



IMFA Building
Bhubaneswar -751010
Odisha, India

18th May, 2019

Corporate Identity No.
L27101OR1961PLC000428

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

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

**Re: Outcome of the meeting of the Board of Directors held on
18th May, 2019**

Dear Sir,

The Board of Directors of the Company at their meeting held on 18th May 2019, inter-alia, have transacted the following:

1. Approved the Audited Financial Results for the quarter and year ended 31st March 2019. A copy each of the Audited Financial Results and Report of Statutory Auditors are enclosed.
2. Recommended dividend of Rs 5/- per equity share of Rs 10/- each subject to approval of the shareholders in the forthcoming Annual General Meeting of the Company.

Thanking you,

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LIMITED

(PREM KHANDELWAL)
CFO & COMPANY SECRETARY

INDIAN METALS & FERRO ALLOYS LIMITED

Regd. Office: IMFA Building, Bomikhal, Rasulgarh, Bhubaneswar - 751 010 (Odisha)
Phone: +91 674 2611000, 2580100; Fax: +91 674 2580020; Email: mail@imfa.in; Website: www.imfa.in
CIN: L27101OR1961PLC000428

(Rs. in Crores)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019							
Particulars	Standalone			Standalone		Consolidated	
	Quarter ended			Year ended		Year ended	
	31-Mar-2019 (Audited)	31-Dec-2018 (Unaudited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)
1. Income							
(a) Revenue from Operations	434.06	392.42	443.27	1,633.78	1,769.26	1,633.78	1,769.26
(b) Other Income	3.61	4.02	8.48	14.51	27.66	13.77	26.54
Total Income	437.67	396.44	451.75	1,648.29	1,796.92	1,647.55	1,795.80
2. Expenses							
(a) Cost of Materials Consumed	243.75	226.10	218.78	823.89	813.44	823.89	813.44
(b) Changes in Inventories of Finished Goods	(11.65)	(44.28)	12.42	(48.46)	1.40	(48.46)	1.40
(c) Excise Duty	-	-	-	-	3.66	-	3.66
(d) Employee Benefits Expense	51.95	42.67	50.00	174.12	176.74	174.20	176.73
(e) Finance Costs	20.59	22.49	20.66	80.50	78.23	77.74	75.41
(f) Depreciation and Amortisation Expense	25.98	24.88	26.08	98.16	100.80	98.16	100.80
(g) Foreign Exchange Fluctuation (Gain)/Loss (including MTM) (Net)	(9.04)	(28.43)	11.32	53.13	(9.69)	53.13	(9.69)
(h) Other Expenses	117.81	98.78	96.91	361.03	350.34	369.10	351.29
Total Expenses	439.39	342.21	436.17	1,542.37	1,514.92	1,547.76	1,513.04
3. Profit/(Loss) before exceptional items and tax (1-2)	(1.72)	54.23	15.58	105.92	282.00	99.79	282.76
4. Exceptional Items - (Income)/Expense (Net) (refer Note No. 4)	85.15	3.47	-	75.97	-	80.67	-
5. Profit/(Loss) before tax (3-4)	(86.87)	50.76	15.58	29.95	282.00	19.12	282.76
6. Tax Expense :							
- Current Tax	(10.37)	0.97	13.43	27.09	95.74	27.85	96.52
- Deferred Tax	(2.63)	15.11	(2.44)	(8.18)	(0.36)	(8.15)	(0.28)
7. Profit/(Loss) after tax (5-6)	(73.87)	34.68	4.59	11.04	186.62	(0.58)	186.52
8. Other Comprehensive Income/(Expense)							
- Items that will not be reclassified to profit or loss (net of tax)	(2.67)	(0.69)	(4.13)	(2.05)	(2.35)	(2.05)	(2.35)
- Items that will be reclassified to profit or loss	-	-	-	-	-	5.81	0.12
9. Total Comprehensive Income/(Expense) after tax (7+8)	(76.54)	33.99	0.46	8.99	184.27	3.18	184.29
10. Profit/(Loss) attributable to :							
(a) Owners of the Company	(73.87)	34.68	4.59	11.04	186.62	(1.02)	186.10
(b) Non-controlling interest	-	-	-	-	-	0.44	0.42
11. Other Comprehensive Income/(Expense) (net of tax) attributable to :							
(a) Owners of the Company	(2.67)	(0.69)	(4.13)	(2.05)	(2.35)	3.76	(2.23)
(b) Non-controlling interest	-	-	-	-	-	-	-
12. Total Comprehensive Income/(Expense) after tax attributable to : (10+11)							
(a) Owners of the Company	(76.54)	33.99	0.46	8.99	184.27	2.74	183.87
(b) Non-controlling interest	-	-	-	-	-	0.44	0.42
13. Paid-up Equity Share Capital (Face Value Rs. 10/- each)	13.06	13.06	13.06	13.06	13.06	13.06	13.06
14. Other Equity excluding Revaluation Reserves				1,129.67	1,169.05	1,143.23	1,189.07
15. Earnings per share-Basic & Diluted (in Rupees) (*not annualised)	*(27.38)	*12.85	*1.70	4.09	69.18	(0.38)	68.98



