maithan alloys ltd
ISO 9001 : 2008 COMPANY
Registered Office : Ideal Centre, 4th Floor
9, A.J.C. Bose Road, Kolkata - 700 017
T (033) 6450 2228 F (033) 2290 0383
E office@maithanalloys.com
W www.maithanalloys.com
CIN - L27101WB1985PLC039503

1st September, 2018

1] **The Secretary**
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata 700 001
Scrip code: 10023915

2] **Listing Department**
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051
Scrip code: MAITHANALL-EQ

Re: Regulation 34 of the Listing Regulations, 2015

Dear Sir/Madam,

We are enclosing herewith a copy of the Annual Report of the Company for the financial year 2017-18, as approved and adopted by the Members at their 33rd Annual General Meeting of the Company held on 31st August, 2018.

The Annual Report is submitted to you pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Thanking you,

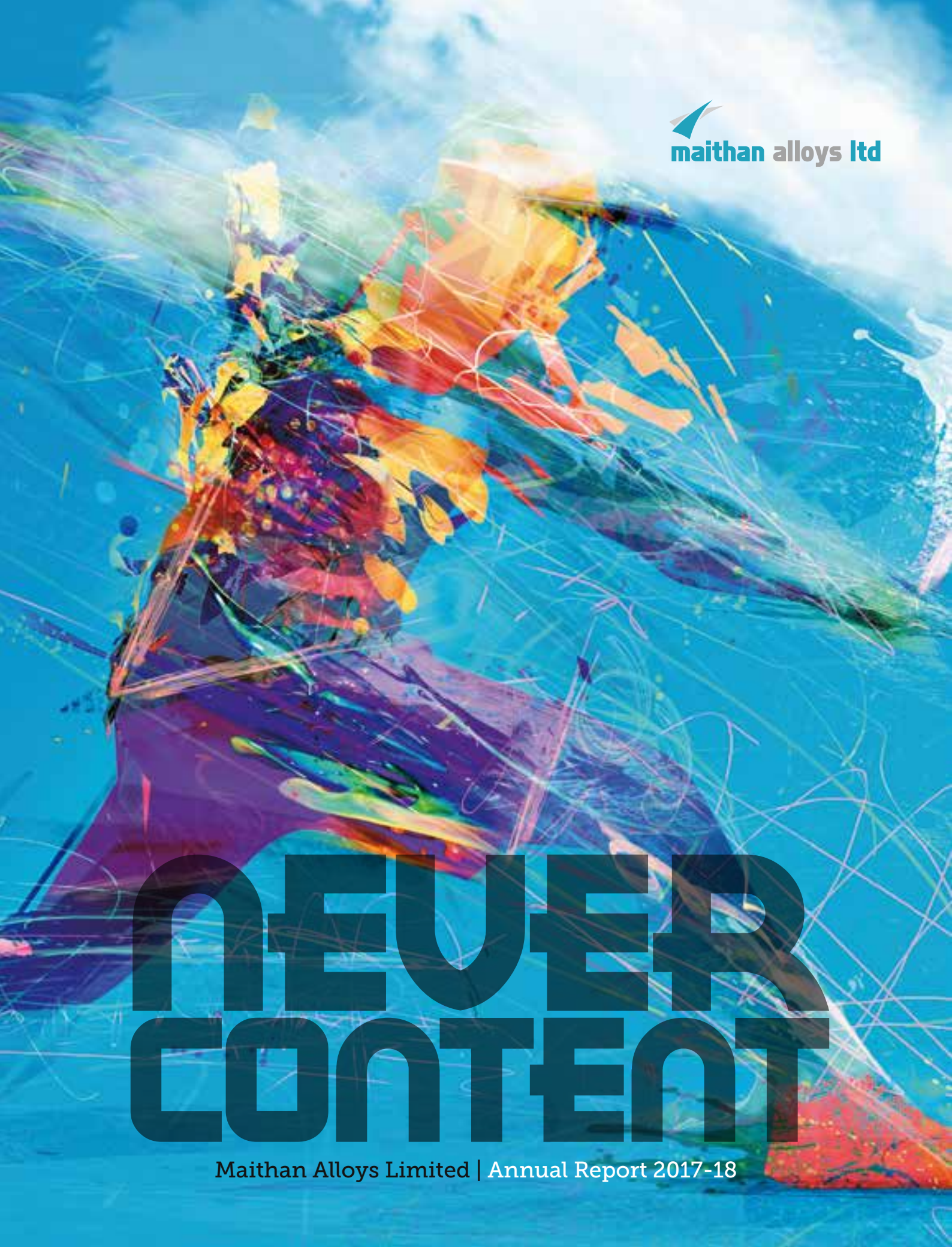
Yours faithfully,

For **Maithan Alloys Limited**

Rajesh K. Shah
Company Secretary

Encl. as above

c.c. **The Corporate Relationship Department**
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 590078



maithan alloys ltd

NEVER CONTENT

Maithan Alloys Limited | Annual Report 2017-18

Forward-looking statement
This report and other statements – written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information may be found at: www.maithanalloys.com

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Our best-ever performance, FY2017-18

Revenues	EBITDA
₹ 1910 crore	₹ 395 crore
+35% over FY2016-17	+39% over FY2016-17

PAT	Cash profit
₹ 292 crore	₹ 306 crore
+57% over FY2016-17	+40% over FY2016-17

EBITDA margin	PAT margin
20.91%	15.43%
+61 bps over FY2016-17	+220 bps over FY2016-17

We may have reported our best-ever performance.

But what the world will hear is 'We could have done better.'

At Maithan, 'Never content' is a positive state of mind.

The unmistakable spirit helped Maithan emerge as a respected company

50%
average ROCE (operations) reported by the Company in the last three financial years

When stakeholders were likely to focus on achievements...

We said 'Better to focus on what we have not achieved' instead.

When customers expressed satisfaction about our deliveries...

We said 'We would rather focus on what no one has done' instead.

When our research team felt we had achieved what customers wanted...

We said 'We must focus on what they don't even know they would have liked' instead.

When competitors focused on diversifying...

We said 'Might be better to go deeper into our existing business' instead.

When we achieved scale in our business....

We said 'We should now focus on efficiency' instead.

When the industry cycle turned positive ....

We said 'We would rather strengthen our business' instead.

When we encountered positive cash flows....

We said 'Better to repay debt and shrink our Balance Sheet' instead.

When experts said that a company of our kind needed to diversify...

We said 'We would rather become a specialist in ferro alloys' instead

When we emerged among the most respected ferro-alloys companies in India...

We said 'Better to focus on becoming the best in the world' instead

384
Cash in hand including Current Investments, (₹ crore), 31 March 2018

136
Cash in hand including Current Investments, (₹ crore), 31 March 2017

0.05
Gearing FY2017-18

0.14
Gearing FY2016-17

98x
Interest cover, FY2017-18

29x
Interest cover, FY2016-17

Maithan's operational discipline comes from its ability to resist deviations and temptation

We do not take long-term raw material position; we source resources based on long-term relationships.

We do not engage in any other business; we focus singularly on ferro alloy manufacturing

We do not seek arbitrage-driven short-term profitability; we focus on business sustainability

We do not pursue price increases to enhance profits; we enhance operational efficiency and moderate costs to drive profitability

We do not seek short-term opportunities; we leverage relationships through timely quality-consistent delivery

We do not engage in random brownfield acquisitions; we appraise opportunities on the basis of internal returns and cultural alignment

We are not volume-driven; we are a margins and profit-driven company

5 things that define what we are

01
A company with rich experience and respect

- Promoted and managed by the Asansol-based Agarwalla family
- Experience of over two decades in the ferro-alloys industry
- Market capitalisation of ₹2289 crore as on 31 March 2018

02
A focused product mix

- Maithan Alloys is the largest manganese alloys manufacturer in the country
- The Company is engaged in the manufacture of ferro alloys including ferro-manganese, silico-manganese and ferro-silicon

03
A technologically-competent company

- The Company invested in cutting-edge technologies (quality testing and assurance)
- The Company's robust technology platform translated into a capacity utilisation of >95% as well as a superior quality of products
- The Company is capable of delivering products as per demanding customer specifications

04
Pride-enhancing clientele

- The Company's longstanding customers comprise SAIL and Tata Steel, among others
- Nearly the entire domestic client base of the Company has been working with it for at least 10 years
- The Company caters to clients across 24 countries

05
An organisation with adequate scale

- Commenced commercial production in 1997 (installed capacity 10 MVA)
- Installed capacity of 137.25 MVA as on 31 March 2018, one of the largest in India's private sector
- Manufacturing units in Kalyaneshwari (West Bengal), Visakhapatnam (Andhra Pradesh) and Byrnihat (Meghalaya)

Manufacturing units at a glance

Visakhapatnam (SEZ)	Kalyaneshwari	Byrnihat
Capacity: 72 MVA Smelters: 4X18 MVA Products: Ferro-manganese, Silico-manganese	Capacity: 48.75 MVA Smelters: 2X5 MVA 1X6.5 MVA 1X8.25 MVA 2X12 MVA Products: Ferro-manganese, Silico-manganese	Capacity: 16.5 MVA Smelters: 2X8.25 MVA Products: Ferro-silicon

Vision

To be India's premier alloy company that is built on the solid foundation of shareholder trust, customer commitment, employee satisfaction and sustainable communities. Consistently delivering on our promises backed by meticulous hard work is our motto for ensuring success always!

Mission

To be India's premier alloy company by:

• Promising excellent shareholder value: A high ROC coupled with lower-than-market debt ratios

• Nurturing our employees: Encourage employees to work hard and add to their knowledge base. Ensuring employee growth by creating a secure and stress-free working environment.

• Utmost commitment to our customers: Irrespective of market conditions, we will always strive for the highest product standards that will in turn ensure complete customer satisfaction.

• Care for our communities: A clean environment, education, housing, health and sustainability for our communities will always remain our mission.

Values

Commitment: Commitment is a passion for us. We are extremely committed to serving our shareholders and customers to the best of our abilities. Our promise to our stakeholders is a hard-ironed commitment and we aim to exhibit this value in everything that we do.

Loyalty: Loyalty is the very fabric that runs beneath our organisation. We strive to imbibe and exhibit loyalty not only to our stakeholders but also internally as individuals

Integrity: We not only believe but also imbibe that 'honesty is indeed the best policy'. We strive to do what is right and not what is the easiest. Staying true to ourselves and our work is what we live by

Rigour: Rigorous and meticulous attention to detail along with a positive attitude is how we would describe every work process at our organisation. Rigour with positivity will lead to guaranteed successes.

Teamwork: We believe in our common goals and stand by each other on the back of open and honest communication. A strong team is always a winning team.

'Never content' means... consistent focus on raising the bar

At Maithan Alloys, it would have been easier taking the foot off the accelerator once we posted better numbers.

The Company invested deeper in strengthening performance instead – by focusing on the entire ecosystem:

- Created a large ferro-alloys capacity in the sector through direct investment and debottlenecking, generating superior economies
- Initiated process improvements to enhance operating efficiency in line with the best global standards; maximised asset sweating, making it possible to cover fixed costs better
- Strengthened the product mix
- Sourced quality raw materials from stable sources, minimising quality deviations

The result: the Company strengthened its positioning as one of the lowest-cost ferro-alloys manufactures in the world, enjoying an EBITDA margin of 20.91% (FY2017-18) and ROCE (operation) of 70%. This is also helping the Company to post ROCE (operations) in excess of 50%.

'Never content' implies creating a long-term foundation on the back of adequate liquidity

At Maithan Alloys, it would have been easier becoming complacent with the profits reported by the Company.

The Company focused on enhancing liquidity and cash flow instead through the following priorities:

Optimised debt-equity ratio from 0.35 in 2015-16 to 0.05 in FY2017-18

The result: the Company generated free cash of ₹384 crore, adequate to fund proposed expansion initiatives from within.

How Maithan has transformed itself over the years

Maithan was a single-location company till 2008

- The Company started with a single facility in Kalyaneshwari
- It widened its manufacturing footprint to three locations by 2012
- The Kalyaneshwari and Byrnihat units cater to domestic demand
- The Visakhapatnam unit addresses exports through an SEZ (tax incentives)
- The Company is a multi-location organisation today

Maithan was a cycle-influenced company till 2008-09

- The Company is exposed to commodity cycle volatility
- The Company focused on enhancing efficiencies
- The Company strengthened its culture of austerity
- The Company did not take commodity market positions
- The Company emerged as a sectoral outlier

Q&A with the management

Q. How would you evaluate the Company's FY2017-18 performance?

A. The performance of the Company in FY2017-18 was its best ever: 35% increase in revenues from ₹1412 crore during FY2016-17 to ₹1910 crore in FY2017-18; a 39% increase in EBITDA from ₹285 crore to ₹395 crore and 57% increase in PAT from ₹186 crore in FY2016-17 to ₹292 crore in FY2017-18. This indicates that the Company reported profitable growth, validating a growing competitiveness .

Our growing competitiveness was reflected in improved EBITDA margins: 61 bps from 20.30% during FY2016-17 to 20.91% in FY2017-18; PAT margin improved 220 bps from 13.23% in FY2016-17 to 15.43% in FY2017-18.

We must indicate that the incremental EBITDA generated by the Company on incremental revenues was considerably more attractive.

Q: What contributed to this record performance?

A: A part of the improvement in the Company's performance was derived from the upturn in the global steel industry. As steel volumes expanded, there was a larger demand for the Company's products. This was reinforced by our operating efficiency leading to robust profitability. The Company strengthened its product mix, supply chain and customer relationships. This, along with a strong market, resulted in manganese alloy realisations strengthening 24% during the year under review, providing us with the benefit of an attractive volume-value play.

At a time when volumes increased, we continued to be the lowest-cost manganese alloy manufacturer in India, leveraging the following realities:

- Consistent raw material quality derived from long-term relationships with suppliers (being a preferred partner for them).
- Manpower cost per tonne among the lowest in the industry derived from superior per person productivity.
- Superior asset sweating derived from the ability to enhance capacity utilisation from 91% to 96%.

Q. How equipped is the Company to sustain margins during down cycles?

A. Maithan is arguably the lowest cost manganese alloy producer in the world. In a commoditised market, we have no control

on realisations. The Company's decision to focus on long-term contracts comprising predictable monthly product offtake helped enhance revenue and production visibility.

Besides, our multi-geographic business model helped address domestic and international clients, diversifying our risk from one or few countries.

We prudently segregated our geographic focus across our manufacturing facilities as well: our West Bengal and Meghalaya facilities service the domestic demand while the SEZ-based unit in Visakhapatnam addresses the exports market (domestic sales attract 5% duty for SEZ units). Our global business addresses a basket of emerging Asian nations (except China) with robust potential.

The combination of these realities translated into a strong business model and enhanced value.

Q. What makes you optimistic about the Indian growth story?

A. India is expected to remain one of the fastest-growing economies with a GDP growth >7% over the next few years. The country would need to invest significantly in infrastructure (a proposed investment of ₹6 lakh crore in the Union Budget 2018-19) to sustain this growth, driving steel demand. Besides, the National Steel Policy aims to increase steel production, which should increase the offtake of our products.

The Central Government's decision to drive housing growth is expected to enhance domestic steel demand as well. The imposition of import duties by the Central Government could protect the country's domestic steel sector, strengthening our prospects.

Q. How does Maithan intend to capitalise on these opportunities?

A. Maithan is already operating at optimum capacity; volume growth should be at best marginal. The next phase of growth for the Company will be based on our organic and inorganic capacity expansion. We announced a greenfield capacity expansion by 120,000 MTPA in West Bengal with an envisaged outlay of ₹275 crore, which we expect to complete in 30 months.

There are a number of ferro alloy companies with stressed financials that we could acquire (especially where the operating culture is akin to ours). We have already authorised competent people to look for stressed assets available under the Bankruptcy Code.

Q. How does the Company intend to fund its capex?

A. The required ₹275 crore for funding the greenfield initiative should be sourced from internal accruals. We had ₹384 crore of cash on hand including liquid investments as on 31 March 2018, which implies that we are capable of funding our capacity growth without a rupee's debt – translating into enhanced shareholder value.

Q. What message do you want to send out to your shareholders?

A. Maithan Alloys is at an inflection point. We reiterate what we had indicated in our earlier annual report: that we expect to report operating margins >15%, generate growth through additional capacities, strengthen our culture of austerity and enhance shareholder value.

The impact of Maithan's transformation journey in numbers

32%
Revenue growth between FY09 and FY13

121%
Revenue growth between FY13 and FY18

206%
EBITDA growth between FY09 and FY13

495%
EBITDA growth between FY13 and FY18

How Maithan created a differentiated business model

Key features

1. Focus on ferro-alloys
2. Lowest cost of asset creation
3. One of the lowest-cost manufacturers
4. Young and motivated team
5. Cyclicality-protected business model
6. Optimal operational efficiency

Relevant: 10-15 kilograms of ferro-alloys are required for producing a tonne of steel. The global steel manufacturing capacity stood at 1689.4 million tonnes at the end of 2017.

Efficient: The Company's operational austerity resulted in emergence as one of the lowest-cost ferro-alloy manufacturers. The Company reported capacity utilisation in excess of 90% across three years; the input-output ratio was among the best in the world.

Credible: The Company enjoys global respect for being a consistent supplier of quality ferro-alloys; the Maithan brand stands for 'no deviations'.

Security: The Company's robust supply chain has resulted in adequate resource security, and the ability to address customer needs.

Diversified: A strong portfolio comprising some of the leading steel players in India and a global footprint spanning 24 countries enables the Company to de-risk from an over-dependence on specific geographies.

Well-governed: The Company strengthened its governance through a strong Board (six independent Directors) with individuals of rich achievements and standing

De-leveraged: Term debt on Maithan's books stood at ₹16 crore as on 31 March 2018; gearing was 0.05).

Margins-driven: The Company focused on achieving operating margins in excess of 15%, independent of business cycles.

Strategy for growth

- Continue to drive efficiency
- Drive long-term business contracts
- Enhance bottomline
- Focus on emerging Asian markets (barring China)
- Graduated from vendorship to partnership

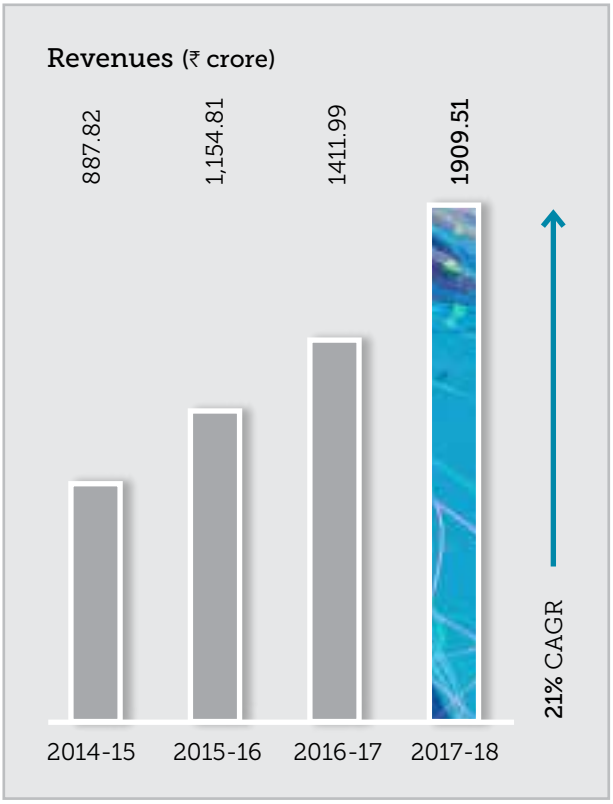
Outcome

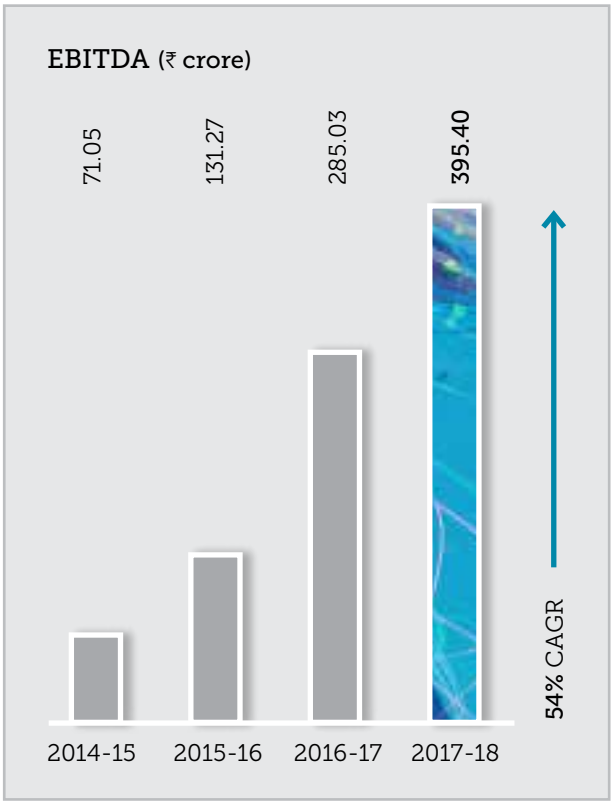
Cash in hand stood at ₹384 crore as on 31 March 2018

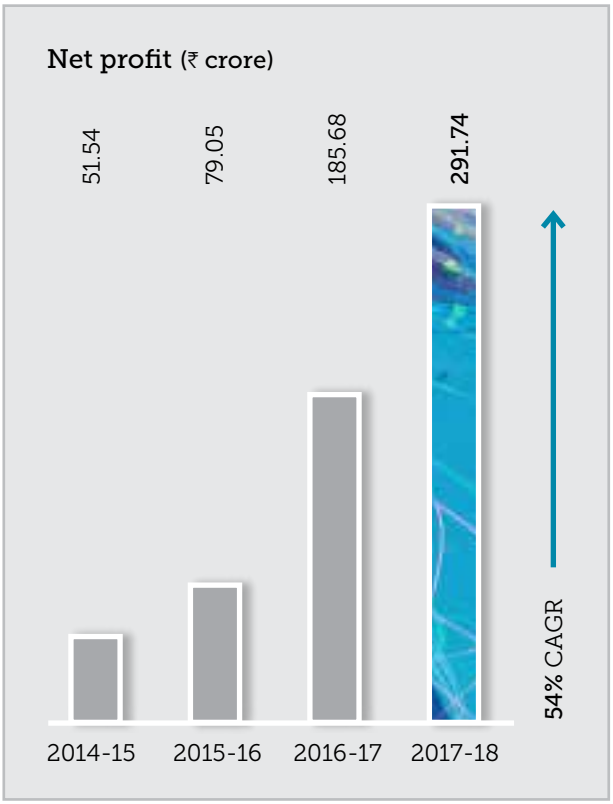
Road ahead

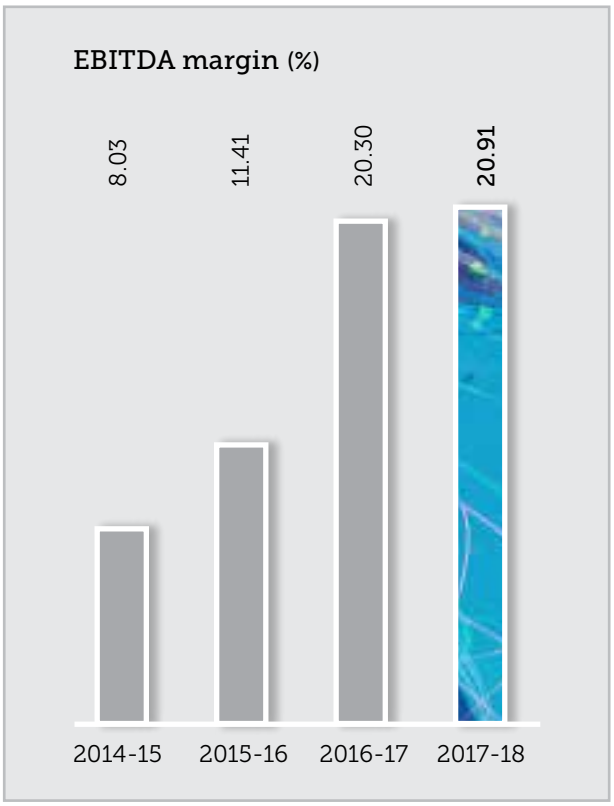
Expand capacities by 1.5x by FY21 and 2x by FY22, funded by accruals

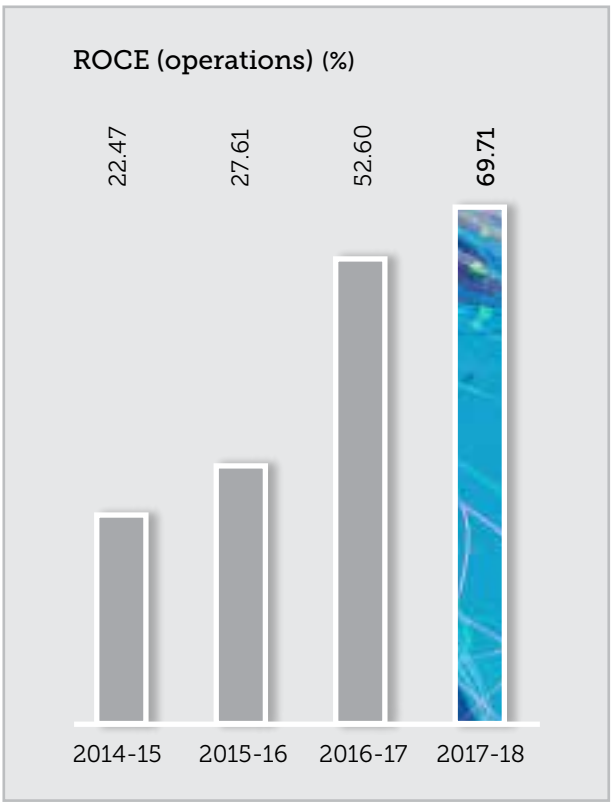
The impact of Maithan's differentiated business model

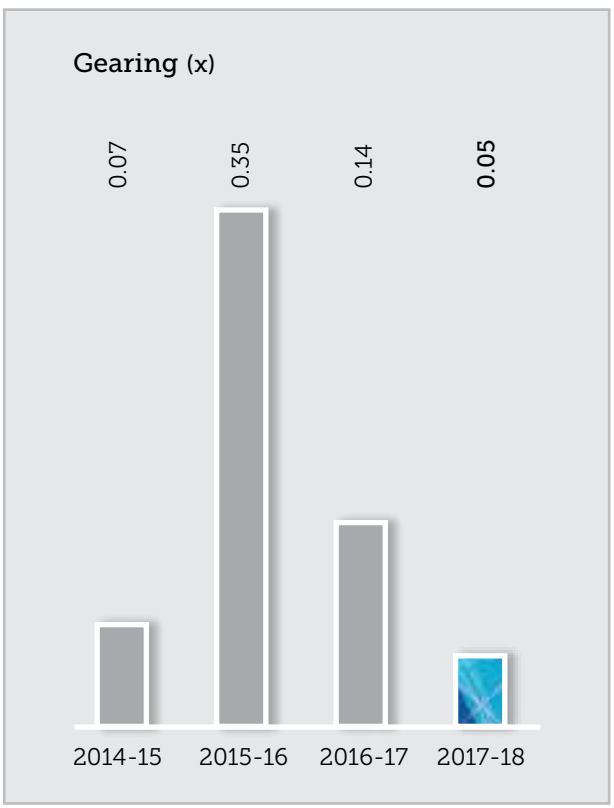


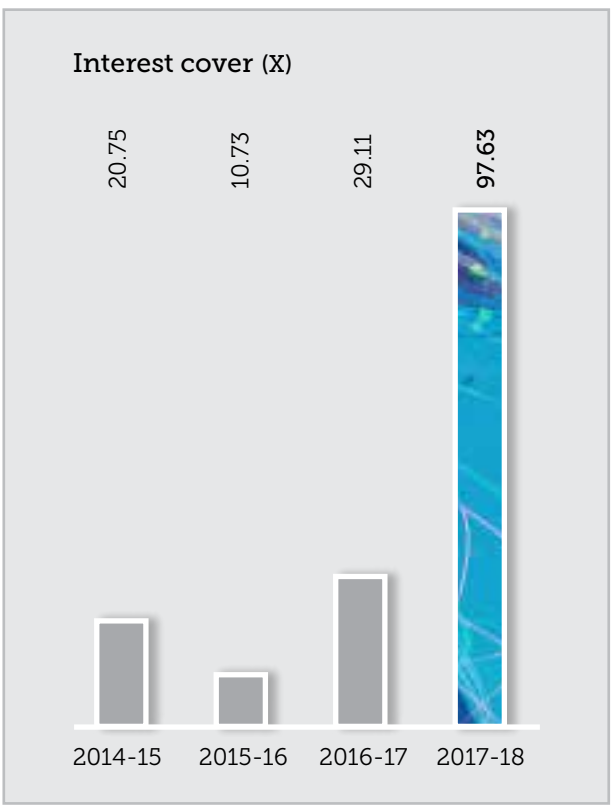





EBITDA margin (%)
8.03
11.41
20.30
20.91
2014-15
2015-16
2016-17
2017-18


ROCE (operations) (%)
22.47
27.61
52.60
69.71
2014-15
2015-16
2016-17
2017-18


Gearing (x)
0.07
0.35
0.14
0.05
2014-15
2015-16
2016-17
2017-18


Interest cover (X)
20.75
10.73
29.11
97.63
2014-15
2015-16
2016-17
2017-18

Enhancing value for stakeholders

Shareholders 01

- Protecting the bottomline
- Focusing on free cash generation
- Ensuring profitable growth
- Offering incremental returns

People 02

- Fostering employee and vendor engagements
- Promoting personal and professional development of employees
- Paying fair and equitable wages

Customers 03

- Manufacturing quality products
- Meeting customer specifications
- Guaranteeing timely delivery

Society 04

- Contributing to the exchequer
- Creating employment opportunities
- Meaningful CSR activities

Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US$54.13 per barrel at the beginning of the year, declining to a low of US$46.78 per barrel in June 2017 and closing the year at US$61.02 per barrel, the highest since 2013.

Global economic growth for six years

Year	2014	2015	2016	2017 (e)	2018 (e)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. *(Source: WEO, IMF)*

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio .

The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to US$ 414 billion as on January 2018. *(Source: CSO, Economic Survey 2017-18)*

Year-on-year growth (FY2017-18 versus FY 2016-17)

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3.0%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3.0%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

*Estimated

(Source: Press Information Bureau)

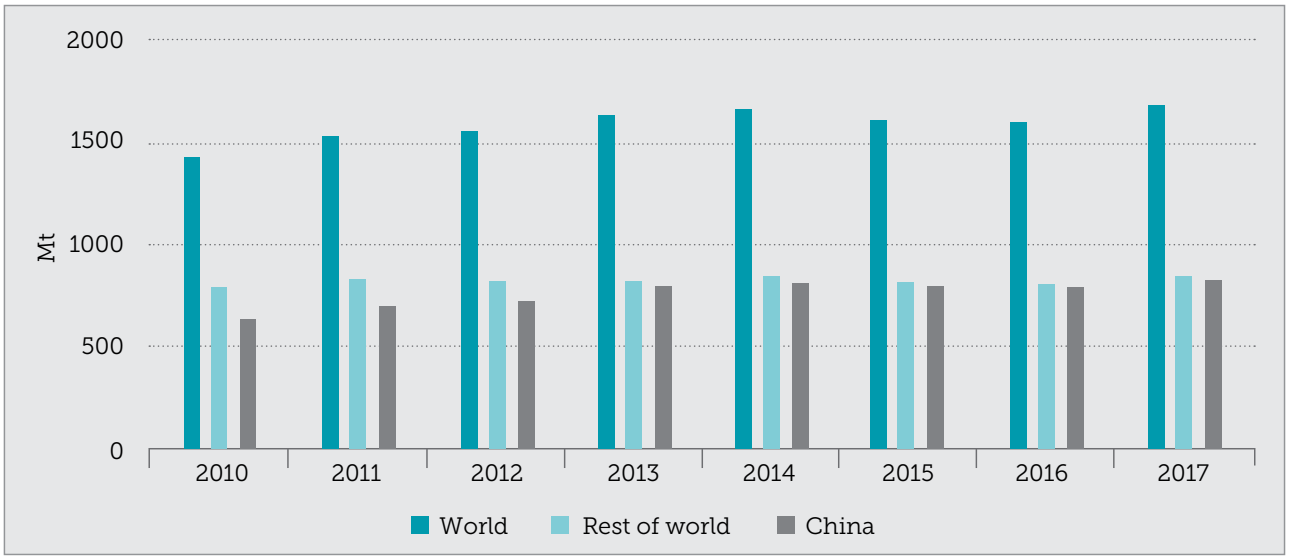
Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. *(Source: IMF, World Bank)*

Global steel sector overview

The global metals market is primarily driven by three critical factors: the Chinese market, US dollar exchange rates and oil prices. Demand from China recovered due to governmental incentives for the manufacturing industry while the US dollar weakened amidst a growth in oil prices, boosting prices of all metals. After facing headwinds that slowed consumption in recent years, global steel demand growth is witnessing a upturn. Global crude steel production reached 1,691.2 million tonnes for 2017, up by 5.3% compared to 2016. Crude steel production increased in all regions in 2017 except in the CIS nations. There are indications of a recovery in steel prices and improvements in profitability in some segments. However, capacity utilisation rates continue to be low, creating difficulties for an industry with high fixed costs. Steel trade volumes stabilised while cross border trade declined, as a result of the increasingly stiff trade embargoes imposed in the recent years. Annual production for Asia stood at 1,162.5 million tonnes, an increase of 5.4% compared to 2016. China's share of world crude steel production of 49% in 2016 remain stable in 2017. In 2017, the European Union nations produced 168.7 million tonnes of crude steel, an increase of 4.1% compared to 2016. Crude steel production in North America stood at 116 million tonnes, 4.8% higher than in 2016. Ukraine recorded a decrease of 6.4% with a year-end figure standing at 22.7 million tonnes. Annual production for South America stood at 43.7 million tonnes, an increase of 8.7% compared to 2016. Crude steel capacity utilisation ratio in December 2017 stood at 69.5%, an increase of 1.8% compared to 2016. *[Source: Deloitte, Hindu Business Line, Worldsteel]*

Annual crude steel production

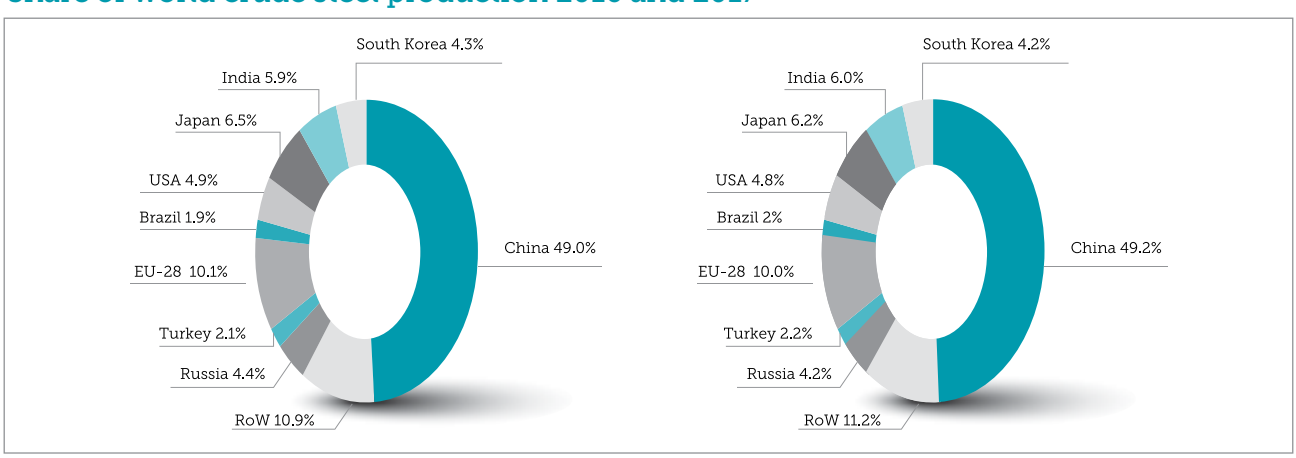


Top-10 global steel producing nations

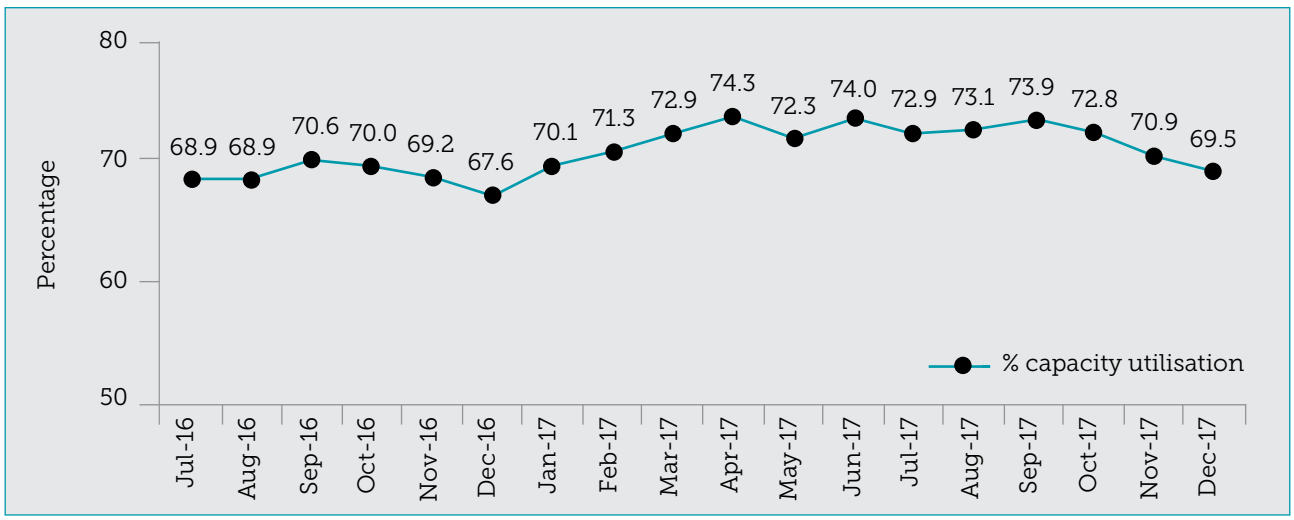
Country	2017 output (million tonnes)	2016 output (million tonnes)	y-o-y growth/de-growth (%)
China	831.7	786.9	5.7
Japan	104.7	104.8	-0.1
India	101.4	95.5	6.2
United States	81.6	78.5	4.0
Russia*	71.3	70.5	1.3
South Korea	71.1	68.6	3.7
Germany*	43.6	42.1	3.5
Turkey	37.5	33.2	13.1
Brazil	34.4	31.3	9.9
Italy	24.0	23.2	2.9

*Estimated

Share of world crude steel production 2016 and 2017



World steel capacity utilisation



Outlook

In the near term, a limited upside to the global demand is estimated. One of the key reasons for this is the continued underperformance of China, particularly in comparison to the historical context. Other geographies are unlikely to fill the space created by China's receding demand growth. Based on the demand conditions global steel demand is forecast to reach to 1,648 million tonnes in 2018. *[Source: World Steel Association, Trading Economics]*

Indian steel sector overview

Indications are that India's steel consumption in the coming years will register robust growth on the back of the Central Government's thrust on the infrastructure, real estate and automobile manufacturing sectors. In the Union Budget 2017-18, an outlay of ₹4 lakh crore for infrastructure expansion, covering railways, roadways, airports, seaports, multi-modal transport and urban amenities, as well as affordable housing to ease dwelling house shortage was made. This has provided a shot in the arm for the domestic steel sector. It is widely believed that an increase in public investment will crowd-in private investment. The New Steel Policy, 2017, envisages an increase in per capita consumption from the present 61 kilograms to 160 kilograms by 2030 backed by a target of 300 million tonnes in steel-making capacities. In FY17, crude steel production in India stood at 97.42 million tonnes, with the total crude steel production growing at a CAGR of 5.49% over the last six years. India's crude steel output grew by 5.87% to reach 101.227 million tonnes in 2017. Crude steel production during April-December 2017 grew by 4.6% to reach 75.498 million tonnes, while finished steel production during the same period stood at 79.294 million tonnes. Total steel consumption during the year was estimated to be 83.9 million tonnes compared to 81.5 million tonnes in FY16. Total consumption of finished steel grew by 5.2% to reach 64.867 million tonnes during April-December 2017 compared to 54.487 million tonnes during the same period in 2016. In FY 2016-17, the country's steel exports increased by 102.1% to reach 8.24 million tonnes compared to 4.07 million tonnes in 2015-16. In FY 2016-17, the country's steel imports fell 36.6% to reach 7.42 million tonnes compared to 11.7 million tonnes in 2015-16. Exports and imports of steel grew 52.9% and 10.9%, respectively to reach 7.6 million tonnes and 6.1 million tonnes during April-December 2017, respectively. *[Source: Hindu Business Line, IBEF]*

Outlook

Many economists and economic bodies have cited India as the only bright spot in a declining global economy; the same can be said about the Indian steel industry. The fact that per capita steel consumption of India at 61 kilograms is less than one-third of the global average (208 kilograms), underlines potential for long term growth of the sector, notwithstanding improving efficiencies and change in steel usage patterns. Overall economic growth, and more specifically accelerated spend in infrastructure sector including roads, railways and ship building, anticipated growth in defence sector and the automobile sector are expected to create significant demand for steel in the country. Additionally, favourable demographics, improvement in various socioeconomic indicators, increasing penetration of steel in rural areas, and increased usage of steel in bridges, crash barriers are also expected to contribute positively to steel demand. The focus on the Make in India initiative is overall expected to give a fresh boost to steel consumption through defence and shipbuilding. *[Source: FICCI]*

Michael Porter's Five Force Framework analysis

1

Threat of substitutes (low)
Aluminium and plastic are being used in few cases in automotive and other consumer durable sectors.

