khandelwal ₹ 0.71 Crore (Previous Year : ₹ 0.76 Crore),

5 Donations includes amount given to Bansidhar & Ila Panda Foundation ₹ 1.78 Crore (Previous year : ₹ 3.97 Crore) and Indian Metals and Public charitable trust ₹ 0.10 Crore (Previous Year : ₹ 0.60 Crore).

6 Corporate Social Responsibility Expenses include amount given to Bansidhar & Ila Panda Foundation of ₹ 5.90 Crore. (Previous year : ₹ 2.79 Crore) and Indian Metals and Public charitable trust ₹ 0.20 Crore (Previous Year : Nil).

7 Guarantee provided to Bank for loan availed by Bansidhar & Ila Panda Foundation for Loan availed ₹ 12.13 Crore (Previous Year : ₹ 12.50 Crore).

### (d) Compensation to Key Management Personnel

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

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Short-term employee benefits | 7.62 | 7.94 |
| Post-employment benefits | 7.57 | 6.84 |
| | 15.19 | **14.78** |

**41.** The Company holds 79.2% equity in Utkal Coal Ltd (UCL), as SPV which was allotted the Utkal 'C' coal block that was subsequently cancelled by virtue of an order of the Hon'ble Supreme Court. Litigation pertaining to compensation for leased land was finally dropped after the Central Government reinitiated the auction process. However, the allotment to a State PSU was annulled after it failed to execute the pertinent agreement. While the coal block was then considered for fresh auction once again, it has not been included in the latest list issued by the Nominated Authority and apparently will be awarded through an allotment process. Meanwhile, the Company has filed a petition in the Hon'ble Delhi High Court in March 2020 praying for early determination and payment of compensation which is being heard. Hence, UCL is hopeful of receiving compensation amount pending which no accounting adjustments have been made in its books of accounts; therefore, no provision is considered necessary against the Company's net exposure in UCL as at 31st March, 2021 amounting to ₹ 111.42 Crore equity and ₹ 262.88 Crore unsecured loan.

Accordingly, these Consolidated Financial Statements of the Group do not include any adjustments that might result from the outcome of these uncertainties.

**42.** Utkal Green Energy Limited ("UGEL") has been struck off by the Register of Companies on 26th October, 2020 and the company is dissolved. During the year ended 31st March, 2020, UGEL had closed its bank accounts and there were no assets or liabilities at the balance sheet date. There were also no transactions during the current year and the Parent Company has fully written off its investment in the subsidiary.

The audited financial statements of Indmet Mining Pte. Ltd. are prepared in accordance with Financial Reporting Standards in Singapore (FRS), generally followed in the country of its incorporation. Such Singapore FRS financials have been restated into Ind AS financials by the Holding Company's management, for the purposes of consolidation.

The audited financial statements of PT Sumber Rahayu Indah are prepared in accordance with the Financial Accounting Standards in Indonesia, generally followed in the country of its incorporation. Such financial statements have been restated into Ind AS financials by the Holding Company's management, for the purposes of consolidation.

**43.** Disputes between the Company and Grid Corporation of Orissa Ltd. ("GRIDCO") relating to methodology for billing of power, wheeling of power, back-up power drawn during period of grid disturbance etc. were settled in favour of the Company vide a unanimous award of an Arbitral Tribunal dated 23rd March, 2008, by virtue of which GRIDCO was directed to pay ₹ 57.07 lakh alongwith interest and ₹ 30 lakh towards costs. Subsequently, GRIDCO filed a petition before the District Judge, Bhubaneswar objecting the award and obtained an interim stay on the operation of the said award. The Company filed it's objection thereto on 19th February, 2009 and the Court of the District Judge, Bhubaneswar pronounced judgment dated 8th January, 2018 in favour of the

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

Company dismissing the petition filed by GRIDCO. Subsequently, GRIDCO filed an appeal before Hon'ble High Court of Odisha challenging the award, which is pending.