BALANCE SHEET

(Rs. in Crores)

Particulars	Standalone	Standalone	Consolidated	Consolidated
	As at 31-Mar-19 (Audited)	As at 31-Mar-18 (Audited)	As at 31-Mar-19 (Audited)	As at 31-Mar-18 (Audited)
A ASSETS				
1 Non - Current Assets				
(a) Property, Plant and Equipment	965.59	987.84	1,144.15	1,169.69
(b) Capital Work-in-Progress	118.05	89.66	304.44	273.08
(c) Investment Property	10.66	10.96	10.66	10.96
(d) Goodwill on Consolidation	-	-	20.50	73.12
(e) Intangible Assets	1.76	2.66	1.76	2.66
(f) Investments in Subsidiaries and Associate	115.46	168.59	-	-
(g) Financial Assets				
(i) Investments	0.10	0.10	0.10	0.10
(ii) Trade Receivables	11.39	11.39	11.39	11.39
(iii) Loans	24.59	23.67	24.61	23.69
(iv) Other Financial Assets	1.31	3.40	1.31	3.40
(h) Other Non-Current Assets	173.44	165.41	173.44	165.41
(i) Non-Current Tax Assets (Net)	41.81	24.76	42.82	25.78
Total Non-Current Assets	1,464.16	1,488.44	1,735.18	1,759.28
2 Current Assets				
(a) Inventories	544.91	428.06	544.92	428.07
(b) Financial Assets				
(i) Investments	65.32	144.82	69.36	147.86
(ii) Trade Receivables	49.68	65.20	50.06	65.24
(iii) Cash and Cash Equivalents	16.78	17.60	17.69	17.98
(iv) Other Bank Balances	35.08	22.29	38.96	30.52
(v) Loans	263.48	263.15	-	-
(vi) Other Financial Assets	7.63	1.44	7.63	1.44
(c) Other Current Assets	190.46	200.83	191.07	201.42
Total Current Assets	1,173.34	1,143.39	919.69	892.53
TOTAL ASSETS	2,637.50	2,631.83	2,654.87	2,651.81
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	13.06	13.06	13.06	13.06
(b) Equity Share Suspense Account (Refer Note No. 7)	13.92	13.92	13.92	13.92
(c) Other Equity	1,129.67	1,169.05	1,143.23	1,189.07
(d) Non-Controlling Interests	-	-	30.47	30.43
Total Equity	1,156.65	1,196.03	1,200.68	1,246.48
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	414.76	546.52	385.02	516.16
(ii) Other Financial Liabilities	10.43	11.94	10.45	11.96
(b) Provisions	15.17	9.11	15.17	9.11
(c) Deferred Tax Liabilities (Net)	86.73	96.01	86.86	96.11
(d) Other Non-Current Liabilities	131.89	132.24	131.89	132.24
Total Non-Current Liabilities	658.98	795.82	629.39	765.58
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	258.80	194.68	258.80	194.68
(ii) Trade Payables				
a) total outstanding dues of micro enterprises and small enterprises	4.90	2.20	4.90	2.20
b) total outstanding dues of creditors other than micro enterprises and small enterprises	267.12	194.23	267.12	194.23
(iii) Other Financial Liabilities	272.04	230.78	274.87	230.45
(b) Other Current Liabilities	11.82	11.47	11.92	11.57
(c) Provisions	7.19	6.62	7.19	6.62
Total Current Liabilities	821.87	639.98	824.80	639.75
TOTAL EQUITY AND LIABILITIES	2,637.50	2,631.83	2,654.87	2,651.81

Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Crores)

