



**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying (Standalone) Ind AS financial statements of **IMFA Alloys Finlease Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of Cash Flow and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and **profit**, total comprehensive income, the changes in equity 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 Ind AS 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 Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

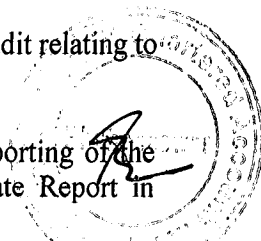
### **Auditor's Responsibilities for the Audit of Ind AS Financial Statement**

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

A further description of the auditor's responsibilities for the audit of the Ind AS 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) Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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: 7<sup>th</sup> July, 2020

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



A handwritten signature in black ink, appearing to read 'Sourjya Prakash Mohapatra', written over a horizontal line.

**CA. Sourjya Prakash Mohapatra**  
Partner

M. No. 052805

UDIN:20052805AAAALJ8099

## 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal financial controls system.
- 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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: 7<sup>th</sup> July, 2020



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

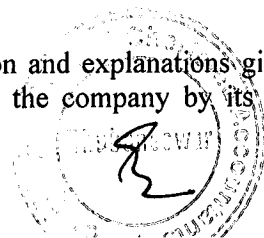
**CA. Sourjya Prakash Mohapatra**  
Partner

M. No. 052805  
UDIN:20052805AAAALJ8099

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

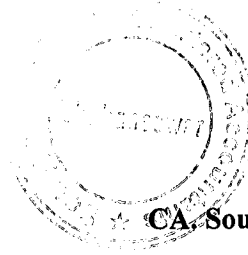
[Referred to in paragraph 1 under ‘Report on other legal & regulatory requirement’ in our independent auditors report of even date to the members of the company on the standalone Ind AS financial statements for the year ended March 31, 2020]

- (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 assetson the basis of available information.  
  
(b) During the year the company doesnot 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 doesnot 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 I86 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, 2020 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: 7<sup>th</sup> July, 2020



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

**CA. Sourjya Prakash Mohapatra**  
Partner

M. No. 052805

UDIN:20052805AAAALJ8099

**IMFA ALLOYS FINLEASE LIMITED**  
**Balance Sheet as at 31st March, 2020**

(Amount in Rs.'000')

|                                | Note | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------|------|---------------------------|---------------------------|
| <b>ASSETS</b>                  |      |                           |                           |
| <b>Non-Current Assets</b>      |      |                           |                           |
| Financial Assets               |      |                           |                           |
| -Others                        | 2    | 290,126.66                | 297,184.37                |
| Non-Current Tax Assets (Net)   |      | 4.36                      | 0.36                      |
| <b>Current Assets</b>          |      |                           |                           |
| Financial Assets               |      |                           |                           |
| -Investments                   | 3    | 54,032.76                 | 40,402.90                 |
| -Trade Receivables             | 4    | 3,072.72                  | 3,296.03                  |
| -Cash and Cash Equivalents     | 5    | 175.40                    | 1,671.84                  |
| -Other Bank balances           | 6    | -                         | -                         |
| -Others                        | 7    | 7,058.71                  | 6,453.34                  |
| Other Current Assets           | 8    | 66.71                     | 47.95                     |
|                                |      | <b>354,537.32</b>         | <b>349,056.79</b>         |
| <b>EQUITY AND LIABILITIES</b>  |      |                           |                           |
| <b>Equity</b>                  |      |                           |                           |
| Equity Share Capital           | 9    | 30,263.16                 | 30,263.16                 |
| Other Equity                   |      | 323,548.78                | 316,651.84                |
| <b>LIABILITIES</b>             |      |                           |                           |
| <b>Non-Current Liabilities</b> |      |                           |                           |
| Deferred Tax Liabilities(Net)  |      | 150.61                    | 1,312.18                  |
| <b>Current Liabilities</b>     |      |                           |                           |
| Other Current Liabilities      | 10   | 574.77                    | 829.61                    |
|                                |      | <b>354,537.32</b>         | <b>349,056.79</b>         |

Significant Accounting Policies and  
Other Notes forming part of the Accounts

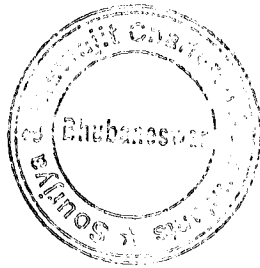
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Auditors' Report to the Members  
As per our report of even date attached.