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

**45.** Pursuant to the order of Hon'ble Orissa High Court dated 21st April, 2005, the Company was paying electricity duty at 6 paise per unit to the Govt. of Orissa and keeping the differential duty of 14 paise per unit in a separate 'no lien account' till final disposal of it's writ petition. The Hon'ble Orissa High Court disposed the said writ petition vide judgment dated 6th May, 2010 by directing the Company to deposit the differential amount of duty lying in no lien account with the State Exchequer. The Company preferred an appeal before the Hon'ble Supreme Court of India against the judgment of Orissa High Court. The Hon'ble Supreme Court vide its order dated 7th February, 2011 directed the company to continue the payment in the same manner but to deposit the differential amount of 14 paise per unit in an Escrow account instead of 'no lien account' till final disposal of the appeal. Accordingly, the Company paid the balance 14 paise per unit in an escrow account (non-interest bearing current account) with State Bank of India from January, 2011. Subsequently, based on a direction received on 9th January, 2015 from Govt. of Odisha, the Company kept the Escrow amount in an interest bearing fixed deposit linked to escrow current account with effect from 21st March, 2015. On the principles of prudence, the Company fully provided for Electricity Duty @ 20 paise per unit in it's books of account, on accrual basis till September, 2015. Subsequent to the Department of Energy, Govt. of Odisha's Notification No. 8309 dated 1st October 2015, wherein the amended rate of Electricity Duty for a Captive Power Generator was specified at par with that of a Licensee, the Company is paying the applicable duty @ 30 paise per unit to the Govt. of Odisha with effect from October, 2015. Further, Department of Energy, Govt of Odisha vide notification No. 3442 dated 12th May, 2017 has enhanced the rate of Electricity Duty from 30 paise to 55 paise per unit for a Captive Power Generator and the Company continues to pay the enhanced duty.

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

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

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| i) Gross amount required to be spent by the Company during the year | 2.19 | 4.98 |
| ii) Amount approved by the Board during the Year | 10.12 | 5.09 |
| iii) Amount spent during the year on | | |
| - Construction / acquisition of any property, plant and equipment | - | - |
| - On purposes other than the above | 6.21 | 5.09 |
| | **6.21** | **5.09** |
| - Expenditure included under "Other Expenses" (refer Note No. 35) | | |
| iv) Details of Related Party Transactions: | | |
| - Contribution during year | 6.10 | 2.79 |
| - Payable as at the end of the year | 0.16 | 0.70 |

**Consolidated**

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

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

### As at and for the year ended 31st March, 2021

| Name of the Entity in the Group | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount (₹ in Crore) | As % of consolidated profit or loss | Amount (₹ in Crore) | As % of consolidated other comprehensive income | Amount (₹ in Crore) | As % of total comprehensive income | Amount (₹ in Crore) |
| **Parent** | | | | | | | | |
| Indian Metals and Ferro Alloys Ltd. | 71.47 | 909.32 | 100.57 | 167.93 | 100.00 | (0.55) | 100.61 | 167.45 |
| **Subsidiaries** | | | | | | | | |
| **Indian:** | | | | | | | | |
| 1. Utkal Power Ltd. | - | - | | - | - | - | - | - |
| 2. Utkal Coal Ltd. | 26.87 | 341.82 | | - | - | - | - | - |
| 3. IMFA Alloys Finlease Ltd. | (0.20) | (2.49) | (0.66) | (1.10) | - | - | (0.70) | (1.17) |
| 4. Utkal Green Energy Ltd. | - | - | | - | - | - | - | - |
| **Foreign:** | | | | | | | - | |
| 1. Indmet Mining Pte. Ltd. | (0.26) | (3.25) | (0.08) | (0.14) | - | - | (0.08) | (0.14) |
| 2. PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte. Ltd.) | (0.28) | (3.57) | (0.08) | (0.13) | - | - | (0.08) | (0.13) |
| **Non-Controlling Interest in all subsidiaries** | 2.40 | 30.47 | 0.25 | 0.42 | - | - | 0.25 | 0.42 |
| **TOTAL** | **100.00** | **1,272.30** | **100.00** | **166.98** | **100.00** | **(0.55)** | **100.00** | **166.43** |