2

Bargaining power of suppliers (medium)
Large integrated companies have their own mines to source raw materials.

3

Competitive rivalry (medium)
The top-five players in the steel industry account for a >70% of the market share.

Steel companies usually compete on the basis of production capacity, economies-of-scale and access to raw materials, among others.

4

Bargaining power of buyers (medium)
Major steel consumption sectors, such as automobiles, oil and gas, shipping, consumer durables and power generation, enjoy limited bargaining power and get small bulk discounts.

5

Threat of new entrants (low)
Capital-intensive, industry players are large and enjoy economies-of-scale. Some have their own mines for sourcing key raw materials

Several regulatory clearances pertaining to environmental and land acquisition are required.

Growth drivers

• **Growing investments:** The Central Government stepped up infrastructure spending from the current 5% of GDP to 10% by 2017 and the Central Government has planned to invest US$ 61.8 billion in infrastructure in the Union Budget 2017-18. The initiative has a potential to generate an additional demand for steel of 18.75 million tonnes per annum. The Central Government has allowed 100%-FDI through the automatic route in the Indian steel sector.

• **Technological innovations:** Most of the companies in the industry are undertaking plant modernisation and expansion to be more cost-efficient. Indian steel companies have started benchmarking their facilities and processes with global standards to enhance productivity. These steps are expected to help Indian companies improve raw material and energy consumption as well as improve compliance with environmental yardsticks. For instance, companies are attempting coal gasification and gas-based direct-reduced iron production. Furthermore, steel companies are being urged to spend at least 1% of their turnover on R&D to facilitate technological innovations.

• **Policy support:** The new National Steel Policy aims to cover broader aspects including environmental preservation, facilitation of new projects, increasing steel demand in India and ensuring ready accessibility to raw materials. Under the policy, all government tenders will give preference to domestically-manufactured products. Moreover, Indian steel makers importing intermediate products or raw materials can claim benefits by adding minimum of 15% value to the product. The new National Steel Policy, 2017 aspires to achieve 300 million tonnes in steel-making capacity by 2030. This would translate into an investment of ₹10 lakh crore.

• **Governmental emphasis:** The Central Government has hiked the export duty on iron ore to 30% ad valorem all varieties of iron ore (except pellets) and reduced the basic custom duty on the plants and equipment required for establishment or expansion of iron ore pellets plants and iron ore beneficiation plants from 7.5 and 5%, respectively, to 2.5%. Customs duty on imported flat-rolled stainless steel products has been increased from 7.5% to 10%. Basic customs duty has been reduced from 10% to 5% on forged steel rings used in the manufacture of bearings of wind-operated electricity generators. Going forward, the Make in India initiative and policy decisions taken under it are expected to augment the country's steel production capacity and resolve issues related to the mining industry. *[Source: Ministry of Steel]*

An overview of the key downstream sectors for the steel industry

• **Automotive:** The automotive industry is forecasted to grow in size from US$ 74 billion in 2015 to US$ 260-300 billion by 2026. With increasing capacity addition in the automotive industry, demand for steel is expected to increase concomitantly.

• **Capital goods:** The capital goods sector accounts for 11% of steel consumption and this is expected to increase to ~15% by 2025-26 and thereby generate greater demand for steel.

• **Infrastructure:** The infrastructure sector accounts for 9% of steel consumption and this is expected to increase to 11% by 2025-26. Due to huge investments being made in the infrastructure sector, the demand for steel products is estimated to increase in the years ahead.

• **Airports:** In FY17, passenger traffic at Indian airports stood at 265 million and the number of operational airports stood at 94. Development of Tier-II city airports would sustain the consumption growth of steel at a rate of 20% over the next few years.

• **Railways:** Dedicated rail freight corridor network expansion along with gauge conversion, setting up of new lines and electrification would drive steel demand.

• **Oil and gas:** Oil and gas are among the major end-user segments of the steel sector and accounts for ~34% of primary energy consumption in FY16. An increase in demand of steel tubes and pipes should provide a fillip to the steel industry.

• **Power:** With the Central Government targeting a capacity addition of 100 gigawatts under the 13th Five Year Plan, both generation and transmission capacities would be enhanced, thereby raising steel demand from the sector

• **Rural India:** With policies like Food for Work, Indira Awaas Yojana and Pradhan Mantri Gram Sadak Yojana driving demand for steel in rural India, per capita consumption of finished steel is expected to reach of 14 kilograms by 2020 from 12.11 kilograms, currently.

Global manganese ore sector overview

Towards the end of 2016, manganese ore prices surged in response to a sharp reduction of stock

levels. These reflected substantial production cutbacks brought about by low prices over the previous year, in combination with logistical problems in South Africa and a resurgence of demand from China. In 2017, ore prices have remained high which has, in turn, supported elevated manganese alloy prices. Because of high ore prices, output in South Africa looks set to exceed its previous peak level (~14 million tonnes in 2014) by at least 10%. Australian output has also increased substantially in 2017 due to the restart of some of the closed mines, and additional output is also flowing from other key producing countries such as Ghana. Nonetheless, with Chinese crude steel output expected to stabilise over the medium-term, and with manganese ore production currently increasing strongly, there is a scope for the manganese ore market to move into oversupply which should provoke an overdue correction in prices. However over the short term, increasing steel output should provide support for sustainable and improving manganese ore prices. Global manganese ore supply grew by 26% in 2017 to 19.13 million tonnes of manganese units. *[Source: International Manganese Institute]*

Country	Production (metric tonnes)
South Africa	4,800,000
China	3,000,000
Australia	2,500,000
Gabon	2,000,000
Brazil	1,100,000
India	950,000
Ghana	480,000
Ukraine	320,000

[Source: investingnews.com]

Indian manganese sector overview

During 2017, the volume of manganese ore production in India amounted to ~2.04 million tonnes or ~₹9.6 billion in terms of value. Manganese production is projected to increase further from the current 2.5 million tonnes, in line with increasing demand. *[Source: Indian Bureau of Mines]*

Global ferro alloys sector overview

Owing to the lack of a viable alternative that can meet the diverse applications, the global ferro alloys market is estimated to expand at an CAGR of 5.9% till 2025. A significant share of the bulk ferro alloys are used in the production of the steel because of the low prices of the bulk ferro alloys and high production around the major producing regions. The prosperity of the building and construction industry in a number of emerging economies is another key driver of the global ferro alloys market, wherein the development of lightweight and high strength steel grades is expected to open up opportunities. On the other hand, stringent governmental regulations pertaining to the environment and high operational costs have stifled growth in the global ferro alloys market. The market for ferro alloys worldwide is projected to reach US$188.7 billion by 2025, up from US$112.8 billion in 2016. *[Source: Economic Times]*

Indian ferro alloys sector overview

India accounts for ~8% of the entire global ferro alloy output. The country has emerged as a preferred supplier of ferroalloys on account of abundant availability of key resources comprising chrome ore and manganese ore, trained and cost-effective manpower and favourable locations. India's production of around 3.5 million tonnes of ferro alloys comprises 1 million tonnes of ferro chrome and 2.5 million tonnes of manganese alloys. Firming up of prices has led to a number of producers bounce back into business and supply is also expected to grow by 3% to 11.7 million tonnes. Despite grappling with higher power costs, the domestic ferro alloys industry is well-placed to tackle competition from Malaysia and Indonesia. In 2017 an extra capacity of 180,000 metric tonnes came into the market and is likely to bring down profitability. During the year gone by, India exported 1.3 million tonnes of ferro alloys and earned a foreign exchange of around ₹8,900 crore. *[Source: Economic Times]*

Outlook

High-carbon ferro manganese is likely to see a decline in demand from 4.6 million tonnes to 4.5 million tonnes and a decline in supply from 4.7 million tonnes to 4.6 million tonnes. On the other hand, silico-manganese is expected to see increase in supply by around 5.6% to 14 million tonnes from 13.2 million tonnes, while demand is expected to grow by 2% to 13.96 million tonnes from 13.7 million tonnes. *[Source: Economic Times]*

Risk management

Maithan Alloys' risk management is an enterprise-wide function overseen by a team of qualified specialists with longstanding sectoral experience.

Key risk	Nature	Potential impact	Mitigation measures
Industry downturn	External	• Slowdown in product offtake • Cyclical nature of steel industry • Unfair trade practices and remedial measures	With the global steel industry on the recovery path, the alloys companies are witnessing turn around. Maithan with a differentiated business model and a strong product portfolio is growing sustainably.
Quality	Internal	• Inconsistent product quality • Erratic quality of raw materials procured	The Company works rigorously on the quality front with streamlined operating procedures.
Human capital	Internal	• High employee attrition • Inadequate training and employee errors • Low employee productivity	Over the years of its existence, the Company has created a dedicated team driving the business. The employees are regularly trained and provided with a harmonious work environment. The Company enjoys one of the best retention rates in the industry.
Currency volatility	External	• Adverse impact on profitability • Fluctuation in foreign exchange • Fluctuating fair value or future cash flows due to changes in foreign exchange rates	The Company's exports stood at ₹1,020 crore against import of ₹769 crore, providing it with a natural hedge.
Geographic	External	• Locational disadvantages • Undulating roads and hilly terrains	The Company has manufacturing plants located strategically across the country. The Kalyaneshwari plant of the Company is situated in the country's steel belt and sells most of its output within 200 kilometres of the plant. Built in an SEZ, the Visakhapatnam plant is located close to two deep-draft ports and caters to export demands.
Input cost	Internal	• Cheap imports from South Asian countries • Volatile rates of raw materials	The Company has strong relationships with miners to ensure timely supply. The Company sources raw material when it gets contracts to optimise inventory cost. It has PPA agreements with power utilities for supplying uninterrupted power at pre-determined prices.
Interest rate	Internal	• Increased interest payouts • Fluctuations in market interest rates	The Company has a sizeable cash surplus while borrowings on its books are low. Due to this, interest payout is low.
Liquidity	Internal	• Financial distress arising due to shortage of funds	The Company has a cash and liquid investments of ₹384 crore.
Logistical	External	• Congestion, strikes, channel blockages • Rake unavailability, landslides, strikes, derailments • Storage, transportation and material handling risks	The Company's proximity to key customers as well as ports helps it reduce logistical costs.

Financial performance overview

Profit and loss account analysis

Total income

Total income from operations increased by 35% from ₹1,411.99 crore in FY17 to ₹1909.51 crore in FY18.

EBITDA

The Company's EBITDA increased 38.73% in FY18 from ₹285.03 crore in FY17 to ₹395.40 crore owing to better realisation and a sustained capacity utilisation.

Finance costs

Finance costs declined by 58.63% from ₹9.79 crore in FY17 to ₹4.05 crore in FY18 owing to repayment of long-term loans and lowering of bank borrowings required for running day-to-day operations.

Other incomes

Other incomes increased by 126.43% from ₹8.17 crore in FY17 to ₹18.51 crore in FY18 owing to an increase in treasury income.

Tax expenses

Tax expenses increased by 31.02% from ₹64.24 crore in FY17 to ₹84.16 crore in FY18 owing to an increase in profits.

Net profit

Net profit stood at ₹291.75 crore in FY18, compared to ₹185.67 crore in FY17. Net profit margin improved by 220 bps from 13.23% in FY17 to 15.43% in FY18.

Balance sheet analysis

Net worth

Net worth stood at ₹875.12 crore as on 31 March, 2018, increasing by 48% compared to ₹592.50 crore as on 31 March 2017. Net worth comprised paid-up equity capital worth ₹29.11 crore as on 31 March 2018. Reserves and surplus stood at ₹846.01 crore as on 31 March 2018.

Loan profile

Total loan funds stood at ₹44.71 crore while long-term borrowings stood at ₹3.67 crore as on 31 March 2018.

Total assets

Total assets increased by 30% from ₹933.77 crore as on 31 March 2017 to ₹1,218.62 crore as on 31 March 2018.

Inventories

Inventories increased by 33.02% from ₹186.57 crore as on 31 March 2017 to ₹248.19 crore as on 31 March 2018. Inventories comprised raw material amounting to ₹190.22 crore, work-in-progress worth ₹1.34 crore, finished goods worth ₹49.17 crore and stores and packing materials worth ₹7.45 crore.

Sundry debts

Sundry debts stood at ₹243.72 crore as on 31 March 2018 compared to ₹225.21 crore as on 31 March 2017, an increase of 8.22%.

Cash and cash equivalents

Cash and cash equivalents as on 31 March 2018 stood at ₹50.61 crore compared to ₹75.81 crore as on 31 March 2017.

Current liabilities

Current liabilities stood at ₹312.12 crore as on 31 March 2018 compared to ₹293.11 crore as on 31 March 2017.

Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct.

The relationship between the management and employees continues to be very cordial and the plants are running smoothly with their co-operations. Total number of employees on the payroll of the Company as on 31 March 2018 was 580.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Directors' Report

Dear Members,

Your Directors have the pleasure in presenting the 33rd Annual Report on the business and operations of the Company along with the Financial Statement for the financial year ended 31 March 2018.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended 31 March 2018 is summarised below:

(₹ in lakh)

Financial Results	2017-18	2016-17
Revenue from operations	189,099.93	140,382.52
Other income	1,850.87	817.23
Total Income	**190,950.80**	**141,199.75**
Expenses		
Operating expenditure	151,410.54	112,697.18
Depreciation and amortisation expense	1,544.43	2,531.97
Total Expenses	**152,954.97**	**115,229.15**
Profit before finance cost and tax	37,995.83	25,970.60
Finance costs	405.35	979.32
Profit Before Taxes	**37,590.48**	**24,991.28**
Less: Provision for taxation:		
- Current tax	8,530.82	5,703.84
- Deferred tax	(114.97)	720.30
Profit After Taxes	**29,174.63**	**18,567.14**
Add: Profit brought forward from previous year	56,338.57	37,606.81
: Other comprehensive income	(36.65)	164.63
Balance available for appropriation	**85,476.56**	**56,338.58**
Appropriation		
Dividend on equity shares paid	727.79	-
Tax on dividend paid	148.16	-
Balance in Other Equity	84,600.61	56,338.58
	85,476.56	**56,338.58**

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The financial result of 2017-18 is the best-ever results of the Company till date. Fiscal 2017-18 has been yet another landmark year with robust performance for your Company as it continues to enhance its performance with resultant higher turnover and improved profitability.

Your Company achieved a staggering growth during the financial year 2017-18 on the back of internal operating efficiency led by better product mix, better supply chain management, superior product range and improved capacity utilisation. Your Company is well placed to capitalise the ongoing upturn in the steel industry through its high value addition and strong client base.

The total revenue increased to ₹190,950.80 lakh from ₹141,199.75 lakh in the financial year 2016-17, registering a growth of about 35.23%. Profit Before Tax stood at ₹37,590.48 lakh and Profit After Tax stood at ₹29,174.63 lakh in the financial year 2017-18 as compared to ₹24,991.28 lakh and ₹18,567.14 lakh, respectively in the financial year 2016-17, resulting in a growth of about 50.41% and 57.13%, respectively.

The Wind Mill division of the Company has achieved sales of ₹191.24 lakh during the financial year 2017-18 and is operating satisfactorily.

There was no change in the nature of business of the Company during the financial year 2017-18.

OUTLOOK

The information on the Business Overview and Outlook of the Company is discussed in the Management Discussion and Analysis on Page No. 19 to 27 of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

None

EXPANSION OF MANUFACTURING CAPACITY

The Board of Directors at its meeting held on 30 April 2018 accorded their consent to set-up a new greenfield Ferro Alloy manufacturing unit in West Bengal with an estimated installed capacity of 120,000 MT per annum of ferro alloys. It is proposed to set-up the unit within a period of 30 months with an estimated cost of ₹27,500.00 lakh to be financed from internal accruals of the Company. The same would increase the installed capacity of the Company by about 50%.

SHARE CAPITAL

The Authorised Share Capital and Paid-up Share Capital of the Company as on 31 March 2018 were ₹8,000.00 lakh and ₹2,911.16 lakh, respectively. During the year under review, the Company has not granted any employees stock option. The Company has neither issued any shares with differential voting rights nor sweat equity shares during the financial year 2017-18. As at 31 March 2018, none of the Directors of the Company hold any convertible instrument of the Company.

DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend for approval of the Members, a dividend of ₹3.00 per equity share of ₹10.00 each (i.e. 30%) for the financial year 2017-18, to be paid on total equity shares of the Company. The dividend on the equity shares, if approved by the Members, may involve an outflow of ₹873.35 lakh towards dividend and ₹179.52 lakh towards dividend tax, resulting in a total outflow of ₹1,052.87 lakh.

TRANSFER TO RESERVES

Nil

PROMOTER AND PROMOTER GROUP

During the year under review, the Company has received a request from Mrs. Smriti Saraf (*nee* Agarwalla), to re-classify her status from 'Promoter Group' category to 'Public' category, under Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Approval of the Members of the Company in this regard was obtained through voting by Postal Ballot (including e-voting) which was conducted from 28 November 2017 till 27 December 2017. Subsequently, the necessary approval from the designated stock exchange was also obtained in this regard.

Further, Mr. Subhas Chandra Agarwalla continues to be the 'Promoter' of the Company within the meaning of the Companies Act, 2013 as well as the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other related applicable laws.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Non-Executive Directors & Independent Directors

The Board of Directors of the Company (the Board) had appointed Mr. Parasanta Chattopadyay (DIN: 06968122) as an Additional Director at their meeting held on 10 November 2016. Subsequently, the Members of the Company at their Annual General Meeting held on 26 August 2017 approved his appointment as a Director (Category: Non-Executive) of the Company, liable to

retire by rotation.

Further, the Board at its meeting held on 9 May 2017 appointed Mr. Ashok Bhandari (DIN: 00012210) as an Independent Director for a period of 5 years with effect from 9 May 2017 upto 8 May 2022. Subsequently, the Members of the Company at their Annual General Meeting held on 26 August 2017 approved his appointment as such.

The Company has received declaration from all the Independent Directors, affirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Executive Directors and Key Managerial Personnel

The Members at their 32nd Annual General Meeting, approved the elevation of Mr. Subhas Chandra Agarwalla (DIN:00088384) as the 'Chairman and Managing Director' and Mr. Subodh Agarwalla (DIN: 00339855) as the 'Whole-time Director and Chief Executive Officer' of the Company with effect from 30 March 2017.

Mr. Sudhanshu Agarwalla and Mr. Rajesh K. Shah, continue to hold office as the 'President and Chief Financial Officer' and 'Company Secretary' of the Company, respectively, in terms of Section 203 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel have resigned during the financial year 2017-18.

Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Subodh Agarwalla (DIN:00339855) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The brief detail of the said Director is given in the Notice convening the ensuing Annual General Meeting.

EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation through structured evaluation sheets, for each Director, its committees and its own performance based on the criteria laid down in the Remuneration Policy of the Company and the Nomination and Remuneration Committee has also carried out the performance evaluation of every Director of the Company.

Further, during the year under review, the Independent Directors of the Company reviewed (i) the performance of Non-Independent Directors and the Board as a whole, (ii) the performance of the Chairman of the Company and (iii) the quality, quantity and timeliness of flow of information between the Company Management and the Board.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2017-18, 4 (four) meetings of the Board were duly convened, held and concluded. The details of the Board Meetings have been furnished in the Report on Corporate Governance forming part of this Directors' Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF THE BOARD

The details of the following committees of the Board along with their composition and meetings held during the financial year 2017-18 are given in the Report on Corporate Governance forming part of this Directors' Report.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee

REMUNERATION POLICY

The Remuneration Policy of the Company is attached to the Report on Corporate Governance forming part of this Directors' Report.

VIGIL MECHANISM

The Vigil Mechanism established by the Company empowers the directors and employees and other concern to report their genuine concerns relating to the Company and provides for adequate safeguards against victimisation of those who use such mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases, details of the same are given in the Report on Corporate Governance, which forms part of this Directors' Report.

The Audit Committee has been empowered to review the functioning of the Vigil Mechanism. A copy of the Vigil Mechanism Policy is available on the Company's website at 'www. maithanalloys.com'.

RISK MANAGEMENT

Business risks exist for every enterprise having national and international exposure. The Company has a Risk Management Policy to control and minimise the risk factors of the Company and is being implemented and monitored by the Risk Management Committee. A brief

detail on the Risk Management and the key business risks identified by the Company and its mitigation plans are provided at Page No. 26 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2017-18, the Company has spent 2% of the average net profits of the three immediately preceding financial years on various Corporate Social Responsibility (CSR) activities. The expenditure has been carried out mainly in the areas of health care, sports, education, rural development and facility for senior citizens. All the expenditures were in accordance with Schedule VII of the Companies Act, 2013 and CSR Policy of the Company. The CSR Policy of the Company is available on the Company's website at 'www.maithanalloys.com'.

Further, the Board at its meeting held on 9 November 2017, constituted a trust, in the name of 'BMA Foundation', to carry out CSR activities in compliance with the CSR Policy of the Company, in lieu of making donations to other charitable organisations or NGOs.

The Annual Report on CSR activities during the financial year 2017-18 in prescribed form as approved by the CSR Committee is annexed herewith as **Annexure-'A'**.

DEPOSITS

The Company did not accept any deposit from the public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year 2017-18 and as such, no amount of principal, interest, unpaid or unclaimed deposit remained unpaid or unclaimed or was outstanding as on the Balance Sheet date.

CREDIT RATING

CARE has upgraded the Company's credit rating to 'CARE AA-; Stable' (i.e. Double A Minus; Outlook: Stable) from 'CARE A+; Stable' (i.e. Single A Plus; Outlook: Stable) for long-term bank facilities and re-affirmed 'CARE A1+' (i.e. A One Plus) rating for short-term bank facilities vide their letter dated 9 February 2018.

Further, CRISIL has assigned 'CRISIL AA-/Stable' (i.e. CRISIL AA minus/Stable) rating for Company's long-term bank facilities and 'CRISIL A1+' (i.e. CRISIL A One plus) rating for Company's short-term bank facilities, vide their letter dated 1 December 2017.

Such ratings indicate that the Company has strong capacity for timely payment of debt obligations and carries low credit risk.

INDIAN ACCOUNTING STANDARDS

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company is required to prepare Financial Statement under Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2017. Accordingly, the Company has adopted 'Ind AS' with effect from 1 April 2017 with the transition date of 1 April 2016 and the Financial Statement for the financial year ended 31 March 2018 have been prepared in accordance with 'Ind AS'. The Financial Statement for the financial year ended 31 March 2017 have been restated to comply with 'Ind AS' to make them comparable.

The MCA notification also mandates that 'Ind AS' shall be applicable to holding, subsidiary, joint venture or associate of the Company. Hence, the Company and its subsidiaries namely, Anjaney Minerals Limited, AXL-Exploration Private Limited and Salanpur Sinters Private Limited have prepared and reported Financial Statements under 'Ind AS' w.e.f. 1 April 2017, including restatement of the opening balance sheet as at 1 April 2016. The effect of the transition from IGAAP to 'Ind AS' has been explained by way of a reconciliation, in the Standalone Financial Statement and Consolidated Financial Statement.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The internal control systems of the Company are brought under regular review and evaluations in consultation with the internal auditors. The Company's internal control systems are commensurate with the Company's size and nature of business of the Company, enabling it to safeguard assets, prevent and detect frauds as well as other irregularities. The Internal Audit is conducted periodically across all locations of the Company by firms of Chartered Accountants who verify and report on the efficiency and effectiveness of internal controls.

The Management is responsible for the Company's internal financial control over financial reporting and the financial reporting process. The Audit Committee reviews the internal financial control over financial reporting to ensure that the accounts of the Company are properly maintained in accordance with the prevailing laws and regulations.

FINANCIAL REVIEW

For detailed financial review kindly refer to the Management Discussion and Analysis on Page No. 19 to 27 of this Annual Report.

CASH FLOW STATEMENT

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, the Annual Financial Statement contains the Cash Flow Statement for the financial year 2017-18,

forming part of this Annual Report.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company had two subsidiaries namely, AXL-Exploration Private Limited and Anjaney Minerals Limited as on 31 March 2017. During the year under review, the Company has acquired entire equity shares of Salanpur Sinters Private Limited and beneficial interest in remaining 6 (six) equity shares of Anjaney Minerals Limited. Consequently, both Salanpur Sinters Private Limited and Anjaney Minerals Limited became wholly-owned subsidiaries of the Company, with effect from 28 November 2017. As on 31 March 2018, the Company has three subsidiaries namely, AXL-Exploration Private Limited, Salanpur Sinters Private Limited and Anjaney Minerals Limited.

Except the above, none of the Companies have become/ ceased to be the Company's Subsidiaries, Joint Ventures or Associate Companies during the financial year 2017-18.

Further, the Company had no material subsidiary(ies) or Joint Venture(s) or Associate Company(ies) during the financial year 2017-18.

The "Policy on 'Material' Subsidiary" is available on the website of the Company. The link for the said policy is 'http://maithanalloys.com/wp-content/uploads/2017/07/policies/05.Policy%20on%20Material%20Subsidiary.pdf'.

In terms of Section 129(3) of the Companies Act, 2013, a Statement containing the salient features of the financial statement of subsidiaries / associate companies / joint ventures of the Company in the prescribed form AOC-1 has been attached with the Financial Statement of the Company, forming part of this Annual Report.

HIGHLIGHTS OF PERFORMANCE OF EACH OF THE SUBSIDIARIES

In accordance with Section 136 of the Companies Act, 2013, the audited Financial Statements including the Consolidated Financial Statement together with the related information of the Company and the audited accounts of each of its subsidiary are available on Company's website at 'www.maithanalloys.com'. The audited accounts of the subsidiary companies are available for inspection by any Member on any working day during the business hours at the registered office of the Company. The said documents shall be made available on receipt of a written request from the Member of the Company.

Anjaney Minerals Limited

The Company is exploring various opportunities for acquiring mines. During the financial year 2017-18 the Company has earned ₹23.30 lakh as Other Income and reported a profit of ₹16.55 lakh.

The net worth of the Company as on 31 March 2018 is ₹722.18 lakh.

AXL-Exploration Private Limited

The Company has made an application to the government authorities for renewal of its mining lease and necessary approval thereon is awaited. During the financial year 2017-18 the Company has suffered a loss of ₹4.78 lakh.

The net worth of the Company as on 31 March 2018 is ₹221.82 lakh.

Salanpur Sinters Private Limited

During the financial year 2017-18, the Company has earned ₹0.15 lakh as Other Income, however, it has incurred a loss of ₹6.29 lakh.

The net worth of the Company as on 31 March 2018 is ₹596.54 lakh.

All the above companies are unlisted non-material subsidiaries of the Company and their contribution to the overall performance of the Company is insignificant.

CONSOLIDATED FINANCIAL STATEMENT

The Company has prepared a Consolidated Financial Statement of the Company and all of its subsidiaries, pursuant to the provisions of Section 129 of the Companies Act, 2013. The Consolidated Financial Statement of the Company along with its subsidiaries for the financial year ended 31 March 2018 forms part of this Annual Report.

AUDITORS' REPORT

The Auditors' Report read along with notes on accounts is self-explanatory and therefore, do not call for any further comment. The Auditors' Report does not contain any qualification.

During the year under review, the auditors have not reported any instances of fraud committed in the Company by its officers or employees, to the audit committee under Section 143(12) of the Companies Act, 2013.

STATUTORY AUDITORS

M Chaudhary & Co., Chartered Accountants (Firm Registration No.: 302186E), were appointed as the Statutory Auditors of the Company at the 32nd Annual General Meeting of the Company to hold office till the conclusion of the 37th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every subsequent Annual General Meeting till the conclusion of their tenure.

The Company has received a certificate from the said

auditors to the effect that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and their appointment continue to be within the prescribed limits as required under the Companies Act, 2013. Further, M Chaudhary & Co., Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Directors recommend for the ratification of their appointment and to fix their remuneration for the financial year 2018-19 at the ensuing Annual General Meeting of the Company.

COST AUDITORS

The Board has re-appointed S. K. Sahu & Associates, Cost Accountants (Registration No.: 100807) as the Cost Auditor and fixed their remuneration for auditing the cost records of the Company for the financial year 2018-19. Their remuneration is subject to the approval of Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 and Rules framed there under, the Board had re-appointed J. Patnaik & Associates, Company Secretaries (Certificate of Practice No.: 3102), to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report as submitted by J. Patnaik & Associates, Company Secretaries for the financial year 2017-18 is annexed herewith as **Annexure-'B'**.

There are no qualifications in the said Secretarial Audit Report given by said Auditor and therefore, does not call for any further comment.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return of the Company as on the financial year ended 31 March 2018 in prescribed Form MGT-9 is annexed herewith as **Annexure-'C'**.

MANAGERIAL REMUNERATION

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures and other details are as follows:

(a) (i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and

(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Sl. No.	Name	Designation	Ratio of remuneration	% increase in remuneration
1	Mr. Subhas Chandra Agarwalla	Chairman & MD	686.43	77.51%
2	Mr. Subodh Agarwalla	WTD & CEO	549.15	84.36%
3	Mr. Sudhanshu Agarwalla	President & CFO	N.A.	49.62%
4	Mr. Rajesh K. Shah	Company Secretary	N.A.	40.57%

N.A.= Not Applicable

The Non-Executive Directors (including Independent Directors) of the Company are entitled to sitting fee only within the statutory limits provided under the Companies Act, 2013. The details of remuneration of each Non-Executive Director have been provided in the Report on Corporate Governance. The ratio of remuneration of said Non-Executive Directors to the median remuneration of the employees of the Company and percentage increase in remuneration of said Non-Executive Directors, during the financial year 2017-18 are not comparable and therefore not considered for the above purpose.

(b) the percentage increase in the median remuneration of employees in the financial year –

The median remuneration of the employees in the financial year 2017-18 was increased by 6.81%.

(c) the number of permanent employees on the rolls of Company -

There were 580 employees as on 31 March 2018 on the pay rolls of the Company.

(d) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison

with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration –

The average percentage increase in the salaries of employees other than the managerial personnel during the financial year 2017-18 was 5.65% and the average percentage increase in the salaries that of managerial personnel was 80.93%.

The managerial personnel are entitled to remuneration partly by way of fixed remuneration being monthly remuneration and partly by way of variable remuneration being a percentage on the profit of the Company, whereas the majority of employees other than the managerial personnel are paid by way of fixed remuneration only. The increase in the remuneration of non-managerial employees depends upon various factors like industry standards, cost of living, individual performance of the employee during the financial year, etc.

(e) **affirmation that the remuneration is as per the remuneration policy of the Company-**

It is hereby affirmed that the remuneration paid during the financial year 2017-18 is as per the Remuneration Policy of the Company.

PARTICULARS OF EMPLOYEES

A statement in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed as **Annexure-'D'**.

In terms of the provisions of Section 197(14) of the Companies Act, 2013 it is hereby confirmed that neither the Managing Director nor the Whole-time Director of the Company has received any remuneration or commission from any subsidiary of the Company during the financial year 2017-18.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

None

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

(i) **Details of Loans:** The Company has granted advances to its subsidiaries. Please refer to Note No. 13 to the Standalone Financial Statement.

(ii) **Details of Investments:** Please refer to Note Nos. 5 & 9 to the Standalone Financial Statement.

(iii) **Details of Guarantees given or Securities provided:** The Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or persons, during the financial year 2017-18.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company always strives to enter into transactions with its related parties in the course of its business at arm's length basis and the management believes that related party transactions are on arm's length basis as explained under Section 188 of the Companies Act, 2013.

There were no materially significant related party transactions made by the Company with its related parties as provided in Section 188(1) of the Companies Act, 2013 therefore, disclosure in Form AOC-2 is not required.