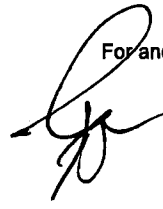
For Sourjya & Biswajit  
(Chartered Accountants)  
Firm Regn No : 322779E



(CA. Sourjya Prakash Mohapatra )  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 7th July, 2020



For and on behalf of Board of Directors



Director

Poorn Chandelwal  
Din- 00667489



Director

Jayant Kumar Misra  
Din: 00146526

## IMFA ALLOYS FINLEASE LIMITED

### Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in Rs.'000')


|   | Note | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|---|------|--------------------------------|--------------------------------|
| <b>REVENUE</b>                                    |      |                                |                                |
| Financial Income                                  |      | 27,065.60                      | 27,619.05                      |
| Other Income                                      | 11   | 2,692.38                       | 2,069.05                       |
| <b>Total Revenue</b>                              |      | <b>29,757.98</b>               | <b>29,688.10</b>               |
| <b>EXPENSES</b>                                   |      |                                |                                |
| Other expenses                                    | 12   | 103.71                         | 83.02                          |
| <b>Total Expenses</b>                             |      | <b>103.71</b>                  | <b>83.02</b>                   |
| <b>Profit/(loss) before Tax</b>                   |      | <b>29,654.27</b>               | <b>29,605.08</b>               |
| <b>Tax Expense</b>                                |      |                                |                                |
| -Current Tax                                      |      | 7,500.80                       | 7,660.54                       |
| -Deferred Tax                                     |      | (1,161.57)                     | 564.17                         |
| -Earlier years' adjustments                       |      | 0.36                           | -                              |
| <b>Profit/ (Loss) after Tax</b>                   |      | <b>23,314.68</b>               | <b>21,380.37</b>               |
| <b>Other Comprehensive Income (net off taxes)</b> |      | -                              | -                              |
| <b>Total Comprehensive Income for the year</b>    |      | <b>23,314.68</b>               | <b>21,380.37</b>               |
| <b>Earnings Per Equity Share</b>                  |      |                                |                                |
| Basic and Diluted Earnings Per Share (in Rupees)  | 15   | 7.70                           | 7.06                           |

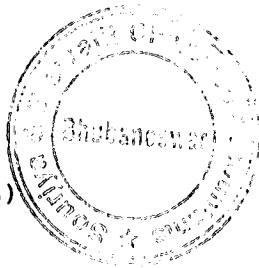
Significant Accounting Policies and  
Other Notes forming part of the Accounts

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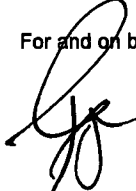
Auditors' Report to the Members  
As per our report of even date attached.

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

  
(CA - Sourjya Prakash Mohapatra)  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 7th July, 2020



For and on behalf of Board of Directors

  
Director

  
Director

Poonam Khandelwal  
Din: 00667489

Jayant Kumar Mehta  
Din: 00146526



**IMFA ALLOYS FINLEASE LIMITED**

**Statement of Changes in Equity**

**A. Equity Share Capital**

(Amount in Rs. '000')


| Balance at the beginning |                 | Changes in Equity Share Capital during the period ended 31st March |         | Balance at the end     |                        |
|--------------------------|-----------------|--|---------|------------------------|------------------------|
| As at 1st April, 2018    | 1st April, 2019 | 2018-19  | 2019-20 | As at 31st March, 2019 | As at 31st March, 2020 |
| 30,263.16                | 30,263.16       | -  | -       | 30,263.16              | 30,263.16              |

**B. Other Equity**

(Amount in Rs. '000')