### As at and for the year ended 31st March, 2020

| Name of the Entity in the Group | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount (₹ in Crore) | As % of consolidated profit or loss | Amount (₹ in Crore) | As % of consolidated other comprehensive income | Amount (₹ in Crore) | As % of total comprehensive income | Amount (₹ in Crore) |
| **Parent** | | | | | | | | |
| Indian Metals and Ferro Alloys Ltd. | 66.27 | 738.53 | 99.05 | (65.34) | 100.00 | (3.54) | 2,190.88 | (68.88) |
| **Subsidiaries** | | | | | | | | |
| **Indian:** | | | | | | | | |
| 1. Utkal Power Ltd. | - | - | 0.02 | (0.01) | - | - | (20.44) | (0.01) |
| 2. Utkal Coal Ltd. | 31.89 | 355.36 | 0.03 | (0.02) | - | - | (1.26) | (0.02) |
| 3. IMFA Alloys Finlease Ltd. | (0.42) | (4.63) | 1.42 | (0.94) | - | - | (35.53) | (0.94) |
| 4. Utkal Green Energy Ltd. | - | - | - | - | - | - | (2.83) | - |
| **Foreign:** | - | | - | | | | | |
| 1. Indmet Mining Pte. Ltd. | (0.72) | (8.03) | 0.14 | (0.09) | - | - | (2,039.94) | (0.09) |
| 2. PT Sumber Rahayu Indah (Subsidiary of Indmet Mining Pte. Ltd.) | 0.24 | 2.69 | 0.14 | (0.09) | - | - | (4.72) | (0.09) |
| **Non-Controlling Interest in all subsidiaries** | **2.74** | **30.59** | **(0.79)** | **0.52** | **-** | **-** | **13.84** | **0.52** |
| **TOTAL** | **100.00** | **1,114.51** | **100.00** | **(65.97)** | **100.00** | **(3.54)** | **100.00** | **(69.51)** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 49. Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

### (a) Defined Contribution Plan:

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

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Employer's contribution towards: | | |
| - Provident Fund | 4.00 | 4.00 |
| - Employee Pension Scheme | 2.98 | 3.01 |
| - Employee State Insurance | 0.87 | 0.96 |
| - Superannuation Fund | **0.98** | **1.14** |

### (b) Defined Benefit Plan:

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

The Employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a trust maintained with Insurance Companies.

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

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

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

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Present Value of obligation | 35.73 | 34.89 | 8.24 | 6.81 |
| Fair value of plan assets | (31.06) | (23.60) | - | - |
| Net (Assets) / liabilities recognised in balance sheet | 4.67 | 11.29 | - | - |
| Non Current | - | - | 6.90 | 5.88 |
| Current | 4.67 | 11.29 | 1.34 | 0.93 |

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

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Present Value of obligation at the beginning of the year | 34.89 | 28.89 | 6.81 | 5.48 |
| Interest Cost | 2.25 | 2.10 | 0.45 | 0.40 |
| Current service cost | 2.31 | 2.31 | 0.58 | 0.48 |
| Past service cost | - | - | - | - |
| Benefits paid | (3.36) | (2.81) | (0.62) | (0.63) |
| Actuarial (gain)/loss on obligation | (0.36) | 4.40 | 1.02 | 1.08 |
| Present value of obligation as at the end of the year | 35.73 | 34.89 | 8.24 | 6.81 |

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

## (iii) Changes in plan assets:

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Fair Value of plan assets as at the beginning of the year | 23.60 | 24.67 | - | - |
| Return on plan assets | 1.79 | 1.78 | - | - |
| Contributions | 9.06 | - | - | - |
| Benefits paid | (3.35) | (2.79) | - | - |
| Actuarial gain/ (loss) on plan assets | (0.04) | (0.06) | - | - |
| Fair value of plan assets as at the end of the year | 31.06 | 23.60 | - | - |

## (iv) Recognised in profit and loss

(₹ in Crore)

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| Current service cost | 2.31 | 2.31 | 0.58 | 0.48 |
| Past service cost | - | - | | |
| Net Interest cost | 0.46 | 0.32 | 0.45 | 0.40 |

## (v) Recognised in other comprehensive income

(₹ in Crore)

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Remeasurement actuarial gain/(loss) | (0.70) | (5.54) |

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

| Particulars | Gratuity Funded | | Gratuity Unfunded | |
|---|---|---|---|---|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Discount rate per annum compounded | 6.81% | 6.77% | 6.81% | 6.77% |
| Rate of increase in salaries | 5.00% | 5.00% | 5.00% | 5.00% |
| Rate of return on plan assets | 6.81% | 6.77% | - | - |
| Expected average remaining working lives of employees (years) | 14.82 | 15.22 | 14.97 | 15.34 |
| Withdrawal rates | 4.00% | | | |
| Mortality table | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate | Standard table: Indian Assured Lives Mortality (2012-2014) Ultimate |