The 'Material Related Party Transaction Policy' which deals with related party transactions is uploaded on the website of the Company and weblink for the same is 'http://maithanalloys.com/wp-content/uploads/2017/07/policies/04.Material%20Related%20Party%20Transaction%20 Policy.pdf'.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The statement containing the necessary information on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as **Annexure-'E'**.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has not received any complaint nor is any complaint pending at the beginning or end of the financial year 2017-18.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and a certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance, is annexed herewith as **Annexure-'F'** and **Annexure-'G'**, respectively.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of financial conditions and results of operations of the Company for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate section in this Annual Report on Page No. 19 to 27 and forms part of this Directors' Report.

TRANSFER OF SHARES AND UNPAID/ UNCLAIMED DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

A. Transfer of Unpaid / Unclaimed Dividend

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as applicable, the Company has transferred the unpaid/unclaimed dividends amounting to ₹28,369.00 for the financial year 2009-10 to the IEPF during the year under review.

Further, a statement containing the details of dividend for period from financial year 2010-11 to 2016-17 that remained unpaid/unclaimed are available on the website of the Company at 'www.maithanalloys.com'.

B. Transfer of Shares

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as applicable, all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more shall be transferred to IEPF. Accordingly, 2,173 equity shares of the Company belonging to 8 shareholders in respect of which dividend (as declared by the Company) remained unpaid/ unclaimed for seven consecutive years or more have been transferred to IEPF till date.

A statement containing details in respect of shares so transferred, including the names of shareholders, folio number or DP ID/Client ID are available on the website of the Company at 'www.maithanalloys.com'.

Further, any person whose shares and unclaimed dividend are transferred to IEPF may claim the same by submitting an online application in Form IEPF-5, available at www.iepf.gov.in, by following the procedure as prescribed in Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

(iv) the directors had prepared the annual accounts on a going concern basis;

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

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all the shareholders, bankers, suppliers, regulatory and other government authorities for their assistance, co-operation and confidence reposed in your Company. Your Directors also extend their deep sense of appreciation to the employees of the Company.

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   Maithan Alloys Limited recognises its onus to act responsibly, ethically and with integrity in its dealings with staff, customers, governments and the environment as a whole. Maithan Alloys Limited is a socially conscious and responsible company, supporting organisations working in education, health care, sustainable livelihood, infrastructure development and espousing social causes and humanitarian affairs.

   The CSR policy of the Company is available at the Company's website at 'www.maithanalloys.com' and web-link thereof is 'http://maithanalloys.com/wp-content/uploads/2018/01/Corporate-Social-Responsibility-Policy.pdf'

2. The Composition of the CSR Committee:

Name	Designation	Executive / Non-Executive / Independent
Mr. Subhas Chandra Agarwalla	Chairman	Executive Director
Mr. Subodh Agarwalla	Member	Executive Director
Mr. Vikash Kumar Jewrajka	Member	Independent Non-Executive Director

3. Average net profit of the Company for last three financial years: ₹14,078.13 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹281.56 lakh

5. Details of CSR spent during the financial year:

(a)	Total amount to be spent for the financial year;	₹281.56 lakh
	Amount spent during the financial year;	₹281.91 lakh
(b)	Amount unspent, if any;	Nil
(c)	Manner in which the amount was spent during the financial year.	As per Annexure 1

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report. : Not Applicable

7. The responsibility statement of the CSR Committee of the Board: The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

S. C. Agarwalla
Chairman - CSR Committee
(Chairman & Managing Director)
DIN: 00088384

Subodh Agarwalla
Whole-time Director
& CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

Annexure 1

(₹ in lakh)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs	(2) Over-heads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1	Sports	Clause (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	Local Area in the State of West Bengal	0.54	0.54	Nil	0.54	Through Registered Society
2	Health Care	Clause (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	Others, Tamil Nadu, Chennai	0.22	0.22	Nil	0.22	Through NGO
3	Health Care & Education	Clause (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, Clause (ii) promoting education	Local Area in the State of West Bengal	5.00	5.00	Nil	5.00	Through Trust
4	Education	Clause (ii) promoting education	Local Area in the State of West Bengal	265.00	265.00	Nil	265.00	Through Registered Society
				6.00	6.00	Nil	6.00	Through Trust
5	Facility for senior citizen	Clause (iii) setting up old age homes, day care centres and such other facilities for senior citizens	Others, Haryana, Faridabad	4.61	4.61	Nil	4.61	Through NGO
6	Rural Development	Clause (x) rural development projects	Local Area in the State of West Bengal	0.54	0.54	Nil	0.54	Direct

** Support to Non-Government Organisations or Charitable Institutions.*

Place: Kolkata
Date: 30 April 2018

S. C. Agarwalla
Chairman - CSR Committee
(Chairman & Managing Director)
DIN: 00088384

Subodh Agarwalla
Whole-time Director
& CEO
DIN: 00339855

Form No. MR-3
Secretarial Audit Report

for the financial year ended 31 March 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Maithan Alloys Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Maithan Alloys Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **Maithan Alloys Limited** and also based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Maithan Alloys Limited** ("the Company") for the financial year ended on 31 March 2018 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

e] The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are:

a] The Payment of Wages Act, 1936;

b] The Minimum Wages Act, 1948;

c] Mines and Minerals Developments Regulation Act, 1957;

d] Minerals Conservation and Development Rules, 1988;

e] The Electricity Act, 2003;

f] The Payment of Gratuity Act, 1972;

g] The Child Labour (Prohibition & Regulations) Act, 1986;

h] The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;

i] The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;

j] The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

k] The Factories Act, 1948; etc.

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

(i) The Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited & The Calcutta Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that during the audit period the Company had filed an application and accorded the approval of the designated stock exchange under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to re-classify the status of Mrs. Smriti Saraf (*nee* Agarwalla) from "Promoter Group Category" to "Public Category".

Other than the above there are no events or actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **J. Patnaik & Associates**
Company Secretaries

J. Patnaik
Proprietor
FCS No.: 5045
C.P. No.: 3102

Place: Kolkata
Date: 30 April 2018

[Note: This Report is to be read with our letter of declaration which is annexed hereto as "**Annexure–A**" and forms an integral part of this Report.]

Annexure-A

To,
The Members,
Maithan Alloys Limited

Our Report is to be read along with this letter.

(i) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(ii) We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(iv) The status of compliance of other laws as listed at (vi) in our Report, we relied upon the statement provided by the management.

(v) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

(vi) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of the same on test basis.

(vii) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **J. Patnaik & Associates**
Company Secretaries

J. Patnaik
Proprietor
FCS No.: 5045
C.P. No.: 3102

Place: Kolkata
Date: 30 April 2018

ANNEXURE TO THE DIRECTORS' REPORT "C"

Form No. MGT - 9

Extract of Annual Return

as on financial year ended on 31 March 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i)	CIN	L27101WB1985PLC039503
ii)	Registration Date	19 September 1985
iii)	Name of the Company	Maithan Alloys Limited
iv)	Category/Sub-category of the Company	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	4th Floor, 9 A.J.C. Bose Road, Kolkata -700017; Phone No.: 033-6450-2228; Fax No.: 033-2290-0383 E-mail: office@maithanalloys.com
vi)	Whether listed Company	Yes
vii)	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd. 6,Mangoe Lane, 2nd Floor, Kolkata-700001 & 5th Floor, 23, R. N. Mukherjee Road, Kolkata-700001. Phone No.: 033-2248-2248, 033-2243-5029; Fax No.: 033-2248-4787 E-mail: info@mdpl.in, mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Manufacturing of Ferro Alloys	24104	85.97%

** as per National Industrial Classification - 2008 (NIC-2008)*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Anjaney Minerals Limited 4th Floor, 9 AJC Bose Road, Kolkata - 700017, West Bengal	U13100WB2008PLC130114	Subsidiary Company	100.00%	2(87)(ii)
2	AXL-Exploration Private Limited Flat No. 001,Plot No. -109, Bamra Manar, Unit-7, Near Governor House, Surya Nagar, Bhubaneswar -751003, Orissa	U14292OR1999PTC005643	Subsidiary Company	75.00%	2(87)(ii)
3	Salanpur Sinters Private Limited 4th Floor, 9 AJC Bose Road, Kolkata - 700017, West Bengal	U27310WB2012PTC188035	Subsidiary Company	100.00%	2(87)(ii)

Note: During the financial year 2017-18, Salanpur Sinters Private Limited has become wholly-owned subsidiary of the Company w.e.f. 28 November 2017.

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year [As on 1 April 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6,925,015	-	6,925,015	23.79%	5,642,790	-	5,642,790	19.38%	-4.41%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13,383,707	270,000	13,653,707	46.90%	14,901,003	-	14,901,003	51.19%	4.29%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	**20,308,722**	**270,000**	**20,578,722**	**70.69%**	**20,543,793**	**-**	**20,543,793**	**70.57%**	**-0.12%**
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**20,308,722**	**270,000**	**20,578,722**	**70.69%**	**20,543,793**	**-**	**20,543,793**	**70.57%**	**-0.12%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	80,770	-	80,770	0.28%	0.28%
b) Banks / FI	15,103	-	15,103	0.05%	67,332	-	67,332	0.23%	0.18%
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	78,809	-	78,809	0.27%	617,588	-	617,588	2.12%	1.85%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**93,912**	**-**	**93,912**	**0.32%**	**765,690**	**-**	**765,690**	**2.63%**	**2.31%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,542,322	600,000	4,142,322	14.22%	2,021,519	-	2,021,519	6.94%	-7.28%
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of Shares held at the beginning of the year [As on 1 April 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1,943,695	283,963	2,227,658	7.65%	3,272,430	178,073	3,450,503	11.85%	4.20%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,273,346	12,300	1,285,646	4.42%	1,324,543	-	1,324,543	4.55%	0.13%
c) Others (specify)									
Non Resident Indians	89,471	-	89,471	0.31%	342,100	-	342,100	1.18%	0.87%
Clearing Members	692,569	-	692,569	2.38%	659,154	-	659,154	2.26%	-0.12%
NBFC Registered with RBI	1,250	-	1,250	0.01%	1,475	-	1,475	0.01%	0.00%
Trust	-	-	-	-	600	-	600	0.00%	0.00%
Investor Education and Protection Fund	-	-	-	-	2,173	-	2,173	0.01%	0.01%
Sub-total (B)(2):-	**7,542,653**	**896,263**	**8,438,916**	**28.99%**	**7,623,994**	**178,073**	**7,802,067**	**26.80%**	**-2.19%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**7,636,565**	**896,263**	**8,532,828**	**29.31%**	**8,389,684**	**178,073**	**8,567,757**	**29.43%**	**0.12%**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**27,945,287**	**1,166,263**	**29,111,550**	**100.00%**	**28,933,477**	**178,073**	**29,111,550**	**100.00%**	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1 April 2017]			Shareholding at the end of the year [As on 31 March 2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
1	Maithan Smelters Private Limited	5,397,357	18.54%	-	5,397,357	18.54%	-	-
2	H. S. Consultancy Private Limited	3,259,200	11.20%	-	3,259,200	11.20%	-	-
3	Sumee Trading Private Limited	1,391,100	4.78%	-	1,391,100	4.78%	-	-
4	Aaklavya (India) Private Limited	1,274,500	4.38%	-	1,274,500	4.38%	-	-
5	Shakti Auto Finance Private Limited	1,067,800	3.67%	-	1,067,800	3.67%	-	-
6	Prahlad Rai Agarwalla	851,200	2.92%	-	1,034,200	3.55%	-	0.63%
7	Jibralter Traders Limited	993,750	3.41%	-	993,750	3.41%	-	-
8	Shankar Lal Agarwalla	907,601	3.12%	-	962,101	3.30%	-	0.18%
9	Sarita Devi Agarwalla	829,000	2.85%	-	699,000	2.40%	-	-0.45%
10	Rita Devi	752,000	2.58%	-	694,365	2.39%	-	-0.19%
11	Sheela Devi Agarwalla	667,250	2.29%	-	669,250	2.30%	-	0.01%
12	Summit Packaging Private Limited	Refer Note 3	-	-	466,500	1.60%	-	1.60%
13	Siddhartha Shankar Agarwalla	291,165	1.00%	-	438,474	1.51%	-	0.51%
14	Bhagwati Syndicate Private Limited	Refer Note 3	-	-	430,000	1.48%	-	1.48%
15	Subodh Agarwalla	359,250	1.23%	-	409,250	1.41%	-	0.18%
16	Avinash Agarwalla	583,350	2.00%	-	358,450	1.22%	-	-0.78%
17	Anupam Vanijya Private Limited	Refer Note 3	-	-	350,796	1.20%	-	1.20%
18	Unmukt Tracom Private Limited	270,000	0.93%	-	270,000	0.93%	-	-
19	Subhas Chandra Agarwalla	99,250	0.34%	-	267,250	0.92%	-	0.58%
20	Sonam Agarwalla	110,000	0.38%	-	110,000	0.38%	-	-
21	Sudhanshu Agarwalla	564,450	1.94%	-	450	0.00%	-	-1.94%
22	Mani Devi	414,723	1.42%	-	-	-	-	-1.42%
23	Prahlad Rai Agarwalla (HUF)	332,100	1.14%	-	-	-	-	-1.14%
24	Subhas Chandra Agarwalla (HUF)	97,500	0.34%	-	-	-	-	-0.34%
25	Smriti Saraf (*nee* Agarwalla)	66,176	0.23%	-	Refer Note 4	-	-	-0.23%
	Total	20,578,722	70.69%	-	20,543,793	70.57%	-	-0.12%

Notes:

1. Mr. Subhas Chandra Agarwalla is the Promoter of the Company.
2. Shareholders listed under Sl No.1 to 21 are disclosed as "Promoter & Promoter Group" under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31 March 2018.
3. During the financial year 2017-18, Anupam Vanijya Private Limited, Summit Packaging Private Limited and Bhagwati Syndicate Private Limited have become part of the Promoter Group in accordance with the provisions of Regulation 2(1)(w) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 2(1)(zb)(iv) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 w.e.f. 30 November 2017, 22 December 2017 and 8 January 2018, respectively.
4. Mrs. Smriti Saraf (*nee* Agarwalla) has been re-classified as 'Public' pursuant to an application made by the Company under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The percentage has been considered upto two decimal points.

(iii) Change in Promoters' Shareholding (if any)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Maithan Smelters Private Limited**						
	At the beginning of the year	01 April 2017		5,397,357	18.54%	5,397,357	18.54%
	Increase / Decrease in Shareholding during the year			-	-	5,397,357	18.54%
	At the end of the year	31 March 2018				5,397,357	18.54%
2	**H. S. Consultancy Private Limited**						
	At the beginning of the year	01 April 2017		3,259,200	11.20%	3,259,200	11.20%
	Increase / Decrease in Shareholding during the year			-	-	3,259,200	11.20%
	At the end of the year	31 March 2018				3,259,200	11.20%
3	**Sumee Trading Private Limited**						
	At the beginning of the year	01 April 2017		1,391,100	4.78%	1,391,100	4.78%
	Increase / Decrease in Shareholding during the year			-	-	1,391,100	4.78%
	At the end of the year	31 March 2018				1,391,100	4.78%
4	**Aaklavya (India) Private Limited**						
	At the beginning of the year	01 April 2017		1,274,500	4.38%	1,274,500	4.38%
	Increase / Decrease in Shareholding during the year			-	-	1,274,500	4.38%
	At the end of the year	31 March 2018				1,274,500	4.38%
5	**Shakti Auto Finance Private Limited**						
	At the beginning of the year	01 April 2017		1,067,800	3.67%	1,067,800	3.67%
	Increase / Decrease in Shareholding during the year			-	-	1,067,800	3.67%
	At the end of the year	31 March 2018				1,067,800	3.67%
6	**Jibralter Traders Limited**						
	At the beginning of the year	01 April 2017		993,750	3.41%	993,750	3.41%
	Increase / Decrease in Shareholding during the year			-	-	993,750	3.41%
	At the end of the year	31 March 2018				993,750	3.41%
7	**Unmukt Tracom Private Limited**						
	At the beginning of the year	01 April 2017		270,000	0.93%	270,000	0.93%
	Increase / Decrease in Shareholding during the year			-	-	270,000	0.93%
	At the end of the year	31 March 2018				270,000	0.93%

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**Anupam Vanijya Private Limited**						
	At the beginning of the year	Refer Note 1		350,796	1.20%	350,796	1.20%
	Increase / Decrease in Shareholding during the year			-	-	350,796	1.20%
	At the end of the year	31 March 2018				350,796	1.20%
9	**Summit Packaging Private Limited**						
	At the beginning of the year	Refer Note 1		466,500	1.60%	466,500	1.60%
	Increase / Decrease in Shareholding during the year			-	-	466,500	1.60%
	At the end of the year	31 March 2018				466,500	1.60%
10	**Bhagwati Syndicate Private Limited**						
	At the beginning of the year	Refer Note 1		430,000	1.48%	430,000	1.48%
	Increase / Decrease in Shareholding during the year			-	-	430,000	1.48%
	At the end of the year	31 March 2018				430,000	1.48%
11	**Shankar Lal Agarwalla**						
	At the beginning of the year	01 April 2017		907,601	3.12%	907,601	3.12%
	Increase / Decrease in Shareholding during the year	02 February 2018	Transfer	-705,000	-2.42%	202,601	0.70%
		23 February 2018	Transfer	759,500	2.60%	962,101	3.30%
	At the end of the year	31 March 2018				962,101	3.30%
12	**Prahlad Rai Agarwalla**						
	At the beginning of the year	01 April 2017		851,200	2.92%	851,200	2.92%
	Increase / Decrease in Shareholding during the year	20 October 2017	Transfer	70,000	0.24%	921,200	3.16%
		09 February 2018	Transfer	125,000	0.43%	1,046,200	3.59%
		02 March 2018	Transfer	-362,000	-1.24%	684,200	2.35%
		23 March 2018	Transfer	350,000	1.20%	1,034,200	3.55%
	At the end of the year	31 March 2018				1,034,200	3.55%
13	**Sarita Devi Agarwalla**						
	At the beginning of the year	01 April 2017		829,000	2.85%	829,000	2.85%
	Increase / Decrease in Shareholding during the year	10 November 2017	Transfer	-465,000	-1.60%	364,000	1.25%
		22 December 2017	Transfer	-52,500	-0.18%	311,500	1.07%
		12 January 2018	Transfer	-26,762	-0.09%	284,738	0.98%
		09 February 2018	Transfer	408,116	1.40%	692,854	2.38%
		16 February 2018	Transfer	6,146	0.02%	699,000	2.40%
	At the end of the year	31 March 2018				699,000	2.40%

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	**Rita Devi**						
	At the beginning of the year	01 April 2017		752,000	2.58%	752,000	2.58%
	Increase / Decrease in Shareholding during the year	10 November 2017	Transfer	-155,000	-0.53%	597,000	2.05%
		22 December 2017	Transfer	-17,500	-0.06%	579,500	1.99%
		09 February 2018	Transfer	138,865	0.48%	718,365	2.47%
		16 February 2018	Transfer	-579,500	-1.99%	138,865	0.48%
		02 March 2018	Transfer	555,500	1.91%	694,365	2.39%
	At the end of the year	31 March 2018				694,365	2.39%
15	**Sheela Devi Agarwalla**						
	At the beginning of the year	01 April 2017		667,250	2.29%	667,250	2.29%
	Increase / Decrease in Shareholding during the year	16 February 2018	Transfer	-360,000	-1.24%	307,250	1.06%
		02 March 2018	Transfer	362,000	1.24%	669,250	2.30%
	At the end of the year	31 March 2018				669,250	2.30%
16	**Avinash Agarwalla**						
	At the beginning of the year	01 April 2017		583,350	2.00%	583,350	2.00%
	Increase / Decrease in Shareholding during the year	13 October 2017	Transfer	-285,000	-0.98%	298,350	1.02%
		09 February 2018	Transfer	190,000	0.65%	488,350	1.68%
		16 February 2018	Transfer	332,100	1.14%	820,450	2.82%
		23 March 2018	Transfer	-462,000	-1.60%	358,450	1.22%
	At the end of the year	31 March 2018				358,450	1.22%
17	**Sudhanshu Agarwalla**						
	At the beginning of the year	01 April 2017		564,450	1.94%	564,450	1.94%
	Increase / Decrease in Shareholding during the year	16 March 2018	Transfer	-564,000	-1.94%	450	0.00%
	At the end of the year	31 March 2018				450	0.00%
18	**Subodh Agarwalla**						
	At the beginning of the year	01 April 2017		359,250	1.23%	359,250	1.23%
	Increase / Decrease in Shareholding during the year	02 March 2018	Transfer	-359,000	-1.23%	250	0.00%
		23 March 2018	Transfer	409,000	1.41%	409,250	1.41%
	At the end of the year	31 March 2018				409,250	1.41%
19	**Siddhartha Shankar Agarwalla**						
	At the beginning of the year	01 April 2017		291,165	1.00%	291,165	1.00%
	Increase / Decrease in Shareholding during the year	20 October 2017	Transfer	106,174	0.36%	397,339	1.36%
		02 February 2018	Transfer	-138,865	-0.48%	258,474	0.89%
		23 February 2018	Transfer	180,000	0.62%	438,474	1.51%
	At the end of the year	31 March 2018				438,474	1.51%
20	**Sonam Agarwalla**						
	At the beginning of the year	01 April 2017		110,000	0.38%	110,000	0.38%
	Increase / Decrease in Shareholding during the year			-	-	110,000	0.38%
	At the end of the year	31 March 2018				110,000	0.38%

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
21	**Subhas Chandra Agarwalla**						
	At the beginning of the year	01 April 2017		99,250	0.34%	99,250	0.34%
	Increase / Decrease in Shareholding during the year	16 February 2018	Transfer	97,500	0.33%	196,750	0.68%
		02 March 2018	Transfer	-196,500	-0.67%	250	0.00%
		23 March 2018	Transfer	267,000	0.92%	267,250	0.92%
	At the end of the year	31 March 2018				267,250	0.92%
22	**Mani Devi**						
	At the beginning of the year	01 April 2017		414,723	1.42%	414,723	1.42%
	Increase / Decrease in Shareholding during the year	01 September 2017	Transfer	-122,764	-0.42%	291,959	1.00%
		08 September 2017	Transfer	-80,429	-0.27%	211,530	0.73%
		15 September 2017	Transfer	-1,613	-0.01%	209,917	0.72%
		22 September 2017	Transfer	-33,743	-0.11%	176,174	0.61%
		20 October 2017	Transfer	-176,174	-0.61%	-	-
	At the end of the year	31 March 2018				-	-
23	**Subhas Chandra Agarwalla (HUF)**						
	At the beginning of the year	01 April 2017		97,500	0.33%	97,500	0.33%
	Increase / Decrease in Shareholding during the year	16 February 2018	Transfer	-97,500	-0.33%	-	-
	At the end of the year	31 March 2018				-	-
24	**Prahlad Rai Agarwalla (HUF)**						
	At the beginning of the year	01 April 2017		332,100	1.14%	332,100	1.14%
	Increase / Decrease in Shareholding during the year	16 February 2018	Transfer	-332,100	-1.14%	-	-
	At the end of the year	31 March 2018				-	-
25	**Smriti Saraf (*nee* Agarwalla)**						
	At the beginning of the year	01 April 2017		66,176	0.24%	66,176	0.24%
	Increase / Decrease in Shareholding during the year			-	-	66,176	0.24%
	At the end of the year	Refer Note 2				66,176	0.24%

Notes:

1. During the financial year 2017-18, Anupam Vanijya Private Limited, Summit Packaging Private Limited and Bhagwati Syndicate Private Limited have become part of the Promoter Group in accordance with the provisions of Regulation 2(1)(w) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 2(1)(zb)(iv) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 w.e.f. 30 November 2017, 22 December 2017 and 8 January 2018, respectively.

2. Mrs. Smriti Saraf (*nee* Agarwalla) has been re-classified as 'Public' pursuant to an application made by the Company under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. The above information relating to increase/decrease in shareholding during the year is based on weekly beneficiary position received from depositories.

4. The percentage has been considered upto two decimal points.

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Jyobina Investment Limited						
	At the beginning of the year	01 April 2017		1,096,304	3.77%	1,096,304	3.77%
	Increase / Decrease in Shareholding during the year	22 December 2017	Transfer	-375,731	-1.29%	720,573	2.48%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				720,573	2.48%
2	BMA Wealth Creators Ltd.						
	At the beginning of the year	01 April 2017		694,709	2.39%	694,709	2.39%
	Increase / Decrease in Shareholding during the year	07 April 2017	Transfer	39,252	0.13%	733,961	2.52%
		14 April 2017	Transfer	-19,261	-0.06%	714,700	2.46%
		21 April 2017	Transfer	64,628	0.22%	779,328	2.68%
		28 April 2017	Transfer	-23,779	-0.08%	755,549	2.60%
		05 May 2017	Transfer	-1,059	-0.01%	754,490	2.59%
		12 May 2017	Transfer	-3,329	-0.01%	751,161	2.58%
		19 May 2017	Transfer	-3,052	-0.01%	748,109	2.57%
		26 May 2017	Transfer	-3,309	-0.01%	744,800	2.56%
		02 June 2017	Transfer	-2,995	-0.01%	741,805	2.55%
		09 June 2017	Transfer	1,765	0.01%	743,570	2.56%
		16 June 2017	Transfer	-11,021	-0.04%	732,549	2.52%
		23 June 2017	Transfer	105,738	0.36%	838,287	2.88%
		30 June 2017	Transfer	35,661	0.12%	873,948	3.00%
		07 July 2017	Transfer	8,194	0.03%	882,142	3.03%
		14 July 2017	Transfer	-5,435	-0.02%	876,707	3.01%
		21 July 2017	Transfer	-11,472	-0.04%	865,235	2.97%
		28 July 2017	Transfer	4,004	0.02%	869,239	2.99%
		04 August 2017	Transfer	-11,589	-0.04%	857,650	2.95%
		11 August 2017	Transfer	-6,243	-0.02%	851,407	2.93%
		18 August 2017	Transfer	-2,800	-0.01%	848,607	2.92%
		25 August 2017	Transfer	-24,339	-0.09%	824,268	2.83%
		01 September 2017	Transfer	101,168	0.35%	925,436	3.18%
		08 September 2017	Transfer	-133,880	-0.46%	791,556	2.72%
		15 September 2017	Transfer	-16,717	-0.06%	774,839	2.66%
		22 September 2017	Transfer	-4,651	-0.02%	770,188	2.64%
		30 September 2017	Transfer	-29,648	-0.10%	740,540	2.54%
		06 October 2017	Transfer	-16,071	-0.05%	724,469	2.49%
		13 October 2017	Transfer	166,296	0.57%	890,765	3.06%
		20 October 2017	Transfer	-93,242	-0.32%	797,523	2.74%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		27 October 2017	Transfer	-95,671	-0.33%	701,852	2.41%
		03 November 2017	Transfer	2,408	0.01%	704,260	2.42%
		10 November 2017	Transfer	609,246	2.09%	1,313,506	4.51%
		17 November 2017	Transfer	-6,405	-0.02%	1,307,101	4.49%
		24 November 2017	Transfer	-33,914	-0.12%	1,273,187	4.37%
		01 December 2017	Transfer	-2,546	-0.01%	1,270,641	4.36%
		08 December 2017	Transfer	-129,194	-0.44%	1,141,447	3.92%
		15 December 2017	Transfer	-84,939	-0.29%	1,056,508	3.63%
		22 December 2017	Transfer	-167,798	-0.58%	888,710	3.05%
		29 December 2017	Transfer	-77,661	-0.26%	811,049	2.79%
		05 January 2018	Transfer	-54,799	-0.19%	756,250	2.60%
		12 January 2018	Transfer	-71,539	-0.25%	684,711	2.35%
		19 January 2018	Transfer	-12,088	-0.04%	672,623	2.31%
		26 January 2018	Transfer	201	0.00%	672,824	2.31%
		02 February 2018	Transfer	831,855	2.86%	1,504,679	5.17%
		09 February 2018	Transfer	-867,468	-2.98%	637,211	2.19%
		16 February 2018	Transfer	936,771	3.22%	1,573,982	5.41%
		23 February 2018	Transfer	-939,410	-3.23%	634,572	2.18%
		02 March 2018	Transfer	-1,323	0.00%	633,249	2.18%
		09 March 2018	Transfer	-19,430	-0.07%	613,819	2.11%
		16 March 2018	Transfer	1,383,655	4.75%	1,997,474	6.86%
		23 March 2018	Transfer	-1,379,638	-4.74%	617,836	2.12%
		30 March 2018	Transfer	-5,995	-0.02%	611,841	2.10%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				611,841	2.10%
3	Dipajyoti Resources Pvt Ltd						
	At the beginning of the year	01 April 2017		165,000	0.57%	165,000	0.57%
	Increase / Decrease in Shareholding during the year			-	-	165,000	0.57%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				165,000	0.57%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	**Sageone India Growth Master Fund**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year	19 January 2018	Transfer	70,079	0.24%	70,079	0.24%
		26 January 2018	Transfer	20,742	0.07%	90,821	0.31%
		09 February 2018	Transfer	9,661	0.04%	100,482	0.35%
		16 February 2018	Transfer	7,854	0.02%	108,336	0.37%
		23 March 2018	Transfer	13,384	0.05%	121,720	0.42%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				121,720	0.42%
5	**Motilal Oswal Securities Ltd.**						
	At the beginning of the year	01 April 2017		20,320	0.07%	20,320	0.07%
	Increase / Decrease in Shareholding during the year	07 April 2017	Transfer	-4,458	-0.02%	15,862	0.05%
		14 April 2017	Transfer	-43	0.00%	15,819	0.05%
		21 April 2017	Transfer	3,707	0.02%	19,526	0.07%
		28 April 2017	Transfer	1,569	0.00%	21,095	0.07%
		05 May 2017	Transfer	7,557	0.03%	28,652	0.10%
		12 May 2017	Transfer	4,356	0.01%	33,008	0.11%
		19 May 2017	Transfer	-2,582	-0.01%	30,426	0.10%
		26 May 2017	Transfer	11,486	0.04%	41,912	0.14%
		02 June 2017	Transfer	-1,834	0.00%	40,078	0.14%
		09 June 2017	Transfer	5,584	0.02%	45,662	0.16%
		16 June 2017	Transfer	-2,236	-0.01%	43,426	0.15%
		23 June 2017	Transfer	22,567	0.08%	65,993	0.23%
		30 June 2017	Transfer	-54	0.00%	65,939	0.23%
		07 July 2017	Transfer	3,494	0.01%	69,433	0.24%
		14 July 2017	Transfer	2,424	0.01%	71,857	0.25%
		21 July 2017	Transfer	54	0.00%	71,911	0.25%
		28 July 2017	Transfer	-2,539	-0.01%	69,372	0.24%
		04 August 2017	Transfer	3,776	0.01%	73,148	0.25%
		11 August 2017	Transfer	6,124	0.02%	79,272	0.27%
		18 August 2017	Transfer	-3,197	-0.01%	76,075	0.26%
		25 August 2017	Transfer	8,354	0.03%	84,429	0.29%
		01 September 2017	Transfer	-4,622	-0.02%	79,807	0.27%
		08 September 2017	Transfer	-12,831	-0.04%	66,976	0.23%
		15 September 2017	Transfer	7,032	0.02%	74,008	0.25%
		22 September 2017	Transfer	-3,853	-0.01%	70,155	0.24%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		30 September 2017	Transfer	-32,084	-0.11%	38,071	0.13%
		06 October 2017	Transfer	-8,523	-0.03%	29,548	0.10%
		13 October 2017	Transfer	9,806	0.04%	39,354	0.14%
		20 October 2017	Transfer	-8,431	-0.03%	30,923	0.11%
		27 October 2017	Transfer	8,340	0.03%	39,263	0.14%
		03 November 2017	Transfer	-3,019	-0.01%	36,244	0.13%
		10 November 2017	Transfer	7,243	0.02%	43,487	0.15%
		17 November 2017	Transfer	-12,320	-0.04%	31,167	0.11%
		24 November 2017	Transfer	-4,494	-0.02%	26,673	0.09%
		01 December 2017	Transfer	4,619	0.02%	31,292	0.11%
		08 December 2017	Transfer	-9,257	-0.03%	22,035	0.08%
		15 December 2017	Transfer	2,830	0.01%	24,865	0.09%
		22 December 2017	Transfer	-9,513	-0.04%	15,352	0.05%
		29 December 2017	Transfer	6,439	0.02%	21,791	0.07%
		05 January 2018	Transfer	3,799	0.02%	25,590	0.09%
		12 January 2018	Transfer	1,534	0.00%	27,124	0.09%
		19 January 2018	Transfer	-6,340	-0.02%	20,784	0.07%
		26 January 2018	Transfer	-2,613	-0.01%	18,171	0.06%
		02 February 2018	Transfer	-4,397	-0.02%	13,774	0.04%
		09 February 2018	Transfer	-2,986	-0.01%	10,788	0.03%
		16 February 2018	Transfer	1,475	0.01%	12,263	0.04%
		23 February 2018	Transfer	61,638	0.21%	73,901	0.25%
		02 March 2018	Transfer	30,136	0.11%	104,037	0.36%
		09 March 2018	Transfer	-4,479	-0.02%	99,558	0.34%
		16 March 2018	Transfer	5,549	0.02%	105,107	0.36%
		23 March 2018	Transfer	6,392	0.02%	111,499	0.38%
		30 March 2018	Transfer	5,005	0.02%	116,504	0.40%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				116,504	0.40%
6	**Edelweiss Custodial Services Limited**						
	At the beginning of the year	01 April 2017		7,754	0.03%	7,754	0.03%
	Increase / Decrease in Shareholding during the year	07 April 2017	Transfer	278	0.00%	8,032	0.03%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		14 April 2017	Transfer	2,160	0.01%	10,192	0.04%
		21 April 2017	Transfer	7,846	0.02%	18,038	0.06%
		28 April 2017	Transfer	2,033	0.01%	20,071	0.07%
		05 May 2017	Transfer	-849	0.00%	19,222	0.07%
		12 May 2017	Transfer	-4,318	-0.01%	14,904	0.06%
		19 May 2017	Transfer	6,841	0.02%	21,745	0.08%
		26 May 2017	Transfer	-2,236	-0.01%	19,509	0.07%
		02 June 2017	Transfer	-4,756	-0.02%	14,753	0.05%
		09 June 2017	Transfer	-233	0.00%	14,520	0.05%
		16 June 2017	Transfer	731	0.00%	15,251	0.05%
		23 June 2017	Transfer	6,513	0.02%	21,764	0.07%
		30 June 2017	Transfer	1,774	0.01%	23,538	0.08%
		07 July 2017	Transfer	160	0.00%	23,698	0.08%
		14 July 2017	Transfer	16,772	0.06%	40,470	0.14%
		21 July 2017	Transfer	24,148	0.08%	64,618	0.22%
		28 July 2017	Transfer	1,193	0.00%	65,811	0.22%
		04 August 2017	Transfer	-18,600	-0.06%	47,211	0.16%
		11 August 2017	Transfer	1,290	0.00%	48,501	0.16%
		18 August 2017	Transfer	1,411	0.01%	49,912	0.17%
		25 August 2017	Transfer	-3,732	-0.01%	46,180	0.16%
		01 September 2017	Transfer	658	0.00%	46,838	0.16%
		08 September 2017	Transfer	17,456	0.06%	64,294	0.22%
		15 September 2017	Transfer	-4,410	-0.02%	59,884	0.20%
		22 September 2017	Transfer	-3,200	-0.01%	56,684	0.19%
		30 September 2017	Transfer	434	0.00%	57,118	0.19%
		06 October 2017	Transfer	3,674	0.01%	60,792	0.20%
		13 October 2017	Transfer	-1,989	0.00%	58,803	0.20%
		20 October 2017	Transfer	732	0.00%	59,535	0.20%
		27 October 2017	Transfer	885	0.00%	60,420	0.20%
		03 November 2017	Transfer	2,978	0.01%	63,398	0.21%
		10 November 2017	Transfer	-892	0.00%	62,506	0.21%
		17 November 2017	Transfer	-334	0.00%	62,172	0.21%
		24 November 2017	Transfer	-7,790	-0.02%	54,382	0.19%
		01 December 2017	Transfer	-221	0.00%	54,161	0.19%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		08 December 2017	Transfer	5,223	0.01%	59,384	0.20%
		15 December 2017	Transfer	-5,800	-0.02%	53,584	0.18%
		22 December 2017	Transfer	1,462	0.01%	55,046	0.19%
		29 December 2017	Transfer	1,409	0.00%	56,455	0.19%
		05 January 2018	Transfer	73	0.00%	56,528	0.19%
		12 January 2018	Transfer	9,540	0.04%	66,068	0.23%
		19 January 2018	Transfer	2,909	0.00%	68,977	0.23%
		26 January 2018	Transfer	-851	0.00%	68,126	0.23%
		02 February 2018	Transfer	17,024	0.06%	85,150	0.29%
		09 February 2018	Transfer	223	0.00%	85,373	0.29%
		16 February 2018	Transfer	1,257	0.00%	86,630	0.29%
		23 February 2018	Transfer	-11,740	-0.03%	74,890	0.26%
		02 March 2018	Transfer	9,208	0.03%	84,098	0.29%
		09 March 2018	Transfer	14,167	0.05%	98,265	0.34%
		16 March 2018	Transfer	4,938	0.01%	103,203	0.35%
		23 March 2018	Transfer	-223	0.00%	102,980	0.35%
		30 March 2018	Transfer	84	0.00%	103,064	0.35%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				103,064	0.35%
7	**Rita Chhawchharia**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year	15 September 2017	Transfer	13,000	0.04%	13,000	0.04%
		01 December 2017	Transfer	-13,000	-0.04%	-	-
		15 December 2017	Transfer	16,300	0.06%	16,300	0.06%
		29 December 2017	Transfer	36,300	0.12%	52,600	0.18%
		05 January 2018	Transfer	22,000	0.08%	74,600	0.26%
		12 January 2018	Transfer	17,500	0.06%	92,100	0.32%
		23 March 2018	Transfer	-5,703	-0.02%	86,397	0.30%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				86,397	0.30%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	BOI AXA Mid Cap Equity and Debt Fund						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year	22 September 2017	Transfer	8,488	0.03%	8,488	0.03%
		17 November 2017	Transfer	30,500	0.10%	38,988	0.13%
		24 November 2017	Transfer	2,133	0.01%	41,121	0.14%
		08 December 2017	Transfer	39,649	0.14%	80,770	0.28%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				80,770	0.28%
9	Remcom Sales Services Pvt. Ltd.						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year	12 January 2018	Transfer	37,456	0.13%	37,456	0.13%
		19 January 2018	Transfer	7,044	0.02%	44,500	0.15%
		26 January 2018	Transfer	29,000	0.10%	73,500	0.25%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				73,500	0.25%
10	ICICI Bank Limited						
	At the beginning of the year	01 April 2017		11,098	0.04%	11,098	0.04%
	Increase / Decrease in Shareholding during the year	07 April 2017	Transfer	3,892	0.01%	14,990	0.05%
		21 April 2017	Transfer	178,348	0.61%	193,338	0.66%
		28 April 2017	Transfer	-179,704	-0.61%	13,634	0.05%
		12 May 2017	Transfer	5,321	0.02%	18,955	0.07%
		19 May 2017	Transfer	179,160	0.61%	198,115	0.68%
		26 May 2017	Transfer	-183,261	-0.63%	14,854	0.05%
		02 June 2017	Transfer	-6,158	-0.02%	8,696	0.03%
		09 June 2017	Transfer	51	0.00%	8,747	0.03%
		16 June 2017	Transfer	7,519	0.03%	16,266	0.06%
		23 June 2017	Transfer	3,498	0.01%	19,764	0.07%
		30 June 2017	Transfer	25,271	0.08%	45,035	0.15%
		21 July 2017	Transfer	144,501	0.50%	189,536	0.65%
		28 July 2017	Transfer	-144,278	-0.50%	45,258	0.15%
		04 August 2017	Transfer	2,932	0.01%	48,190	0.16%
		11 August 2017	Transfer	-30	0.00%	48,160	0.16%
		18 August 2017	Transfer	-90	0.00%	48,070	0.16%
		25 August 2017	Transfer	-1,346	0.00%	46,724	0.16%
		01 September 2017	Transfer	-5,826	-0.02%	40,898	0.14%