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	31-Mar-2019 (Audited)	31-Dec-2018 (Unaudited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)	31-Mar-2019 (Audited)	31-Mar-2018 (Audited)
1. Segment Revenue							
a) Ferro Alloys	417.88	381.54	429.66	1,578.30	1,697.85	1,578.30	1,697.85
b) Power	108.89	106.05	130.26	415.30	443.45	415.30	443.45
c) Mining	72.92	61.04	63.49	217.08	189.94	217.08	189.94
d) Others	0.89	0.78	0.77	3.09	2.42	3.09	2.42
Total	600.58	549.41	624.18	2,213.77	2,333.66	2,213.77	2,333.66
Less: Inter Segment Revenue	182.08	167.28	193.96	633.13	633.89	633.13	633.89
Net Income from Operations	418.50	382.13	430.22	1,580.64	1,699.77	1,580.64	1,699.77
2. Segment Results							
a) Ferro Alloys	27.47	50.80	57.47	265.77	358.85	265.77	358.85
b) Power	(1.46)	(1.52)	(3.09)	(7.03)	(9.35)	(7.03)	(9.35)
c) Mining	(7.70)	(1.08)	(6.83)	(7.83)	(6.59)	(15.15)	(7.54)
d) Others	(2.15)	(2.24)	(2.29)	(8.51)	(8.95)	(8.51)	(8.95)
Total	16.16	45.96	45.26	242.40	333.96	235.08	333.01
Less: Finance Costs	20.59	22.49	20.66	80.50	78.23	77.74	75.41
Less: Other Un-allocable Expenditure net of Un-allocable Income	82.44	(27.29)	9.02	131.95	(26.27)	138.22	(25.16)
Total Profit/(Loss) Before Tax	(86.87)	50.76	15.58	29.95	282.00	19.12	282.76
3. Segment Assets							
a) Ferro Alloys	925.53	804.88	765.51	925.53	765.51	925.53	765.51
b) Power	912.87	892.04	944.44	912.87	944.44	912.88	944.93
c) Mining	106.96	114.77	115.09	106.96	115.09	477.21	488.74
d) Others	54.34	56.07	61.14	54.34	61.14	54.34	61.14
e) Unallocated	637.80	705.18	745.65	637.80	745.65	284.91	391.49
Total Segment Assets	2,637.50	2,572.94	2,631.83	2,637.50	2,631.83	2,654.87	2,651.81
4. Segment Liabilities							
a) Ferro Alloys	242.91	186.77	153.39	242.91	153.39	242.91	153.39
b) Power	248.84	223.14	253.16	248.84	253.16	248.84	253.16
c) Mining	36.95	26.08	36.27	36.95	36.27	40.50	36.53
d) Others	1.06	2.00	0.84	1.06	0.84	1.06	0.84
e) Unallocated	155.14	130.80	139.09	155.14	139.09	155.37	139.31
Total Segment Liabilities	684.90	568.79	582.75	684.90	582.75	688.68	583.23

NOTES:

1. The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 18th May, 2019.
2. The entire operations of the Company relate to three broad operating segments viz. "Ferro Alloys", "Power" and "Mining".
3. The Company had initiated arbitration proceedings against the Government of Indonesia under a Bilateral Investment Protection Treaty as a coal mining concession held by Indmet Mining Pte Ltd ('Indmet', a wholly owned subsidiary of the Company incorporated in Singapore), through a subsidiary PT Sumber Rahayu Indah ('SRI'), could not be operationalised. 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 Rs 53.13 crore.
4. Exceptional Items for the year ended 31st March, 2019 consist of :
 - i) Impairment loss of Rs. 53.13 crore on investment in Equity Shares of a subsidiary as detailed above in Note No. 3.
 - ii) Provision towards arbitration costs and expenses amounting to Rs. 20.58 crore payable to the Government of the Republic of Indonesia, as detailed above in Note No. 3.
 - iii) Pursuant to a clarification dated 13th August, 2018 by Commissionerate of CT and GST, Odisha, Rs. 17.66 crore relating to GST Compensation Cess paid on Coal procured during the period 1st July, 2017 to 30th June, 2018 to the extent relatable to export of finished goods, which had earlier been charged off to the Statement of Profit and Loss, has been recognised as income and received during the year. Out of the aforesaid amount, Rs. 13.73 crore relating to the period 1st July, 2017 - 31st March, 2018 is included under "Exceptional Items" and balance Rs. 3.93 crore relating to the period 1st April, 2018 to 30th June, 2018 under "Cost of Materials Consumed". W.e.f. 1st July, 2018, GST Compensation Cess paid on coal (to the extent relatable to export of finished goods) is not routed through the Statement of Profit and Loss as it is being claimed as an input tax credit, in terms of the aforesaid clarification.
 - iv) Expected credit loss of Rs 10 crore on investment in Non-Convertible Redeemable Cumulative Preference Shares.
 - v) Retrenchment compensation of Rs. 2.34 crore paid to employees of Nuasahi Chromite Mines.
 - vi) Pursuant to Hon'ble Supreme Court's judgment dated 28th February, 2019, a provision of Rs. 4.39 crore has been made during the year towards arrears of Provident Fund liability under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Out of the aforesaid amount, Rs. 3.65 crore relating to the period upto 31st March, 2018 is included under "Exceptional Items" and balance Rs. 0.74 crore relating to the financial year 2018-19 under "Employee Benefits Expense".
5. Ministry of Coal vide its letter dated 2nd April, 2019 to Utkal Coal Limited ('UCL', a subsidiary of the Company) had again sought for the details of investments in UCL's coal block for valuation of compensation. Hence, UCL is hopeful of an amicable resolution of the compensation matter with Government of India, pending which, no accounting adjustments have been made by UCL in its books of account and no provision is deemed necessary against the Company's net exposure in UCL as at 31st March, 2019 amounting to Rs. 111.42 crore invested as equity and Rs. 263.48 crore given as unsecured loan.
6. In view of the circumstances detailed above in Note No. 5 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 postponed recognition of income from interest on unsecured loan given to UCL. Due to this, loss before tax for the quarter ended 31st March, 2019 is higher by Rs. 8.23 crore and profit before tax for the year ended 31st March, 2019 is lower by Rs. 35.43 crore. The interest income would be considered as revenue of the period in which it is properly recognised.
7. The Hon'ble National Company Law Tribunal ("NCLT"), Cuttack Bench vide its Order dated 26th March, 2019, approved the Scheme of Amalgamation made under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving amalgamation of (a) Indian Metals and Carbide Limited ("IMCL"), a wholly owned subsidiary of the Company and (b) B. Panda and Company Private Limited ("BPCO"), the holding company of the Company, into the Company. The Scheme was approved by the Board of Directors of the Company on 28th September, 2017. Consequent to the filing of a certified copy of the said Order with the Registrar of the Companies, Cuttack on 30th April, 2019, the Scheme has become effective from the Appointed Date i.e. 1st April, 2017. Upon the Scheme coming into effect, the undertakings of IMCL and BPCO stand transferred to and vested in the Company with effect from the Appointed Date and the Scheme has accordingly been given effect to in these financial results.

Equity Share Suspense Account amounting to Rs. 13.92 crore represents 1,39,18,046 Equity Shares of Rs. 10 each fully paid up pending allotment to the shareholders of BPCO pursuant to the Scheme coming into effect. These shares have been considered for the purpose of calculation of EPS appropriately.
8. The Board has recommended dividend of Rs. 5 per equity share of Rs.10 each subject to approval of the shareholders in the forthcoming Annual General Meeting.
9. The figures for the quarter ended 31st March, 2019 and 31st March, 2018 are the balancing figures between the audited figures in respect of the full financial year and the year-to-date figures upto the 3rd quarter of the respective financial year.
10. Previous years/periods' figures have been rearranged/regrouped, wherever considered necessary, to make them comparable with those of current year/period.

Place : Bhubaneswar
Date : 18th May, 2019

By order of the Board
For INDIAN METALS & FERRO ALLOYS LTD



Subhrakant Panda
Managing Director
DIN - 00171845

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Metals and Ferro Alloys Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

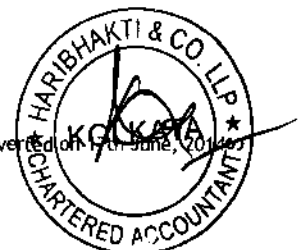
Emphasis of Matter

We draw attention to Note Nos. 46 and 47 to the standalone financial statements relating to the Company's exposure in a subsidiary and non-recognition of income from interest on unsecured loan given to the subsidiary, respectively. These matters have arisen out of the cancellation of allotment of the coal block being held by the subsidiary vide the Hon'ble Supreme Court of India's Order dated 24th September, 2014 and the subsequent events in connection therewith.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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



