



**INDEPENDENT AUDITOR'S REPORT**

**Sourjya & Biswajit**  
**CHARTERED ACCOUNTANTS**

To the Members of **IMFA Alloys Finlease Limited**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying (Standalone) financial statements of **IMFA Alloys Finlease Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on that date.

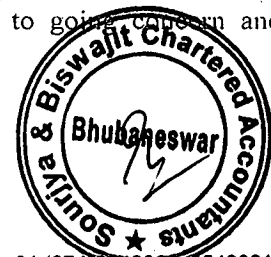
**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 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 opinion.

**Responsibilities of Management and those charged with governance for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 are also responsible for overseeing the company's financial reporting process.

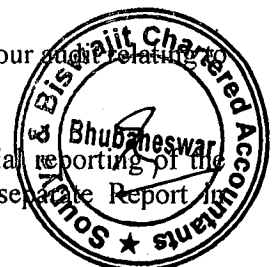
### **Auditor's Responsibilities for the Audit of Financial Statement**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is included in **Annexure 1**. This description forms part of our auditor's report.

### **Report on Other Legal and Regulatory Requirements**

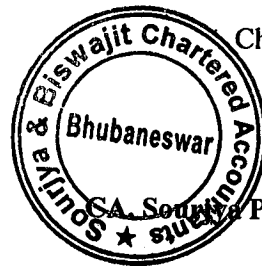
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) As per the information obtained from the management we report that there are no branches of the company during the year, therefore audit of branches is not applicable.
  - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns.
  - e) In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) There are no such observations or comments made by us which have adverse impact on the functioning of the company.
  - g) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - h) There are no qualification, reservation or adverse remark found by us during our audit relating to the maintenance of accounts and other matters connected therewith.
  - i) 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**".



j) 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) Amendment Rules, 2018, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bhubaneswar  
Date: 10<sup>th</sup> May, 2019



For and on behalf of  
Sourjya & Biswajit  
Chartered Accountants  
FRN:322779E

  
Prakash Mohapatra  
Partner  
M. No. 052805

## Annexure 1

### Responsibilities for Audit of Financial Statement

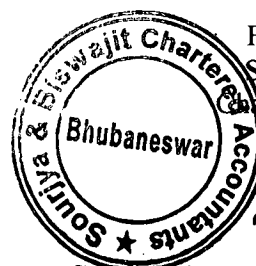
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Place: Bhubaneswar  
Date: 10<sup>th</sup> May, 2019



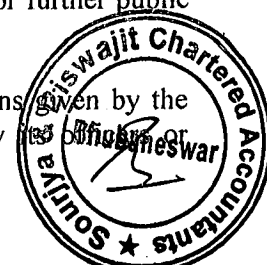
For and on behalf of  
Sourjya & Biswajit  
Chartered Accountants  
FRN:322779E

*Prakash Mohapatra*  
CA. Sourjya Prakash Mohapatra  
Partner  
M. No. 052805

## **“Annexure A” to the Independent Auditors’ Report**

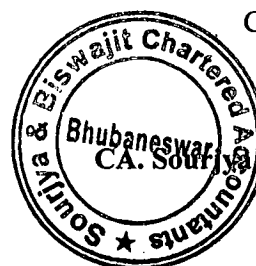
[Referred to in paragraph 1 under ‘Report on other legal & regulatory requirement’ in our independent auditors report of even date to the members of the company on the standalone financial statements for the year ended March 31, 2019]

- (i) (a) The company is an asset financing company, it has transferred all its fixed assets to the lessee during 2012-2013. Before such transfer, the company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets on the basis of available information.  
  
(b) During the year the company does not have any fixed asset so this clause is not applicable.  
  
(c) There is no immovable properties are held in the name of the company.
- (ii) As informed by the management the company does not have any inventory, so this clause is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013. In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on March 31, 2019 for a period of more than six months from the date on when they become payable.  
  