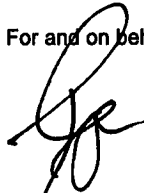
| Particulars   | Reserves and Surplus       |                  |   | Total of Reserves and Surplus and Equity Share Capital |
|---|----------------------------|------------------|---|--|
|   | Securities Premium Reserve | Special Reserve  | Surplus in the Statement of Profit and Loss |  |
| <b>As at 1st April, 2018</b>                              | <b>265,685.86</b>          | <b>21,005.96</b> | <b>24,997.38</b>                            | <b>311,689.20</b>                                      |
| Profit/(Loss) for the period April-March-2019             | -                          | -                | 21,380.37                                   | 21,380.37  |
| Transfer from Surplus in the Statement of Profit and Loss | -                          | 4,388.91         | (4,388.91)                                  | -  |
| Other comprehensive income (net of tax)                   | -                          | -                | -   | -  |
| Dividend  | -                          | -                | (13,618.42)                                 | (13,618.42)  |
| Dividend Distribution Tax                                 | -                          | -                | (2,799.31)                                  | (2,799.31)   |
| <b>At the end of 31st March, 2019</b>                     | <b>265,685.86</b>          | <b>25,394.87</b> | <b>25,571.11</b>                            | <b>316,651.84</b>                                      |
| Profit/(Loss) for the period April-March-2020             | -                          | -                | 23,314.68                                   | 23,314.68  |
| Transfer from Surplus in the Statement of Profit and Loss | -                          | 4,430.62         | (4,430.62)                                  | -  |
| Other comprehensive income (net of tax)                   | -                          | -                | -   | -  |
| Dividend  | -                          | -                | (13,618.42)                                 | (13,618.42)  |
| Dividend Distribution Tax                                 | -                          | -                | (2,799.31)                                  | (2,799.31)   |
| <b>At the end of 31st March, 2020</b>                     | <b>265,685.86</b>          | <b>29,825.49</b> | <b>28,037.43</b>                            | <b>323,548.78</b>                                      |


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

  
(CA Sourjya Prakash Mohapatra)  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 7th July, 2020



For and on behalf of Board of Directors

  
Director  
Pram Khandelwal  
Din:- 00667489

  
Director  
Jayant Kumar Mehta  
Din:- 00146526

# IMFA ALLOYS FINLEASE LIMITED

## Statement of Cash Flow for the year ended 31st March, 2020

(Amount in Rs.'000' )

|  | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| <b>A. Cash Flow From Operating Activities</b>                |                                |                                |
| Net profit/ (loss) before tax                                | 29,654.27                      | 29,605.08                      |
| Dividend Income  | (2,151.02)                     | (2,068.99)                     |
| Profit/(Loss) on fair valuation of current investments       | (541.37)                       | -                              |
| Interest income  | -                              | (0.06)                         |
| Operating profit before working capital changes              | 26,961.88                      | 27,536.03                      |
| <b>Adjustments for :</b>                                     |                                |                                |
| Trade and other receivables                                  | 6,657.89                       | 2,580.32                       |
| Trade and others payables                                    | (255.86)                       | 6.96                           |
| Cash generated from operations                               | 33,363.91                      | 30,123.31                      |
| Direct taxes paid(net)                                       | 7,505.15                       | 7,660.14                       |
| Net Cash Generated From / (Used In) Operating Activities     | 25,858.76                      | 22,463.17                      |
| <b>B Cash Flow From Investing Activities</b>                 |                                |                                |
| (Purchase)/ sale of Investments (net)                        | (13,088.49)                    | (7,942.00)                     |
| Dividend received  | 2,151.02                       | 41.05                          |
| Profit/(Loss) on fair valuation of current investments       | -                              | -                              |
| Interest received  | -                              | 0.06                           |
| Movement in other bank balance                               | -                              | -                              |
| Net Cash Generated From / (Used In) Investing Activities     | (10,937.47)                    | (7,900.89)                     |
| <b>C Cash Flow From Financing Activities</b>                 |                                |                                |
| Payment of Dividend including tax on dividend                | (16,417.73)                    | (16,417.73)                    |
| Net Cash Generated From / (Used In) Financing Activities     | (16,417.73)                    | (16,417.73)                    |
| Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C) | (1,496.44)                     | (1,855.45)                     |
| Cash And Cash Equivalents - Opening Balance                  | 1,671.84                       | 3,527.29                       |
| Cash And Cash Equivalents - Closing Balance                  | 175.40                         | 1,671.84                       |