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

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## (vii) Risk exposure

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

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

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

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

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

## (viii) Sensitivity Analysis

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions are as follows:-

(₹ in Crore)

| Particulars | Change in assumption | Effect on Gratuity obligation - Funded | Effect on Gratuity obligation-Unfunded |
|---|---|---|---|
| **For the year ended 31st March, 2020** | | | |
| Discount rate | +1% | (1.65) | (0.39) |
| | -1% | 1.85 | 0.44 |
| Salary rate | +1% | 1.96 | 0.49 |
| | -1% | (1.78) | (0.43) |
| Attrition rate | +1% | 0.23 | 0.05 |
| | -1% | (0.25) | (0.05) |
| **For the year ended 31st March, 2021** | | | |
| Discount rate | +1% | (1.66) | (0.47) |
| | -1% | 1.87 | 0.53 |
| Salary rate | +1% | 1.99 | 0.58 |
| | -1% | (1.81) | (0.52) |
| Attrition rate | +1% | 0.19 | 0.06 |
| | -1% | (0.21) | (0.07) |

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

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

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

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

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

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

**(c) Other Long Term Employee Benefit :**

During the year, the Company based upon discussion with the Actuary has classified its employees compensated absence policy as other long term employees benefit plan instead of defined benefit plan being followed hitherto. The Company accordingly has recognised the actuarial gains and losses in the Statement of Profit and Loss in the current year and reclassified the comparative financial information included in these standalone financial statements. Due to this change the actuarial losses amounting to ₹ 0.19 Crore earlier recognised in Other Comprehensive Income (OCI) (net of tax) now have been reclassified to the Statement of Profit and Loss and therefore there is an increase in employee benefit expense by ₹0.29 Crore and increase in deferred tax liabilities by ₹0.10 Crore in the Statement of Profit and Loss , OCI increased by ₹0.19 Crore and EPS decreased by ₹ 0.07 for the year ended 31st March, 2020. There is no impact on the retained earnings balance as at opening date of the comparative period i.e 1st April, 2019.

## 50. Derivative Instruments

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

| Particulars | As at 31st March, 2021 | | |
|---|---|---|---|
| | Nos. | US Dollar equivalent (in Crore) | INR equivalent (in Crore) |
| Forward Contracts | 63 | 1.38 | 101.44 |
| Cross Currency Swap | 2 | 0.32 | 23.57 |

| Particulars | As at 31st March, 2020 | | |
|---|---|---|---|
| | Nos. | US Dollar equivalent (in Crore) | INR equivalent (in Crore) |
| Forward Contracts | 120 | 3.64 | 274.78 |
| Cross Currency Swap | 3 | 0.82 | 62.16 |

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

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Loans Payable | Payable for import of goods | Loans Payable | Payable for import of goods |
| US Dollar (in Crore) | 3.80 | 1.14 | 3.46 | 0.15 |
| NOK (in Crore) | - | - | - | 0.06 |
| INR (in Crore) | 279.52 | 84.05 | 261.07 | 11.96 |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 51. Financial risk management

### 51.1 Financial risk factors

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

### i) Market risk

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

### (a) Currency risk

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

(₹ in Crore)

| Particulars | Change in currency exchange rate | | Effect on Profit Before Tax | |
|---|---|---|---|---|
| | Year ended 31st March, 2021 | Year ended 31st March, 2020 | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
| USD | +5% | +5% | (15.13) | (12.31) |
| | -5% | -5% | 15.13 | 12.31 |

### (b) Interest rate risk

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

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

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Floating rate borrowings | 654.15 | 693.91 |
| Fixed rate borrowings | 10.19 | 3.09 |

### ii) Credit risk

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

The Company is exposed to credit risk in relation to financial guarantee given by the Company on behalf of a related party. The Company's maximum exposure in this regard is the maximum amount the Company could have to pay if the guarantee is called on 31st March, 2021 is ₹ 12.13 Crore (PY : ₹ 12.50 Crore). This financial guarantee has been issued to a bank on behalf of the related party. Based on the expectation at the end of the reporting period, the Company considers the likelihood of any claim under guarantee is remote. Company has provided impairment loss allowance of ₹ 0.05 Crore as on 31st March, 2021 (PY: 0.05 Crore) based on fair value of the Corporate guarantee given.