Sl. No.	Name of each of the top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year [As on 01 April 2017]		Cumulative Shareholding during the year [As on 31 March 2018]	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		08 September 2017	Transfer	2,669	0.01%	43,567	0.15%
		30 September 2017	Transfer	-449	0.00%	43,118	0.15%
		06 October 2017	Transfer	5,735	0.02%	48,853	0.17%
		13 October 2017	Transfer	-4,635	-0.02%	44,218	0.15%
		27 October 2017	Transfer	482	0.00%	44,700	0.15%
		03 November 2017	Transfer	-16,350	-0.05%	28,350	0.10%
		10 November 2017	Transfer	22,038	0.08%	50,388	0.18%
		17 November 2017	Transfer	753	0.00%	51,141	0.18%
		24 November 2017	Transfer	24	0.00%	51,165	0.18%
		01 December 2017	Transfer	-3,083	-0.01%	48,082	0.17%
		08 December 2017	Transfer	-38	0.00%	48,044	0.17%
		15 December 2017	Transfer	38	0.00%	48,082	0.17%
		22 December 2017	Transfer	6,481	0.02%	54,563	0.19%
		29 December 2017	Transfer	-6,519	-0.02%	48,044	0.17%
		05 January 2018	Transfer	11,467	0.04%	59,511	0.21%
		12 January 2018	Transfer	-100	0.00%	59,411	0.21%
		19 January 2018	Transfer	-1,770	-0.01%	57,641	0.20%
		26 January 2018	Transfer	-1,487	-0.01%	56,154	0.19%
		02 February 2018	Transfer	2	0.00%	56,156	0.19%
		09 February 2018	Transfer	3,757	0.02%	59,913	0.21%
		16 February 2018	Transfer	216	0.00%	60,129	0.21%
		23 February 2018	Transfer	-5,843	-0.02%	54,286	0.19%
		02 March 2018	Transfer	3,973	0.01%	58,259	0.20%
		09 March 2018	Transfer	5,253	0.02%	63,512	0.22%
		16 March 2018	Transfer	5,993	0.02%	69,505	0.24%
		23 March 2018	Transfer	-233	0.00%	69,272	0.24%
		30 March 2018	Transfer	-2,928	-0.01%	66,344	0.23%
	At the end of the year(or on the date of separation, if separated during the year)	31 March 2018				66,344	0.23%

Notes:

1. For the purpose of above disclosures, names of top ten shareholders as on 31 March 2018 has been considered after consolidating their holdings on the basis of their PAN and folio no. (including beneficiary position received from depositories) and names of top ten shareholders as on 31 March 2017 has been ignored.
2. The above information relating to increase/decrease in shareholding during the year is based on weekly beneficiary position received from depositories.
3. The percentage has been considered up to two decimal points.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Subhas Chandra Agarwalla (Chairman and Managing Director)**						
	At the beginning of the year	01 April 2017		99,250	0.34%	99,250	0.34%
	Increase / Decrease in Shareholding during the year	16 February 2018	Transfer	97,500	0.33%	196,750	0.67%
		02 March 2018	Transfer	-196,500	-0.67%	250	0.00%
		23 March 2018	Transfer	267,000	0.92%	267,250	0.92%
	At the end of the year	31 March 2018				267,250	0.92%
2	**Subodh Agarwalla (Whole-time Director and Chief Executive Officer)**						
	At the beginning of the year	01 April 2017		359,250	1.23%	359,250	1.23%
	Increase / Decrease in Shareholding during the year	02 March 2018	Transfer	-359,000	-1.23%	250	0.00%
		23 March 2018	Transfer	409,000	1.41%	409,250	1.41%
	At the end of the year	31 March 2018				409,250	1.41%
3	**Nand Kishore Agarwal (Independent Director)**						
	At the beginning of the year	01 April 2017		750	0.00%	750	0.00%
	Increase / Decrease in Shareholding during the year			-	-	750	0.00%
	At the end of the year	31 March 2018				750	0.00%
4	**Biswajit Choudhuri (Independent Director)**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-
5	**Ashok Bhandari* (Independent Director)**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-
6	**Vikash Kumar Jewrajka (Independent Director)**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	**Palghat Krishnan Venkatramani (Independent Director)**						
	At the beginning of the year	01 April 2017		30	0.00%	30	0.00%
	Increase / Decrease in Shareholding during the year			-	-	30	0.00%
	At the end of the year	31 March 2018				30	0.00%
8	**Kalpana Biswas Kundu (Independent Director)**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-
9	**Parasanta Chattopadyay (Non-executive Director)**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-
10	**Sudhanshu Agarwalla (President & Chief Financial Officer)**						
	At the beginning of the year	01 April 2017		564,450	1.94%	564,450	1.94%
	Increase / Decrease in Shareholding during the year	16 March 2018	Transfer	-564,000	-1.94%	450	0.00%
	At the end of the year	31 March 2018				450	0.00%
11	**Rajesh K. Shah (Company Secretary)**						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase / Decrease in Shareholding during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-

** Appointed as an Independent Director w.e.f. 9 May 2017.*

Notes:

1. The above information relating to increase/decrease in shareholding during the year is based on weekly beneficiary position received from depositories.
2. The percentage has been considered up to two decimal points.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,709.76	-	-	7,709.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.08	-	-	4.08
Total (i+ii+iii)	**7,713.84**	**-**	**-**	**7,713.84**
Change in Indebtedness during the financial year				
* Addition	793.79	-	-	793.79
* Reduction	4,402.55	-	-	4,402.55
Net Change	**(3,608.76)**			**(3,608.76)**
Indebtedness at the end of the financial year				
i) Principal Amount	4,103.67	-	-	4,103.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.41	-	-	1.41
Total (i+ii+iii)	**4,105.08**	**-**	**-**	**4,105.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Subhas Chandra Agarwalla Chairman & Managing Director	Subodh Agarwalla Whole-time Director & Chief Executive Officer	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,077.64	862.11	1,939.75
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**1,077.64**	**862.11**	**1,939.75**
	Ceiling as per the Act #			**3,950.57**

 # Being 10% of Net Profits of the Company calculated as per Section 197 of the Companies Act, 2013.

B. Remuneration to other Directors (₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Nand Kishore Agarwal	Biswajit Choudhuri	Ashok Bhandari*	Vikash Kumar Jewrajka	P. K. Venkatramani	Kalpana Biswas Kundu	
1	Independent Directors							
	Fee for attending board/ committee meetings	0.70	0.60	0.40	0.70	0.73	0.70	3.83
	Commission	-	-	-	-	-	-	-
	Others please specify	-	-	-	-	-	-	-
	Total (B) (1)							3.83
2	Other Non-Executive Directors	Parasanta Chattopadyay						
	Fee for attending board/ committee meetings	0.40						0.40
	Commission	-						-
	Others please specify	-						-
	Total (B) (2)							0.40
	Total (B)=(B)(1)+(B)(2)							4.23
	Total Managerial Remuneration (A+B)							1,943.98
	Overall Ceiling as per the Act #							4,345.63

 # Being 11% of Net Profits of the Company calculated as per Section 197 of the Companies Act, 2013.

**Appointed as an Independent Director w.e.f. 9 May 2017.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Sudhanshu Agarwalla President & Chief Financial Officer	Rajesh K. Shah Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	72.00	13.52	85.52
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others	499.09	-	499.09
5	Others, (Medical Reimbursement)	-	0.15	0.15
	Total (C)	571.09	13.67	584.76

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of the offences for breach of any Section of Companies Act, 2013 against the Company or its Directors or other officers in default during the financial year 2017-18.

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

ANNEXURE TO THE DIRECTORS' REPORT "D"

Particulars of Employees

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee of the Company, who are in receipt of remuneration of Rupees one crore and two lakh or more during the financial year 2017-18 or monthly remuneration of Rupees eight lakh and fifty thousand or more per month during the financial year 2017-18 are as under:

Sl. No.	Name	Age (years)	Qualification and experience	Date of commencement of employment	Designation	Remuneration received (₹ in lakh)	Last employment held
1	Mr. Subhas Chandra Agarwalla	66	B. Com., 48 years	1 April 2016	Chairman and Managing Director	1,077.64	None
2	Mr. Shankar Lal Agarwalla	62	B. Com., 43 years	1 November 2016	E.D.	297.09	Anjaney Ferro Alloys Ltd.
3	Mr. Subodh Agarwalla	39	MBA, B. Tech., 17 years	1 April 2016	Whole-time Director and Chief Executive Officer	862.11	None
4	Mr. Sudhanshu Agarwalla	36	MBA (Finance), 12 years	1 April 2014	President and Chief Financial Officer	571.09	None
5	Mr. Siddhartha Shankar Agarwalla	37	B. Com., 12 years	1 October 2016	Vice President	122.52	Anjaney Ferro Alloys Ltd.
6	Mr. Prasanna Kumar Mishra	60	M. Sc. (Chemistry), 32 years	11 May 2009	Director (Operation)	39.50	Maithan Smelters Ltd.
7	Mr. Sanat Kumar Das	52	MBA (Finance), 31 years	28 April 2009	Vice President (Operation)	26.02	Balasore Alloys Ltd.
8	Mr. Peddi Srinivas	55	Diploma in Electrical Engineering, 33 years	1 April 2015	Sr. General Manager	20.34	Anjaney Alloys Ltd.
9	Mr. Siba Sankar Padhi	47	B. Tech (Production Engineering), 22 years	1 April 2015	Dy. General Manager (Mechanical)	19.72	Anjaney Alloys Ltd.
10	Mr. Sandeep Kumar Bairoliya	52	F. C. A., B. Com., (Hons.), 26 years	1 April 2015	Sr. General Manager (Commercial)	19.57	Anjaney Alloys Ltd.

Notes:

1. None of the above employees except Mr. Subhas Chandra Agarwalla, Mr. Subodh Agarwalla and Mr. Sudhanshu Agarwalla are relative (as defined under Section 2(77) of the Companies Act, 2013) of any director or manager of the Company. Mr. Subhas Chandra Agarwalla is father of Mr. Subodh Agarwalla and Mr. Sudhanshu Agarwalla.
2. All appointments of the above personnel are on contractual basis.
3. There is no employee who is in receipt of remuneration in excess of the remuneration that is drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, two per cent or more of the equity shares of the Company.

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

Information Pursuant to Section 134(m) of the Companies Act, 2013 read with **Rule 8 of the Companies (Accounts) Rules, 2014**

A) CONSERVATION OF ENERGY:

(i)	The steps taken or impact on conservation of energy	Regular study is being conducted on the requirement of energy conservation measures and steps will be taken, if any requirement emerges out of the study.
(ii)	The steps taken by the Company for utilising alternate sources of energy	None at present
(iii)	The capital investment on energy conservation equipment	None at present

B) TECHNOLOGY ABSORPTION:

(i)	The efforts made towards technology absorption	Capacity utilisation is high, which shows that the Company has properly absorbed and adopted the available technology.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	None
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	The Company did not import any technology and the plant operates on indigenous technology.
	(a) the details of technology imported	Not Applicable
	(b) the year of import	Not Applicable
	(c) whether the technology been fully absorbed	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
(iv)	The expenditure incurred on Research and Development	The Company as a part of ongoing product development activity carries on Research and Development and the expenditure thereof is considered as part of operating expenditure. Hence, there is no amount that can be shown separately under the head of Research and Development expenses.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year 2017-18, the foreign exchange earned is ₹99,817.81 lakh and foreign exchange outgo is ₹73,250.35 lakh.

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

ANNEXURE TO THE DIRECTORS' REPORT "F"

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes that good Corporate Governance practices leads to the creation of long-term shareholder value and enhances interest of other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board of Directors to align and direct the actions of the organisation towards creating wealth and shareholders value. The Company's aim is to implement Corporate Governance practices to achieve excellence in its chosen field and to conduct its business in a way which safeguards and adds value in the long-term interest of shareholders, customers, employees, creditors and other stakeholders. At Maithan, Corporate Governance practices are based upon a rich legacy of fair and transparent governance practices which are in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and it will continue to pursue the same keeping in pace with the fast-changing environment.

2. BOARD OF DIRECTORS

The Board of Directors of the Company (the Board) comprising of nine Directors viz. two Executive Directors, six Non-Executive Independent Directors (including one woman director) and one Non–Executive Director, as on 31 March 2018.

Four (4) meetings of the Board were held during the financial year 2017-18, on the following dates:

9 May 2017	11 August 2017	9 November 2017	27 January 2018

The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

During the year under review, one resolution was passed by circulation, which was approved by the Directors of the Company on 27 March 2018.

The details regarding composition of the Board, attendance record of the Directors at the Board Meeting and Annual General Meeting (AGM) held during the financial year 2017-18, etc. as required are given below:

Sl. No.	Name of the Director	Category	No. of Board meetings during the year 2017-18		Attendance at the last AGM held on 26 August 2017@	No. of directorship held in other public limited companies$ as on 31 March 2018	No. of committee# positions in other public companies as on 31 March 2018	
			Held	Attended			As chairman	As member
1.	Mr. Subhas Chandra Agarwalla	Executive Director (Chairman and Managing Director) [Promoter]	4	4	P	None	None	None
2.	Mr. Subodh Agarwalla	Executive Director (Whole-time Director and Chief Executive Officer) [Promoter Group]	4	3	P	2	None	None
3.	Mr. Nand Kishore Agarwal	Independent Non-Executive Director	4	4	P	None	None	None
4.	Mr. Biswajit Choudhuri	Independent Non-Executive Director	4	4	P	4	4	1

Sl. No.	Name of the Director	Category	No. of Board meetings during the year 2017-18		Attendance at the last AGM held on 26 August 2017@	No. of directorship held in other public limited companies$ as on 31 March 2018	No. of committee# positions in other public companies as on 31 March 2018	
			Held	Attended			As chairman	As member
5.	Mr. Ashok Bhandari *	Independent Non-Executive Director	4	4	P	9	1	3
6.	Mr. Vikash Kumar Jewrajka	Independent Non-Executive Director	4	4	P	None	None	None
7.	Mr. P. K. Venkatramani	Independent Non-Executive Director	4	4	P	1	1	None
8.	Mrs. Kalpana Biswas Kundu	Independent Non-Executive Director	4	4	P	1	None	1
9.	Mr. Parasanta Chattopadyay	Non-Executive Director	4	4	P	1	None	1

@ P = Present

$ Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and companies incorporated outside India.

Includes the membership/chairmanship only of Audit Committee and Stakeholders Relationship Committee.

* Appointed as an Independent Director w.e.f. 9 May 2017.

None of the Directors, except Mr. Subhas Chandra Agarwalla and Mr. Subodh Agarwalla, had any relationship inter-se. Mr. Subhas Chandra Agarwalla is father of Mr. Subodh Agarwalla.

None of the Directors of the Company serves as an Independent Director in more than seven listed Companies. The Whole-time Director of the Company does not serve as an Independent Director in any other listed Company. None of the Directors of the Company are members of more than ten Audit Committee and Stakeholders Relationship Committee or Chairman of more than five such committees.

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations. The said minimum information includes:

1. Annual operating plans and budget and updates thereof.
2. Capital budgets and any updates.
3. Quarterly results of the Company.
4. Minutes of the meetings of the Audit Committee and other committees of the Board.
5. Information on recruitment and remuneration of senior officers just below the Board-level including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Materially important show causes, demands, prosecutions and penalty notices.
7. Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems.
8. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
9. Any issue which involves possible public or product liability claims of a substantial nature.
10. Details of any joint ventures or collaboration agreements.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed

solutions and significant developments in the human resources and industrial relations fronts.

13. Sale of material nature of investments, subsidiaries, assets, which have not materialised in the normal course of business.
14. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement.
15. Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.
16. Major Capital Expenditure during the period.
17. Capital expenditure programme and updates thereof.

The Board is regularly presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board Meeting or are tabled in the course of the Board Meetings, considering the nature of agenda.

The number of shares held by the Non-Executive Directors (including Independent Directors) as on 31 March 2018 is given below:

Sl. No.	Name of the Non-Executive Director	No. of shares held
1.	Mr. Nand Kishore Agarwal	750
2.	Mr. Biswajit Choudhuri	NIL
3.	Mr. Ashok Bhandari*	NIL
4.	Mr. Vikash Kumar Jewrajka	NIL
5.	Mr. P. K. Venkatramani	30
6.	Mrs. Kalpana Biswas Kundu	NIL
7.	Mr. Parasanta Chattopadyay	NIL

*Appointed as an Independent Director w.e.f. 9 May 2017.

Non-Executive Directors do not hold any convertible instruments of the Company.

The Company familiarised the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. from time to time. The familiarisation programme along with details of the same imparted to the Independent Directors during the year are available at the website of the Company and the web link thereof is 'http://maithanalloys.com/wp-content/uploads/2017/07/policies/11.Familiarization%20Programme_MAL.pdf'.

3. AUDIT COMMITTEE

In accordance with the requirement of Section 177 (1) of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, the Board has constituted the Audit Committee of the Board. The brief terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than

those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Calls for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
21. To investigate into any matter in relation to the items specified in Section 177(4) of the Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

Four (4) meetings of the Audit Committee were held during the financial year 2017-18, on the following dates:

9 May 2017	11 August 2017	9 November 2017	27 January 2018

The intervening gap between the two consecutive meetings was within the period prescribed under the Listing Regulations.

The composition of the Committee and the attendance of each member of the Committee during the financial year 2017-18 are given below:

Name of the Member	Category	No. of Committee meetings attended
Mr. Nand Kishore Agarwal (Chairman)	Independent Non-Executive Director	4
Mr. Vikash Kumar Jewrajka	Independent Non-Executive Director	4
Mr. P. K. Venkatramani	Independent Non-Executive Director	4

Mr. Rajesh K. Shah, Company Secretary of the Company acts as the Secretary to the Audit Committee.

All recommendations made by the Audit Committee were accepted by the Board during the financial year 2017-18.

4. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178(1) of the Companies Act, 2013 and the Listing Regulations,

the Board has constituted the Nomination and Remuneration Committee of the Board. The brief terms of reference of the Committee are as follows:

a. To identify persons who are qualified to become directors;

b. To identify persons who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal;

c. To carry out evaluation of every director's performance & formulation of remuneration policy and the evaluation criteria;

d. To formulate the criteria for determining qualifications, positive attributes and independence of a director;

e. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

f. Formulation of criteria for evaluation of Independent Directors and the Board;

g. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

h. Devising a policy on Board diversity.

Two (2) meetings of the Nomination and Remuneration Committee were held during the financial year 2017-18 on 9 May 2017 and 27 January 2018.

The composition of the Committee and the attendance of each member of the Committee during the financial year 2017-18 are given below:

Name of the Member	Category	No. of Committee meetings attended
Mr. Nand Kishore Agarwal (Chairman)	Independent Non-Executive Director	2
Mr. P.K. Venkatramani	Independent Non-Executive Director	2
Mrs. Kalpana Biswas Kundu	Independent Non-Executive Director	2

All recommendations made by the Nomination and Remuneration Committee were accepted by the Board during the financial year 2017-18.

5. REMUNERATION OF DIRECTORS

Details of remuneration paid/to be paid to the Executive Directors for the financial year 2017-18 are as follows:

Sl. No.	Name of the Director	Fixed pay (₹ in lakh)	Variable pay (₹ in lakh)	Other benefits* (₹ in lakh)	Total (₹ in lakh)
1.	Mr. Subhas Chandra Agarwalla	90.00	987.64	Nil	1,077.64
2.	Mr. Subodh Agarwalla	72.00	790.11	Nil	862.11

*Other benefits include performance linked incentives, bonus, pension, severance fees, stock option, etc

Both the Executive Directors were appointed for a period of three years with effect from 1 April 2016.

All the contracts of appointment can be terminated by giving one month notice by either side. The Company has not issued any stock option during the financial year 2017-18.

The Non-Executive Directors (including Independent Directors) are paid remuneration by way of sitting fees only.

The Non-Executive Directors are eligible for sitting fees (excluding service tax/goods and service tax thereon) of ₹10,000.00 for attending every meeting of the Board, ₹5,000.00 for attending every meeting of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Board and ₹2,500.00 for attending every meeting of the Corporate Social Responsibility Committee and Risk Management Committee of the Board.

No sitting fee is being paid to the member of any Committee who is an Executive Director/employee of the Company.

There is no other pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The details of payment of remuneration to the Non-Executive Directors during the financial year 2017-18 are given below:

Sl. No.	Name of the Director	Sitting Fees (₹ in lakh)	Other benefits* (₹ in lakh)	Total (₹ in lakh)
1.	Mr. Nand Kishore Agarwal	0.70	Nil	0.70
2.	Mr. Biswajit Choudhuri	0.60	Nil	0.60
3.	Mr. Ashok Bhandari	0.40	Nil	0.40
4.	Mr. Vikash Kumar Jewrajka	0.70	Nil	0.70
5.	Mr. P. K. Venkatramani	0.73	Nil	0.73
6.	Mrs. Kalpana Biswas Kundu	0.70	Nil	0.70
7.	Mr. Parasanta Chattopadyay	0.40	Nil	0.40

*Other benefits include performance linked incentives, bonus, pension, severance fees, stock option, etc.

The 'Remuneration Policy' framed by the Nomination and Remuneration Committee and approved by the Board, comprising criteria for performance evaluation of the Independent Directors is enclosed as **Schedule 1.**

The 'Remuneration Policy' as framed is provided at the website of the Company at 'www.maithanalloys.com' and weblink thereof is 'http://maithanalloys.com/wp-content/uploads/2018/07/Remuneration-Policy.pdf '.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with provisions of Section 178 (5) of the Companies Act, 2013 and the Listing Regulations, the Board has constituted the Stakeholders Relationship Committee to consider and resolve the grievances of security holders of the Company.

Four (4) meetings of the Stakeholders Relationship Committee were held during the financial year 2017-18, on the following dates:

9 May 2017	11 August 2017	9 November 2017	27 January 2018

The composition of the Committee and the attendance of each member of the Committee during the financial year 2017-18 are given below:

Name of the Member	Category	No. of Committee meetings attended
Mr. Biswajit Choudhuri (Chairman)	Independent Non-Executive Director	4
Mr. Subhas Chandra Agarwalla	Executive Director	4
Mrs. Kalpana Biswas Kundu	Independent Non-Executive Director	4

Mr. Rajesh K. Shah, Company Secretary is the Compliance Officer of the Company.

During the financial year 2017-18, the Company received twelve (12) complaints from shareholders out of which six (6) were resolved and as on 31 March 2018, six (6) complaints were pending. There were no complaints which were not resolved to the satisfaction of shareholders.

7. MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 read with Regulation 25(3) of the Listing Regulations mandates the Independent Directors of the Company to hold atleast one meeting in a financial year without the presence of the non-independent directors and members of the management to consider the matters as prescribed thereunder. In terms of the above provisions, a separate meeting of the Independent Directors was held on 27 January 2018, which was attended by all the Independent Directors of the Company.

8. RISK MANAGEMENT COMMITTEE

The Board had constituted a Risk Management Committee. The Board has defined the roles and responsibilities of the Risk Management Committee and delegated monitoring and reviewing of the risk management plan to the Committee. The 'Risk Management Policy' as framed is provided at the website of the Company at 'www.maithanalloys.com' and weblink thereof is 'http://maithanalloys.com/wp-content/uploads/2017/07/policies/02.Risk%20Management%20Policy.pdf'.

One (1) meeting of the Risk Management Committee was held during the financial year 2017-18 on 9 May 2017.

The composition of the Committee and the attendance of each member of the Committee during the financial year 2017-18 are given below:

Name of the Member	Category	No. of Committee meetings attended
Mr. Subhas Chandra Agarwalla (Chairman)	Executive Director	1
Mr. P. K. Venkatramani	Independent Non-Executive Director	1
Mr. Pramod K. Chaudhary	Member	1

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the requirement of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee. The Board has defined the roles and responsibilities of the CSR Committee and delegated the authority to formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on the CSR activities and to monitor the CSR Policy from time to time.

The Board, on the recommendation of the CSR Committee, decided to undertake its CSR activities through a registered trust to be established by the Company. Accordingly during the year under review, the Company has incorporated a Trust in the name of 'BMA Foundation' to carry out CSR activities as stated in its CSR Policy.

The 'Corporate Social Responsibility Policy' of the Company is available at the website of the Company at 'www.maithanalloys.com' and weblink thereof is 'http://maithanalloys.com/wp-content/uploads/2018/01/Corporate-Social-Responsibility-Policy.pdf'.

Four (4) meetings of the Corporate Social Responsibility Committee were held during the financial year 2017-18, on the following dates:

9 May 2017	11 August 2017	9 November 2017	27 January 2018

The composition of the Committee and the attendance of each member of the Committee during the financial year 2017-18 are given below:

Name of the Member	Category	No. of Committee meetings attended
Mr. Subhas Chandra Agarwalla (Chairman)	Executive Director	4
Mr. Subodh Agarwalla	Executive Director	3
Mr. Vikash Kumar Jewrajka	Independent Non-Executive Director	4

10. GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings are as follows:

Annual General Meeting	For the financial year ended	Date	Time	Venue
30th	31 March 2015	11 September 2015	11:00 a.m.	'The Conclave', 216, A J C Bose Road, Kolkata – 700 017
31st	31 March 2016	29 August 2016	11:00 a.m.	'The Conclave', 216, A J C Bose Road, Kolkata – 700 017
32nd	31 March 2017	26 August 2017	11:00 a.m.	'The Conclave', 216, A J C Bose Road, Kolkata – 700 017

The details of the Special Resolutions passed in the last three Annual General Meetings are as follows:

Annual General Meeting	For the financial year ended	Special Resolutions passed
30th	31 March 2015	None
31st	31 March 2016	Re-appointment of Mr. B. K. Agarwalla as the Chairman cum Whole-time Director*.
		Re-appointment of Mr. Subhas Chandra Agarwalla as the Managing Director and Chief Executive Officer*.
		Re-appointment of Mr. Subodh Agarwalla as the Whole-time Director and Chief Operating Officer*.
		Appointment of Mr. Aditya Agarwalla as the Whole-time Director and Chief Financial Officer*.
32nd	31 March 2017	Alteration of Article 125 of the Articles of Association of the Company*.
		Modification of the terms and conditions of re-appointment of Mr. Subhas Chandra Agarwalla*.
		Modification of the terms and conditions of re-appointment of Mr. Subodh Agarwalla*.

* Resolutions were passed with requisite majority.

Postal Ballot

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

One special resolution was passed by the Company, last year through Postal Ballot.

The Board at its meeting held on 9 November 2017 has approved re-classification of the status of Mrs. Smriti Saraf (*nee* Agarwalla) from 'Promoter Group' category to 'Public' category of the Company subject to the Members' approval to be obtained by way of Postal Ballot.

Mr. Jitendra Patnaik, Company Secretary in practice, was appointed as the Scrutiniser to conduct the Postal Ballot voting process in fair and transparent manner.

Procedure for Postal Ballot

In accordance with the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company carried out the Postal Ballot procedure and issued Notice dated 9 November 2017 to accord Members' approval for re-classification of the status of Mrs. Smriti Saraf (*nee* Agarwalla) from 'Promoter Group' category to 'Public' category of the Company, as required under the applicable provisions of the Listing Regulations.

The Company had sent the Postal Ballot Notice dated 9 November 2017 to all persons who were the Member of the Company as on 17 November 2017 (cut-off date) in electronic form to the Members whose e-mail addresses were registered with the Company/respective Depository Participants. In case of Members holding shares in physical form, copies of the Postal Ballot Notice and Postage Pre-Paid Self-addressed Business Reply Envelope were sent in physical, by permitted mode.

The Company had published a notice in the newspaper on 28 November 2017 in The Financial Express (English language) and Arthik Lipi (Vernacular language) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standards.

The Company had offered e-voting facility through Central Depository Services (India) Limited (CDSL), which commenced at 10:00 a.m. on 28 November 2017 and ended on 27 December 2017 at 5:00 p.m., to all the persons who were the Members of the Company as on cut-off date, to enable them to cast their vote electronically instead of dispatching the physical Postal Ballot Form. The Members were requested to cast their vote electronically or return the Postal Ballot Forms duly completed along with their assent (for) or dissent (against), to the Scrutiniser on or before 5:00 p.m. on 27 December 2017.

Mr. Jitendra Patnaik, the Scrutiniser, who after due scrutiny of all the Postal Ballot Forms and electronic votes received upto 5:00 p.m. on 27 December 2017,

submitted his report dated 28 December 2017, to the Chairman of the Company.

The details of the voting pattern are as follows:

Particulars	Number of shareholders voted	Number of shares held	% of voting
Total vote cast	67	205,478	100.00%
Less: Invalid vote cast	Nil	Nil	Nil
Net valid votes	67	205,478	100.00%
Resolution at Item No. 1			
Votes cast & % in favour	63	205,448	99.99%
Vote cast & % against	4	30	0.01%

Based on the Scrutiniser Report dated 28 December 2017, Mr. Subhas Chandra Agarwalla, Chairman & Managing Director announced the result of the Postal Ballot on 29 December 2017 and declared the Special Resolution as 'passed and carried with requisite majority'.

11. DISCLOSURES

A. Disclosures on materially significant related-party transactions that may have potential conflict with the interests of the Company at large:

• There were no materially significant related party transactions made by the Company with its related parties during the financial year 2017-18. Attention of the Members is drawn to the details of transaction with the related parties set out in Note No. 47 under Notes to the Standalone Financial Statement forming part of this Annual Report.

• None of the transactions with any of the related parties were in conflict with the interests of the Company.

• The Company enters into related party transactions based on various business exigencies such as liquidity, profitability and capital resources of the related parties. All related-party transactions are negotiated at arm's length and are only intended to promote the interests of the Company.

B. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

• During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or the SEBI or any other statutory authorities on matters related to capital markets.

C. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the Audit Committee:

• The Company has adopted a Vigil Mechanism Policy for Directors and Employees to report genuine concerns relating to the Company and provides adequate safeguards against victimisation of persons who use such mechanism.

• None of the personnel was restrained to approach the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the Listing Regulations:

• The Company has complied with all the mandatory requirements of the Listing Regulations.

• The Company complied with the following non-mandatory requirements of the Listing Regulations during the financial year 2017-18:

(i) Audit Qualifications: During the year under review, there was no audit qualification in the Auditors' Report on the Company's Financial Statement.

(ii) Separate post for Chairperson and Chief Executive Officer: The post of Chairman and Chief Executive Officer are held by Mr. Subhas Chandra Agarwalla and Mr. Subodh Agarwalla, respectively.

(iii) Reporting of Internal Auditor: The Internal Auditors of the Company report directly to the Audit Committee of the Company.

E. Weblink where policy for determining 'material' subsidiaries is disclosed:

• The policy for determining Material Subsidiary is available on the Company's website at 'www.maithanalloys.com' and weblink for the same is 'http://maithanalloys.com/wp-content/uploads/2017/07/policies/05.Policy%20on%20Material%20Subsidiary.pdf'.

F. Weblink where policy on dealing with related party transactions is disclosed:

• The Material Related Party Transactions Policy of the Company relating to the related party transactions is available on the Company's website at 'www.maithanalloys.com' and weblink for the same is 'http://

maithanalloys.com/wp-content/uploads/2017/07/policies/04.Material%20Related%20Party%20Transaction%20Policy.pdf'.

G. Disclosure of commodity price risks and commodity hedging activities:

- Manganese Ore is the primary material consumed in the manufacturing of Ferro Alloys. The Company procured more than 96% of its Manganese Ore through imports during the financial year 2017-18. At times, prices of Manganese Ore become volatile due to sudden changes in demand/supply situation. The Company procures Manganese Ore mostly at current pricing and there is no long-term contract for pricing. The management monitors volatility in the prices of commodities/raw materials and suitable steps are taken accordingly to minimise the risk on the same.

- As a policy, the Company does not enter into Commodity hedging activities. Accordingly, as on 31 March 2018, there is no open position held by the Company on Commodity futures or options.

H. Disclosure of Accounting Treatment:

- In the preparation of Financial Statement, the Accounting Standards referred to in Section 133 of the Companies Act, 2013 has been followed. The significant accounting policies which have been applied are set out in the Notes to the Standalone Financial Statement.

I. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

J. The Company has fully complied with the applicable requirement specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation 2 of Regulation 46 of the Listing Regulations.

12. SUBSIDIARY COMPANY

The Company has no material non-listed Indian Subsidiary Company as on 31 March 2018. The Financial Statement and investments made, if any, by Subsidiary Company(s), are reviewed by the Audit Committee. The minutes of the Board Meetings of the Subsidiary Companies are placed at the Board Meeting of the Company.

The management of the unlisted subsidiaries periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions, if any, entered into by the unlisted subsidiaries.

13. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting	
- Day, Date and Time	Friday, 31 August 2018 at 11:00 a.m.
- Venue	The Conclave, 216, A.J.C Bose Road, Kolkata-700017
b) Financial year	1 April to 31 March
c) Dividend payment date	On or after 31 August 2018
d) Date of book closure	Monday, 27 August 2018 to Friday, 31 August 2018 (both days inclusive)
e) Listing of Equity Shares on Stock Exchanges	1] The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001. 2] National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. 3] The Equity shares of the Company are traded at BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 w.e.f. 14 May 2008 under 'Permitted Category'.
f) Payment of Listing Fees	The Listing Fees have been paid by the Company for the financial year 2018-19
g) ISIN code	INE683C01011
h) Stock code	10023915 - The Calcutta Stock Exchange Ltd. 590078 - BSE Ltd. MAITHANALL-EQ - National Stock Exchange of India Ltd.
i) Share Registrar & Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 & 5th Floor, 23, R. N. Mukherjee Road, Kolkata-700 001. Phone No.: 033-2248-2248; Fax No.: 033-2248-4787

j) Share Transfer System	The Company has appointed Maheshwari Datamatics Pvt. Ltd. (Registrar & Share Transfer Agent) to carry out share transfer for physical as well as electronic mode. The Company's shares are traded on stock exchanges in compulsory demat mode. Share transfers, which are received in physical form are processed and the Share Certificates are returned within a period of 15 days from the date of receipt of request for transfer, provided the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited.
k) Dematerialisation of shares and liquidity	The shares of the Company are tradable compulsorily in demat segment and are available for trading in the depository system of both the National Securities Depository Limited and Central Depository Services (India) Limited. 28,933,477 Equity Shares of the Company, forming 99.39% of the share capital of the Company, stand dematerialised as on 31 March 2018.
l) Outstanding GDRs/ ADRs/ warrants or any convertible instruments, conversion date and likely impact on equity	As on 31 March 2018, the Company had no outstanding GDRs/ADRs/warrants or any convertible instruments.
m) Address for correspondence	The Company Secretary, Maithan Alloys Limited, Ideal Centre, 4th Floor, 9, A.J.C. Bose Road, Kolkata – 700 017 Phone No.: 033-6450-2231; Fax No.: 033-2290-0383
n) Investor grievance e-mail id	investor@maithanalloys.com/office@maithanalloys.com

o) Distribution of shareholding as on 31 March 2018

No. of Shares	Shareholders		Shareholding	
	Number	% of total	Shares	% of total
Upto 500	17,437	91.02	1,276,529	4.39
501 - 1,000	748	3.90	571,889	1.96
1,001 - 2,000	409	2.13	603,330	2.07
2,001 - 3,000	163	0.85	414,795	1.43
3,001 - 4,000	84	0.44	294,276	1.01
4,001 - 5,000	47	0.25	213,498	0.73
5,001 - 10,000	126	0.66	882,567	3.03
10,001 and above	144	0.75	24,854,666	85.38
Total	**19,158**	**100.00**	**29,111,550**	**100.00**
No. of shares in physical mode	96	0.50	178,073	0.61
No. of shares in demat mode				
- NSDL	9,419	49.17	12,494,430	42.92
- CDSL	9,643	50.33	16,439,047	56.47
Total	**19,158**	**100.00**	**29,111,550**	**100.00**

p) Market Price Data- High/Low during each month during the last financial year	The Calcutta Stock Exchange Ltd. There was no trading in shares of the Company during the financial year 2017-18.

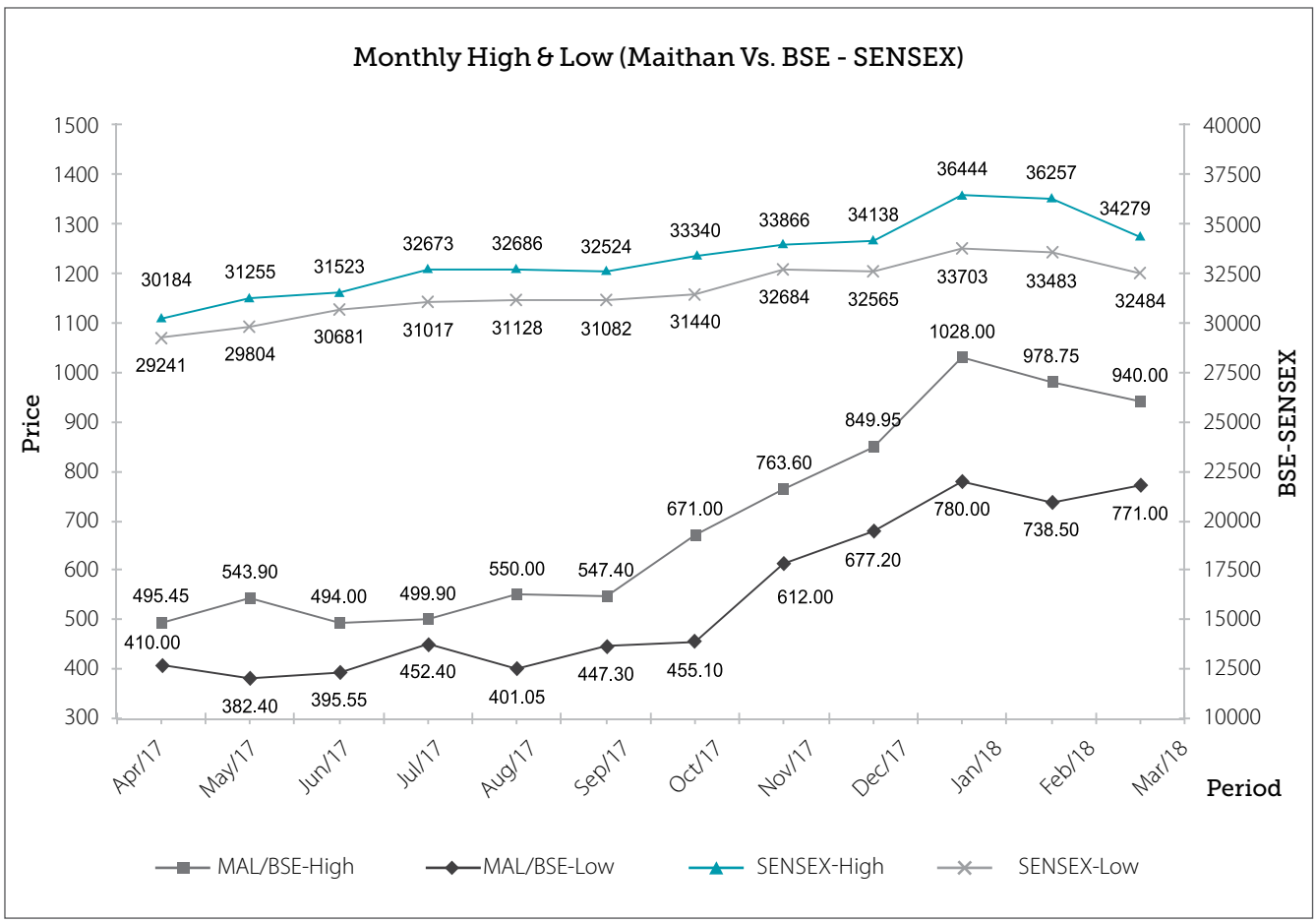
BSE Limited (BSE)

The Trading details at BSE is given below:

Month	High price (₹)	Low price (₹)	No. of shares
Apr-17	495.45	410.00	274,182
May-17	543.90	382.40	1,108,333
Jun-17	494.00	395.55	566,981
Jul-17	499.90	452.40	413,349
Aug-17	550.00	401.05	717,256
Sep-17	547.40	447.30	625,846
Oct-17	671.00	455.10	1,094,474
Nov-17	763.60	612.00	895,268
Dec-17	849.95	677.20	731,413
Jan-18	1,028.00	780.00	1,753,536
Feb-18	978.75	738.50	2,313,577
Mar-18	940.00	771.00	1,218,425

(source: www.bseindia.com)

Stock performance in comparison to BSE-SENSEX Index:



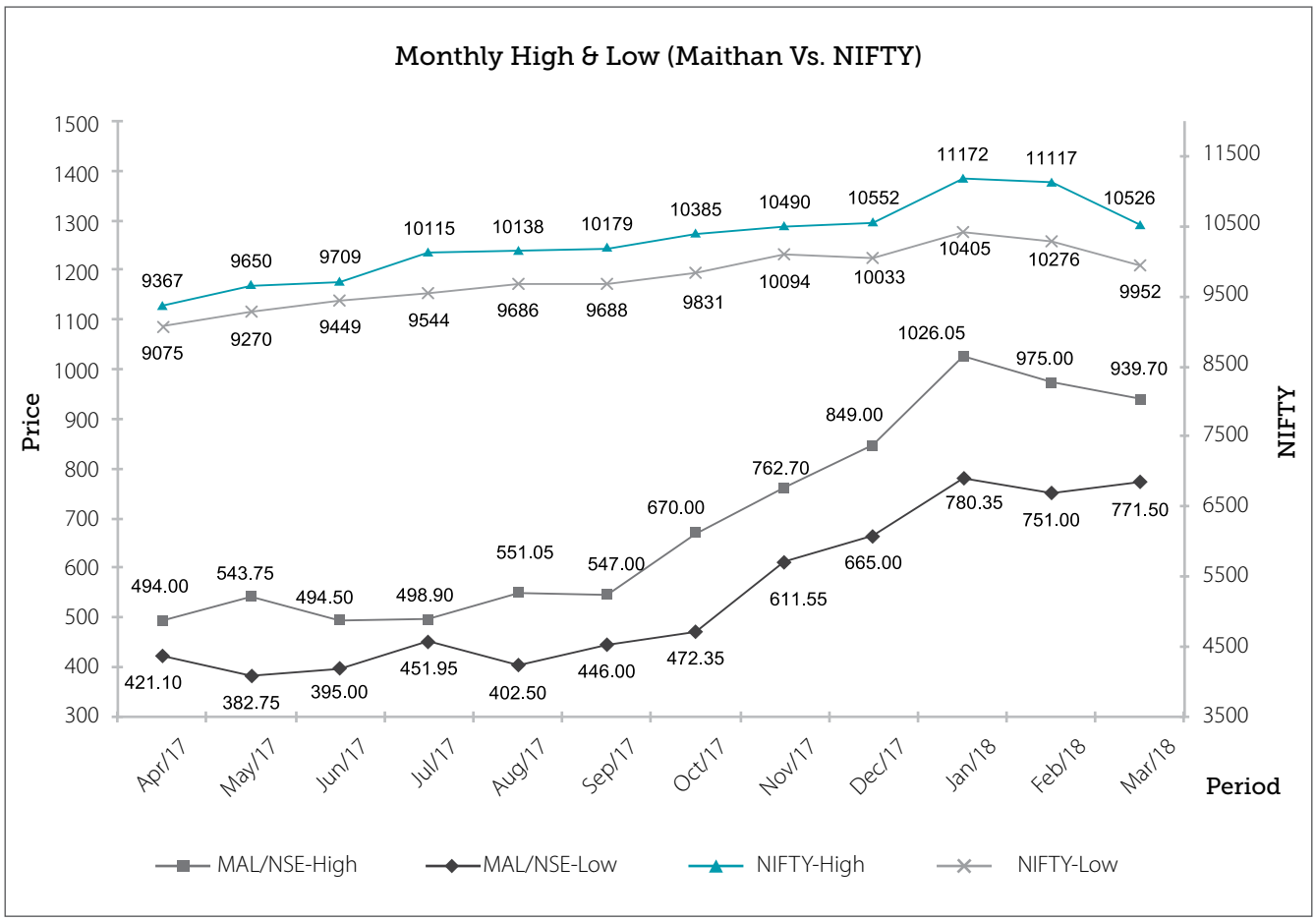
National Stock Exchange of India Limited (NSE)

The trading details at NSE is given below:

Month	High price (₹)	Low price (₹)	No. of shares
Apr-17	494.00	421.10	988,351
May-17	543.75	382.75	3,174,243
Jun-17	494.50	395.00	2,392,208
Jul-17	498.90	451.95	908,320
Aug-17	551.05	402.50	1,962,992
Sep-17	547.00	446.00	1,579,608
Oct-17	670.00	472.35	2,990,130
Nov-17	762.70	611.55	2,744,845
Dec-17	849.00	665.00	3,145,687
Jan-18	1,026.05	780.35	4,314,489
Feb-18	975.00	751.00	1,860,041
Mar-18	939.70	771.50	906,248

(source: www.nseindia.com)

Stock performance in comparison to NSE-NIFTY Index:



q) Commodity price risk or foreign exchange risk and hedging activities	The Board monitors the foreign exchange exposures on a regular basis as well as the steps taken by the management to limit the risks of adverse exchange rate movement. Similarly, the management monitors commodities/raw materials whose prices are volatile and suitable steps are taken accordingly to minimise risk on the same. Further, the currency fluctuation risk is mitigated through natural hedge resulting from the Company's export and import. During the financial year 2017-18, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against its exports and imports, as and when deemed necessary. The details of foreign currency exposure are disclosed in Note No. 41(a) (iv) & 41(a) (v) to the Standalone Financial Statement.
r) Plant/Works location	
- Ferro Alloys division	1] West Bengal P.O. Kalyaneshwari-713 369, Dist. Paschim Bardhaman (W.B.) 2] Meghalaya A-6, EPIP, Byrnihat, Dist. Ri-Bhoi, Meghalaya - 793 101 3] Andhra Pradesh Plot No. 42 & 43, APSEZ, P.O. Atchutapuram, Dist. Visakhapatnam-531 011
- Wind mill division	1] Rajasthan Vill. Hansuwa, Dist. Jaisalmer, Rajasthan 2] Maharashtra Vill. Ghatnandre (Dhalgaon), Tal. Kawathe Mahankal, Dist. Sangli, Maharashtra

14. MEANS OF COMMUNICATION

(i) **Quarterly Results:** The Quarterly results are intimated to the stakeholders through Stock Exchanges immediately after they are taken on record by the Board.

(ii) **Newspaper publication:** The Quarterly results are generally published in the newspapers, The Economic Times (English Edition) and Arthik Lipi (Bengali Edition).

(iii) **Website:** The Quarterly results are also posted on the Company's website at 'www.maithanalloys.com'.

(iv) **Whether the Company also displays official news releases:** Yes, the Company issues press release from time to time and the same are submitted to the Stock Exchanges where the securities of the Company are traded and simultaneously posted on the Company's website at 'www.maithanalloys.com'.

(v) **The presentations made to institutional investors or to the analysts during the year:** The presentations made to the institutional investors/analysts are intimated to the stakeholders through Stock Exchanges where the securities of the Company are traded and are also posted on the Company's website at 'www.maithanalloys.com'.

15. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of financial conditions and results of operations of the Company for the financial year 2017-18, as required under the Listing Regulations, is given as a separate section in this Annual Report at Page No. 19 to 27.

16. CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATION

The 'Whole-time Director and Chief Executive Officer' and 'President and Chief Financial Officer' of the Company have certified to the Board on the prescribed matters as required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations and the said certificate was considered by the Board at its meeting held on 30 April 2018.

17. CODE OF CONDUCT

The Board has approved the 'Code of Conduct' for Board Members and Senior Management Personnel and the same has been posted on the Company's website.

The Directors and the Senior Management Personnel of the Company have submitted their declarations, confirming compliance of the provisions of the above Code of Conduct during the financial year 2017-18. A declaration to this effect, signed by the Whole-time Director and Chief Executive Officer of the Company is annexed herewith as **Schedule 2**.

18. COMPLIANCE CERTIFICATE FROM THE AUDITORS

The Company has obtained a Certificate from M Choudhury & Co., the Statutory Auditors of the Company, regarding the compliance with the provisions of Corporate Governance as required under the Listing Regulations. The same is annexed to the Directors' Report as **Annexure-'G'**.

19. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

Disclosures required pursuant to Regulation 34(3) read with Clause F of Schedule V of the Listing Regulations are not applicable

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

Schedule-1

Remuneration Policy of Maithan Alloys Limited

(as amended upto 30 April 2018)

PURPOSE

The Remuneration Policy of Maithan Alloys Limited ("the Company") applies to all directors and employees on the pay roll of the Company. The Board of Directors has adopted this Remuneration Policy at the recommendation of the Nomination and Remuneration Committee (herein after referred as the "Committee").

The policy reflects the Company's objectives for good corporate governance as well as sustained and long-term value creation for shareholders. In addition, it ensures that:

- the Company is able to attract, develop and retain high-performing and motivated employees in a competitive domestic market.
- employees are offered a competitive and market aligned remuneration package making fixed salaries a significant remuneration component.

The Board of Directors have established a Nomination and Remuneration Committee to set guidelines for the review and control of compliance with the Remuneration Policy. The Nomination and Remuneration Committee works as an extended arm for the Board of Directors with respect to remuneration issues.

DEFINITIONS

Words and expression used in these regulations shall have the same meanings respectively assigned to them in the Companies Act, 2013 and rules and regulations made thereunder or as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND EMPLOYEES

Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his / her appointment.

b) A person should possess adequate qualification or expertise or experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and/or experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

d) The Chairman, Managing Director and/or Whole-time Director of the Company shall jointly or severally identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as employees to carry out business operations and functions.

Term / Tenure:

a) **Managing Director/Whole-time Director:**
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of his/her term.

b) **Independent Director:**
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall

not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies and three listed companies in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c) KMP & Employees:
The Company shall appoint or re-appoint any person as its KMP or employees for a term not exceeding age of retirement of such KMP or employee. The age of retirement of KMP or employees shall be attainment of age of 58 years.

The Chairman, Managing Director and/or Whole-time Director shall have the power to retain any employee even after attaining the retirement age, for the benefit of the Company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, Rules and Regulations.

Retirement:

The Director and KMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and KMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

NOMINATION & REMUNERATION POLICY:

(A) Nomination matters include:

i. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

ii. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

iii. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(B) Remuneration matters include:

i. To consider and determine the Remuneration, based on the principles of:

a) pay for responsibilities,

b) pay for performance and potential, and

c) pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the employees;

ii. To take into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration, etc;

iii. To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders;

iv. To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance of the provisions of the Companies Act, 2013 and other applicable laws;

v. To ensure that a balance is maintained between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of Senior Management and Key Managerial Personnel including liability insurance for Directors and Senior Management;

vi. To consider any other matters as may be requested by the Board.

REMUNERATION COMPONENTS:

The various remuneration components are combined to ensure an appropriate and balanced remuneration package.

The remuneration components are:

- Fixed pay (including fixed supplements)

- Performance-based remuneration (variable pay)

- Other benefits in kind

- Severance payment, where applicable

Fixed Remuneration:

The fixed remuneration is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

Performance-based remuneration:

The Committee may determine a maximum percentage of performance-based remuneration relative to the fixed remuneration. This percentage may vary according to the type of position held by the director, KMP or employee.

Performance-based remuneration may be disbursed as cash bonus, shares, share based instruments, including conditional shares and other generally approved instruments, all on the basis of applicable local legislation.

Performance-based pay is granted to employees with particular influence on Company's results and shareholder value. As an overall starting point the Company ensures a balanced split between fixed salary and variable pay.

Other benefits in kind:

Other benefits in kind includes rent free or subsidised rate of residential accommodation, car, gas, electricity, mobile bill, telephone bill, club membership fees, reimbursement of personal expense, etc.

Severance remuneration:

Severance payments are payable in accordance with relevant local legislation and/or as mutually agreed between the Company and employee.

Subject to individual agreements, some key employees are entitled to a maximum of up to 1 months' salary on dismissal. However, some agreements with senior management may provide for up to 3 months' salary.

Remuneration of the Executive Director (Managing Director & Whole-time Director):

The remuneration of the Executive Director is intended to ensure the Company's continued ability to attract and retain the most experienced Executive Director and to provide solid basis for succession planning.

The Committee shall submit its recommendations for adjustments in remuneration of the Executive Director for the approval of the Board of Directors. The remuneration of the Executive Director may consist of fixed salary and supplements, incentive, etc. Subject to individual agreement, Executive Director shall also be entitled to a company car, phone and other fixed benefits. The maximum severance pay is 3 months' salary inclusive of the value of variable remuneration and other benefits.

Remuneration of the Non- Executive Directors:

Members of the Board of Directors of the Company other than Executive Director(s) shall receive a fee for attending each meeting of the Board of Directors or Committee thereof or for any purpose whatsoever as may be decided by the Board. The Independent Director shall receive a fixed fee for attending each separate meeting as may be required to be held in compliance with the provisions of the Companies Act, 2013.

Based on the recommendation of the Committee, the Board of Directors may approve the fee(s)/ remuneration(s) payable to the Non-Executive Directors or changes thereof.

The remuneration of the Non-Executive Directors shall be specified in the annual report.

Remuneration of the KMP:

The Chairman, Managing Director and Whole-time Director shall jointly or severally, decide and approve the terms and conditions of the employment including payment of remuneration of the KMP other than Executive/Non-Executive Directors appointed as KMP, if any. The remuneration of the KMP may consist of fixed pay or variable pay or partly fixed and partly variable pay and/or, incentive, etc.

Remuneration of other employees:

The Chairman, Managing Director and/or Whole-time Director shall jointly or severally, decide and approve the terms and conditions of the employment including payment of remuneration of the employees other than Executive/Non-Executive Directors and KMP of the Company. The remuneration of the other employees may consist of fixed pay or variable pay or partly fixed and partly variable pay and/or, incentive, etc.

The remuneration of other employees shall be fixed from time to time considering industry standards and cost of living. In addition to basic salary they shall also be provided perquisites and retirement benefits as per prevailing scheme(s) of the Company and statutory

requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel also.

CRITERIA FOR PERFORMANCE EVALUATION

A] Independent & Non-Executive Directors:

Criteria for performance evaluation of directors other than Executive Directors are:

- Educational, professional background or experience possessed by director;
- Contribution to Company's corporate governance practices;
- Contribution to introduce best practices to address top management issues;
- Time devoted and Participation in long-term strategic planning;
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities;
- General understanding of the Company's business, global business and social perspective;
- Personal and professional ethics, integrity and values.

B] Executive Directors:

Apart from above criteria the following additional criteria shall also be considered for performance evaluation of Executive Directors:

- Attendance at the meetings;
- Relationships and Communications with employees and other stakeholders;
- Participation and contribution in the performance of the Company;
- Contribution in strategic planning and risk management vision, team spirit and consensus building, effective leadership;
- Compliance and Governance;
- Foresight to avoid crisis and effectiveness in crisis management.

C] Board as whole:

Criteria for performance evaluation of Board as whole:

- Composition and Diversity;
- Performance of the Committees of the Board;
- Number of Board & Committee meetings;
- Discussions at Board Meetings;
- Cohesiveness of Board decisions;
- Board Procedure, Performance & Culture;
- Strategy and Growth of the Company.

AMENDMENTS TO THE POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

MISCELLANEOUS

- No director/KMP/ other employee shall be involved in deciding his or her own remuneration or that of his or her relatives who are employees.
- To the extent legally acceptable under applicable law, the Board of Directors may deviate from this policy in individual cases, if justified by extraordinary and exceptional circumstances.
- In any circumstances where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedent over this Policy.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.
- The Company's Remuneration Policy shall be published on its website.

Schedule-2

Declaration by the **Whole-time Director & Chief Executive Officer**

To,
The Members,
Maithan Alloys Limited

In compliance with the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board, for the financial year ended 31 March 2018.

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Place: Kolkata
Date: 30 April 2018

ANNEXURE TO THE DIRECTORS' REPORT "G"

Independent Auditors' Certificate on Corporate Governance

To,
The Members,
Maithan Alloys Limited

1. We M Choudhury & Co., Chartered Accountants, the Statutory Auditors of MAITHAN ALLOYS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31 March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2018.

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

For M Choudhury & Co.
Chartered Accountants
Firm Registration No. 302186E

D Choudhury
Partner
Membership No.: 052066

Place: Kolkata
Date: 30 April 2018

Independent Auditor's Report

To the Members of
Maithan Alloys Limited

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Maithan Alloys Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state

of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

9. The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening Balance Sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor D.K. Chhajer & Co. whose report for the year ended 31 March 2017 and 31 March 2016 dated 9 May 2017 and 14 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016 ("the Order"); issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone Ind AS financial statements dealt with by this report comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

    (e) On the basis of written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    (f) 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";

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 44 to the Standalone Ind AS financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material forseeable losses;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018.

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of MAITHAN ALLOYS LIMITED on the Standalone Ind AS financial statements for the year ended 31 March , 2018.

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

(b) The fixed assets of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed on such verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, limited liability partnership firm, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

iv. The Company has neither granted any loan nor provided any guarantee or security, hence the provisions of Section 185 of the Act are not applicable to the Company. In our opinion and according to the informations and explanations given to us, with respect to the investments made, the Company has complied with the provisions of Section 186 of the Act

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provision of clause 3(v) of the order is not applicable on the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain Cost Records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, such accounts and records have been so made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) The Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Goods and Service tax, Customs Duty, Excise duty, Value Added Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2018 for a period of more than six months from the date of becoming payable.

(b) The particulars of dues of Service tax, Excise duty, cess, etc, which have not been deposited as at 31 March, 2018 on account of dispute, are given as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty & Service Tax	10,45,052	2006-07	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	44,97,245	2007-08	Addl. Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	2008-09	CESTAT, Kolkata	CESTAT, Kolkata

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty & Service Tax	4,98,473	2008-09	Commissioner (Appeal), Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	10,90,780	2008-09	Assistant Commissioner, Asansol
The Central Excise Act, 1944	Excise Duty & Service Tax	42,84,911	2009-10	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	4,45,698	2009-10	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	3,39,190	2009-10	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	27,13,055	2009-10	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	1,14,215	2009-10	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	98,051	2010-11	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty &Service Tax	70,54,065	2012-13	CESTAT, Kolkata
The Central Excise Act, 1944	Excise Duty & Service Tax	6,60,880	2013-14	Addl. Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	10,61,626	2013-14	Addl. Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	5,83,411	2013-14	Addl. Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	2,00,606	2013-14	Assistant Commissioner, Asansol
The Central Excise Act, 1944	Excise Duty & Service Tax	3,71,057	2013-14	Assistant Commissioner, Asansol
The Central Excise Act, 1944	Excise Duty & Service Tax	1,15,006	2014-15	Assistant Commissioner, Asansol
The Central Excise Act, 1944	Excise Duty & Service Tax	31,51,800	2013-14	Addl. Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	60,15,000	2014-15	Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	56,864	2016-17	Assistant Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	23,857	2016-17	Assistant Commissioner, Bolpur
The Central Excise Act, 1944	Excise Duty & Service Tax	50,90,935	2016-17	Joint Commissioner, Bolpur
Finance Act, 1994	Service Tax	11,62,272	2017-18	Commissioner, Siliguri
Finance Act, 1994	Service Tax	5,57,442	2017-18	Commissioner, Siliguri
Finance Act, 1994	Service Tax	8,15,040	2017-18	Assistant Commissioner, Asansol

viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks at the Balance Sheet date. The Company has neither issued any debentures nor has taken any loans or borrowings from the Government as at the Balance Sheet date.

ix. The Company has not raised any money by way of initial public offer/ further public offer (including debt instruments)/term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

x. We have neither come across any instance of material fraud on or by the Company noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of Act.

xii. As the Company is not a Nidhi Company, the provisions of clause 3(xii) of the Order is not applicable.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. No money was raised through preferential allotment/private placements of shares/ fully/ partly convertible debentures during the year under review, hence, the provisions of clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

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

For **M Choudhury & Co.**
Chartered Accountants
Firm Registration No. 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

Annexure B to the Independent Auditors' Report of even date on the Standalone Financial Statements of Maithan Alloys Limited

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

We have audited the internal financial controls over financial reporting of Maithan Alloys Limited ("the Company") as at 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 Act, 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

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 standalone Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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 31 March 2018, 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 ICAI.

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

Standalone Balance Sheet as at 31 March 2018

(₹ in lakh)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4	23,331.72	23,748.27	26,202.61
(b) Capital work-in-progress	4	-	0.23	-
(c) Intangible assets	4	6.42	11.41	8.96
(d) Financial assets				
(i) Investments	5	2,957.80	2,368.25	1,319.22
(ii) Other financial assets	6	2,767.66	2,720.77	1,853.06
(e) Deferred tax assets (Net)	20	-	-	519.11
(f) Other non-current assets	7	64.93	67.50	73.22
Total non-current assets		**29,128.53**	28,916.43	29,976.18
(2) Current assets				
(a) Inventories	8	24,818.77	18,657.28	15,079.30
(b) Financial assets				
(i) Investments	9	33,292.53	6,000.00	4,645.93
(ii) Trade receivables	10	24,372.51	22,521.11	19,869.15
(iii) Cash and cash equivalents	11	5,061.35	7,581.16	3,520.40
(iv) Bank balances (other than (iii) above)	12	8.73	1,428.25	1,844.93
(v) Loans	13	93.87	90.46	83.32
(vi) Other financial assets	14	377.55	422.89	419.12
(c) Current tax assets (Net)	15	-	2,508.77	294.56
(d) Other current assets	16	4,708.42	5,250.45	3,856.08
Total current assets		**92,733.73**	64,460.37	49,612.79
Total assets		**1,21,862.26**	93,376.80	79,588.97
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	2,911.16	2,911.16	2,911.16
(b) Other equity		84,600.61	56,338.58	37,606.81
Total equity		**87,511.77**	59,249.74	40,517.97
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	366.83	1,969.29	8,539.46
(b) Provisions	19	188.01	169.71	122.85
(c) Deferred tax liabilities (Net)	20	2,470.25	2,579.34	-
(d) Other non-current liabilities	21	113.41	97.30	-
Total non-current liabilities		**3,138.50**	4,815.64	8,662.31
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	2,499.88	1,706.09	1,731.60
(ii) Trade payables	23	14,728.49	8,123.06	14,590.96
(iii) Other financial liabilities	24	4,571.47	7,774.43	6,942.59
(b) Provisions	25	127.09	107.77	104.13
(c) Current tax liabilities (Net)	26	318.76	3,138.75	222.93
(d) Other current liabilities	27	8,966.30	8,461.32	6,816.48
Total current liabilities		**31,211.99**	29,311.42	30,408.69
Total liabilities		**34,350.49**	34,127.06	39,071.00
Total equity and liabilities		**1,21,862.26**	93,376.80	79,588.97

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31 March 2018

(₹ in lakh)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	28	1,89,099.93	1,40,382.52
Other income	29	1,850.87	817.23
Total income		**1,90,950.80**	1,41,199.75
Expenses			
Cost of material consumed	30	80,307.15	57,193.55
Purchases of stock in trade	31	16,365.74	7,409.93
Changes in inventories	32	285.58	(1,847.83)
Excise duty payable		1,203.45	6,172.98
Employee benefits expenses	33	4,522.73	3,334.63
Power cost	34	36,654.58	28,023.17
Finance cost	35	405.35	979.32
Depreciation and amortisation expense	36	1,544.43	2,531.97
Other expenses	37	12,071.31	12,410.75
Total expenses		**1,53,360.32**	1,16,208.47
Profit before tax		**37,590.48**	24,991.28
Tax expenses			
(a) Current tax	39	8,530.82	5,703.84
(b) Deferred tax	39	(114.97)	720.30
Total tax expenses		**8,415.85**	6,424.14
Profit for the year		**29,174.63**	18,567.14
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurements of the net defined benefit plans		16.98	(5.48)
- Equity Instruments through other comprehensive income		(13.28)	168.21
(ii) Income tax relating to above items	39	(5.88)	1.90
B (i) Items that may be reclassified to profit or loss :			
- Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(34.47)	-
Other comprehensive income/(loss) for the year		**(36.65)**	164.63
Total Comprehensive income for the year		**29,137.98**	18,731.77
Earnings per share (of ₹10/- each)			
(1) Basic (in Rs.)	38	100.22	63.78
(2) Diluted (in Rs.)	38	100.22	63.78

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31 March 2018

a. Equity share capital

(₹ in lakh)

Particulars		Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at 1 April 2016		2,911.16
Issue of share capital	17	-
As at 31 March 2017		2,911.16
Issue of share capital		-
As at 31 March 2018		**2,911.16**

b. Other equity

(₹ in lakh)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Retained Earnings	Equity Instruments through OCI	Cash Flow Hedge Reserve	
As at 1 April 2016	170.29	3,186.70	34,249.82	-	-	37,606.81
Profit for the year	-	-	18,567.14	-	-	18,567.14
Other comprehensive income for the year	-	-	(3.58)	168.21	-	164.63
As at 31 March 2017	170.29	3,186.70	52,813.38	168.21	-	56,338.58
Profit for the year	-	-	29,174.63	-	-	29,174.63
Other comprehensive income for the year	-	-	11.10	(13.28)	(34.47)	(36.65)
Dividends paid including DDT	-	-	(875.95)	-	-	(875.95)
As at 31 March 2018	**170.29**	**3,186.70**	**81,123.16**	**154.93**	**(34.47)**	**84,600.61**

Capital Reserve

This reserve represents the difference between value of the net assets transferred and consideration paid for such assets in the course of amalgamation and also relates to forfeiture of shares.

Securities Premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity Instruments through Other Comprehensive Income

This reserve represents the cumulative gains (net of losses) arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of tax. The same shall be transferred to retained earnings when those instruments are disposed off.

Standalone Statement of Changes in Equity for the year ended 31 March 2018

Cash Flow Hedge Reserve

This reserve represents the cumulative effective portion of changes in fair value of derivatives that are designated as Cash Flow Hedges. It may be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Standalone Cash Flow Statement for the year ended 31 March 2018

(₹ in lakh)

Particulars	31 March 2018	31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	37,590.48	24,991.28
Adjusted for :		
Depreciation and amortisation (refer note 36)	1,544.43	2,531.97
Interest expense (refer note 35)	405.35	979.32
Interest income (refer note 29)	(287.29)	(384.23)
Provision for employee benefits	16.98	(5.48)
Irrecoverable balances written off/back	84.02	349.99
Fair value gain on investment	(158.14)	(203.36)
Unrealised forex (gain) / loss	(139.61)	36.37
Deferred revenue income	(6.25)	-
Dividend received (refer note 29)	(1,343.92)	(60.44)
Loss / (profit) on sale of investments	296.69	(149.90)
Loss / (profit) on sale of property, plant and equipment	(0.66)	(0.83)
	411.60	3,093.41
Operating profit before working capital changes	**38,002.08**	28,084.69
Adjusted for :		
Trade and other receivables	(1,172.25)	(5,485.08)
Inventories	(6,161.49)	(3,577.98)
Trade and other payables	6,617.54	(4,108.71)
	(716.20)	(13,171.77)
Cash generated from operations	**37,285.88**	14,912.92
Income tax paid	(8,842.04)	(2,622.18)
NET CASH FROM OPERATING ACTIVITIES (A)	**28,443.84**	12,290.74
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,137.86)	(231.35)
Sale of property, plant and equipment	15.84	117.05
Purchase of investments	(46,602.84)	(54,588.44)
Sale of investments	19,168.92	41,534.97
Dividend received	1,343.92	11,524.65
Interest income received	283.34	385.74
Investments in fixed deposits	(1,106.24)	416.68
NET CASH USED IN INVESTING ACTIVITIES (B)	**(28,034.92)**	(840.70)

Standalone Cash Flow Statement for the year ended 31 March 2018

(₹ in lakh)

Particulars	31 March 2018	31 March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(372.46)	(1,008.16)
Dividend paid including tax on dividend	(875.95)	-
Subsequent acquisition of shares in subsidiary	(600.00)	(292.38)
Proceeds/ (Repayment) from/ of borrowings	(3,606.08)	(6,088.74)
NET CASH FROM FINANCING ACTIVITIES (C)	**(5,454.49)**	(7,389.28)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(5,045.57)	4,060.76
Cash and cash equivalents at the beginning of the year	7,581.16	3,520.40
Cash and cash equivalents at the end of the year	**2,535.59**	7,581.16

Cash and cash equivalent includes:		
Cash and cash equivalent (as per note 11)	5,061.35	7,581.16
Less: Deposits held as margin money	2,525.76	-
	2,535.59	7,581.16

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Notes to Standalone financial statements for the year ended 31 March 2018

1. Corporate Information

Maithan Alloys Limited ("the Company") is a public company limited by shares, incorporated on 19 September, 1985 and domiciled in India. Its shares are listed on the Calcutta Stock Exchange Limited (CSE) and the National Stock Exchange of India Limited (NSE) and are traded on BSE Limited (BSE) under Permitted category. The Company is engaged in the business of manufacturing and exporting of all three bulk Ferro alloys- Ferro Manganese, Silico Manganese and Ferro Silicon. It is also engaged in the generation and supply of wind power and has a captive power plant.

2. Basis of preparation of Financial Statements

a. Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 ,as amended, and other provisions of the Companies Act, 2013 ("the Act").

The financial statements up to and including the year ended 31 March, 2017 were prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards ["previous (GAAP)"] as notified under Section 133 of the Companies Act ,2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act.

These financial statements for the year ended 31 March, 2018 are the first financial statements with comparatives, prepared under Ind AS. The date of transition to Ind AS is 1 April, 2016. Previous period figures have been restated to Ind AS in accordance with Ind AS 101 'First Time Adoption of Indian Accounting Standard' and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is given in Note 48.

b. Basis of measurement

The financial statements have been prepared on historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities that are measured at fair value/ amortised cost. (Refer note 3(j) below).

c. Use of Estimates and Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

d. Functional Currency and Presentation Currency

The financial statements are prepared in Indian Rupees (Rs.) which is the Company's functional currency for all its operations. All financial information presented in Indian Rupees (Rs.) has been rounded to the nearest lakh with two decimal places, unless otherwise stated.

e. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS 1 – 'Presentation of Financial Statements'.