**Explanation :**


1.The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard

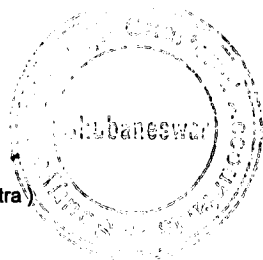
2. Cash & Cash equivalents are represented by :

|                        |        |          |
|------------------------|--------|----------|
| -- In Current Accounts | 175.40 | 1,671.84 |
| -- Cheque on Hand      | -      | -        |
|                        | 175.40 | 1,671.84 |

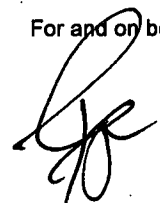
3. Previous year's figures have been regrouped/ rearranged to confirm to the classification of the current year, wherever


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

  
(CA. Sourjya Prakash Mohapatra)  
Partner  
Membership No. 052805  
Place: Bhubaneswar  
Date: 7th July, 2020



For and on behalf of Board of Directors

  
Director  
Pooja Khandelwal  
Dinr 00667489

  
Director  
Jayant Kumar Mishra  
Dinr 00146526

## NOTES TO FINANCIAL STATEMENTS

IMFA Alloys Finlease Limited is a Non-Banking Financial Company having registration no. 04.00025 incorporated in India having its registered office at IMFA Building, Bomikhal, Bhubaneswar, Odisha.

### Note 1 - Significant Accounting Policies

#### 1.1 Basis of preparation of Financial Statements

##### a) Compliance statement

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions thereof as amended. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

##### b) Historical cost convention

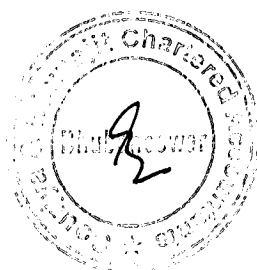
The financial statements are prepared on historical cost convention basis.

##### c) Functional and presentational currency

The financial statements are prepared in Indian Rupee (INR) which is the functional currency.

##### d) Use of estimates and judgements

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



recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements.

## 1.2 Inventories

- a) Raw materials, stores, spares etc. have been consistently valued at cost. Slow moving and dead stocks are reduced to their estimated value. There is no such inventory at the end of the year.
  
- b) Finished goods have been consistently valued at cost or net realisable value whichever is less. There is no finished goods at the end of the year.

## 1.3 Revenue recognition

- a) Revenue is measured at the fair value of consideration received or receivable. Revenue from sale of goods/services is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods/services, it no longer retains control over the goods sold/services, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods/services is recognised net of taxes collected on behalf of third parties.

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial



assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

#### b) IND AS 116 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

##### As a lessee

Not applicable to the Company

##### As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases.

When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

### 1.4 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are recognized at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way



trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost.
- Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Company's financial asset includes Cash and cash equivalent, deposits and receivables.

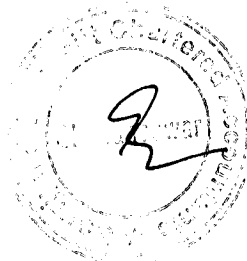
Financial Liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company does not hold any derivative financial instruments.

The Financial assets are tested for impairment and the loss allowance if any are recognized in the statement of profit and loss. The Company uses the expected credit loss model to test impairment if any.

#### 1.5 Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



## 1.6 Property, Plant and Equipment

Property, Plant and Equipment 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 has no tangible assets. The Company acquired 30 MVA Furnace and transferred immediately under Finance Lease during FY 2012-13.

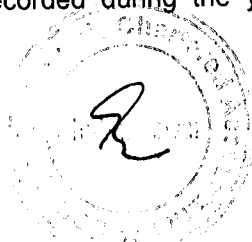
The Company has not incurred any amount under Capital Work-in Progress.

Depreciation/ Amortisation on Property, Plant and Equipment is provided on Written Down Value Method ('WDV'), which reflects the management's estimate of the useful lives of the respective fixed assets. Useful life as specified in the Schedule II to the Companies Act, 2013 has been adopted by the Company as it reflects best the management's estimates. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Since, the Company doesnot have any tangible assets, no depreciation has been provided.

Property, Plant and Equipment 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. There is no such incidence during the year.