### (a) Trade receivables

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

**Consolidated**

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

The ageing of trade receivables is as follows:

(₹ in Crore)

| Particulars | Outstanding | | | Total |
|---|---|---|---|---|
| | Upto 6 months | Above 6 months and upto 12 months | Above 12 months | |
| **Trade receivables** | | | | |
| **As at 31st March, 2021** | | | | |
| Secured | - | - | - | - |
| Unsecured | 81.97 | 0.21 | 10.02 | 92.20 |
| **Gross total** | **81.97** | **0.21** | **10.02** | **92.20** |
| Provision for doubtful debts | - | - | - | - |
| **Net total** | **81.97** | **0.21** | **10.02** | **92.20** |
| **As at 31st March, 2020** | | | | |
| Secured | - | - | - | - |
| Unsecured | 21.24 | 0.05 | 11.77 | 33.06 |
| **Gross total** | **21.24** | **0.05** | **11.77** | **33.06** |
| Provision for doubtful debts | - | - | (0.38) | (0.38) |
| **Net total** | **21.24** | **0.05** | **11.39** | **32.68** |

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

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

### iii) Liquidity risk

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

The Group had access to the following undrawn fund based borrowing facilities at the end of the reporting period:

(₹ in Crore)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Floating rate** | | |
| - Expiring within one year - Working Capital Loans | 37.94 | 105.85 |
| - Expiring within one year - Term Loans | - | - |
| - Expiring beyond one year - Term Loans | - | - |

Subject to the continuance of satisfactory credit ratings, the bank facilities may be drawn upon at any time. Average maturity of undrawn facilities of term loans expiring beyond one year is Nil (As at 31st March, 2020: Nil).

The table below provide regarding remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| As at March 31, 2021 | On Demand | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| Borrowings | 280.68 | 90.07 | 293.59 | 664.34 |
| Trade Paybles | - | 189.34 | - | 189.34 |
| Lease liability | - | 2.10 | 12.92 | 15.02 |
| Other Liabilities | - | 157.48 | 132.86 | 290.34 |
| **Total** | **280.68** | **438.99** | **439.37** | **1,159.04** |

| As at March 31, 2020 | On Demand | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| Borrowings | 268.38 | 88.20 | 340.42 | 697.00 |
| Trade Paybles | | 185.38 | | 185.38 |
| Lease liability | | 1.86 | 14.13 | 15.99 |
| Other Liabilities | | 166.85 | 134.05 | 300.90 |
| **Total** | **268.38** | **442.29** | **488.60** | **1,199.27** |

### 51.2 Capital management

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

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

## 52. Fair value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements.

(₹ in Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets designated at fair value through profit or loss** | | | | |
| Investment in Equity Instruments and Mutual Funds | 119.74 | 119.74 | 32.76 | 32.76 |
| Derivative assets | 2.13 | 2.13 | - | - |
| **Financial Assets designated at amortised cost** | | | | |
| Trade and other Receivables | 92.20 | 92.20 | 33.93 | 33.93 |
| Security and Other Deposits | 10.64 | 10.64 | 9.37 | 9.37 |
| Cash and Cash Equivalents | 7.46 | 7.46 | 5.36 | 5.36 |
| Fixed Deposits and earmarked balance with Banks | 45.78 | 45.78 | 40.04 | 40.04 |
| Interest accrued but not due on Fixed Deposits with Banks | 0.23 | 0.23 | 1.00 | 1.00 |
| **Total Financial Assets** | **278.18** | **278.18** | **122.46** | **122.46** |
| **Financial Liabilities designated at fair value through profit or loss** | | | | |
| Derivative Liabilities | 3.13 | 3.13 | 17.65 | 17.65 |
| Financial Guarantee Liability | 0.05 | 0.05 | 0.05 | 0.05 |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Liabilities designated at amortised cost** | | | | |
| Borrowings (including current maturities) | 664.34 | 664.34 | 697.00 | 697.00 |
| Lease Liabilities | 15.02 | 15.02 | 15.99 | 15.99 |
| Trade Payables | 189.34 | 189.34 | 185.38 | 185.38 |
| Electricity Duty | 131.51 | 131.51 | 132.70 | 132.70 |
| Interest accrued but not due on borrowings | 1.14 | 1.14 | 4.61 | 4.61 |
| Unclaimed Dividend | 1.11 | 1.11 | 1.25 | 1.25 |
| Earnest Money and Security Deposits | 2.32 | 2.32 | 4.38 | 4.38 |
| Liability for Operating and Other Expenses | 122.07 | 122.07 | 110.89 | 110.89 |
| Creditors for Capital Goods | 6.42 | 6.42 | 14.06 | 14.06 |
| Payable to Employees | 21.24 | 21.24 | 13.96 | 13.96 |
| Other Financial Liabilities | 1.35 | 1.35 | 1.35 | 1.35 |
| **Total Financial Liabilities** | **1,159.04** | **1,159.04** | **1,199.27** | **1,199.27** |