Notes to Standalone financial statements for the year ended 31 March 2018

All assets and liabilities are classified as current when it is expected to be realized or settled within the Company's normal operating cycle, i.e. twelve months. All other assets and liabilities are classified as non- current.

Deferred tax assets and liabilities are classified as non-current only.

3. Significant Accounting Policies

a. Property, Plant and Equipments

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of taxes and other recoverable, wherever applicable) less accumulated depreciation and impairment losses, if any, except freehold land which is carried at cost. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment measured as per the previous GAAP as at 1 April 2016.

The cost of property, plant and equipment comprises its purchase price, including inward freight, import duties and non-refundable purchase taxes, and any cost directly attributable to bringing the asset to working condition and location for its intended use. Stores and spare parts are capitalised when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

b. Depreciation

Depreciation on property, plant and equipment is provided on straight line method (SLM), except on additions made after 1 April, 2006 to Building and Plant & Machineries of Ferro Alloys Unit at Byrnihat and Kalyaneshwari on which depreciation has been provided on written down value (WDV) method.

Depreciation is provided to allocate the costs of property, plant and equipment, net of their residual values, over their useful life as specified in Schedule II of the Companies Act, 2013, other than in case of factory building and plant & machinery in Visakhapatnam Unit where useful life has been considered by the management to be of 20 years.

The assets residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate.

c. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a Finance Lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating Leases. A lease is classified at the inception date as a finance lease or an operating lease.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is amortised over the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

d. Capital Work in Progress

Capital work in progress comprises expenditure for acquisition and construction of assets that are not yet ready for their intended use. Costs, net of income, associated with the commissioning of the asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use. At the point when the asset is capable of operating in the manner intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

e. Intangible Assets and Amortisation

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Computer software is amortised over its estimated useful life of 3 years on a straight line basis.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1 April, 2016 measured as per the previous GAAP.

The amortisation period and the amortisation method are reviewed at least at each financial year end, if the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

f. Non-Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the Balance Sheet.

g. Impairment of Non- Financial Assets

The Company assesses at each reporting date to determine if there is any indication of impairment, based on internal/external factors. If any such indication exists, then an impairment review is undertaken and the recoverable amount is calculated as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effect of factors that may be specific to the entity and not applicable to entities in general. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal.

Impairment charges and reversals are assessed at the level of cash-generating unit (CGU). A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

A cash generating unit is treated as impaired when the carrying amount of the assets or cash generating unit exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which asset or cash generating unit is identified as impaired.

Impairment loss recognised in prior accounting period(s) is reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

Notes to Standalone financial statements for the year ended 31 March 2018

h. Foreign Currency Translation

Foreign currency transactions are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated into the functional currency at the exchange rates prevailing on the reporting date. Non-monetary items are translated using the exchange rates prevailing on the transaction date, subsequently measured at historical cost and not retranslated at period end.

All exchange differences on monetary items are recognized in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument which are recognized in the Other Comprehensive Income.

The Company had applied paragraph 46A of AS 11 under previous GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its previous GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Accordingly, exchange difference arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of depreciable assets, recognized upto March 31, 2017 has been amortised over the remaining useful lives of the assets.

From accounting period commencing on or after 1st April, 2017, exchange difference arising on translation/settlement of long term foreign currency monetary items, acquired post 1st April, 2017, pertaining to the acquisition of a depreciable asset are charged to the Statement of Profit and Loss.

i. Government Grants and Subsidies

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and the Company will comply with the conditions attached to them. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related assets and presented within other income.

In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

j. Financial Instruments

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

(i) Financial Assets -

- Recognition And Initial Measurement

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

- Classification and Subsequent Measurement

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

- Debt Instruments at Amortized Cost;
- Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI);

- Debt Instruments at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Debt Instruments at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Debt Instruments at FVOCI: A debt instrument is measured at the FVOCI if both of the following conditions are met:
  - The objective of the business model is achieved by collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income. However, the interest income, losses & reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Interest calculated using the EIR (Effective Rate Interest) method is recognized in the Statement of Profit and Loss as investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- Equity Instruments measured at FVOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument are recognized in the Other Comprehensive Income. There is no reclassification of the amounts from Other Comprehensive Income to profit or loss, even on sale of investment. Dividends on investments are credited to profit or loss.

  Equity Investments: Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

- Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Notes to Standalone financial statements for the year ended 31 March 2018

- Impairment of Financial Assets

The Company assesses at the end of the reporting period whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial Liabilities

- Recognition And Initial Measurement

Financial liabilities are initially measured at fair value. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.

- Subsequent Measurement

Financial liabilities are measured subsequently at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Rate Interest) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR (Effective Rate Interest) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

- Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

(iii) Derivative Financial Instruments and Hedge Accounting

The Company enters into interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. The Company does not hold derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise, except for the effective portion of cash flow hedges which is recognized in Other comprehensive income and accumulated under

the heading of cash flow hedging reserve. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Amounts previously recognised in Other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

k. Inventories

Inventories (including work-in-progress) are stated at cost and net realisable value, whichever is lower. Cost is determined on weighted average method and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

l. Revenue Recognition

Revenues are measured at fair value of the consideration received or receivable, net of returns and discounts to customers. Revenue from the sale of goods includes duties which the Company pays as a principal but excludes amounts collected on behalf of third parties.

a) Revenue from sales of goods is recognized when all significant risks and rewards of ownership of goods are transferred to the customer, which generally coincides with delivery. Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

b) Revenue from rendering of services is recognised in the periods in which the services are rendered.

c) Export entitlements in the form of Duty Drawback and Duty Entitlement Pass book (DEPB) scheme are recognized in the Statement of Profit and Loss Account when right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant exports proceeds.

d) Interest income is recognized basis using the effective interest rate method.

e) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

f) Dividend Income is recognised only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Notes to Standalone financial statements for the year ended 31 March 2018

m. Employee Benefits

a) Short-Term Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified monthly contributions to Provident Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c) Defined Benefit Plans

The Company provides for gratuity and leave encashment, a defined benefit plan (the "Gratuity Plan and Leave Encashment Plan") covering eligible employees. The cost of providing defined benefits plan is determined by actuarial valuation separately for each plan using the Projected Unit Credit Method by independent qualified actuaries as at the year end. Actuarial gains/losses arising in the year are recognized in full in other comprehensive income and are not reclassified in the profit or loss. Re-measurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity. Change in the present value of defined benefit obligations resulting from plan adjustments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

n. Tax Expense

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

a) Current Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

b) Deferred Tax

Deferred tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements except when the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profits or loss at the time of transaction. Deferred tax assets and liabilities 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 Balance Sheet date.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent it is probable that future taxable profits will be available against which the deductible temporary difference, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted 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 assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

o. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. Where surplus funds are available out of money borrowed specifically to finance a project are invested temporarily and the money generated from such current investments is deducted from the total borrowing cost to be capitalised. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

p. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalent includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, cash at bank, and bank overdraft and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

r. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of a past events, and it is probable that an outflow of resources will be required to settle such an obligation and the amount can be estimated reliably. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate.

Contingent Liabilities

Contingent liabilities are possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Liabilities are not recognized but disclosed in the financial statements when the possibility of an outflow of resources embodying economic benefits is more.

Notes to Standalone financial statements for the year ended 31 March 2018

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

s. Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

t. Dividends

Dividends paid (including dividend distribution tax thereon) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders and is recognised directly in equity.

u. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Inter-segment revenues have been accounted for based on prices normally negotiated between the segments with reference to the costs, market prices and business risks, within an overall optimization objective for the Company. Revenue and expenses are identified with segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, will be included under "Unallocated/ Others".

v. Critical Accounting Estimates, Assumptions and Judgments

The preparation of the 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, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

(i) Useful Economic Lives and Impairment of Other Assets

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Company reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Company also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Company's business plans and changes in regulatory environment are taken into consideration.

(ii) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

(iii) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(iv) Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(v) Recognition of Deferred Tax Assets for Carried Forward Tax Losses and Unused Tax Credit

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

w. Recent Accounting Developments: Standards issued but not yet effective

(i) Ind AS 115: Revenue from Contracts with Customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

(ii) Ind AS 21: Foreign Currency Transactions and Advance Consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Company expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

Notes to Standalone financial statements for the year ended 31 March 2018

(4) (i) Property, plant and equipment

(₹ in lakh)

Particulars	Freehold Land	Leasehold Land	Factory Building	Admin-istrative and Other Building	Plant and Machinery	Furniture and Fixture	Equipment	Vehicle	Computers	Total
Gross Carrying Value										
As at 1 April 2016 (Deemed cost)	177.86	2,549.32	1,313.35	1,615.44	20,214.54	66.85	24.62	229.02	11.61	26,202.61
Additions	-	-	-	-	208.50	6.44	1.56	93.41	18.45	328.36
Sale/Deduction	-	-	5.10	6.82	245.04	-	-	14.15	-	271.11
As at 31 March 2017	177.86	2,549.32	1,308.25	1,608.62	20,178.00	73.29	26.18	308.28	30.06	26,259.86
Additions	-	-	0.19	934.45	39.98	-	5.06	154.58	3.83	1,138.09
Sale/Deduction	-	-	-	-	3.17	-	-	37.21	7.28	47.66
As at 31 March 2018	**177.86**	**2,549.32**	**1,308.44**	**2,543.07**	**20,214.81**	**73.29**	**31.24**	**425.65**	**26.61**	**27,350.29**
Accumulated Depreciation										
As at 1 April 2016	-	-	-	-	-	-	-	-	-	-
For the year	-	99.03	130.71	91.11	2,131.54	14.36	9.98	46.34	5.05	2,528.12
Adjustment	-	-	-	-	7.01	-	-	9.52	-	16.53
As at 31 March 2017	-	99.03	130.71	91.11	2,124.53	14.36	9.98	36.82	5.05	2,511.59
For the year	-	99.03	87.04	112.99	1,157.71	13.39	6.25	54.99	8.06	1,539.46
Adjustment	-	-	-	-	-	-	-	25.56	6.92	32.48
As at 31 March 2018	**-**	**198.06**	**217.75**	**204.10**	**3,282.24**	**27.75**	**16.23**	**66.25**	**6.19**	**4,018.57**
Net Book Value										
As at 31 March 2018	**177.86**	**2,351.26**	**1,090.69**	**2,338.97**	**16,932.57**	**45.54**	**15.01**	**359.40**	**20.42**	**23,331.72**
As at 31 March 2017	177.86	2,450.29	1,177.54	1,517.51	18,053.47	58.93	16.20	271.46	25.01	23,748.27
As at 1 April 2016	177.86	2,549.32	1,313.35	1,615.44	20,214.54	66.85	24.62	229.02	11.61	26,202.61

(4) (ii) Capital work in progress

(₹ in lakh)

Particulars	Amount
As at 1 April 2016	-
Additions	0.23
Transfers	-
As at 31 March 2017	0.23
Additions	-
Transfers	0.23
As at 31 March 2018	**-**

(4) (iii) Intangible assets

Particulars	Amount
Gross Carrying Value	
As at 1 April 2016 (Deemed cost)	8.96
Additions	6.30
As at 31 March 2017	15.26
Additions	-
As at 31 March 2018	**15.26**
Amortisation and Impairment	
As at 1 April 2016	-
Amortisation	3.85
As at 31 March 2017	3.85
Amortisation	4.99
As at 31 March 2018	**8.84**
Net Book Value	
As at 31 March 2018	**6.42**
As at 31 March 2017	11.41
As at 1 April 2016	8.96

(4) (iv): Entire property, plant and equipment are given as security against borrowings, the details related to which have been described in Note 18 and Note 22 on "Borrowings".

(4) (v): For the year ending 31 March 2018 foreign exchange gain/loss of ₹5.07 lakh loss (31 March 2017 - ₹138.36 lakh gain) is added/ deducted to respective assets in accordance with para 46A of AS-11 (Previous GAAP), since the Company has applied the exemption under Ind AS 101 and accordingly opted to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statement.

(4) (vi): For Property, plant and equipment and intangible assets existing as on 1 April 2016, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost (refer note no 48 (A.a) Ind AS Exemption applied).

(4) (vii): With effect from 1 April 2017, the Company has revised the useful life of Plant & Machinery at Visakhapatnam Unit from 12 years to 20 years based on technical evaluation on assessment of the physical condition of the underlying assets. Had there been no change in the useful life of assets, depreciation for the year would have been higher by ₹1,008 lakh.

Notes to Standalone financial statements for the year ended 31 March 2018

4 (viii) Leases

The Company has taken land under finance leases. Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements covers a substantial part of the economic life of the underlying asset and contain a renewal option on expiry. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

The minimum lease payments and the present value of minimum lease payments in respect of arrangements classified as finance leases are as below:

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	39.28	3.72	39.28	3.72	39.28	3.40
Later than one year but not later than 5 years	201.72	26.74	201.72	22.48	201.72	18.92
Later than five years	712.83	340.09	753.88	348.08	794.93	355.36
Total future minimum lease commitments	953.83	370.55	994.88	374.28	1,035.93	377.68
Less: Future finance charges	583.28		620.60		658.25	
Present value of minimum lease payments	**370.55**		374.28		377.68	
Disclosed as:						
Non-current borrowings (refer note 18)	366.83		370.56		374.28	
Other financial liabilities - current (refer note 24)	3.72		3.72		3.40	
	370.55		**374.28**		**377.68**	

(5) Non-current investments

(₹ in lakh)

Particulars	Face Value (₹)	No. of shares 31 March 2018	No. of shares 31 March 2017	No. of shares 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in subsidiaries measured at cost							
Investment in Unquoted equity shares (fully paid up)							
AXL Exploration (P) Ltd.	100.00	2,42,625	2,42,625	2,42,625	549.07	549.07	549.07
Anjaney Minerals Ltd.	10.00	1,10,00,000	1,09,99,994	76,99,995	1,062.38	1,062.38	770.00
Salanpur Sinters (P) Ltd.	10.00	60,40,000	-	-	602.84	-	-
Investments measured through OCI (FVOCI)							
Investment in Unquoted equity shares (fully paid up)							
Ideal Centre Services Pvt. Ltd.	10.00	1,500	1,500	1,500	0.15	0.15	0.15
Investment in Quoted equity shares (fully paid up)							
Hindustan Petroleum Corporation Ltd.	10.00	2,16,000	1,44,000	-	743.36	756.65	-
					2,957.80	2,368.25	1,319.22

5.1

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Aggregate cost of quoted investments	588.44	588.44	-
Market value of quoted investments	743.36	756.65	-
Aggregate amount of unquoted investments	2,214.43	1,611.60	1,319.22

(6) Other non-current financial assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered good			
Security deposits	2,767.66	2,720.77	1,853.06
	2,767.66	2,720.77	1,853.06

(7) Other non-current assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered good			
Capital advances	64.93	67.50	73.22
	64.93	67.50	73.22

Notes to Standalone financial statements for the year ended 31 March 2018

(8) Inventories

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials			
- Ferro alloys	14,313.41	5,869.46	2,742.95
- Power plant	566.56	1,752.41	1,967.14
Raw materials in transit	4,141.99	4,441.35	6,099.14
Work - in - process	134.26	157.50	75.07
Finished goods			
- Ferro alloys	4,003.66	4,558.27	3,000.47
- Trading goods	-	545.51	-
Finished goods in transit	10.83	-	-
Slag and waste	902.75	621.31	413.71
Stores and spares parts	745.31	711.47	780.82
	24,818.77	18,657.28	15,079.30

8.1 For method of valuation of inventories, refer note 3(k).

8.2 Inventories have been hypothecated as security against certain bank borrowings of the Company (Refer note 22).

(9) Current investments

(₹ in lakh)

Particulars	No. of units			As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in units of mutual funds - FVTPL	31 March 2018	31 March 2017	1 April 2016			
Edelweiss Arbitrage Fund	2,39,98,582.61	-	-	2,544.45	-	-
Edelweiss Arbitrage Monthly Dividend Direct Plan	7,21,57,255.91	-	-	9,021.96	-	-
Kotak Equity Arbitrage Fund	6,00,50,278.01	-	-	6,600.43	-	-
Kotak Equity Arbitrage Fund Fortnightly Dividend	2,12,62,705.56	-	-	5,009.07	-	-
Reliance Arbitrage Advantage Fund	8,01,10,081.81			10,116.62	-	-
SBI Magnum Insta Cash- Reg Plan	-	1,67,359.05	-	-	6,000.00	-
SBI Magnum Income	-	-	3,70,337.51	-	-	132.64
SBI-SHF-Ultra Short Term Fund Institutional Plan	-	-	96,802.61	-	-	1,917.82
Principal Cash Management Fund Growth Plan	-	-	27,689.33	-	-	407.24
Templeton India Ultra Short Bond Fund Retail Plan-Growth	-	-	21,03,182.12	-	-	411.29
Templeton India Low Duration Fund Growth Plan	-	-	49,65,983.02	-	-	832.00
HDFC Cash Management Fund-Savings Plan-Growth	-	-	29,95,248.40	-	-	944.94
				33,292.53	6,000.00	4,645.93

(10) Trade receivables

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered good			
Trade receivables	24,372.51	22,521.11	19,869.15
	24,372.51	22,521.11	19,869.15

10.1 Trade receivables have been hypothecated as security against bank borrowings of the Company (Refer note 22).

(11) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	18.09	17.10	18.30
Cheques in hand	0.04	-	0.46
Balance with banks			
-In current accounts	2,432.08	6,829.34	2,113.96
-Debit balances in Cash Credit accounts	85.38	734.72	787.68
-Deposits with original maturity of less than 3 months	-	-	600.00
	2,535.59	7,581.16	3,520.40
Others			
-Deposits with original maturity of less than 3 months (as margin money)	2,525.76	-	-
	5,061.35	7,581.16	3,520.40

(12) Other bank balances (other than note 11 above)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits held as margin money deposits with original maturity of more than 3 months and upto 12 months	3.75	1,423.47	1,840.86
Earmarked unpaid dividend accounts	4.98	4.78	4.07
	8.73	1,428.25	1,844.93

12.1 Bank deposit are restricted in use as it relates to margin money.

12.2 Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

(13) Loans - current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered good			
Advances to subsidiary company	93.87	90.46	83.32
	93.87	90.46	83.32

Notes to Standalone financial statements for the year ended 31 March 2018

(14) Other current financial assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered good			
Insurance claim receivable	200.62	243.15	243.15
Interest accrued on bank deposits	161.20	157.25	158.76
Staff advance	15.73	22.49	17.21
	377.55	422.89	419.12

(15) Current tax asset

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax (net of provisions)	-	2,508.77	294.56
	-	2,508.77	294.56

(16) Other current assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered good			
Advance for raw materials and stores	2,129.78	2,540.24	1,574.59
Balances with statutory/Government authorities	628.08	993.93	852.65
Export incentives receivable	1,121.23	1,086.12	992.39
Income tax refundable	5.05	5.05	5.05
Prepaid expenses	62.41	73.36	46.54
Others (includes advance to suppliers)	761.87	551.75	384.86
	4,708.42	5,250.45	3,856.08

(17) Share capital

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
Authorised Share Capital						
Equity shares of ₹10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Issued, subscribed and paid up Share Capital						
Equity shares of ₹10/- each	2,91,11,550	**2,911.16**	2,91,11,550	2,911.16	2,91,11,550	2,911.16

a) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity share having a face value of ₹10/- per share with one vote per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after settling off all outside liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) **Details of shareholders holding more than 5% shares in the Company**

Name of shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Maithan Smelters Pvt. Ltd.	53,97,357	18.54%	53,97,357	18.54%	-	-
H. S. Consultancy Pvt. Ltd.	32,59,200	11.20%	32,59,200	11.20%	7,50,000	2.58%
Woodhat Distributors Pvt. Ltd.	-	-	-	-	18,30,000	6.29%

c) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Issue of bonus shares in FY 2015-16	1,45,55,775	1,45,55,775	1,45,55,775

(18) Borrowings - non-current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans (Secured)			
Foreign currency loan from bank	-	1,598.73	8,165.18
Finance lease obligations	366.83	370.56	374.28
	366.83	1,969.29	8,539.46

18.1 Foreign currency loan from banks are securely by first mortgage/charge on entire property, plant and equipment and second charge on current assets of the Visakhapatnam Unit and are further secured by personal guarantees of two directors.

18.2 Rate of interest and particulars of repayments

(₹ in lakh)

Nature of loan	Rate of Interest	Amount	Terms of repayment of Term Loan outstanding
Foreign Currency ECB Loan - Citi Bank NA. Jersey	LIBOR+250 BPS	1,603.79	Repayable in 5 installments upto March 2019.

Notes to Standalone financial statements for the year ended 31 March 2018

(19) Non-current provisions

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits	188.01	169.71	122.85
	188.01	169.71	122.85

19.1 Movement in provisions

(₹ in lakh)

Particulars	Amount
Balance as at 1 April 2016	122.85
Provision created	46.86
Balance as at 31 March 2017	169.71
Provision created	18.30
Balance as at 31 March 2018	**188.01**

(20) Deferred tax liabilities (Net)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities			
- Fixed assets	2,541.55	2,644.30	2,651.95
- Fair value gain on investments	-	-	36.59
Gross deferred tax liabilities	2,541.55	2,644.30	2,688.54
Deferred tax assets			
- Employee benefits	71.30	64.96	50.15
- MAT credit entitlement	-	-	2,380.05
- Others	-	-	777.45
Gross deferred tax asset	71.30	64.96	3,207.65
Deferred tax liabilities/ (assets) (net)	**2,470.25**	2,579.34	(519.11)

(21) Other non-current liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred government grant	113.41	97.30	-
	113.41	97.30	-

(22) Borrowings - current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Working capital loan from banks (Secured)			
- Rupee loan	2,499.88	1,706.09	999.04
- Foreign currency loan	-	-	732.56
	2,499.88	1,706.09	1,731.60

22.1 Working capital loans are secured by first charge and hypothecation of raw materials, work in progress, finished goods, stores and consumables, receivables, bills, etc. These are further secured by first charge on moveable and immoveable property, plant and equipment both present and future of both Kalyaneshwari and Byrnihat Units and second charge on moveable and immoveable property, plant and equipment both present and future of Visakhapatnam Unit.

(23) Trade payables

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Creditors	14,728.49	8,123.06	14,590.96
	14,728.49	8,123.06	14,590.96

23.1 Trade payables are non-interest bearing and have an average term of two to three months.

23.2 There are no dues to Micro and Small Enterprises as at 31 March 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(24) Other current financial liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term borrowings	1,603.79	4,404.94	4,040.07
Current maturities of finance lease obligations	3.72	3.72	3.40
Financial liability on forward contract	34.19	-	-
Interest accrued but not due on borrowings	1.41	4.08	68.81
Creditors for capital goods	2.91	3.84	10.70
Unclaimed dividend*	4.98	4.78	4.07
Other liabilities			
- Employee dues	563.96	519.65	502.30
- Liability for expenses	2,356.51	2,833.42	2,246.64
- Others	-	-	66.60
	4,571.47	7,774.43	6,942.59

* There are no amount due for payment to the Investors Education and Protection Fund at the year end.

(25) Provisions - current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits	127.09	107.77	104.13
	127.09	107.77	104.13

Notes to Standalone financial statements for the year ended 31 March 2018

25.1 Movement in provisions:

(₹ in lakh)

Particulars	Amount
Balance as at 1 April 2016	104.13
Provision utilised	(92.98)
Provision reversed	(0.42)
Provision created	97.04
Balance as at 31 March 2017	107.77
Provision utilised	(103.60)
Provision reversed	(0.14)
Provision created	123.06
Balance as at 31 March 2018	**127.09**

(26) Current tax liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current tax liabilities (net of advance tax)	318.76	3,138.75	222.93
	318.76	3,138.75	222.93

(27) Other current liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current portion of deferred government grant	9.09	6.25	-
Other liabilities			
- Statutory dues	1,516.38	551.21	357.55
- Advance from customer	1,215.59	1,514.79	147.70
- Others	6,225.24	6,389.07	6,311.23
	8,966.30	8,461.32	6,816.48

(28) Revenue from operations

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products		
- Manufactured goods		
- Ferro alloys	1,62,560.44	1,28,423.70
- Wind power	191.24	214.05
- Traded goods		
- Ferro alloys	5,766.13	1,457.42
- Manganese ore	9,951.48	5,216.31
- Others	1,833.24	1,149.86
Other operating revenue		
- Sale of slag and waste	3,630.70	1,856.16
- Forex fluctuation gain	1,942.39	763.98
- Sales tax remission	656.98	-
- Export incentives	2,567.33	1,301.04
	1,89,099.93	1,40,382.52

(29) Other income

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income	287.29	384.23
Deferred revenue income	7.30	-
Profit on sale of property, plant and equipment	0.66	0.83
Fair value gain on mutual fund	158.14	203.36
Profit on sale of investments	-	149.90
Dividend received	1,343.92	60.44
Commission received	1.42	11.80
Miscellaneous receipts	52.14	6.67
	1,850.87	817.23

29.1 Dividend received includes Nil (2016-17: ₹11,524.65 lakh) as dividend received and short term loss of Nil (2016-17: ₹11,464.21 lakh).

(30) Cost of material consumed

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening stock	5,869.46	2,742.95
Add: Purchases	88,751.10	60,320.06
Less: Closing stock	14,313.41	5,869.46
	80,307.15	57,193.55

30.1 Raw material purchase is net of sale of unusable raw materials.

(31) Purchases of stock in trade

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Ferro alloys	5,379.28	1,338.45
Manganese ore	9,308.06	4,994.91
Others	1,678.40	1,076.57
	16,365.74	7,409.93

Notes to Standalone financial statements for the year ended 31 March 2018

(32) Changes in inventories

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Stock at the end of the year		
Finished goods	4,014.49	4,558.27
Work-in-process	134.26	157.50
Slag and waste	902.75	621.31
	5,051.50	5,337.08
Stock at the beginning of the year		
Finished goods	4,558.27	3,000.47
Work-in-process	157.50	75.07
Slag and waste	621.31	413.71
	5,337.08	3,489.25
(Increase)/ Decrease in stock of		
Finished goods	543.78	(1,557.80)
Work-in-process	23.24	(82.43)
Slag and waste	(281.44)	(207.60)
Total (increase)/ decrease in inventories	**285.58**	(1,847.83)

(33) Employee benefits expense

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	2,427.13	1,807.31
Directors' remuneration	1,939.76	1,424.89
Contribution to provident and other funds	107.42	64.38
Staff welfare expenses	48.42	38.05
	4,522.73	3,334.63

(34) Power cost

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Raw material consumed in power plant	3,717.96	3,518.31
Electricity charges	32,716.66	24,283.58
Electricity duty	30.28	32.88
Operation and maintenance of power plant	189.68	188.40
	36,654.58	28,023.17

(35) Finance cost

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on finance lease obligation	35.56	35.88
Interest on borrowings	369.79	943.44
	405.35	979.32

(36) Depreciation and amortisation expenses

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	1,539.44	2,528.12
Amortisation on intangible assets	4.99	3.85
	1,544.43	2,531.97

(37) Other expenses

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Export expenses	3,448.46	2,079.48
Stores and packing material	1,257.73	1,161.97
Packing & forwarding expenses	1,063.59	884.81
Carriage outward	900.85	986.79
Rebate & discounts	531.03	494.35
Other manufacturing expenses	470.76	418.87
Brokerage & commission	444.35	420.34
Bank commission and charges	376.81	255.59
Pollution control expenses	310.59	344.91
Entry tax	84.93	724.36
Carriage inward	20.40	17.95
Service tax expenses	19.91	56.65
Excise duty (Refer note 37.1)	(310.13)	149.49
Repairs to machinery	1,275.74	1,138.66
Repairs to building	110.30	63.33
Repairs to others	49.35	36.11
Rates & taxes	436.95	2,002.72
Loss on sale of investments	296.69	-
Professional charges	289.53	130.13
CSR expenses (Refer note 37.2)	281.91	127.13
Irrecoverable balances and debts written off	84.02	349.99
Insurance premium	63.11	52.85
Directors' sitting fees	4.23	3.50
Rent	20.40	24.44
Lease rent	4.56	4.23
Amalgamation expenses	-	2.29
Auditors remuneration		
- As audit fees	12.00	12.00
- Tax audit fees	1.25	1.25
- Other services	3.52	4.45
- Reimbursement of expenses	0.70	1.73
Miscellaneous expenses	517.77	460.38
	12,071.31	12,410.75

Notes to Standalone financial statements for the year ended 31 March 2018

37.1 Represents excise duty related to the difference between the closing stock and opening stock.

37.2 Expenditure on Corporate Social Responsibility (CSR) activities

(i) Details of CSR expenditure: (₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(a) Gross amount required to be spent by the Company during the year	281.56	126.35
(b) Amount spent during the year:	281.91	127.13
(i) Construction/acquisition of any asset	-	-
(ii) On purposes - in cash	281.91	127.13

(ii) The various heads under which the CSR expenditure were incurred in cash is detailed as follows: (₹ in lakh)

Relevant Clause of Schedule VII to the Act	Description of CSR activities	Year ended 31 March 2018	Year ended 31 March 2017
Clause (i)	Promoting healthcare including preventive healthcare	5.00	-
Clause (i)	Eradicating hunger, poverty and malnutrition, making available safe drinking water	0.22	11.26
Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects*	271.00	115.11
Clause (iii)	Setting up homes and other facilities for orphans, senior citizens and for socially and economically backward groups.	4.61	-
Clause (vii)	Promoting rural and nationally recognised sports	0.54	0.51
Clause (x)	Rural Development Projects	0.54	0.25
		281.91	127.13

* Contribution to related trust (BMA Foundation) amounting to ₹6 lakh.

(38) Earnings per share (EPS) (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
i) Profit after tax as per Statement of Profit and Loss	29,174.63	18,567.14
ii) Weighted average number of equity shares used as denominator for calculating Basic EPS	2,91,11,550	2,91,11,550
iii) Weighted average potential equity shares	-	-
iv) Total weighted average number of equity shares used as denominator for calculating Diluted EPS	2,91,11,550	2,91,11,550
v) Basic earnings per share (₹)	100.22	63.78
vi) Diluted earnings per share (₹)	100.22	63.78
vii) Face value per equity share (₹)	10	10

(39) Tax expenses

39.1 Amount recognised in profit or loss

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax:		
Income tax for the year	8,530.50	5,703.84
Charge/(credit) in respect of current tax for earlier years	0.32	-
Total Current Tax	8,530.82	5,703.84
Deferred tax:		
Origination and reversal of temporary differences	(114.97)	720.30
Total Deferred Tax	(114.97)	720.30
Total tax expenses	**8,415.85**	6,424.14

39.2 Amount recognised in other comprehensive income

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
The tax (charge)/ credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	(5.88)	1.90

39.3 Movements in deferred tax (liabilities) / assets

The Company has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and net of losses carried forward and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax (assets) & liabilities recognized in the Balance Sheet as follows:

Particulars	Fixed assets	Fair value gain on investment	Employee benefits and others	MAT credit entitlement	Total
As at 1 April 2016	(2,651.95)	(36.60)	827.61	2,380.05	519.11
Charged/ (credited) to :					
- profit or loss	7.65	36.60	(764.55)	(2,380.05)	(3,100.35)
- other comprehensive income	-	-	1.90	-	1.90
As at 31 March 2017	(2,644.30)	-	64.96	-	(2,579.34)
Charged/ (credited) to :					
- profit or loss	102.75	-	12.22	-	114.97
- other comprehensive income	-	-	(5.88)	-	(5.88)
As at 31 March 2018	**(2,541.55)**	**-**	**71.30**	**-**	**(2,470.25)**

Notes to Standalone financial statements for the year ended 31 March 2018

(40) Employee benefit obligations

a) Defined Contributory Plans

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
The following is recognized in the Statement of Profit and Loss		
Contribution to employees provident fund	62.33	50.40

b) Defined Benefit Plans

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Leave encashment	7.60	28.75	8.10	30.09	5.02	23.77
Gratuity	10.40	159.26	9.89	139.62	17.04	99.08

I. Leave Encashment

The liabilities for leave encashment are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service.They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit Method.The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other comprehensive income.

A. Amount recognised in the Balance Sheet

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of the plan liabilities	36.35	38.19	28.79
Fair value of plan assets	-	-	-
Net Liabilities / (Assets)	**36.35**	38.19	28.79

B. Movements in plan assets and plan liabilities

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As at 1 April	38.19	28.79
Current service cost	8.06	8.58
Net interest	2.85	2.06
Net impact on profit before tax	10.91	10.64
Actuarial (gain)/loss arising from changes in-		
- financial assumptions	(0.82)	2.11
- experience adjustments	(3.18)	(0.82)
Net gain recognised in Other comprehensive income	(4.00)	1.29
Curtailment cost	(6.40)	-
Benefits paid	(2.35)	(2.53)
As at 31 March	**36.35**	38.19

(40) Employee benefit obligations (Contd.)

C. Assumptions

Principal actuarial assumptions as at the Balance Sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.70%	7.50%	0.00%
Salary escalation rate	6.00%	6.00%	0.00%

D. Sensitivity

The sensitivity of the defined benefit obligation (DBO) to changes in the weighted key assumptions are :

(₹ in lakh)

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Change in assumption	Impact on DBO if rate increases	Impact on DBO if rate decreases	Change in assumption	Impact on DBO if rate increases	Impact on DBO if rate decreases
Discount rate	0.50%	29.35	33.39	0.50%	36.08	40.51
Salary escalation rate	0.50%	33.40	29.32	0.50%	40.52	36.06

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

E. Maturity

The defined benefit obligations shall mature as follows: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Year 1	7.88	8.19
Year 2	0.66	0.36
Year 3	1.09	0.41
Year 4	0.47	1.95
Year 5	1.24	1.30
Next 5 years	101.01	108.20

The weighted average duration of defined benefit obligation is 11 years.

II. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

A. Amount recognised in the Balance Sheet (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of the funded plan liabilities	169.66	149.51	116.12
Fair value of plan assets	-	-	-
Net Liabilities	169.66	149.51	116.12

Notes to Standalone financial statements for the year ended 31 March 2018

(40) Employee benefit obligations (Contd.)

B. Movements in plan assets and plan liabilities

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As at 1 April	149.51	116.12
Current service cost	34.28	29.72
Interest expense/ income	11.04	8.38
Net impact on profit before tax	45.32	38.10
Actuarial (gain)/loss arising from changes in-		
- financial assumptions	(4.24)	9.25
- experience adjustments	(8.74)	(5.06)
Net gain recognised in Other comprehensive income	(12.98)	4.19
Benefits paid	(12.19)	(8.90)
As at 31 March	**169.66**	149.51

C. Assumptions

Principal actuarial assumptions as at the Balance Sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount Rate	7.70%	7.50%	0.00%
Salary escalation rate	6.00%	6.00%	0.00%

D. Sensitivity

The sensitivity of the defined benefit obligation (DBO) to changes in the weighted key assumptions are:

(₹ in lakh)

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Change in assump-tion	Impact on DBO if rate increases	Impact on DBO if rate decreases	Change in assump-tion	Impact on DBO if rate increases	Impact on DBO if rate decreases
Discount rate	1.00%	158.79	179.63	1.00%	139.35	158.74
Salary escalation rate	1.00%	178.94	159.24	1.00%	158.37	139.63

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

E. Maturity

The defined benefit obligations shall mature as follows:

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	10.80	10.23
Year 2	3.94	1.90
Year 3	9.31	3.38
Year 4	2.25	12.63
Year 5	5.67	2.21
Next 5 years	510.59	461.10
The weighted average duration of defined benefit obligation is 11 years.		

(41) Financial risk management

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations. It also seeks to drive accountability in this regard.

The Company's financial liabilities includes Borrowings , Trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash & cash equivalents and Other financial assets that are derived directly from its operations.

It is the Company's policy that derivatives are used exclusively for hedging purposes and not for trading or speculative purposes.

Risk	Exposure arising from	Measurement	Management
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring of performance of investments
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
Market risk – interest rate	Borrowings at floating interest rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions
Credit risk	Trade receivables and other financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities

The Board of Directors reviewed policies for managing each of these risks which are summarised below:-

(a) Market Risk

(i) Commodity price risk

Alloy industry being cyclical in nature, realisations gets adversely affected during downturn. Higher input prices or higher production than the demand ultimately affects the profitability. The Company has mitigated this risk by well integrated business model.

(ii) Price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. Accordingly, fair value fluctuations arising from market volatility is recognised in other comprehensive income.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk of the underlying assets, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Notes to Standalone financial statements for the year ended 31 March 2018

(41) Financial risk management (Contd.)