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Key Audit Matter	Auditor's Response - Principal Audit Procedures
<p>Derivative Financial Instruments</p> <p>As the Company's revenue majorly accrues from exports, many raw materials/consumables are imported and there are borrowings in foreign currency, derivative financial instrument contracts are used by the Company to manage and hedge foreign currency exchange risks and interest rate risks. The Company is mainly using forward contracts and swaps for this purpose and these instruments are measured at fair value at each reporting date, as required by the relevant accounting standard. The Company has not designated any derivative contract for hedge accounting purposes.</p> <p>The accounting of derivative financial instruments is significant to our audit due to the high volume of contracts and their potential material impact on the standalone financial statements. Inappropriate application of accounting requirements in this regard could lead to a material effect on the standalone financial statements.</p>	<p>Our audit approach and procedures included, but were not limited to, testing of the design and operative effectiveness of the internal controls and performing substantive procedures, as follows:-</p> <ul style="list-style-type: none"> • Obtaining an understanding of the risk management policies of the Company and testing key controls for the use, recognition and the measurement of derivative financial instruments; • Verifying outstanding derivative financial instruments at each reporting date with the confirmations received from counterparties ; • Checking the gain/loss on fair valuation of derivative financial instruments with reference to the fair valuation statements as on the reporting date; • Considering the appropriateness of disclosures in relation to financial risk management and derivative financial instruments, as required by the relevant accounting standards; • Verifying the underlying exposure for derivative financial instruments;

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the



Continuation Sheet

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assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



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

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

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

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

Other Matters

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

Our opinion on the standalone financial statements is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

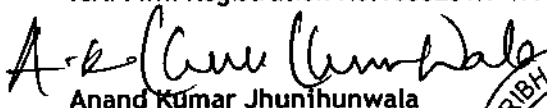


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- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matters described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - refer Note Nos. 39,48,49, and 50 to the standalone financial statements;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (3) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. Further, the remuneration paid by the Company to its directors during the year is in excess of the limits laid down under sub-section 1 of Section 197 of the Act and the requisite approval in accordance with the said Section read with Schedule V to the Act has been obtained by the Company - refer Note No. 45(e) to the standalone financial statements.

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



Anand Kumar Jhunjhunwala
Partner
Membership No.056613



Bhubaneswar
18th May, 2019

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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2019]

- (i)
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, major portion of fixed assets has been physically verified by the Company's Management ("management") during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except as detailed herein below:-

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

- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us, we are of the opinion that the terms and conditions of the grant of the aforesaid loans are not prejudicial to the Company's interest, except that the loans and interest thereon are repayable/payable on demand, which may be prejudicial to the Company's interest as one of the borrowing Company's ability to repay/pay such loan/interest is contingent on the outcome of certain matters as detailed in Note Nos. 46 and 47 to the standalone financial statements.
- (b) According to the information and explanations given to us, the aforesaid loans and interest thereon are repayable/payable on demand. As no such demand has been raised by the Company till date, clause (b) is not applicable in this case.



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

- (iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	17.45	Assessment Years 1987-88 to 1989-90	Orissa High Court
Odisha Sales Tax Act, 1947	Sales Tax	1.02	1990-91 to 1991-92	Orissa High Court
Odisha Sales Tax Act, 1947	Sales Tax	4.19	1994-95	Odisha Sales Tax Tribunal
Finance Act, 1994	Service Tax	48.26	2012-2017	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Excise Duty	19.10	1993-2002	Orissa High Court
Central Excise Act, 1944	Excise Duty	1.45	2012-2013	Appeal in the process of being filed before Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	0.11	2011-2012	Assistant Commissioner, Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	1,818.16	2009-2014	Customs, Excise & Service Tax Appellate Tribunal

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Central Excise Act, 1944	Cenvat Credit reversal	7.58	2012-2014	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	4.64	2012-2013	Appeal in the process of being filed before Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	126.12	April, 2015 to September, 2015	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	526.04	2014-2015	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat Credit reversal	26.51	2010-2017	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	1.62	2016-17	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	8.53	November, 2004 to January, 2005	Commissioner (Appeals), Central Excise, Customs & Service Tax
Central Excise Act, 1944	Cenvat Credit reversal	32.92	2012-13 to 2016-17	Commissioner (Appeals), Central Excise, Customs & Service Tax
Odisha Value Added Tax Act, 2004	Value Added Tax	2.76	October, 2011 to March, 2015	Odisha Sales Tax Tribunal

- (viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or Government. The Company has not issued any debentures as at the balance sheet date.
- (ix) In our opinion and according to the information and explanations given to us, term loans were prima facie applied during the year for the purposes for which those were raised. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company.