### Fair valuation techniques

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

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

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

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

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

### Fair Value hierarchy

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

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

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

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

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

(₹in Crore)

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | |
| Investment in Equity Instruments and Mutual Funds | 119.74 | - | 0.35 | 32.76 | - | 0.33 |
| Derivative assets | - | 2.13 | - | - | - | - |
| **Total Financial Assets** | **119.74** | **2.13** | **0.35** | **32.76** | **-** | **0.33** |
| **Financial Liabilities** | | | | | | |
| Derivative liabilities | - | 3.13 | - | - | 17.65 | - |
| Financial Guarantee Liability | - | 0.05 | - | - | 0.05 | - |
| **Total Financial Liabilities** | **-** | **3.18** | **-** | **-** | **17.70** | **-** |

During the year ended 31st March, 2021 and 31st March, 2020, there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy, as at 31st March, 2021 and 31st March, 2020:

| Particulars | Fair value hierarchy | Valuation technique | Inputs used |
|---|---|---|---|
| **Financial Assets** | | | |
| Derivative Assets | | | |
| - Forward Contracts | Level 2 | Market valuation techniques | Forward foreign currency exchange rates, interest rates to discount future cash flow |
| Unquoted Equity Instruments | Level 3 | Net asset value | Net asset value based latest available financial statements. |
| **Financial Liabilities** | | | |
| Derivative Liabilities | | | |
| - Interest rate and cross currency swaps | Level 2 | Market valuation techniques | Prevailing/forward interest rates in market, interest rates to discount future cash flow |
| Financial Guarantee Liability | Level 2 | Discounted cash flow of probable cash shortfall | Risk free rate of return as provided by Fixed Income Money Market and Derivatives Association of India (FIMMDA), ICRA transition matrix |

## 53. Disclosure pursuant to Indian Accounting Standard 12 - Income Taxes

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

(₹ in Crore)

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Profit Before Taxes (Accounting Profit) | 228.46 | (90.78) |
| Applicable tax rate (as enacted by the relevant Finance Act) | 34.944% | 34.944% |
| Computed tax expense | 79.83 | (31.72) |
| Effective of tax rate differences of subsidiaries operating in other jurisdictions | 0.47 | (0.28) |
| **Increase/(reduction) in the aforesaid computed tax expense on account of:** | | |
| Tax holiday u/s 80-IA | (22.12) | - |
| Dividend, being exempt from tax | (0.60) | (0.46) |
| Profit on sale of Property, Plant & Equipment (Net), not taxable | (0.16) | 1.07 |
| Expenses not deductible | 2.33 | 4.89 |
| Adjustment arising on account of amalgamation (refer Note No. 57) | - | - |
| Earlier year tax adjustments | - | (1.69) |
| Deduction u/s 80G | 1.48 | - |
| Deferred tax related adjustments (including impact on deferred tax for the year due to change in applicable tax rate) | | 1.44 |
| **Income tax expense (Current tax + Deferred tax)** | **61.23** | **(26.75)** |