Sensitivity

The table below summarizes the impact of increases/decreases of the share prices/mutual fund NAV on the Company's investment:

(₹ in lakh)

Particulars	Impact on profit before tax	
	31 March 2018	31 March 2017
Increase by 5% (2017: 5%)*	1,694.06	329.43
Decrease by 5% (2017: 5%)*	(1,694.06)	(329.43)

* Holding all other variables constant

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in the market interest rates relates primarily to the Company's borrowings obligations with floating interest rates. The borrowings of the Company are principally denominated in Indian Rupees (linked to MCLR) and US dollars (linked to US dollar LIBOR)with floating rates of interest. The foreign debt has been hedged via interest rate swap, hence there is no exposure to interest rate risk.

The Company invests surplus funds in short-term deposits and mutual funds, some of which generate a tax-free return, to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

The exposure of the Company's financial liabilities to interest rate risk is as follows: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Floating Rate			
Rupee borrowings	2,499.88	1,706.09	999.04
Total	**2,499.88**	1,706.09	999.04

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

(₹ in lakh)

Particulars	Impact on profit before tax	
	31 March 2018	31 March 2017
Interest expense rates – increase by 50 basis points (2017: 50 bps)*	(12.50)	(8.53)
Interest expense rates – decrease by 50 basis points (2017: 50 bps)*	12.50	8.53

* Holding all other variables constant

(41) Financial risk management (Contd.)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings, creditors and debtors. This foreign currency risk is covered by using foreign exchange forward contracts.

Since the Company has both imports as well as exports (exports are more than imports) the currency fluctuation risk is largely mitigated by matching the export inflows with import outflows. Surplus exports are hedged using simple forward exchange contracts depending on the market conditions.

The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the profit or loss or other comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments".

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:-

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	USD	Euro	USD	Euro	USD	Euro
Trade receivables	9,320.64	1,085.36	8,828.55	3,658.04	8,758.26	-
Trade payables	12,806.32	-	4,513.96	-	12,042.25	-
Foreign currency borrowings	1,603.79	-	6,003.67	-	12,205.25	-
Net exposure	(5,089.47)	1,085.36	(1,689.08)	3,658.04	(15,489.24)	-

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have no material impact on profit.

(v) Derivative financial instruments and risk management

The Company has entered into variety of foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

The Company also enters into interest rate swaps/agreements mainly to manage exposure on its variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

The Company uses forward exchange contracts to hedge its exposures in foreign currency arising from firm commitments and highly probable forecast transactions. Forward exchange contracts, designated under hedging, that were outstanding on respective reporting dates, expressed in INR:

(₹ in lakh)

Particulars	Gross Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Buy	Sell	Buy	Sell	Buy	Sell
US Dollar	INR	-	5,555.56	1,519.17	-	4,934.56	-
Euro	INR	-	1,082.91	-	8,136.59	-	-

The aforesaid hedges have a maturity of less than 1 year from the year end.

Notes to Standalone financial statements for the year ended 31 March 2018

(41) Financial risk management (Contd.)

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk on receivables is limited as almost all domestic sales are against advance payment or letters of credit (except sale made to PSU's) and export sales are on the basis of documents against payment or letters of credit.

i) Financial instruments and deposits

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for the Company's mutual fund investments.

With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. Taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

None of the Company's cash and cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31 March 2018, that defaults in payment obligations will occur .

ii) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of Balance Sheet date is given below. The age analysis have been considered from the due date:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Neither past due nor impaired	15,661.26	17,511.15	9,536.59
Past due but not impaired			
Due less than 6 months*	8,290.47	4,716.19	6,536.90
Due between 6–12 months	64.73	77.89	3,169.62
Due greater than 12 months	356.05	215.88	626.04
Total	**24,372.51**	22,521.11	19,869.15

* This includes debtors overdue for less than 3 months amounting to ₹8283.54 lakh as at 31 March 2018.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experiences does not expect any material loss on its receivables and hence no allowance is deemed necessary on account of Expected Credit Loss.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of

(41) Financial risk management (Contd.)

financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

(c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flow projections and level of liquid assets necessary to meet these on a regular basis.

(i) Financing arrangements

The Company had access to the following undrawn funding facilities at the end of the reporting period:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Expiring within one year (bank overdraft and other facilities)	7,850.00	7,294.00	5,170.00
	7,850.00	7,294.00	5,170.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities in INR may be drawn at any time.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the financial position. The maturity profile of the Company's financial liabilities based on the remaining period from the date of Balance Sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

(₹ in lakh)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 31 March 2018					
Borrowings *	4,144.37	78.57	123.16	712.83	5,058.92
Derivative financial liabilities	34.19	-	-	-	34.19
Trade payables	14,728.49	-	-	-	14,728.49
Other financial liabilities **	2,928.36	-	-	-	2,928.36
Total	21,835.41	78.57	123.16	712.83	22,749.96

Notes to Standalone financial statements for the year ended 31 March 2018

(41) Financial risk management (Contd.)

(₹ in lakh)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 31 March 2017					
Borrowings	7,753.12	78.57	123.16	753.88	8,708.72
Trade payables	8,123.06	-	-	-	8,123.06
Other financial liabilities **	3,361.69	-	-	-	3,361.69
Total	19,237.87	78.57	123.16	753.88	20,193.47

(₹ in lakh)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 1 April 2016					
Borrowings	14,044.94	78.57	123.16	794.93	15,041.60
Trade payables	15,863.86	-	-	-	15,863.86
Other financial liabilities **	2,830.31	-	-	-	2,830.31
Total	32,739.11	78.57	123.16	794.93	33,735.77

* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings and committed interest payments including finance lease obligations.

** Includes other non-current and current financial liabilities but excludes current maturities of non-current borrowings and derivatives and committed interest payments on borrowings.

(42) Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt) . The Company is not subject to any externally imposed capital requirements. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(42) Capital management (Contd.)

The gearing ratio at the end of the reporting period was as follows: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Long-term borrowings	366.83	1,969.29	8,539.46
Short-term borrowings and current maturities of long-term borrowings	4,107.39	6,114.75	5,775.07
Total borrowings (a)	4,474.22	8,084.04	14,314.53
Less:			
Cash and cash equivalents (Refer note 11)	2,535.59	7,581.16	3,520.40
Current investments (Refer note 9)	33,292.53	6,000.00	4,645.93
Total cash (b)	35,828.12	13,581.16	8,166.33
Net Debt (c = a-b)	**(31,353.90)**	(5,497.12)	6,148.20
Total Equity (as per Balance Sheet) (d)	87,511.77	59,249.74	40,517.97
Total capital (e = c + d)	**56,157.87**	53,752.62	46,666.17
Gearing Ratio (c/e)	**(0.56)**	(0.10)	0.13

(b) Dividends paid and proposed

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Final dividend (including DDT) paid for the year ended 31 March 2017 of ₹2.50 (1 April 2016 – Nil) per fully paid share	875.95	-
(ii) Dividends not recognised at the end of the reporting period		
The Board of directors have recommended dividend of ₹3.00 (31 March 2017: ₹2.50) per fully paid up equity shares of ₹10 each. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	873.35	727.79
Dividend distribution tax (DDT) on above	179.52	148.16

(43) Disclosures on financial instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of Financial Instruments (₹ in lakh)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and cash equivalents	11	5,061.35	7,581.16	3,520.40
ii) Other bank balances	12	8.73	1,428.25	1,844.93
iii) Trade receivables	10	24,372.51	22,521.11	19,869.15

Notes to Standalone financial statements for the year ended 31 March 2018

(43) Disclosures on financial instruments (Contd.)

Categories of Financial Instruments (₹ in lakh)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
iv) Other financial assets	6 & 14	3,145.21	3,143.66	2,272.18
Sub-Total		32,587.80	34,674.18	27,506.66
b) Measured at Fair Value through OCI (FVOCI)				
i) Investment in quoted equity shares	5	743.36	756.65	-
ii) Investment in unquoted equity shares	5	0.15	0.15	0.15
Sub-Total		743.51	756.80	0.15
c) Measured at Fair Value through Profit and Loss (FVTPL)				
i) Investment in mutual fund	9	33,292.53	6,000.00	4,645.93
Sub-Total		33,292.53	6,000.00	4,645.93
Total Financial Assets		66,623.84	41,430.98	32,152.74
Financial Liabilities				
a) Measured at Amortised Cost				
i) Borrowings	18, 22 & 24	4,474.22	8,084.04	14,314.53
ii) Trade payables	23	14,728.49	8,123.06	14,590.96
iii) Other financial liabilities	24	2,929.77	3,365.77	2,899.12
Sub-Total		22,132.48	19,572.87	31,804.61
b) Derivatives measured at Fair Value				
i) Derivative instruments designated as hedging instruments	24	34.19	-	-
Sub-Total		34.19	-	-
Total Financial Liabilities		22,166.67	19,572.87	31,804.61

(i) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(43) Disclosures on financial instruments (Contd.)

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of all assets and liabilities
- the fair value of the financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Investment in equity instruments	743.36	0.15	756.65	0.15	-	0.15
Total financial assets	**743.36**	**0.15**	756.65	0.15	-	0.15

(iv) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Borrowings	4,474.22	4,474.22	8,084.04	8,084.04	14,314.53	14,314.53
Total financial liabilities	**4,474.22**	**4,474.22**	8,084.04	8,084.04	14,314.53	14,314.53

(v) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

(44) Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flow.

Notes to Standalone financial statements for the year ended 31 March 2018

(a) Contingent liabilities: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Claims against the Company/ disputed liabilities not acknowledged as debt			
- Excise duty and service tax demand	171.64	407.48	559.12
b) Letters of credit issued by banks and outstanding	3,241.78	4,498.87	7,044.21
c) Bank Guarantees issued by banks and outstanding	2,303.32	2,886.12	2,492.17
d) Bill discounted backed by LC's	534.41	140.06	593.82

The amounts shown above represent the possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.

(b) Commitments: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Estimated amount of contracts remaining to be executed on capital commitments	13.52	9.99	51.93

(45) Segment reporting

The Company is primarily in the business of manufacturing of "Ferro Alloys". Revenue from other activities is not material. Accordingly, there are no reportable business segments as per Ind AS 108.

Additional information:

45.1 Geographical information

(₹ in lakh)

1 Revenue from external customers	Year ended 31 March 2018	Year ended 31 March 2017
- Within India	78,243.92	69,067.01
- Outside India	1,02,058.61	67,394.33
Total	1,80,302.53	1,36,461.34
2 Non-current assets	**As at 31 March 2018**	**As at 31 March 2017**
- Within India	23,403.09	23,827.41
- Outside India	-	-
Total	23,403.09	23,827.41

45.2 For productwise information refer note 28.

45.3 The Company is not reliant on revenue from transactions with any single external customer.

(46) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
First charge			
Current			
Trade receivables	24,372.51	22,521.11	19,869.15
Inventories	24,818.77	18,657.28	15,079.30
	49,191.28	41,178.39	34,948.45
Non-Current			
Property, plant and equipment	23,331.72	23,748.27	26,202.61
	23,331.72	23,748.27	26,202.61
Total assets pledged as security	**72,523.00**	64,926.66	61,151.06

(47) Related party disclosures

a) **Name of the related parties and description of relationship:**

I **Subsidiary Companies**

1 AXL Exploration (P) Ltd.

2 Anjaney Minerals Ltd.

3 Salanpur Sinters (P) Ltd.

II **Key Managerial Personnel**

1 Mr. S. C. Agarwalla — Chairman and Managing Director

2 Mr. Subodh Agarwalla — Whole-time Director and Chief Executive Officer

3 Mr. Parasanta Chattopadyay — Non-Executive Director

III **Relatives of Key Managerial Personnel**

1 Mr. Sudhanshu Agarwalla

IV **Enterprises over which Key Managerial Personnel are able to exercise significant influence**

1 Maithan Smelters Pvt. Ltd.

2 BMA Foundation

Notes to Standalone financial statements for the year ended 31 March 2018

(47) Related party disclosures (Contd.)

b) Transactions during the year with related parties (₹ in lakh)

Sl. No.	Types of Transactions	Subsidiaries		Enterprises influenced by KMP		Key Management Personnel and their relatives	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	**Services received**						
	Mr. Sudhanshu Agarwalla	-	-	-	-	571.09	381.70
2	**Remuneration paid**						
	Mr. S. C. Agarwalla	-	-	-	-	1,077.64	607.10
	Mr. Subodh Agarwalla	-	-	-	-	862.11	467.63
3	**Sitting fees**						
	Mr. Parasanta Chattopadyay	-	-	-	-	0.40	0.30
4	**Purchase of shares**						
	Salanpur Sinters (P) Ltd.	600.00	-	-	-	-	-
	Mr. Subodh Agarwalla	-	-	-	-	1.41	-
	Mr. Sudhanshu Agarwalla	-	-	-	-	1.41	-
5	**CSR Expenses**						
	BMA Foundation	-	-	6.00	-	-	-
6	**Loans / Advances given**						
	Mr. Subodh Agarwalla	-	-	-	-	12.14	-
	BMA Foundation	-	-	70.70	-	-	-
	AXL Exploration (P) Ltd.	3.41	7.14	-	-	-	-
7	**Reimbursement of expenses**						
	Anjaney Minerals Ltd.	0.04	0.24	-	-	-	-
	Salanpur Sinters Pvt. Ltd.	0.03	-	-	-	-	-
	Maithan Smelters Pvt. Ltd.	-	-	-	634.48	-	-

c) Balance outstanding : (₹ in lakh)

Sl. No.	Particulars	Subsidiaries			Enterprises influenced by KMP			Key Management Personnel and their relatives		
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1	Rent receivable									
	Maithan Smelters Pvt. Ltd.	-	-	-	-	0.17	-	-	-	-
2	Remuneration payable									
	Mr. S. C. Agarwalla	-	-	-	-	-	-	189.81	186.35	122.16
	Mr. Subodh Agarwalla	-	-	-	-	-	-	151.45	139.76	90.82
3	Other payables									
	Mr. Sudhanshu Agarwalla	-	-	-	-	-	-	68.87	78.32	-
4	Loans and advances - current									
	AXL Exploration (P) Ltd.	93.87	90.46	83.32	-	-	-	-	-	-
5	Other receivables									
	BMA Foundation	-	-	-	70.70	-	-	-	-	-

(47) Related party disclosures (Contd.)

d) Compensation to key management personnel (₹ in lakh)

Sl. No.	Particulars	31 March 2018	31 March 2017
1	Short term employee benefits	1,940.15	1,075.03
2	Post employment benefits*	-	-
3	Other Long Term Benefits*	-	-
		1,940.15	1,075.03

* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.

(48) First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1 April 2017, with transition date of 1 April 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31 March 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions Availed

a) Deemed cost- Property, plant and equipment and intangible assets

The Company has opted for paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and intangible assets as recognised in the financial statements as deemed cost as at the date of transition to Ind AS.

b) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operation lease at the date of transition to Ind AS on the basis of the fact and circumstances existing as at that date.

c) Long - term foreign currency monetary items

Ind AS 101 allows a first time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before beginning of the first Ind AS financial reporting period as per the previous GAAP.

d) Investments in subsidiaries

In financial statements, a first-time adopter that subsequently measures an investment in a subsidiary at cost, may

Notes to Standalone financial statements for the year ended 31 March 2018

(48) First time adoption of Ind AS (Contd.)

measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its opening Ind AS Balance Sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary. Accordingly, the Company has elected to measure all of its investment in subsidiary at their previous GAAP carrying value.

e) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its quoted equity investment.

B. Applicable Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

(b) Classification of financial assets

As required under Ind AS 101 the company has assessed the classification of financial assets on the basis of the facts that exist at the date of transition to Ind AS.

(c) De-recognition of financial assets and liabilities

Ind AS 109 requires an entity to derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset as and when the transfer qualifies for derecognition. Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition.

C. Transition to Ind AS - Reconciliations

Reconciliation of total equity as reported in previous GAAP and Ind AS (31 March 2017) (₹ in lakh)

Particulars	Note	Amount
Total equity under previous GAAP		59,236.18
Ind AS adjustments:		
Fair valuation of mutual funds	4	36.59
Fair valuation of equity shares - equity instruments through OCI	4	168.21
Recognition of finance lease obligation	2	(154.66)
Deferred tax on above items	6	(36.58)
Total Ind AS adjustment to equity		13.56
Total equity under Ind AS		59,249.74

Reconciliation of total equity as reported in previous GAAP and Ind AS (1 April 2016) (₹ in lakh)

Particulars	Note	Amount
Total equity under previous GAAP		39,467.47
Ind AS adjustments:		
Fair valuation of mutual funds	4	1,236.48
Deferred tax on fair valuation of mutual fund	6	(36.59)
Recognition of finance lease obligation	2	(149.39)
Total Ind AS adjustment to equity		1,050.50
Total equity under Ind AS		40,517.97

(48) First time adoption of Ind AS (Contd.)

Reconciliation of total comprehensive income as at 31 March 2017 (₹ in lakh)

Particulars	Note	Amount
Profit after tax as per previous GAAP		19,768.71
Ind AS adjustments:		
Interest on finance lease obligation	2	(35.88)
Lease rent	2	39.28
Amortisation of leasehold land	2	(8.66)
Loss on sale of investments	4	(1,439.85)
Fair value of equity instrument	4	203.36
Remeasurement of post employee benefit obligations	5	5.48
Tax effect on adjustments	6	34.70
		(1,201.57)
Profit after tax as per Ind AS		18,567.14
Other comprehensive income (net of tax)		164.63
Total comprehensive income as per Ind AS		**18,731.77**

Notes to Ind AS Adjustments:

1 Excise duty

Under Indian GAAP, sale of goods was presented as net of excise duty. However,under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is presented separately on the face of the Statement of Profit and Loss. Thus sale of goods under Ind AS has increased by ₹6,172.98 lakh for FY 2016-17 and simultaneously increase in expenses.

2 Finance lease

The Company has considered fair value of leasehold land and land development in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

3 Government grant

According to Ind AS 20, "Government Grant", grant received for purchase of property, plant and equipment is to be recognised as deferred income under non current liabilities and to be credited to Statement of Profit and Loss over the remaining expected life of the related asset. The Company had received ₹103.55 lakh as government grant during FY 2016-17 and the same was added to property, plant and equipment and credited to deferred government grant.

4 Fair valuation of investments

As required under Ind AS 32, investments are measured at fair value. Equity investments have been designated as fair value through OCI Accordingly, the fair value changes with respect to such investments have been recognised in OCI – 'Equity investments at FVOCI' and subsequently in other comprehensive income for the year ended 31 March 2017.

Other investments have been measured through profit or loss, fair value change is recognised in profit or loss.

5 Employee benefit obligation

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to profit or loss under the previous GAAP.

Notes to Standalone financial statements for the year ended 31 March 2018

6 **Deferred tax**

The various transitional adjustments lead to different temporary differences, the Company has to account for such differences. Deferred tax adjustments are recognised in relation to the underlying transactions either in retained earnings or a separate component of equity.

7 **Cash flow statement**

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2017 as compared with the previous GAAP.

(49) The previous year figures are reclassified where considered necessary to confirm to this year's classification.

For and on behalf of the Board of Directors

For **M Choudhury & Co.**
Chartered Accountants
FRN 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30.April 2018

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Independent Auditor's Report

To the Members of
Maithan Alloys Limited

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Maithan Alloys Limited ("hereinafter referred to as the Holding Company") and its three subsidiary companies (collectively referred to as "the Company" or "the Group"), comprising of the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated 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 "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

7. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March, 2018 and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

8. The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening Balance Sheet as at 1 April 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor D. K. Chhajer & Co. whose report for the year ended 31 March 2017 and 31 March 2016 dated 9 May 2017 and 14 May 2016 respectively expressed an unmodified opinion on those Consolidated Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

9. As required by section 143(3) of the Act, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

   (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

   (e) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

   (f) On the basis of written representations received from the directors of the Holding Company as on 31 March 2018, taken on record by the Board of Directors of Holding Company and the Subsidiaries incorporated in India, none of the directors of the Holding Company and the Subsidiaries incorporated in India is disqualified as on 31 March 2018, from being appointed as a Director in terms of Section 164(2) of the Act;

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

      i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 44 to the consolidated Ind AS financial statements;

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material forseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India.

For **M Choudhury & Co.**
Chartered Accountants
FRN. 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April, 2018

Annexure-A to the Independent Auditor's Report of Even Date on the Consolidated Ind As Financial Statements of Maithan Alloys Limited

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

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of Maithan Alloys Limited ("the Holding Company") and its three subsidiary companies which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (the "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Group'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 Act, 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 judgment, 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 Group'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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Group 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 31 March 2018, 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 ICAI.

For **M Choudhury & Co.**
Chartered Accountants
FRN. 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date: 30 April, 2018

Consolidated Balance Sheet as at 31 March 2018

(₹ in lakh)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
(1) Non-current assets				
a. Property, plant and equipment	4	23,762.87	24,190.77	26,645.11
b. Capital work-in-progress	4	-	0.23	-
c. Goodwill	4	-	-	279.73
d. Intangible assets	4	6.42	11.41	8.96
e. Financial assets				
(i) Investments	5	743.51	756.80	0.15
(ii) Other financial assets	6	2,767.82	2,720.93	1,853.31
f. Deferred tax assets (Net)	20	-	-	517.99
g. Other non-current assets	7	378.79	381.36	93.43
Total non-current assets		27,659.41	28,061.50	29,398.68
(2) Current assets				
(a) Inventories	8	24,818.77	18,657.28	15,103.79
(b) Financial assets				
(i) Investments	9	33,516.71	6,214.34	4,833.76
(ii) Trade receivables	10	24,372.51	22,521.11	19,869.15
(iii) Cash and cash equivalents	11	5,686.43	7,607.61	3,537.47
(iv) Bank balances (other than (iii) above)	12	53.17	1,457.49	1,878.59
(v) Loans	13	-	-	321.00
(vi) Other financial assets	14	380.62	423.80	422.44
(c) Current tax assets (Net)	15	0.15	0.13	294.60
(d) Other current assets	16	4,708.56	5,250.58	4,150.46
Total current assets		93,536.92	62,132.34	50,411.26
Total assets		1,21,196.33	90,193.84	79,809.94
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	2,911.16	2,911.16	2,911.16
(b) Other equity		83,871.40	55,602.68	37,469.00
(c) Non controlling interest		55.46	56.67	357.59
Total equity		86,838.02	58,570.51	40,737.75
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	366.83	1,969.29	8,539.46
(b) Provisions	19	188.01	169.71	122.85
(c) Deferred tax liabilities (Net)	20	2,475.61	2,582.62	-
(d) Other non-current liabilities	21	113.41	97.30	-
Total non-current liabilities		3,143.86	4,818.92	8,662.31
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	2,499.88	1,706.09	1,731.60
(ii) Trade payables	23	14,728.49	6,907.85	14,590.97
(iii) Other financial liabilities	24	4,573.59	7,776.12	6,943.48
(b) Provisions	25	127.09	107.77	104.13
(c) Current tax liabilities (Net)	26	319.03	629.99	223.15
(d) Other current liabilities	27	8,966.37	9,676.59	6,816.55
Total current liabilities		31,214.45	26,804.41	30,409.88
Total liabilities		34,358.31	31,623.33	39,072.19
Total equity and liabilities		1,21,196.33	90,193.84	79,809.94

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN.: 302186E

D. Choudhury
Partner
Membership No.: 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(₹ in lakh)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	28	1,89,099.93	1,40,382.52
Other income	29	1,874.21	849.67
Total income		**1,90,974.14**	1,41,232.19
Expenses			
Cost of material consumed	30	80,307.15	57,193.55
Purchases of stock in trade	31	16,365.74	7,409.93
Changes in inventories	32	285.58	(1,847.83)
Excise duty payable		1,203.45	6,172.98
Employee benefits expenses	33	4,529.43	3,339.38
Power cost	34	36,654.58	28,023.17
Finance cost	35	405.34	979.32
Depreciation and amortisation expense	36	1,544.43	2,531.97
Other expenses	37	12,079.84	13,042.72
Total expenses		**1,53,375.54**	1,16,845.19
Profit before tax		**37,598.60**	24,387.00
Tax expenses			
(a) Current tax	39	8,531.38	5,704.04
(b) Deferred tax	39	(112.89)	722.45
Total tax expenses		**8,418.49**	6,426.49
Profit for the year		**29,180.11**	17,960.51
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurements of the net defined benefit plans		16.98	(5.48)
- Equity instruments through other comprehensive income		(13.28)	168.21
(ii) Income tax relating to above items	39	(5.88)	1.90
B (i) Items that may be reclassified to profit or loss :			
- Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(34.47)	-
Other comprehensive income for the year		**(36.65)**	164.63
Total Comprehensive Income for the year		**29,143.46**	18,125.14
Profit attributable to:			
(a) Owners of the Company		29,181.32	17,969.05
(b) Non- controlling interest		(1.21)	(8.54)
Other comprehensive income attributable to:			
(a) Owners of the Company		(36.65)	164.63
(b) Non- controlling interest		-	-
Total comprehensive income attributable to:			
(a) Owners of the Company		29,144.67	18,133.68
(b) Non- controlling interest		(1.21)	(8.54)
Earnings per share (face value of ₹10/- each)			
(1) Basic (in ₹)	38	100.24	61.72
(2) Diluted (in ₹)	38	100.24	61.72

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN.: 302186E

D. Choudhury
Partner
Membership No.: 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

a. Equity share capital

(₹ in lakh)

Particulars	Note	Amount
Equity shares of ₹10 each issued, subscribed and fully paid	17	
As at 1 April 2016		2,911.16
Issue of share capital		-
As at 31 March 2017		2,911.16
Issue of share capital		-
As at 31 March 2018		**2,911.16**

b. Other equity

(₹ in lakh)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Equity Attributable to Owners	Non- con-trolling Interest	Total
	Capital Reserve	Securities Premium	Retained Earnings	Equity Instruments through OCI	Cash Flow Hedge Reserve			
As at 1 April 2016	170.29	3,186.70	34,112.01	-	-	37,469.00	357.59	37,826.59
Profit for the year	-	-	17,969.05	-	-	17,969.05	(8.54)	17,960.51
Other comprehensive income for the year	-	-	(3.58)	168.21	-	164.63	-	164.63
Acquisition of further control	-	-	-	-	-	-	(292.38)	(292.38)
As at 31 March 2017	170.29	3,186.70	52,077.48	168.21	-	55,602.68	56.67	55,659.35
Profit for the year	-	-	29,181.32	-	-	29,181.32	(1.21)	29,180.11
Other comprehensive income for the year	-	-	11.10	(13.28)	(34.47)	(36.65)	-	(36.65)
Dividends paid including DDT	-	-	(875.95)	-	-	(875.95)	-	(875.95)
At 31 March 2018	**170.29**	**3,186.70**	**80,393.95**	**154.93**	**(34.47)**	**83,871.40**	**55.46**	**83,926.86**

Capital Reserve

This reserve represents the difference between value of the net assets transferred and consideration paid for such assets in the course of amalgamation and also relates to forefeiture of shares.

Securities Premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

Equity Instruments through Other Comprehensive Income (OCI)

This reserve represents the cumulative gains (net of losses) arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of tax. The same shall be transferred to retained earnings when those instruments are disposed off.

Cash Flow Hedge Reserve

This reserve represents the cumulative effective portion of changes in fair value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN.: 302186E

D. Choudhury
Partner
Membership No.: 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2018

(₹ in lakh)

Particulars	31 March 2018	31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	37,598.60	24,387.00
Adjusted for :		
Depreciation and amortisation (refer note 36)	1,544.43	2,531.97
Impairment of goodwill (refer note 4 (vi))	-	279.73
Interest expense (refer note 35)	405.34	979.32
Interest income (refer note 29)	(290.23)	(387.03)
Provision for employee benefits	16.98	(5.48)
Irrecoverable balances written off/back	84.02	695.47
Fair value gain on investment	(169.24)	(229.88)
Unrealised forex (gain) / loss	(139.61)	36.37
Deferred revenue income	(6.25)	-
Dividend income (refer note 29)	(1,348.83)	(63.56)
Loss / (profit) on sale of investments	297.96	(149.90)
Loss / (profit) on sale of property, plant and equipment	(5.00)	(0.83)
	389.57	3,686.18
Operating profit before working capital changes	**37,988.17**	28,073.18
Adjusted for :		
Trade and other receivables	(1,172.25)	(5,183.59)
Inventories	(6,161.49)	(3,577.98)
Trade and other payables	6,621.38	(4,107.91)
	(712.36)	(12,869.48)
Cash generated from operations	**37,275.81**	15,203.70
Income tax paid	(8,842.35)	(2,622.68)
NET CASH FROM OPERATING ACTIVITIES (A)	**28,433.46**	12,581.02
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,137.86)	(525.00)
Sale of property, plant and equipment	31.53	117.05
Purchase of investments	(46,600.00)	(54,588.44)
Sale of investments	19,168.92	41,534.97
Dividend received	1,348.83	11,527.77
Interest income received	284.11	390.95
Investments in fixed deposits	(1,121.44)	421.11
NET CASH USED IN INVESTING ACTIVITIES (B)	**(28,025.91)**	(1,121.59)

Consolidated Cash Flow Statement for the year ended 31 March 2018

(₹ in lakh)

Particulars	31 March 2018	31 March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(372.46)	(1,008.16)
Dividend paid including tax on dividend	(875.95)	-
Proceeds/ (Repayment) from/ of borrowings	(3,606.08)	(6,088.74)
Subsequent acquistion of shares in subsidiaries	-	(292.38)
NET CASH FROM FINANCING ACTIVITIES (C)	**(4,854.49)**	(7,389.28)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(4,446.94)	4,070.15
Cash and cash equivalents at the beginning of the year	7,607.61	3,537.46
Cash and cash equivalents at the end of the year	**3,160.67**	7,607.61
Cash and cash equivalent includes:		
Cash and cash equivalent (as per note 11)	5,686.43	7,607.61
Less: Deposits held as margin money	(2,525.76)	-
	3,160.67	7,607.61

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN.: 302186E

D. Choudhury
Partner
Membership No.: 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Notes to Consolidated financial statements for the year ended 31 March 2018

1. Basis of preparation of Financial Statements

a. Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended, and other provisions of the Companies Act, 2013 ("the Act").

The financial statements up to and including the year ended 31 March 2017 were prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards ["previous (GAAP)"] as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act.

These financial statements for the year ended 31 March 2018 are the first financial statements with comparatives, prepared under Ind AS. The date of transition to Ind AS is 1 April 2016. Previous period figures have been restated to Ind AS in accordance with Ind AS 101 'First Time Adoption of Indian Accounting Standard' and an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is given in Note 50.

b. Basis of measurement

The financial statements have been prepared on historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities that are measured at fair value/ amortised cost. (Refer note 3(j) below).

c. Use of Estimates and Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

d. Functional Currency and Presentation Currency

The financial statements are prepared in Indian Rupees (₹) which is the Group's functional currency for all its operations. All financial information presented in Indian Rupees (₹) has been rounded to the nearest lakh with two decimal places, unless otherwise stated.

e. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS 1 – 'Presentation of Financial Statements'.

All assets and liabilities are classified as current when it is expected to be realized or settled within the Group's normal operating cycle, i.e. twelve months. All other assets and liabilities are classified as non- current.

Deferred tax assets and liabilities are classified as non-current only.

2. Basis of consolidation

a. Principles of consolidation

Subsidiaries are entities controlled by the group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Notes to Consolidated financial statements for the year ended 31 March 2018

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The group presents the non-controlling interest in the Consolidated Balance Sheet within Equity, separately from the equity of the group as owners.

b. Business Combinations

Business combinations are accounted for using the acquisition method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

c. Goodwill on consolidation

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable. On disposal of subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognized in Statement of Profit and Loss.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Statement of Profit and Loss as it arises and it is not reversed.

3. Significant Accounting Policies

a. Property, Plant and Equipments

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of taxes and other recoverable, wherever applicable) less accumulated depreciation and impairment losses, if any, except freehold land which is carried at cost. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment measured as per the previous GAAP as at 1 April 2016.

The cost of property, plant and equipment comprises its purchase price, including inward freight, import duties and non-refundable purchase taxes, and any cost directly attributable to bringing the asset to working condition and location for its intended use. Stores and spare parts are capitalised when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

b. Depreciation

Depreciation on property, plant and equipment is provided on straight line method (SLM), except on additions made after 1 April 2006 to Building and Plant & Machineries of Ferro Alloys Unit at Byrnihat and Kalyaneshwari on which depreciation has been provided on written down value (WDV) method.

Depreciation is provided to allocate the costs of property, plant and equipment, net of their residual values, over their useful life as specified in Schedule II of the Companies Act, 2013, other than in case of factory building and plant & machinery in Visakhapatnam Unit where useful life has been considered by the management to be of 20 years.

The assets' residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate.

c. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a Finance Lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating Leases. A lease is classified at the inception date as a finance lease or an operating lease.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is amortised over the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

d. Capital Work in Progress

Capital work in progress comprises expenditure for acquisition and construction of assets that are not yet ready for their intended use. Costs, net of income, associated with the commissioning of the asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use. At the point when the asset is capable of operating in the manner intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

e. Intangible Assets and Amortisation

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Computer software is amortised over its estimated useful life of 3 years on a straight line basis.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1 April, 2016 measured as per the previous GAAP.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

f. Non-Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the Balance Sheet.

Notes to Consolidated financial statements for the year ended 31 March 2018

g. Impairment of Non- Financial Assets

The Group assesses at each reporting date to determine if there is any indication of impairment, based on internal/ external factors. If any such indication exists, then an impairment review is undertaken and the recoverable amount is calculated as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effect of factors that may be specific to the entity and not applicable to entities in general. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal.

Impairment charges and reversals are assessed at the level of cash-generating unit (CGU). A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

A cash generating unit is treated as impaired when the carrying amount of the assets or cash generating unit exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which asset or cash generating unit is identified as impaired.

Impairment loss recognised in prior accounting period(s) is reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

h. Foreign Currency Translation

Foreign currency transactions are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated into the functional currency at the exchange rates prevailing on the reporting date. Non-monetary items are translated using the exchange rates prevailing on the transaction date, subsequently measured at historical cost and not retranslated at period end.

All exchange differences on monetary items are recognized in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument which are recognized in the Other Comprehensive Income.

The Group had applied paragraph 46A of AS 11 under previous GAAP. Ind AS 101 gives an option, which has been exercised by the Group, whereby a first time adopter can continue its previous GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Accordingly, exchange difference arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of depreciable assets, recognized upto 31 March 2017 has been amortised over the remaining useful lives of the assets.

From accounting period commencing on or after 1 April 2017, exchange difference arising on translation/ settlement of long term foreign currency monetary items, acquired post 1 April 2017, pertaining to the acquisition of a depreciable assets are charged to the Statement of Profit and Loss.

i. Government Grants and Subsidies

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/ subsidy will be received and the Group will comply with the conditions attached to them. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related assets and presented within other income.

In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

j. Financial Instruments

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

(i) Financial Assets -

- Recognition And Initial Measurement

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

- Classification and Subsequent Measurement

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

- Debt Instruments at Amortized Cost;
- Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI);
- Debt Instruments at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

- Debt Instruments at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Debt Instruments at FVOCI: A debt instrument is measured at the FVOCI if both of the following conditions are met:
  - The objective of the business model is achieved by collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income. However, the interest income, losses & reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Interest calculated using the EIR (Effective Rate Interest) method is recognized in the Statement of Profit and Loss as investment income.

Notes to Consolidated financial statements for the year ended 31 March 2018

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
- Equity Instruments measured at FVOCI: All equity investments in the scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument are recognized in the Other comprehensive income. There is no reclassification of the amounts from Other comprehensive income to profit or loss, even on sale of investment. Dividends on investments are credited to profit or loss.

- **Derecognition**
  The Group derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- **Impairment of Financial Assets**
  The Group assesses at the end of the reporting period whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial Liabilities

- **Recognition And Initial Measurement**
  Financial liabilities are initially measured at fair value. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

  The Group's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.

- **Subsequent Measurement**
  Financial liabilities are measured subsequently at amortized cost or FVTPL.