## 1.7 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. There is no foreign currency transaction undertaken during the year.

#### 1.8 Earnings per share

Basic Earnings per share 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.

#### 1.9 Taxes on Income

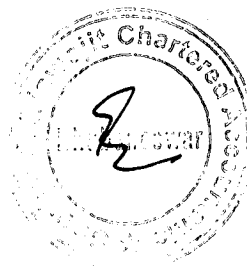
Tax expense comprises of current tax [net of Minimum Alternate Tax (MAT) credit entitlement] and deferred tax.

- 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. Current Income Tax relating to items recognised outside profit or loss is recognised outside profit or loss in other comprehensive income.
- b) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

#### 1.10 Segment reporting

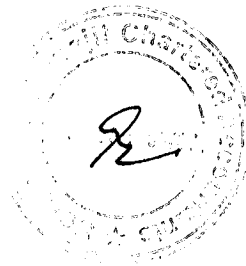
There is/are no reportable segment (business and /or geographical) in accordance with the requirements of Indian Accounting Standard 108 – 'Operating Segments'.





### 1.11 Provision, Contingent Liabilities

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.



| Note          | Other Financial Assets   | (Amount in Rs.'000')      |                           |
|---------------|--|---------------------------|---------------------------|
|               |  | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|               | Lease Payment Receivable(Leased Assets)  | 290,126.66                | 297,184.37                |
|               |  | <u>290,126.66</u>         | <u>297,184.37</u>         |
| <b>Note 3</b> | <b>Current Investments</b><br>(At Fair value)  | (Amount in Rs.'000')      |                           |
|               |  | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|               | <b>Investments in Mutual Fund - Unquoted</b>   |                           |                           |
|               | 1805484.29 (Previous Year : Nil ) units of Kotak Equity Arbitrage Advantage Fund - Direct Plan - Growth    | 52,483.62                 | -                         |
|               | Market Value Rs.52483622.83 (Previous Year : Nil)  |                           |                           |
|               | 35.089 (Previous Year : Nil ) units of Kotak Liquid Direct Plan Growth                                     | 140.88                    | -                         |
|               | Market Value Rs 140877.74 (Previous Year :Nil)   |                           |                           |
|               | 545.573 (Previous Year : Nil ) units of Kotak Equity Arbitrage Fund-Direct Plan Growth                     | 1,408.26                  | -                         |
|               | Market Value Rs 1408256.54 (Previous Year : Rs. Nil)   |                           |                           |
|               | Nil (Previous Year : 3668701.09) units of Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan | -                         | 40,343.97                 |
|               | Market Value Nil (Previous Year : 4,03,43,972)   |                           |                           |
|               | Nil (Previous Year : 38.529) units of Reliance Liquid Fund - Direct Plan -Daily Dividend Option            | -                         | 58.93                     |
|               | Market Value Nil (Previous Year : Rs. 58,925)  |                           |                           |
|               |  | <u>54,032.76</u>          | <u>40,402.90</u>          |
| <b>Note 4</b> | <b>Trade Receivables</b>   |                           |                           |
|               | Trade Receivables  | 3,072.72                  | 3,296.03                  |
|               |  | <u>3,072.72</u>           | <u>3,296.03</u>           |
| <b>Note 5</b> | <b>Cash and Cash Equivalents</b>   | (Amount in Rs.'000')      |                           |
|               | Balances with Banks  |                           |                           |
|               | In Current Accounts  | 175.40                    | 1,671.84                  |
|               |  | <u>175.40</u>             | <u>1,671.84</u>           |
| <b>Note 6</b> | <b>Other Bank Balances</b>   | (Amount in Rs.'000')      |                           |
|               | Fixed Deposit ( having maturity period of twelve months or less)   | -                         | -                         |
| <b>Note 7</b> | <b>Other Financial Assets</b>  | (Amount in Rs.'000')      |                           |
|               | Lease Payment Receivable(Leased Assets)  | 7,058.71                  | 6,453.34                  |
|               |  | <u>7,058.71</u>           | <u>6,453.34</u>           |
| <b>Note 8</b> | <b>Other Current Assets</b>  | (Amount in Rs.'000')      |                           |
|               | Prepaid Expenses   | 7.08                      | 7.08                      |
|               | GST receivable   | 17.47                     | 8.44                      |
|               | VAT receivable   | 10.00                     | 10.00                     |
|               | Security Deposit   | 18.00                     | 18.00                     |
|               | Other Advance  | 14.16                     | 4.43                      |
|               |  | <u>66.71</u>              | <u>47.95</u>              |