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- (xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Anand Kumar Jhunjunwala

Anand Kumar Jhunjunwala
Partner
Membership No. 056613



Bhubaneswar
18th May, 2019

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)g under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended 31st March, 2019]

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

We have audited the internal financial controls with reference to financial statements of the Company as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



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

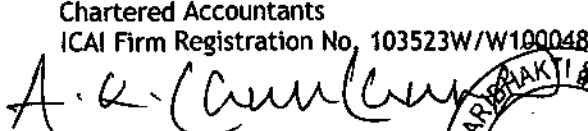
Inherent Limitations of Internal Financial Controls with reference to Financial Statements

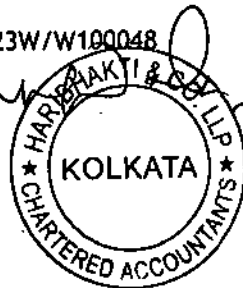
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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


Anand Kumar Jhunjunwala
Partner
Membership No. 056613



Bhubaneswar
18th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Metals and Ferro Alloys Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

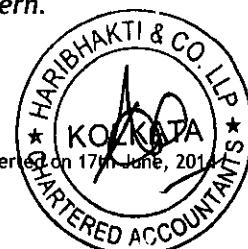
We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial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

Material Uncertainty Related to Going Concern

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

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

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



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

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

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

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

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

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

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

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

Our opinion is not modified in respect of these matters.

Emphasis of Matter

We draw attention to Note No. 40 to the consolidated financial statements relating to the Company's exposure in Utkal Coal Ltd., a subsidiary of the Company. The matter has arisen out of the cancellation of allotment of the coal block being held by the subsidiary vide the Hon'ble Supreme Court of India's Order dated 24th September, 2014 and the subsequent events in connection therewith.

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

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were



Continuation Sheet

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response - Principal Audit Procedures
<p>Derivative Financial Instruments</p> <p>As the Company's revenue majorly accrues from exports, many raw materials/consumables are imported and there are borrowings in foreign currency, derivative financial instrument contracts are used by the Company to manage and hedge foreign currency exchange risks and interest rate risks. The Company is mainly using forward contracts and swaps for this purpose and these instruments are measured at fair value at each reporting date, as required by the relevant accounting standard. The Company has not designated any derivative contract for hedge accounting purposes.</p> <p>The accounting of derivative financial instruments is significant to our audit due to the high volume of contracts and their potential material impact on the consolidated financial statements. Inappropriate application of accounting requirements in this regard could lead to a material effect on the consolidated financial statements.</p>	<p>Our audit approach and procedures included, but were not limited to, testing of the design and operative effectiveness of the internal controls and performing substantive procedures, as follows:-</p> <ul style="list-style-type: none"> • Obtaining an understanding of the risk management policies of the Company and testing key controls for the use, recognition and the measurement of derivative financial instruments; • Verifying outstanding derivative financial instruments at each reporting date with the confirmations received from counterparties ; • Checking the gain/loss on fair valuation of derivative financial instruments with reference to the fair valuation statements as on the reporting date; • Considering the appropriateness of disclosures in relation to financial risk management and derivative financial instruments, as required by the relevant accounting standards; • Verifying the underlying exposure for derivative financial instruments;

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including



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consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence



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obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

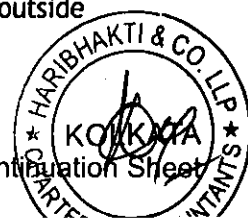
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 39.57 crores as at 31st March, 2019, total revenues of Rs. 3.04 crores and net cash outflows amounting to Rs. 4.44 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on 'Information Other than the Consolidated Financial Statements and Auditor's Report Thereon', in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Two of these subsidiaries are located outside India whose financial statements have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries (refer Note No. 42 to the consolidated financial statements). The Company's management has converted the financial statements of such subsidiaries located outside



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India to Ind AS financial statements (i.e. from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and relevant for preparation of the aforesaid consolidated financial statements). Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company.