(b) According to the information and explanation given to us, there are no dues of income tax, goods and service tax, duty of customs, cess and other statutory dues outstanding on account of any dispute.
- (viii) The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



- (xi) There is no managerial remuneration paid or provided during the year.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 clause (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, 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) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company has already obtained the registration under section 45 IA of the Reserve Bank of India Act, 1934.

Place: Bhubaneswar  
Date: 10<sup>th</sup> May, 2019



For and on behalf of  
**Sourjya & Biswajit**  
Chartered Accountants  
FRN:322779E

*Prakash Mohapatra*  
Prakash Mohapatra  
Partner  
M. No. 052805

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of IMFA Alloys Finlease Limited**

[Referred to in paragraph 2 (i) under ‘Report on other legal and regulatory requirements’ in the independent auditors report of even date, to the members of the company on the standalone financial statements for the year ended 31<sup>st</sup> March 2019]

(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 **IMFA Alloys Finlease Limited** (“the Company”) as of March 31, 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 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 ICAI 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 financial statements, whether due to fraud or error.

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



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that ;

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

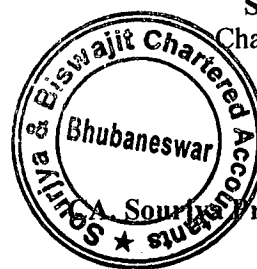
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

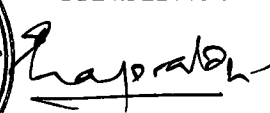
## Opinion

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 March 31, 2019, 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.

Place: Bhubaneswar  
Date: 10<sup>th</sup> May, 2019



For and on behalf of  
**Sourjya & Biswajit**  
Chartered Accountants  
FRN:322779E

  
Prakash Mohapatra  
Partner  
M. No. 052805



# IMFA ALLOYS FINLEASE LIMITED

## Balance Sheet as at 31st March, 2019

(Amount in Rs.)

	Note	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	30,263,160	30,263,160
Reserves and Surplus	3	317,964,014	312,437,208
		<b>348,227,174</b>	<b>342,700,368</b>
<b>Current Liabilities</b>			
Other Current Liabilities	4	830,609	823,649
Short-Term Provisions	5	7,660,541	7,732,242
		<b>8,491,150</b>	<b>8,555,891</b>
		<b>356,718,324</b>	<b>351,256,259</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Long-Term Loans and Advances	6	18,000	-
Other Non-Current Assets	7	297,185,373	303,638,714
		<b>297,203,373</b>	<b>303,638,714</b>
<b>Current Assets</b>			
Trade Receivables	8	3,296,028	-
Current Investments	9	35,686,221	27,744,221
Cash and Cash Equivalents	10	1,671,836	3,527,287
Short-Term Loans and Advances	11	7,690,849	7,757,409
Other Current Assets	12	11,170,016	8,588,628
		<b>59,514,951</b>	<b>47,617,545</b>
		<b>356,718,324</b>	<b>351,256,259</b>

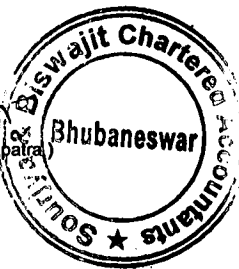
Significant Accounting Policies and  
Other Notes forming part of the Accounts

1 to 22

Auditors' Report to the Members  
As per our report of even date attached.

For Sourjya & Biswajit  
(Chartered Accountants)  
Firm Regn No : 322779E

*Prakash Mohapatra*  
(CA Sourjya Prakash Mohapatra)  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 10th May, 2019



For and on behalf of the Board of Directors

*Prem Khandelwal*  
(Prem Khandelwal)  
Director  
DIN-00667489

*Deepak Kumar Mohanty*  
(Deepak Kumar Mohanty)  
Director  
DIN-00288572

# IMFA ALLOYS FINLEASE LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2019


(Amount in Rs.)