(Amount in Rs.'000')

|   | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---|---------------------------|---------------------------|
| <b>Note 9 (a) Equity Share Capital</b>                    |                           |                           |
| <b>Authorised</b>   |                           |                           |
| 5,50,00,000 (PY 5,50,00,000) Equity Shares of Rs.10/-each | 550,000.00                | 550,000.00                |
|   | <u>550,000.00</u>         | <u>550,000.00</u>         |
| <b>Issued</b>   |                           |                           |
| 30,26,316 (PY 30,26,316 ) Equity share of Rs 10/- each    | 30,263.16                 | 30,263.16                 |
|   | <u>30,263.16</u>          | <u>30,263.16</u>          |
| <b>Subscribed and Paid-up</b>                             |                           |                           |
| 30,26,316 (PY 30,26,316) Equity share of Rs 10/- each     | 30,263.16                 | 30,263.16                 |
|   | <u>30,263.16</u>          | <u>30,263.16</u>          |

**9 (b). 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 |
| ii Shares issued during the year                  | -             | 0.00   |
| iii. Shares bought back during the year           | -             | 0.00   |
| iv Shares outstanding at the end of the year      | 3,026,316     | 30,263 |

**9 (c). Details of Shareholders holding more than 5% of the equity shares each**

|                            | As at 31.03.2020 |    | As at 31.03.2019 |    |
|----------------------------|------------------|----|------------------|----|
|                            | No of shares     | %  | No of shares     | %  |
| IMFA Ltd (Holding Company) | 2,300,000        | 76 | 2,300,000        | 76 |
| POSCO                      | 726,316          | 24 | 726,316          | 24 |

(Amount in Rs.'000')

|   | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---|---------------------------|---------------------------|
| <b>Note 10 Other Current Liabilities</b>    |                           |                           |
| Security Deposit payable                    | -                         | -                         |
| Duties & Taxes Payable                      | 502.79                    | 782.11                    |
| Other expenses payable Including Audit Fees | 71.98                     | 47.50                     |
|   | <u>574.77</u>             | <u>829.61</u>             |

(Amount in Rs.'000')

|  | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| <b>Note 11 Other Income</b>                          |                                |                                |
| Interest from Bank                                   | -                              | 0.06                           |
| Dividend Income                                      | 2,151.01                       | 2,068.99                       |
| Gain/(Loss) on fair valuation of current investments | 541.37                         | -                              |
|  | <u>2,692.38</u>                | <u>2,069.05</u>                |
| <b>Note 12 Other Expense</b>                         |                                |                                |
| Auditor Remuneration (Refer Note No. 14 )            | 43.50                          | 33.00                          |
| Filing & Other Fees                                  | 60.21                          | 50.02                          |
|  | <u>103.71</u>                  | <u>83.02</u>                   |



(Amount in Rs.'000')

|                                    | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|------------------------------------|--------------------------------|--------------------------------|
| <b>Note 13</b>                     |                                |                                |
| <b>Payment to Auditors</b>         |                                |                                |
| <u>Statutory Auditors</u>          |                                |                                |
| Audit Fees (excluding service tax) | 26.00                          | 22.50                          |
| Fees for other Service             | -                              | -                              |
| <u>Tax Auditors</u>                |                                |                                |
| Audit Fees                         | 7.50                           | 7.50                           |
| <u>Other Matters</u>               |                                |                                |
| Fees                               | 10.00                          | 3.00                           |
|                                    | <u>43.50</u>                   | <u>33.00</u>                   |

**Note 14** **Managerial remuneration**  
There was no managerial remuneration paid/payable to the directors for the year ended 31<sup>st</sup> March, 2020 (Previous year: Rs. Nil).