Consolidated

# Notes
to Consolidated Financial Statements for the year ended 31st March, 2021

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

(₹ in Crore)

| Particulars | Property, plant and equipment and investment property | Intangible assets | Financial assets at FVTPL | Defined benefit plan/Other long term benefits | Others | Total |
|---|---|---|---|---|---|---|
| **As at 1st April, 2019** | **101.66** | **0.45** | **(1.23)** | **(5.45)** | **(8.57)** | **86.86** |
| Charged /(credited) | | | | | | - |
| - to profit or loss | (3.61) | (0.25) | (8.38) | (4.19) | (7.34) | (23.77) |
| - to other comprehensive income | - | - | - | (2.04) | - | (2.04) |
| **As at 31st March, 2020** | **98.05** | **0.20** | **(9.61)** | **(11.68)** | **(15.91)** | **61.05** |
| Charged/(credited) | | | | | | |
| - to profit or loss | (3.17) | (0.20) | 5.91 | 5.09 | 6.65 | 14.28 |
| - to other comprehensive income | - | - | - | (0.25) | - | (0.25) |
| **As at 31st March, 2021** | **94.88** | **-** | **(3.70)** | **(6.84)** | **(9.26)** | **75.08** |

## 54. Disclosure under Ind AS 115 Revenue from Contracts with Customers

### (i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2021 by offerings and contract-type.

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Type of product | | |
| Ferro Chrome | 1,806.23 | 1,558.04 |
| Fly Ash Bricks | 1.46 | 2.52 |
| Low Density Aggregate | 0.04 | 0.18 |
| **Total** | **1,807.73** | **1,560.74** |

### Total revenues from contracts with customers

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Revenue from Customers based in India | 102.44 | 109.60 |
| Revenue from Customers based outside India | 1,705.29 | 1,451.14 |
| **Total** | **1,807.73** | **1,560.74** |

### Sale by performance obligations

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Upon delivery | 635.39 | 578.96 |
| Upon shipment | 1,172.34 | 981.78 |
| **Total** | **1,807.73** | **1,560.74** |

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## Timing of Revenue Recognition

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Revenue of goods transferred to customers at a point in time | 1,807.73 | 1,560.74 |
| Revenue of goods transferred to customers over time | - | - |
| **Total** | **1,807.73** | **1,560.74** |

### (ii) Trade receivables and Contract Balances

The company clasifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no 13 & 27 respectively.

The revenue recognised during the year ended 31st March, 2021 includes revenue against advances from customers amounting to ₹ 1.44 Crore at the beginning of the year.

### (iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and the explanation as to when the Company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is Nil.

## 55. Changes in liabilities arising from financing activities

(₹ in Crore)

| | | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| **(i)** | **Long Term Borrowings** | | |
| | Opening balance | 428.62 | 506.74 |
| | Amount borrowed during the year | 7.97 | 40.00 |
| | Amount repaid during the year | (54.30) | (119.49) |
| | Amortised cost adjustment | 1.37 | 1.37 |
| | **Closing balance** | **383.66** | **428.62** |
| **(ii)** | **Lease obligations:** | | |
| | Opening Balance | 15.99 | - |
| | Additions | 1.06 | 17.38 |
| | Finance cost accrued during the year | 1.54 | 1.55 |
| | Payment for Leases | (3.57) | (2.94) |
| | **Closing balance** | **15.02** | **15.99** |
| **(iii)** | **Short-term borrowings** | | |
| | Opening balance | 268.38 | 258.80 |
| | Amount borrowed / (repaid) during the year (net) | 14.32 | (1.36) |
| | Foreign Exchange difference | (2.02) | 10.94 |
| | **Closing balance** | **280.68** | **268.38** |

**Consolidated**

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

## 56. Leases

The Group has applied Ind AS 116 - Leases using the modified retrospective approach effective from 1st April, 2019.

**The following is the movement of lease liabilities for the year ended 31st March, 2021**

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Opening Balance | 15.99 | - |
| Additions | 1.06 | 17.38 |
| Finance cost accrued during the year | 1.54 | 1.55 |
| Payment for leases | (3.57) | (2.94) |
| **Closing balance** | **15.02** | **15.99** |

### Maturity analysis of lease liabilities

### Maturity analysis – contractual discounted cash flows

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Less than one year | 2.10 | 1.86 |
| One to five years | 3.05 | 3.53 |
| More than five years | 9.87 | 10.60 |
| **Total discounted lease liabilities at 31st March, 2021** | **15.02** | **15.99** |

### Discounted Cash flows

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Current | 2.10 | 1.86 |
| Non-Current | 12.92 | 14.13 |
| **Lease liabilities as at 31st March, 2021** | **15.02** | **15.99** |

Rental expenses recorded as short-term leases under Ind AS 116, during the year ended 31st March, 2021 is ₹ 18.51 (Previous year : ₹ 14.01 Crore).