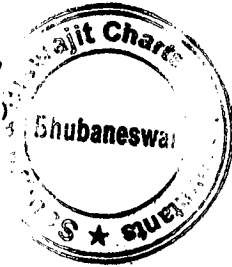
	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Revenue</b>			
Finance Income		27,619,050	28,125,034
Other Income	13	2,069,047	1,617,072
<b>Total Revenue</b>		<b>29,688,097</b>	<b>29,742,106</b>
<b>Expenses</b>			
Other Expenses	14	83,021	67,629
<b>Total Expenses</b>		<b>83,021</b>	<b>67,629</b>
<b>Profit before Tax</b>		<b>29,605,076</b>	<b>29,674,477</b>
<b>Tax expense</b>			
-Current Tax		7,660,541	7,732,243
-Earlier years' adjustments		-	75
<b>Profit after Tax</b>		<b>21,944,535</b>	<b>21,942,159</b>
<b>Earnings Per Equity Share</b>	17		
Basic and Diluted Earnings Per Share (In Rupees)		7.25	7.25

Significant Accounting Policies and Other Notes forming part of the Accounts 1 to 22

Auditors' Report to the Members  
As per our report of even date attached.

For Sourjya & Biswajit  
(Chartered Accountants)  
Firm Regn No : 322779E

  
(CA. Sourjya Braksh Mohapatra)  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 10th May, 2019



For and on behalf of the Board of Directors

  
(Prem Khandalwal)  
Director  
DIN-00657489

  
(Deepak Kumar Mohanty)  
Director  
DIN-00288572

# IMFA ALLOYS FINLEASE LIMITED

## Cash Flow Statement for the year ended 31st March, 2019

(Amount in Rs.)

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A. Cash Flow From Operating Activities</b>		
Net profit/ (loss) before tax	29,605,076	29,674,477
Adjustments for :		
Dividend Income	(2,068,990)	(1,610,811)
Interest income	(57)	(6,261)
Operating profit before working capital changes	27,536,029	28,057,405
Adjustments for :		
Trade and other receivables	2,580,320	5,382,275
Trade and others payables	6,960	790,649
Cash generated from operations	30,123,309	34,230,329
Direct taxes paid(net)	7,660,140	7,829,384
Net Cash Generated From / (Used In) Operating Activities	22,463,169	26,400,945
<b>B Cash Flow From Investing Activities</b>		
(Purchase)/ sale of Investments (net)	(7,942,000)	(1,202,838)
Dividend received	41,052	53,067
Interest received	57	6,261
Net Cash Generated From / (Used In) Investing Activities	(7,900,891)	(1,143,510)
<b>C Cash Flow From Financing Activities</b>		
Payment of Dividend including tax on dividend	(16,417,729)	(21,854,417)
Net Cash Generated From / (Used In) Financing Activities	(16,417,729)	(21,854,417)
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	(1,855,451)	3,403,018
Cash And Cash Equivalents - Opening Balance	3,527,287	124,269
Cash And Cash Equivalents - Closing Balance	1,671,836	3,527,287

**Explanation :**

1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3) 'Cash Flow Statement'.


2. Cash & Cash equivalents are represented by :

-- In Current Accounts	1,671,836	137,537
-- Cheque on Hand	-	3,296,038
-- In Fixed Deposit	-	93,712
	1,671,836	3,527,287

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

Auditors' Report to the Members  
As per our report of even date attached.

For Sourjya & Biswajit  
(Chartered Accountants)  
Firm Regn No : 322779E

  
(CA. Sourjya Prakash Mohapatra)  
Partner  
Membership No. 052805  
Place Bhubaneswar  
Date: 10th May, 2019



For and on behalf of the Board of Directors

  
(Prem Khendelwal)  
Director  
DIN-00867489

  
(Deepak Kumar Mohanty)  
Director  
DIN-00288572

## Notes to Financial Statement

### Note 1 Significant Accounting Policies

#### 1.1 Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

#### 1.2 Inventories

The Company has no inventories.

#### 1.3 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, recognised on the basis of constant

b) Interest income on Fixed Deposit is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

#### 1.4 Investment

Investments are classified as either current or non-current based on Management's intention at the time of purchase.