**Note 15** **Earnings per Equity Share**

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

| Particular  | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Profit after tax attributable to Equity Shareholders (Rs. '000)                     | 23,314.68                      | 21,360.37                      |
| Weighted average number of Equity Shares outstanding at the end of the year (Basic) | 30,26,316                      | 30,26,316                      |
| Nominal Value of Equity per share   | 10                             | 10                             |
| Basic and Diluted Earnings per share  | 7.70                           | 7.06                           |

**Note 16** **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 entity | B. Panda Trust (through Mr. Subhrakant Panda, Trustee) |
| 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

|                     |  |
|---------------------|--|
| Fellow subsidiaries | Utkal Power Limited (struck off from the Registrar of Companies on 19th March, 2020) |
|                     | 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                             |
|  | Tae Bong Chung w.e.f 12th November, 2019 |
|  | Inyae Lee w.e.f 24th October, 2019       |
|  | Yung Moo Kwon upto 24th October, 2019    |
|  | Hyojin Kim upto 13th November, 2019      |
| Jung Lae Park upto 13th November, 2019 & from 2nd March, 2020 onwards. |  |

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

(Amount in Rs.'000')

| Nature of transactions                 | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Lease Rental                           |                                |                                |
| Indian Metals and Ferro Alloys Limited | 39,831.67                      | 42,904.24                      |
| Lease Receivable                       |                                |                                |
| Indian Metals and Ferro Alloys Limited | 2,97,185.37                    | 3,03,638.71                    |

**Note 17** **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.

(Amount in Rs.'000')

| Particular                                   | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Not later than 1 year                        | 33,518.94                      | 33,518.94                      |
| Later than 1 year but not later than 5 years | 1,34,075.74                    | 1,34,075.74                    |
| Later than 5 years                           | 4,38,638.45                    | 4,63,777.65                    |
|  | <u>6,06,233.13</u>             | <u>6,31,372.33</u>             |

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

(Amount in Rs.'000')

| Particular                                   | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Not later than 1 year                        | 7,058.71                       | 6,453.34                       |
| Later than 1 year but not later than 5 years | 46,558.91                      | 42,565.93                      |
| Later than 5 years                           | 2,43,567.76                    | 2,54,619.44                    |
|  | <u>2,97,185.38</u>             | <u>3,03,638.71</u>             |



**Note 18 Provisions & Contingent Liabilities**

a) The Company has declared dividend of Rs. 4.50/- per equity shares for the year ended 31 March 2019 which has been paid during the current period.

b) Contingent Liabilities

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

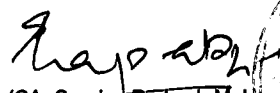
**Note 19** Pursuant to the implementation of Ind AS the previous year figures have been regrouped and rearranged wherever considered necessary.

**Note 20** The Covid-19 pandemic has disrupted global economy and created unprecedented challenges. Economic activity in India was down to a standstill owing to the nation-wide lockdown in India from March 25, 2020. Towards this end, the Company has evaluated the impact of the CoVID-19 pandemic on its business, performance and financials. The Company has also assessed the impact of this situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc, and is of the view that based on its present assessment, this situation does not impact the financial results. The Company does not expect any impact of the pandemic in future also.

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

| Particulars                                       | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|---|--------------------------------|--------------------------------|
| <b>Remittance in Foreign Currency :</b>           |                                |                                |
| On account of dividend to non-resident investors: |                                |                                |
| Year to which dividend pertains                   | -                              | -                              |
| Number of Shareholders                            | 1                              | 1                              |
| Number of Equity Shares                           | 726,316                        | 726,316                        |
| Amount remitted (Rs. )                            | -                              | -                              |

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



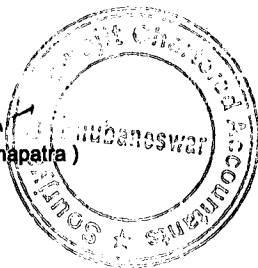
(GA. Sourjya Prakash Mohapatra )

Partner

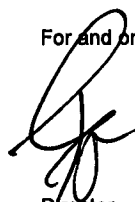
Membership No. 052805

Place: Bhubaneswar

Date: 7th July, 2020



For and on behalf of Board of Directors



Director

Roem Khandelwal  
Dir, 00667489



Director

Jayant Kumar Mishra  
Dir, 00146526