The financial statements of one of the subsidiaries of the Company, located in India, have been prepared in accordance with the Accounting Standards (Indian GAAP) [as it is a Non Banking Financial Company and Ind AS is not yet applicable to it] and which have been audited by other auditors. Such Indian GAAP financials have been restated into Ind AS financials by the Company's management, for the purposes of consolidation (refer Note No. 42 to the consolidated financial statements). Our opinion, in so far as it relates to the balances and affairs of such subsidiary located in India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.

The consolidated financial statements also include the financial information of erstwhile Indian Metals and Carbide Limited ("IMCL") and erstwhile B. Panda and Company Private Limited ("BPCO") consequent to their amalgamation into the Company which has been effected on 30th April, 2019, with the appointed date of 1st April, 2017 (Refer Note No. 52 to the consolidated financial statements). We did not audit the financial information of erstwhile IMCL and erstwhile BPCO for the year ended 31st March, 2019, included in the standalone financial statements of the Company, which have been audited by other auditors whose reports have been furnished to us by the Management of the Company. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of erstwhile IMCL and erstwhile BPCO and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to erstwhile IMCL and erstwhile BPCO is based solely on the reports of such other auditors.

Our opinion on the Consolidated Financial Statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the conversion adjustments prepared by the management of the Company.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements ;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



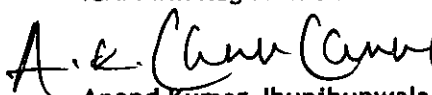
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- e. The matters described in the 'Material Uncertainty Related to Going Concern' and 'Emphasis of Matter' paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group;
- f. On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in the "Annexure ";
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note Nos. 37,43,44 and 45 to the consolidated financial statements;
- (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- (2) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us and based on our reading of the reports of the statutory auditors of the Company's subsidiary companies incorporated in India, the remuneration paid by the Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of Section 197 of the Act. Further, the remuneration paid by the Company to its directors during the year is in excess of the limits laid down under sub-section 1 of Section 197 of the Act and the requisite approval in accordance with the said Section read with Schedule V to the Act has been obtained by the Company - refer Note No. 41(e) to the consolidated financial statements.

For Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration No.103523W/ W100048


Anand Kumar Jhunjhunwala
Partner
Membership No.056613



Bhubaneswar
18th May, 2019

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (1)g under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the consolidated financial statements for the year ended 31st March, 2019]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to financial statements of the Group, in respect of companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

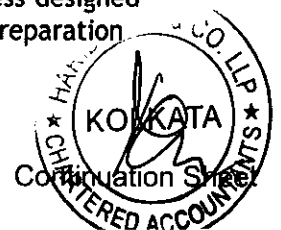
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the entities of the Group which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation



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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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


Opinion

In our opinion, the Group, in respect of companies incorporated in India, has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W180048


Anand Kumar Jhunjunwala
Partner
Membership No. 056613



Bhubaneswar
18th May, 2019



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"DECLARATION"

[Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Indian Metals and Ferro Alloys Limited** having its registered office at IMFA Building, Bomikhal, Bhubaneswar - 751010, Odisha, do hereby declare and confirm that the Audit Report issued by the Statutory Auditor of the Company, Haribhakti & Co. LLP, Chartered Accountants, Kolkata (Firm Registration No. 103523W/W100048) on the Standalone Annual Audited Financial Results for the year ended 31st March 2019 is with unmodified opinion(s) and a declaration to this effect is being made pursuant to the proviso to regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification dated May 25, 2016.

For Indian Metals and Ferro Alloys Limited

Subhrakant Panda
Managing Director
DIN: 00171845

Date : 18th May, 2019

Place: Bhubaneswar



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Odisha, India

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+91 674 2580145

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"DECLARATION"

[Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Indian Metals and Ferro Alloys Limited** having its registered office at IMFA Building, Bomikhal, Bhubaneswar - 751010, Odisha, do hereby declare and confirm that the Audit Report issued by the Statutory Auditor of the Company, Haribhakti & Co. LLP, Chartered Accountants, Kolkata (Firm Registration No. 103523W/W100048) on the Consolidated Annual Audited Financial Results for the year ended 31st March 2019 is with unmodified opinion(s) and a declaration to this effect is being made pursuant to the proviso to regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification dated May 25, 2016.

For Indian Metals and Ferro Alloys Limited

Subhrakant Panda
Managing Director
DIN: 00171845

Date : 18th May, 2019
Place: Bhubaneswar