#### 1.5 Property, Plant & Equipment, Depreciation/Amortisation and Impairment

##### a) Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

The Company acquired 30 MVA Furnace and transferred immediately under Finance Lease during FY 2012-13.

##### b) Depreciation / Amortisation

Depreciation/ Amortisation on fixed assets is provided on Written Down Value Method ("WDV"), which reflects the management's estimate of the useful lives of the respective fixed assets and the rate derived from such useful lives thereof are greater than or equal to the corresponding rates prescribed in schedule II of the Act. As the Company has transferred 30 MVA Assets under Finance Lease during the FY 2012-13 and lessee is entitled to claim depreciation as per Finance Lease Agreement.

##### c) Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

#### 1.6 Leases

Where the company, as a lessor, leases assets under finance leases such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment

The Company has given assets under Finance Lease for an initial period of 25 years and such amounts are recognised as receivables at an amount equal to the Net Investment in the lease.

#### 1.7 Earning per Share:

Basic EPS is calculated by dividing the net profit or loss for the period, attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### 1.8 Taxes on Income

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

a) 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.

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

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

d) At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### 1.9 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Financial Services' as primary reportable segments.

#### 1.10 Foreign Currency Transaction

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency, as on the date of the transaction. Year end foreign currency monetary items are reported using the year end rate. Exchange differences arising on the settlement or reporting of monetary items, at rates different from those at which they were initially recorded during the year or reported in previous financial statements and / or on conversion of monetary items, are recognised as income or expense in the year in which they arise.

#### 1.11 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent Liabilities are not recognized but are disclosed by way notes to financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.



		(Amount in Rs.)	
		As at	As at
Note 2	Share Capital	31st March, 2019	31st March, 2018
	<b>Authorised</b>		
	5,50,00,000 (PY 5,50,00,000) Equity Shares of Rs.10/-each	550,000,000	550,000,000
		<u>550,000,000</u>	<u>550,000,000</u>
	<b>Issued</b>		
	30,26,316 (PY 30,26,316 ) Equity share of Rs 10/- each	30,263,160	30,263,160
		<u>30,263,160</u>	<u>30,263,160</u>
	<b>Subscribed and Paid-up</b>		
	30,26,316 (PY 30,26,316) Equity share of Rs 10/- each	30,263,160	30,263,160
		<u>30,263,160</u>	<u>30,263,160</u>

#### 2.1. Reconciliation of the Number of Equity Shares outstanding

Particulars	Equity Shares	
	No of shares	Rs
i Shares outstanding at the beginning of the year	3,026,316	30,263,160
ii Shares issued during the year	-	-
iii. Shares bought back during the year	-	-
iv Shares outstanding at the end of the year	3,026,316	30,263,160

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

	As at 31.03.18		As at 31.03.17	
	No of shares	%	No of share	%
IMFA Ltd (Holding Company)	2,300,000	76	2300000	76
POSCO	726,316	24	726316	24

Note 3			
<b>Reserves and Surplus</b>			
<b>Securities Premium Reserve</b>			
Opening balance		265,685,857	265,685,857
Add: received during the year		-	-
Closing balance		<u>265,685,857</u>	<u>265,685,857</u>
<b>Special Reserve (Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934)</b>			
Opening balance		21,005,959	16,617,527
Add: Addition during year		4,388,907	4,388,432
Closing balance		<u>25,394,866</u>	<u>21,005,959</u>
<b>Surplus</b>			
Opening balance		25,745,392	30,046,082
Add: Transferred from statement of Profit and Loss		21,944,535	21,942,159
Less : Payments / Appropriations			
Dividend paid		13,618,422	18,157,896
Tax on Dividend paid		2,799,307	3,696,521
Transfer to Special Reserve		4,388,907	4,388,432
Closing balance		<u>26,883,291</u>	<u>25,745,392</u>
		<u>317,964,014</u>	<u>312,437,208</u>