(₹ in Crore)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Short term leases | 18.51 | 14.01 |
| Lease of low value assets | - | - |
| **Total** | **18.51** | **14.01** |

The incremental borrowing rate of 9% p.a. to 9.90% p.a. has been applied to lease.

# Notes

to Consolidated Financial Statements for the year ended 31st March, 2021

**57 (a).** Pursuant to an amendment vide Odisha Electricity Regulation Commission (OERC) Notification No. OERC/RA/RE-5/2013 dated 31st December 2019 and subsequent OERC order dated 11th September, 2020, the Company has recognised ₹ 4.50 Crore during the year towards credit available for excess renewable energy certificates (REC) due to reduction in renewable power obligation.

**57 (b).** There was a major breakdown in one furnace at Therubali which resulted in a shutdown for about 4 months. An insurance claim was lodged against material damage and Business Interruption loss, and the Parent Company has received ₹ 24.64 Crore towards settlement of the claim which has been accounted for as other income during the current financial year.

**58.** The Company has taken necessary steps for surrender of Nuasahi Chromite Mines. Consequently, the total assets amounting to ₹ 2.21 Crore which are no more usable by the Company have been written off during the financial year 2020-21. Against this write off, there was impairment provision of ₹ 2.63 Crore has been created in financial year 2019-20; thus the excess provision of ₹0.42. Crore has been reversed.

**59.** The group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the group has used internal and external information. Having reviewed the underlying data and based on current estimates, the group does not expect any material impact on the carrying amount of these assets and liabilities.. The impact of COVID-19 on the group's financial statements may differ from that estimated as at the date of approval of these financial statements and the group will continue to closely monitor any material changes to future economic conditions. The group has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same. However, the group is closely monitoring the situation for any future impact.

**60.** The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contributions by the company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India however, the effective date has not yet been notified. The group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective, if any.

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

**For SCV & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 000235N / N500089

**For and on behalf of the Board of Directors**

| | | | |
|---|---|---|---|
| **Rajiv Puri** | **Subhrakant Panda** | **Jayant Kumar Misra** | **Prem Khandelwal** |
| Partner | Managing Director | Director (Corporate) & COO | CFO & Company Secretary |
| Membership No. 084318 | (DIN - 00171845) | (DIN -00146526) | Place: Bhubaneswar |
| Place: New Delhi | Place: New Delhi | Place: Bhubaneswar | Date: 9th June, 2021 |
| Date: 9th June, 2021 | Date: 9th June, 2021 | Date: 9th June, 2021 | |

# Note

# Corporate Information

## Board of Directors

**Chairman**
Major R N Misra (Retd)

**Vice Chairman**
Mr Baijayant Panda

**Managing Director**
Mr Subhrakant Panda

**Director (Corporate) & COO**
Mr J K Misra

**Whole-time Director**
Mr C R Ray

**Directors**
Mr N R Mohanty, Padma Shri

Mr S P Mathur

Mr Stefan Georg Amrein

Mr Bijoy Kumar Das

Mrs Latha Ravindran

## CFO & Company Secretary
Mr Prem Khandelwal

## Auditors
SCV & Co. LLP
Chartered Accountants

## Bankers/Term Lenders
ICICI Bank Limited

State Bank of India

IDBI Bank Limited

Standard Chartered Bank

RBL Bank Limited

Export-Import Bank of India

Canara Bank (Syndicate)

Indian Bank (Allahabad)

The South Indian Bank Limited

Union Bank of India (Corporation)

UCO Bank

Kotak Mahindra Bank Limited

HDFC Bank Limited

Axis Bank Ltd.

## Registered Office
IMFA Building, Bomikhal, P.O. Rasulgarh
Bhubaneswar - 751 010, Odisha

## Plants
Therubali, Dist: Rayagada, Odisha
Choudwar, Dist: Cuttack, Odisha

## Mines
Sukinda, Dist: Jajpur, Odisha

Mahagiri, Dist: Jajpur, Odisha

## 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

If undelivered please return to:

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