		(Amount in Rs.)	
		As at 31st March, 2019	As at 31st March, 2018
<b>Note 4</b>	<b>Other Current Liabilities</b>		
	Duties & Taxes Payable	782,109	782,649
	Audit fees payable	48,500	41,000
		<u>830,609</u>	<u>823,649</u>
<b>Note 5</b>	<b>Short-Term Provisions</b>		
	Taxation	7,660,541	7,732,242
		<u>7,660,541</u>	<u>7,732,242</u>
<b>Note 6</b>	<b>Long-Term Loans and Advances (Unsecured considered good )</b>		
	Security Deposit	18,000	-
		<u>18,000</u>	<u>-</u>
<b>Note 7</b>	<b>Other Non-Current Assets</b>		
	Lease Payment Receivable(Leased Assets)	297,185,373	303,638,714
		<u>297,185,373</u>	<u>303,638,714</u>
<b>Note 8</b>	<b>Trade Receivables</b>		
	Finance Income(Lease Rentals) Receivable	3,296,028	-
		<u>3,296,028</u>	<u>-</u>
<b>Note 9</b>	<b>Current Investments</b> (At lower of Cost and Fair value)		
	<b>Investments in Mutual Fund - Unquoted</b>		
	36,68,701.09 (Previous Year : 27,59,425.164 ) units of Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	35,642,221	27,292,221
	Market Value Rs. 4,03,43,972 (Previous Year : Rs. 2,99,64,322)		
	38,529 (Previous Year : 306.378 ) units of Reliance Liquid Fund - Treasury Plan - Directly Daily Dividend Option	44,000	452,000
	Market Value Rs.58,925 (Previous Year : Rs. 4,68,637)		
		<u>35,686,221</u>	<u>27,744,221</u>
<b>Note 10</b>	<b>Cash and Cash Equivalents</b>		
	Balances with Banks		
	In Current Accounts	1,671,836	137,537
	Cheque on Hand	-	3,296,038
	In Fixed Deposit ( having maturity period of twelve months or less)	-	93,712
		<u>1,671,836</u>	<u>3,527,287</u>
<b>Note 11</b>	<b>Short-Term Loans and Advances</b>		
	Tax deducted at Source	3,351,900	2,853,677
	Income Tax paid	4,309,001	4,879,326
	VAT receivable	10,000	10,000
	Prepaid Expenses	7,084	12,083
	GST receivable	8,439	2,323
	Other Advance	4,425	-
		<u>7,690,849</u>	<u>7,757,409</u>
<b>Note 12</b>	<b>Other Current Assets</b>		
	Lease Payment Receivable(Leased Assets)	6,453,341	5,899,891
	Accrued Income from Mutual Fund	4,716,675	2,688,737
		<u>11,170,016</u>	<u>8,588,628</u>



		(Amount in Rs.)	
		Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Note 13</b>	<b>Other Income</b>		
	Interest from Bank	57	6,261
	Dividend Income	2,068,990	1,610,811
		<u>2,069,047</u>	<u>1,617,072</u>
<b>Note 14</b>	<b>Other Expense</b>		
	Consultancy Fees	-	-
	Auditor Remuneration (Refer Note No. 14 )	33,000	33,125
	Filing & Other Fees	50,021	34,504
		<u>83,021</u>	<u>67,629</u>

		Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Note 15</b>	<b>Payment to Auditors</b>		
	<u>Statutory Auditors</u>		
	Audit Fees (excluding service tax)	22,500	22,500
	Fees for other Service	-	125
	<u>Tax Auditors</u>		
	Audit Fees	7,500	7,500
	<u>VAT Auditors</u>		
	Audit Fees	3,000	3,000
		<u>33,000</u>	<u>33,125</u>

**Note 16** **Managerial remuneration**  
There was no managerial remuneration paid/payable to the directors for the year ended 31<sup>st</sup> March, 2019 (Previous year: Rs. Nil).

**Note 17** **Earnings per Equity Share**

The computation of earnings per share is set out below:-

Particular	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit after tax attributable to Equity Shareholders	21,944,535	21,942,159
Weighted average number of Equity Shares outstanding at the end of the year	3,026,316	3,026,316
Nominal Value of Equity per share	10	10
Earnings per share (Basic and Diluted)	7.25	7.25

**Note 18** **Related Party Disclosures**

a) Particulars of related parties where control exists:

Enterprises that directly, or indirectly, through one or more intermediaries, control the reporting enterprise:

Ultimate holding Company	B Panda and Company Pvt. Ltd
Holding Company	Indian Metals and Ferro Alloys Limited

b) Particulars of other related parties:

Enterprises that directly, or indirectly, through one or more intermediaries, are under common control with the reporting enterprise:

Fellow subsidiaries	Indian Metals & Carbide Limited
	Utkal Power Limited
	Utkal Coal Limited
	Utkal Green Energy Limited
	Indmet Mining ( Pte ) Limited, Singapore
	PT. Sumber Rahayu Indah, Indonesia

**Key Management Personnel :**

Directors	Jayant Kumar Misra
	Deepak Kumar Mohanty
	Prem Khandelwal
	Dipak Prusty
	Ihn Seok Choi upto 16-07-2018
	Tae Bong Chung w.e.f 16-07-2018
	Jin Woo Park w.e.f 16-07-2018
	Yung Moo Kwon w.e.f 16-07-2018
	Hyojin Kim w.e.f 16-07-2018
	Jung Lae Park w.e.f 17-10-2018



c) The following is the summary of transactions with related parties:

Nature of transactions	(Amount in Rs.)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Lease Rental</b>		
Indian Metals and Ferro Alloys Limited	42,904,236	41,879,121
<b>Lease Receivable</b>		
Indian Metals and Ferro Alloys Limited	303,638,714	309,538,605

**Note 19 Leases**

In the capacity of Lessor:

The Company has given assets under Finance Lease for an initial period of 25 years and such amounts are recognised as receivables at an amount equal to the Net Investment in the lease.

Particular	(Amount in Rs.)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Not later than 1 year	33,518,936	33,518,936
Later than 1 year but not later than 5 years	134,075,742	134,075,742
Later than 5 years	463,777,647	497,296,583
	631,372,325	664,891,261

The Present Value of future minimum lease receivables in respect of Finance Lease are as follows:

Particular	Year ended 31st	
	March, 2019	March, 2018
Not later than 1 year	31,940,508	31,940,508
Later than 1 year but not later than 5 years	102,619,508	102,619,508
Later than 5 years	169,078,698	174,978,589
	303,638,714	309,538,605

The Unearned Finance Income from Finance Lease is Rs. 32,77,34,611 /-.

**Note 20 Provisions & Contingent Liabilities**

a) The Company has declared dividend of 45 % ( Rs. 4.50 per share) on the equity shares of the Company for the year ended 31 March 2019 which has not been effected in financial statements in pursuance to the Companies (Accounting Standards) Amendment Rules, 2016.

b) Contingent Liabilities

There are no Contingent Liabilities to report as at the end of the Current Year. (Previous Year - NIL)



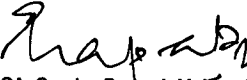


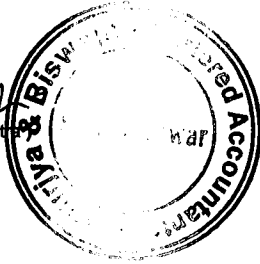
**Note 21 Additional Information pertaining to Statement of Profit and Loss**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Remittance in Foreign Currency :</b>		
On account of dividend to non-resident investors:		
Year to which dividend pertains	2017-18	2016-17
Number of Shareholders	1	1
Number of Equity Shares	726,316	726,316
Amount remitted (Rs. )	3,268,422	4,357,896


**Note 22** Previous year figures have been regrouped / rearranged to conform to the classification of the current year, wherever considered necessary.

For Sourjya & Biswajit  
(Chartered Accountants)  
Firm Regn No : 322779E

  
(CA. Sourjya Prakash Mohapatra)  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 10th May, 2019



For and on behalf of the Board of Directors

  
(Prem Khandelwal)  
Director  
DIN-00667489

  
(Deepak Kumar Mohanty)  
Director  
DIN-00288572