  A financial liability is classified as FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Rate Interest) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR (Effective Rate Interest) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

- **Derecognition**
  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting Financial Instruments**
  Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

(iii) Derivative Financial Instruments and Hedge Accounting

The Group enters into interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. The Group does not hold derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise, except for the effective portion of cash flow hedges which is recognized in Other comprehensive income and accumulated under the heading of cash flow hedging reserve. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Amounts previously recognised in Other Comprehensive Income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

k. Inventories

Inventories (including work-in-progress) are stated at cost and net realisable value, whichever is lower. Cost is determined on weighted average method and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

l. Revenue Recognition

Revenues are measured at fair value of the consideration received or receivable, net of returns and discounts to customers. Revenue from the sale of goods includes duties which the Group pays as a principal but excludes amounts collected on behalf of third parties.

a) Revenue from sales of goods is recognized when all significant risks and rewards of ownership of goods are transferred to the customer, which generally coincides with delivery. Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers

Notes to Consolidated financial statements for the year ended 31 March 2018

and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

b) Revenue from rendering of services is recognised in the periods in which the services are rendered.

c) Export entitlements in the form of Duty Drawback and Duty Entitlement Pass book (DEPB) scheme are recognized in the Statement of Profit and Loss Account when right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d) Interest income is recognized using the effective interest rate method.

e) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

f) Dividend income is recognised only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

m. Employee Benefits

a) Short-Term Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified monthly contributions to Provident Fund. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

c) Defined Benefit Plans

The Group provides for gratuity and leave encashment, a defined benefit plan (the "Gratuity Plan and Leave Encashment Plan") covering eligible employees. The cost of providing defined benefits plan is determined by actuarial valuation separately for each plan using the Projected Unit Credit Method by independent qualified actuaries as at the year end. Actuarial gains/losses arising in the year are recognized in full in other comprehensive income and are not reclassified in the profit or loss. Re-measurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity. Change in the present value of defined benefit obligations resulting from plan adjustments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

n. Tax Expense

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

a) Current Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

b) Deferred Tax

Deferred tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Group's financial statements except when the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profits or loss at the time of transaction. Deferred tax assets and liabilities 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 Balance Sheet date.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent it is probable that future taxable profits will be available against which the deductible temporary difference, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted 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 assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

o. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. Where surplus funds are available out of money borrowed specifically to finance a project are invested temporarily and the money generated from such current investments is deducted from the total borrowing cost to be capitalised. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

p. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows ,cash and cash equivalent includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, cash at bank and bank overdraft and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

Notes to Consolidated financial statements for the year ended 31 March 2018

r. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources will be required to settle such an obligation and the amount can be estimated reliably. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate.

Contingent Liabilities

Contingent liabilities are possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Liabilities are not recognized but disclosed in the financial statements when the possibility of an outflow of resources embodying economic benefits is more.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

s. Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

t. Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders and same is recognised directly in equity.

u. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Inter-segment revenues have been accounted for based on prices normally negotiated between the segments with reference to the costs, market prices and business risks, within an overall optimization objective for the Group. Revenue and expenses are identified with segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, will be included under "Unallocated/ Others".

v. Critical Accounting Estimates, Assumptions and Judgments

The preparation of the 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, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

(i) **Useful Economic Lives and Impairment of Other Assets**

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Group reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Group also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Group's business plans and changes in regulatory environment are taken into consideration.

(ii) **Contingencies and Commitments**

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

(iii) **Actuarial Valuation**

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(iv) **Fair Value Measurements and Valuation Processes**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(v) **Recognition of Deferred Tax Assets for Carried Forward Tax Losses and Unused Tax Credit**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

Notes to Consolidated financial statements for the year ended 31 March 2018

w. Recent Accounting Developments: Standards issued but not yet effective

(i) Ind AS 115: Revenue from Contracts with Customers

The Group is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Group's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

(ii) Ind AS 21: Foreign Currency Transactions and Advance Consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Group expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Group intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).

Notes to Consolidated financial statements for the year ended 31 March 2018

(4) (i) Property, plant and equipment

(₹ in lakh)

Particulars	Freehold Land	Leasehold Land	Factory Building	Administrative and Other Building	Plant and Machinery	Furniture and Fixture	Equipment	Vehicle	Computers	Total
Gross Carrying Value										
As at 1 April 2016 (Deemed cost)	620.09	2,549.32	1,313.35	1,615.44	20,214.54	66.85	24.64	229.27	11.61	26,645.11
Additions	-	-	-	-	208.50	6.44	1.56	93.41	18.45	328.36
Sale/Deduction	-	-	5.10	6.82	245.04	-	-	14.15	-	271.11
As at 31 March 2017	620.09	2,549.32	1,308.25	1,608.62	20,178.00	73.29	26.20	308.53	30.06	26,702.36
Additions	-	-	0.19	934.45	39.98	-	5.06	154.58	3.83	1,138.09
Sale/Deduction	11.35	-	-	-	3.17	-	-	37.21	7.28	59.01
As at 31 March 2018	**608.74**	**2,549.32**	**1,308.44**	**2,543.07**	**20,214.81**	**73.29**	**31.26**	**425.90**	**26.61**	**27,781.44**
Accumulated Depreciation and Amortisation										
As at 1 April 2016	-	-	-	-	-	-	-	-	-	-
For the year	-	99.03	130.71	91.11	2,131.54	14.36	9.98	46.34	5.05	2,528.12
Adjustment	-	-	-	-	7.01	-	-	9.52	-	16.53
As at 31 March 2017	-	99.03	130.71	91.11	2,124.53	14.36	9.98	36.82	5.05	2,511.59
For the year	-	99.03	87.04	112.99	1,157.71	13.39	6.25	54.99	8.06	1,539.46
Adjustment	-	-	-	-	-	-	-	25.56	6.92	32.48
As at 31 March 2018	**-**	**198.06**	**217.75**	**204.10**	**3,282.24**	**27.75**	**16.23**	**66.25**	**6.19**	**4,018.57**
Net Book Value										
As at 31 March 2018	**608.74**	**2,351.26**	**1,090.69**	**2,338.97**	**16,932.57**	**45.54**	**15.03**	**359.65**	**20.42**	**23,762.87**
As at 31 March 2017	620.09	2,450.29	1,177.54	1,517.51	18,053.47	58.93	16.22	271.71	25.01	24,190.77
As at 1 April 2016	620.09	2,549.32	1,313.35	1,615.44	20,214.54	66.85	24.64	229.27	11.61	26,645.11

Notes to Consolidated financial statements for the year ended 31 March 2018

(4) (ii) Capital work in progress

(₹ in lakh)

Particulars	Amount
As at 1 April 2016	-
Additions	0.23
Transfers	-
As at 31 March 2017	0.23
Additions	-
Transfers	0.23
As at 31 March 2018	**-**

(4) (iii): Entire property, plant and equipments of holding company are given as security against borrowings, the details related to which have been described in Note 18 and Note 22 on "Borrowings".

(4) (iv): For the year ending 31 March 2018 foreign exchange gain/loss of ₹5.07 lakh loss (31 March 2017 - ₹138.36 lakh gain) is added/ deducted to respective assets in accordance with para 46A of AS-11 (Previous GAAP), since the Group has applied the exemption under Ind AS 101 and accordingly opted to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statement.

(4) (v): For Property, plant and equipment and intangible assets existing as on 1 April 2016, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost (refer note no 50 (A.a) Ind AS Exemption applied.

(4) (vi): With effect from 1 April 2017, the Group have revised the useful life of plant and machinery at Visakhapatnam Unit from 12 years to 20 years based on technical evaluation on assessment of the physical condition of the underlying assets. Had there been no change in the useful life of assets, depreciation for the year would have been higher by ₹1,008 lakh.

(4) (vii) Goodwill

(₹ in lakh)

Particulars	Amount
Gross Carrying Value	
As at 1 April 2016 (Deemed cost)	279.73
Additions	-
As at 31 March 2017	279.73
Additions	-
As at 31 March 2018	**279.73**
Impairment	
As at 1 April 2016	-
Additions	279.73
As at 31 March 2017	279.73
Additions	-
As at 31 March 2018	**279.73**
Net Book Value	
As at 31 March 2018	**-**
As at 31 March 2017	-
As at 1 April 2016	279.73

The Group assesses at each Balance Sheet date whether there is any indication that goodwill may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. The Group assesses that the goodwill on consolidation will not be able to generate sufficient economic future benefits to recover its carrying amount. Hence goodwill has been fully impaired and recognised in profit or loss under 'other expenses'.

(4) (viii) Intangible assets

(₹ in lakh)

Particulars	Software
Gross Carrying Value	
As at 1 April 2016 (Deemed cost)	8.96
Additions	6.30
As at 31 March 2017	15.26
Additions	-
As at 31 March 2018	**15.26**
Amortisation and Impairment	
As at 1 April 2016	-
Amortisation	3.85
As at 31 March 2017	3.85
Amortisation	4.99
As at 31 March 2018	**8.84**
Net Book Value	
As at 31 March 2018	**6.42**
As at 31 March 2017	11.41
As at 1 April 2016	8.96

4 (ix) Leases

The Company has taken land under finance leases. Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements covers a substantial part of the economic life of the underlying asset and contain a renewal option on expiry. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

Notes to Consolidated financial statements for the year ended 31 March 2018

The minimum lease payments and the present value of minimum lease payments in respect of arrangements classified as finance leases are as below:

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	39.28	3.72	39.28	3.72	39.28	3.40
Later than one year but not later than 5 years	201.72	26.74	201.72	22.48	201.72	18.92
Later than five years	712.83	340.09	753.88	348.08	794.93	355.36
Total future minimum lease commitments	953.83	370.55	994.88	374.28	1,035.93	377.68
Less: future finance charges	583.28		620.60		658.25	
Present value of minimum lease payments	**370.55**		374.28		377.68	
Disclosed as:						
Non-current borrowings (refer note 18)	366.83		370.56		374.28	
Other financial liabilities - current (refer note 24)	3.72		3.72		3.40	
	370.55		374.28		377.68	

(5) Non-current investments

(₹ in lakh)

Particulars					As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments measured through OCI (FVOCI)	Face Value (₹)	No. of shares					
		31 March 2018	31 March 2017	1 April 2016			
Investment in Unquoted equity shares (fully paid up)							
Ideal Centre Services Pvt. Ltd.	10.00	1,500	1,500	1,500	0.15	0.15	0.15
Investment in Quoted equity shares (fully paid up)							
Hindustan Petroleum Corporation Ltd.	10.00	2,16,000	1,44,000	-	743.36	756.65	-
					743. 51	756.80	0.15

5.1

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Aggregate cost of quoted investments	588.44	588.44	-
Market value of quoted investments	743.36	756.65	-
Aggregate amount of unquoted investments	0.15	0.15	0.15

(6) Other non-current financial assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered Good			
Security deposits	2,767.82	2,720.93	1,853.31
	2,767.82	2,720.93	1,853.31

(7) Other non-current assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered Good			
Capital advances	64.93	67.50	73.22
Prepaid lease rentals	313.86	313.86	20.21
	378.79	381.36	93.43

(8) Inventories

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials			
- Ferro alloys	14,313.41	5,869.46	2,742.95
- Power plant	566.56	1,752.41	1,967.14
Raw materials in transit	4,141.99	4,441.35	6,099.14
Work - in - process	134.26	157.50	75.07
Finished goods			
- Ferro alloys	4,003.66	4,558.27	3,000.47
- Ores	-	-	24.48
- Trading goods	-	545.51	-
Finished goods in transit	10.83	-	-
Slag and waste	902.75	621.31	413.71
Stores and spares parts	745.31	711.47	780.83
	24,818.77	18,657.28	15,103.79

8.1 For method of valuation of inventories, refer note 3(k).

8.2 Inventories have been hypothecated as security against certain bank borrowings of the Company (Refer note 22).

Notes to Consolidated financial statements for the year ended 31 March 2018

(9) Current investments

(₹ in lakh)

Particulars	No. of units			As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in Units of Mutual Funds - FVTPL	31 March 2018	31 March 2017	1 April 2016			
Edelweiss Arbitrage Fund	2,39,98,582.61	-	-	2,544.45	-	-
Edelweiss Arbitrage Monthly Dividend Direct Plan	7,21,57,255.91	-	-	9,021.97	-	-
Kotak Equity Arbitrage Fund	6,00,50,278.01	-	-	6,600.43	-	-
Kotak Equity Arbitrage Fund Fortnightly Dividend	2,12,62,705.56	-	-	5,009.07	-	-
Reliance Arbitrage Advantage Fund	8,01,10,081.81			10,116.62	-	-
SBI Magnum Income Fund - Regular Plan - Growth	1,81,365.10	1,81,365.10	1,81,365.10	76.96	73.21	64.96
SBI Short Term Debt Fund - Regular Plan - Growth	3,86,279.36	3,86,279.36	3,86,279.36	77.36	73.01	66.92
ICICI Prudential Focused Bluechip Equity Fund - Dividend	1,56,041.02	1,56,041.02	1,56,041.02	33.39	33.72	29.68
ICICI Prudential Top 100 Fund - Growth	11,761.74	11,761.74	11,761.74	36.46	34.40	26.27
SBI Magnum Insta Cash- Reg Plan - Growth	-	1,67,359.05	-	-	6,000.00	-
SBI Magnum Income	-	-	3,70,337.51	-	-	132.64
SBI-SHF-Ultra Short Term Fund Institutional Plan	-	-	96,802.61	-	-	1,917.82
Principal Cash Management Fund Growth	-	-	27,689.33	-	-	407.24
Templeton India Ultra Short Bond Fund Retail Plan-Growth	-	-	21,03,182.12	-	-	411.29
Templeton India Low Duration Fund Growth	-	-	49,65,983.02	-	-	832.00
HDFC Cash Management Fund-Savings Plan-Growth	-	-	29,95,248.40	-	-	944.94
				33,516.71	6,214.34	4,833.76

(10) Trade receivables

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered Good			
Trade receivables	24,372.51	22,521.11	19,869.15
	24,372.51	22,521.11	19,869.15

10.1 Trade receivables have been hypothecated as security against bank borrowings of the Company (Refer note 22).

(11) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	21.15	19.95	22.16
Cheques in hand	0.04	-	0.46
Balance with banks			
-In current accounts	3,054.10	6,852.94	2,127.16
-Debit balances in Cash Credit accounts	85.38	734.72	787.69
-Deposits with original maturity of less than 3 months	-	-	600.00
Others	3,160.67	7,607.61	3,537.47
-Deposits with original maturity of less than 3 months (as margin money)			
	2,525.76	-	-
	5,686.43	7,607.61	3,537.47

(12) Other bank balances (other than note 11 above)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits with original maturity			
-of more than 3 months and upto 12 months -held as margin money deposits	3.75	1,423.47	1,840.86
-of more than 3 months and upto 12 months - Other	44.44	8.73	33.66
-of more than 12 months - Other	-	20.51	-
Earmarked unpaid dividend accounts	4.98	4.78	4.07
	53.17	1,457.49	1,878.59

12.1 Bank deposit are restricted in use as it relates to margin money.

12.2 Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

(13) Loans - current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered Doubtful			
Advances	321.00	321.00	321.00
Less: Provision	(321.00)	(321.00)	-
	-	-	321.00

(14) Other current financial assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered Good			
Insurance claim receivable	200.62	243.15	243.15
Interest accrued on bank deposits	164.27	158.16	162.08
Staff advance	15.73	22.49	17.21
	380.62	423.80	422.44

Notes to Consolidated financial statements for the year ended 31 March 2018

(15) Current tax asset

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax	0.15	0.13	294.60
	0.15	0.13	294.60

(16) Other current assets

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, Considered Good			
Advance for raw materials and stores	2,129.78	2,540.24	1,574.59
Balances with statutory/Government authorities	628.08	993.93	852.65
Export incentives receivable	1,121.23	1,086.12	992.39
Income tax refundable	5.05	5.05	5.05
Prepaid expenses	62.41	73.36	340.79
Others (includes advance to Sundry Creditors)	762.01	551.88	384.99
	4,708.56	5,250.58	4,150.46

(17) Share capital

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
Authorised share capital						
Equity shares of ₹10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Issued, subscribed and paid up share capital						
Equity shares of ₹10/- each	2,91,11,550	**2,911.16**	2,91,11,550	2,911.16	2,91,11,550	2,911.16

a) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a face value of ₹10/- per share with one vote per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after settling of all outside liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Details of shareholders holding more than 5% shares in the Company

Name of shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Maithan Smelters Pvt. Ltd.	53,97,357	18.54%	53,97,357	18.54%	-	0.00%
H. S. Consultancy Pvt. Ltd.	32,59,200	11.20%	32,59,200	11.20%	7,50,000	2.58%
Woodhat Distributors Pvt. Ltd.	-	-	-	-	18,30,000	6.29%

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Issue of bonus shares in FY 2015-16	1,45,55,775	1,45,55,775	1,45,55,775

(18) Borrowings - non-current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans (Secured)			
Foreign currency loan from bank	-	1,598.73	8,165.18
Finance lease obligations	366.83	370.56	374.28
	366.83	1,969.29	8,539.46

18.1 Foreign currency loan from banks are secured by first mortgage/charge on entire property, plant and equipment of holding company and second charge on current assets of the Visakhapatnam Unit and are further secured by personal guarantees of two directors.

18.2 Rate of interest and particulars of repayments

(18) Borrowings - non-current

(₹ in lakh)

Nature of loan	Rate of Interest	Amount	Terms of repayment of term loan outstanding
Foreign Currency ECB Loan - Citi Bank NA. Jersey	LIBOR+250 BPS	1,603.79	Repayable in 5 installments upto March 2019.

(19) Non-current provisions

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits	188.01	169.71	122.85
	188.01	169.71	122.85

19.1 Movement in provisions

(₹ in lakh)

Balance as at 1 April 2016	122.85
Provision created	46.86
Balance as at 31 March 2017	169.71
Provision created	18.30
Balance as at 31 March 2018	**188.01**

Notes to Consolidated financial statements for the year ended 31 March 2018

(20) Deferred tax liabilities (Net)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities			
- Fixed assets	2,541.55	2,644.30	2,651.95
- Fair value gain on mutual fund	5.35	3.28	37.72
Gross deferred tax liabilities	2,546.90	2,647.58	2,689.67
Deferred tax assets			
- Employee benefits	71.29	64.96	50.15
- MAT credit entitlement	-	-	2,380.05
- Others	-	-	777.46
Gross deferred tax asset	71.29	64.96	3,207.66
Deferred tax liabilities/ (assets) (net)	**2,475.61**	2,582.62	(517.99)

(21) Other non-current liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred government grant	113.41	97.30	-
	113.41	97.30	-

(22) Borrowings - current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Working capital loan from banks (Secured)			
- Rupee loan	2,499.88	1,706.09	999.04
- Foreign currency loan	-	-	732.56
	2,499.88	1,706.09	1,731.60

22.1 Working capital loans are secured by first charge and hypothecation of raw materials, work in progress, finished goods, stores and consumables, receivables, bills, etc. These are further secured by first charge on moveable and immoveable property, plant and equipment both present and future of both Kalyaneshwari and Byrnihat Units and second charge on moveable and immoveable property, plant and equipment both present and future of Visakhapatnam Unit.

(23) Trade payables

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Creditors for goods	14,728.49	6,907.85	14,590.97
	14,728.49	6,907.85	14,590.97

23.1 Trade payables are non- interest bearing and have an average term of two to three months.

23.2 There are no dues to Micro and Small Enterprises as at 31 March 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

(24) Other current financial liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term borrowings	1,603.79	4,404.94	4,040.07
Current maturities of finance lease obligations	3.72	3.72	3.40
Financial liability on forward contract	34.19	-	-
Interest accrued but not due on borrowings	1.41	4.08	68.81
Creditors for capital goods	2.91	3.84	10.70
Unclaimed dividend*	4.98	4.78	4.07
Other liabilities			
- Employee dues	563.96	519.65	502.30
- Liability for expenses	2,356.51	2,833.42	2,246.64
- Others	2.12	1.69	67.49
	4,573.59	7,776.12	6,943.48

* There are no amount due for payment to the Investors Education and Protection Fund at the year end.

(25) Provisions - current

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits	127.09	107.77	104.13
	127.09	107.77	104.13

* There are no amount due for payment to the Investors Education and Protection Fund at the year end.

25.1 Movement in provisions:

(₹ in lakh)

Balance as at 1 April 2016	104.13
Provision utilised	(92.98)
Provision reversed	(0.42)
Provision created	97.04
Balance as at 31 March 2017	107.77
Provision utilised	(103.60)
Provision reversed	(0.14)
Provision created	123.06
Balance as at 31 March 2018	**127.09**

(26) Current tax liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current tax liabilities (net of tax)	319.03	629.99	223.15
	319.03	629.99	223.15

Notes to Consolidated financial statements for the year ended 31 March 2018

(27) Other current liabilities

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current portion of deferred government grant	9.09	6.25	-
Other liabilities			
- Statutory dues	1,516.46	551.28	357.63
- Advance from customer	1,215.59	1,514.79	147.70
- Others	6,225.23	7,604.27	6,311.22
	8,966.37	9,676.59	6,816.55

(28) Revenue from operations

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products		
- Manufactured goods		
- Ferro alloys	1,62,560.44	1,28,423.70
- Wind power	191.24	214.05
- Traded goods		
- Ferro alloys	5,766.13	1,457.42
- Manganese ore	9,951.48	5,216.31
- Others	1,833.24	1,149.86
Other operating revenue		
- Sale of slag and waste	3,630.70	1,856.16
- Forex fluctuation gain	1,942.39	763.98
- Sales tax remission	656.98	-
- Export incentives	2,567.33	1,301.04
	1,89,099.93	1,40,382.52

(29) Other income

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income	290.23	387.03
Deferred revenue income	7.30	-
Profit on sale of property, plant and equipment	5.05	0.83
Fair value gain on mutual fund	169.24	229.88
Profit on sale of investments	-	149.90
Dividend received	1,348.83	63.56
Commission received	1.42	11.80
Miscellaneous receipts	52.14	6.67
	1,874.21	849.67

29.1 Dividend received includes Nil (2016-17: ₹11,524.65 lakh) as dividend received and short term loss of Nil (2016-17: ₹11,464.21 lakh).

(30) Cost of material consumed

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening stock	5,869.46	2,742.95
Add: Purchases	88,751.10	60,320.06
Less: Closing stock	14,313.41	5,869.46
	80,307.15	57,193.55

30.1 Raw material purchase is net of sale of unusable raw materials.

(31) Purchase of traded goods

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Ferro alloys	5,379.28	1,338.45
Manganese ore	9,308.06	4,994.91
Others	1,678.40	1,076.57
	16,365.74	7,409.93

(32) Changes in inventories

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Stock at the end of the year		
Finished goods	4,014.49	4,558.27
Work-in-process	134.26	157.50
Slag and waste	902.75	621.31
	5,051.50	5,337.08
Stock at the beginning of the year		
Finished goods	4,558.27	3,000.47
Work-in-process	157.50	75.07
Slag and waste	621.31	413.71
	5,337.08	3,489.25
(Increase)/ decrease in stock of:		
Finished goods	543.78	(1,557.80)
Work-in-process	23.24	(82.43)
Slag and waste	(281.44)	(207.60)
Total (increase)/ decrease in inventories	**285.58**	(1,847.83)

(33) Employee benefits expense

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	2,432.81	1,811.58
Directors' remuneration	1,939.76	1,424.89
Contribution to provident and other funds	108.44	64.86
Staff welfare expenses	48.42	38.05
	4,529.43	3,339.38

Notes to Consolidated financial statements for the year ended 31 March 2018

(34) Power cost

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Raw material consumed in power plant	3,717.96	3,518.31
Electricity charges	32,716.66	24,283.58
Electricity duty	30.28	32.88
Operation and maintenance of power plant	189.68	188.40
	36,654.58	28,023.17

(35) Finance cost

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on finance lease obligation	35.56	35.88
Interest on borrowings	369.78	943.44
	405.34	979.32

(36) Depreciation and amortisation expenses

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	1,539.44	2,528.12
Amortisation on intangible assets	4.99	3.85
	1,544.43	2,531.97

(37) Other expenses

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Export expenses	3,448.46	2,079.48
Stores and packing material	1,257.73	1,161.97
Packing and forwarding expenses	1,063.59	884.81
Carriage outward	900.85	986.79
Rebate and discounts	531.03	494.35
Other manufacturing expenses	470.76	418.87
Brokerage and commission	444.35	420.34
Bank commission and charges	376.82	255.63
Pollution control expenses	310.59	344.91
Entry tax	84.93	724.36
Carriage inward	20.40	18.55
Service tax expenses	19.91	56.65
Excise duty (Refer note 37.1)	(310.13)	149.49
Repairs to machinery	1,275.74	1,138.66
Repairs to building	110.30	63.33
Repairs to others	49.35	36.11
Rates and taxes	443.36	2,007.82

(37) Other expenses *(contd.)*

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Loss on sale of investments	296.69	-
Loss on sale of property, plant and equipment	1.33	-
Professional charges	289.72	130.24
CSR expenses (Refer note 37.2)	281.91	127.13
Irrecoverable balances and debts written off	84.02	695.47
Insurance premium	63.11	52.85
Rent	20.40	24.53
Lease rent	4.56	4.23
Directors' sitting fees	4.23	3.50
Impairment of goodwill	-	279.73
Amalgamation expenses	-	2.29
Auditors remuneration		
- As audit fees	12.29	12.28
- Tax audit fees	1.25	1.25
- Other services	3.52	4.45
- Reimbursement of expenses	0.70	1.73
Miscellaneous expenses	518.07	460.92
	12,079.84	13,042.72

37.1 Represents excise duty related to the difference between the closing stock and opening stock.

37.2 Expenditure on Corporate Social Responsibility (CSR) activities

(i) Details of CSR expenditure:

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(a) Gross amount required to be spent by the Company during the year	281.56	126.35
(b) Amount spent during the year:	281.91	127.13
(i) Construction/acquisition of any asset	-	-
(ii) On purposes - in cash	281.91	127.13

(ii) The various heads under which the CSR expenditure were incurred in cash is detailed as follows:

(₹ in lakh)

Relevant Clause of Schedule VII to the Act	Description of CSR activities	Year ended 31 March 2018	Year ended 31 March 2017
Clause (i)	Promoting healthcare including preventive healthcare	5.00	-
Clause (i)	Eradicating hunger, poverty and malnutrition, making available safe drinking water	0.22	11.26
Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects*	271.00	115.11

Notes to Consolidated financial statements for the year ended 31 March 2018

(37) Other expenses *(contd.)*

(₹ in lakh)

Relevant Clause of Schedule VII to the Act	Description of CSR activities	Year ended 31 March 2018	Year ended 31 March 2017
Clause (iii)	Setting up homes and other facilities for orphans, senior citizens and for socially and economically backward groups.	4.61	-
Clause (vii)	Promoting rural and nationally recognised sports	0.54	0.51
Clause (x)	Rural Development Projects	0.54	0.25
		281.91	127.13

* Contribution to related trust (BMA Foundation) amounting to ₹6 lakhs.

(38) Earnings per share (EPS)

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
i. Profit after tax as per Statement of Profit and Loss	29,181.32	17,969.06
ii. Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	2,91,11,550	2,91,11,550
iii. Weighted Average Potential Equity Shares	-	-
iv. Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	2,91,11,550	2,91,11,550
v. Basic Earnings per Shares (₹)	100.24	61.72
vi. Diluted Earnings per Share (₹)	100.24	61.72
vii. Face Value per Equity Share (₹)	10	10

(39) Tax expenses

39.1 Amount recognised in profit or loss

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax:		
Income tax for the year	8,531.06	5,704.03
Charge/(credit) in respect of current tax for earlier years	0.32	0.01
Total Current Tax	8,531.38	5,704.04
Deferred tax:		
Origination and reversal of temporary differences	(112.89)	722.45
Total Deferred Tax	(112.89)	722.45
Total tax expenses	**8,418.49**	6,426.49

39.2 Amount recognised in other comprehensive income

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
The tax (charge)/ credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	(5.88)	1.90

(39) Tax expenses *(contd.)*

39.3 Movements in deferred tax (liabilities) / assets

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and net of losses carried forward and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax (assets)/ liabilities recognized in the Balance Sheet as follows:

(₹ in lakh)

Particulars	Fixed assets	Fair Value of Financial Instrument	Employee benefits and others	MAT Credit entitlement	Total
As at 1 April 2016	(2,651.95)	(37.72)	827.61	2,380.05	517.99
Charged/ (credited) to :					
- profit or loss	7.65	34.44	(764.55)	(2,380.05)	(3,102.51)
- other comprehensive income	-	-	1.90	-	1.90
As at 31 March 2017	(2,644.30)	(3.28)	64.96	-	(2,582.62)
Charged/ (credited) to :					
- profit or loss	102.75	(2.07)	12.21	-	112.89
- other comprehensive income	-	-	(5.88)	-	(5.88)
As at 31 March 2018	**(2,541.55)**	**(5.35)**	**71.29**	**-**	**(2,475.61)**

Deferred tax assets amounting to ₹2.87 lakh have not been recognised in respect of unabsorbed losses (for the year ended 31 March 2017: ₹84.38 lakh) as its recovery is not considered probable in the foreseable future.

40. Employee benefit obligations

a) Defined Contributory Plans

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
The followings recognized in the Statement of Profit and Loss		
Contribution to employees provident fund	62.33	50.40

b) Defined Benefit Plans

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Leave encashment	7.60	28.75	8.10	30.09	5.02	23.77
Gratuity	10.40	159.26	9.89	139.62	17.04	99.08

I. Leave Encashment

The liabilities for leave encashment are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service.They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit Method.The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other comprehensive income.

Notes to Consolidated financial statements for the year ended 31 March 2018

40. Employee benefit obligations *(Contd.)*

A. Amount recognised in the Balance Sheet

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of the plan liabilities	36.35	38.19	28.79
Fair value of plan assets	-	-	-
Net Liabilities / (Assets)	**36.35**	38.19	28.79

B. Movements in plan assets and plan liabilities

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As at 1 April	38.19	28.79
Current service cost	8.06	8.58
Net interest	2.85	2.06
Net impact on Profit before tax	10.91	10.64
Actuarial (gain)/loss arising from changes in-		
- financial assumptions	(0.82)	2.11
- experience adjustments	(3.18)	(0.82)
Net gain recognised in Other comprehensive income	(4.00)	1.29
Curtailment cost	(6.40)	-
Benefits paid	(2.35)	(2.53)
As at 31 March	**36.35**	38.19

C. Assumptions

Principal actuarial assumptions as at the Balance Sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.70%	7.50%	0.00%
Salary escalation rate	6.00%	6.00%	0.00%

D. Sensitivity

The sensitivity of the defined benefit obligation (DBO) to change in the weighted key assumptions are :

(₹ in lakh)

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Change in assumption	Impact on DBO if rate increases	Impact on DBO if rate decreases	Change in assumption	Impact on DBO if rate increases	Impact on DBO if rate decreases
Discount rate	0.50%	29.35	33.39	0.50%	36.08	40.51
Salary escalation rate	0.50%	33.40	29.32	0.50%	40.52	36.06

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

40. Employee benefit obligations *(Contd.)*

E. Maturity

The defined benefit obligations shall mature as follows: (₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	7.88	8.19
Year 2	0.66	0.36
Year 3	1.09	0.41
Year 4	0.47	1.95
Year 5	1.24	1.30
Next 5 years	101.01	108.20

The weighted average duration of defined benefit obligation is 11 years.

II. Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

A. Amount recognised in the Balance Sheet

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of the funded plan liabilities	169.66	149.51	116.12
Fair value of plan assets	-	-	-
Net Liabilities	169.66	149.51	116.12

B. Movements in plan assets and plan liabilities

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As at 1 April	149.51	116.12
Current service cost	34.28	29.72
Interest expense/ income	11.04	8.38
Net impact on profit before tax	45.32	38.10
Actuarial (gain)/loss arising from changes in-		
- financial assumptions	(4.24)	9.25
- experience adjustments	(8.74)	(5.06)
Net gain recognised in Other comprehensive income	(12.98)	4.19
Benefits paid	(12.19)	(8.90)
As at 31 March	**169.66**	149.51

Notes to Consolidated financial statements for the year ended 31 March 2018

40. Employee benefit obligations *(Contd.)*

C. Assumptions

Principal actuarial assumptions as at the Balance Sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount Rate (%)	7.70%	7.50%	0.00%
Salary escalation rate	6.00%	6.00%	0.00%

D. Sensitivity

The sensitivity of the defined benefit obligation (DBO) to changes in the weighted key assumptions are:

(₹ in lakh)

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Change in assump-tion	Impact on DBO if rate increases	Impact on DBO if rate decreases	Change in assump-tion	Impact on DBO if rate increases	Impact on DBO if rate decreases
Discount rate	1.00%	158.79	179.63	1.00%	139.35	158.74
Salary escalation rate	1.00%	178.94	159.24	1.00%	158.37	139.63

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

E. Maturity

The defined benefit obligations shall mature as follows:

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	10.80	10.23
Year 2	3.94	1.90
Year 3	9.31	3.38
Year 4	2.25	12.63
Year 5	5.67	2.21
Next 5 years	510.59	461.10
The weighted average duration of defined benefit obligation is 11 years.		

(41) Financial risk management

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations. It also seeks to drive accountability in this regard.

(41) Financial risk management *(Contd.)*

The Group's financial liabilities includes Borrowings , Trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Trade receivables, Cash & cash equivalents and Other financial assets that are derived directly from its operations.

It is the Group's policy that derivatives are used exclusively for hedging purposes and not for trading or speculative purposes.

Risk	Exposure arising from	Measurement	Management
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Continuous monitoring the performance of investments
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Projecting cash flows and considering the forecast of fluctuation in exchange rates
Market risk – interest rate	Borrowings at floating interest rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities

The Board of Directors reviewed policies for managing each of these risks which are summarised below:-

(a) Market Risk

(i) Commodity price risk

Alloy industry being cyclical in nature, realisations gets adversely affected during downturn. Higher input prices or higher production than the demand ultimately affects the profitability. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and sintering, thereby utilizing the by product.

(ii) Price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. Accordingly, fair value fluctuations arising from market volatility is recognised in Other comprehensive income. The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk of the underlying assets, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Sensitivity

The table below summarizes the impact of increases/decreases of the share prices / mutual fund NAV on the Group's investment:

Notes to Consolidated financial statements for the year ended 31 March 2018

(41) Financial risk management *(Contd.)*

(₹ in lakh)

Particulars	Impact on profit before tax	
	31 March 2018	31 March 2017
Increase by 5% (2017: 5%)*	1,713.01	348.56
Decrease by 5% (2017: 5%)*	(1,713.01)	(348.56)

* Holding all other variables constant

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's borrowings obligations with floating interest rates. The borrowings of the Group are principally denominated in Indian Rupees (linked to MCLR) and US dollars (linked to US dollar LIBOR)with floating rates of interest. The foreign debt has been hedged via interest rate swap, hence there is no exposure to interest rate risk.

The Group invests surplus funds in shot-term deposits and mutual funds, some of which generate a tax-free return, to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

The exposure of the Group's financial liabilities to interest rate risk is as follows:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Floating Rate			
Rupee borrowings	2,499.88	1,706.09	999.04
Total	**2,499.88**	1,706.09	999.04

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

(₹ in lakh)

Particulars	Impact on profit before tax	
	31 March 2018	31 March 2017
Interest expense rates – increase by 50 basis points (2017: 50 bps)*	(12.50)	(8.53)
Interest expense rates – decrease by 50 basis points (2017: 50 bps)*	12.50	8.53

* Holding all other variables constant

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency denominated borrowings, creditors and debtors. This foreign currency risk is covered by using foreign exchange forward contracts.

Since the Group has both imports as well as exports (exports are more than imports) the currency fluctuation risk is largely mitigated by matching the export inflows with import outflows. Surplus exports are hedged using simple forward exchange contracts depending on the market conditions.

The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could

(41) Financial risk management *(Contd.)*

affect the profit or loss or other comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Group as disclosed under the section on "Derivative financial instruments."

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:-

(₹ in lakh)

Particulars	Year ended 31 March 2018		Year ended 31 March 2017		As at 1 April 2016	
	USD	Euro	USD	Euro	USD	Euro
Trade receivables	9,320.64	1,085.36	8,828.55	3,658.04	8,758.26	-
Trade payables	12,806.32	-	4,513.96	-	12,042.25	-
Foreign currency borrowings	1,603.79	-	6,003.67	-	12,205.25	-
Net exposure	**(5,089.47)**	**1,085.36**	(1,689.08)	3,658.04	(15,489.24)	-

Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have no material impact on profit.

(v) Derivative financial instruments and risk management

The Group has entered into variety of foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Group's risk management policies and procedures.

The Group also enters into interest rate swaps/agreements mainly to manage exposure on its variable rate debt. The Group uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

The Group uses forward exchange contracts to hedge its exposures in foreign currency arising from firm commitments and highly probable forcast transactions. Forward exchange contracts,designated under hedging, that were outstanding on respective reporting dates,expressed in INR :

(₹ in lakh)

Currency	Gross Currency	Year ended 31 March 2018		Year ended 31 March 2017		As at 1 April 2016	
		Buy	Sell	Buy	Sell	Buy	Sell
US Dollar	INR	-	5,555.56	1,519.17	-	4,934.56	-
Euro	INR	-	1,082.91	-	8,136.59	-	-

The aforesaid hedges have a maturity of less than 1 year from the year end.

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk on receivables is limited as almost all credit sales are against letters of credit.

i) Financial instruments and deposits

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for the Group's mutual fund investments.

With respect to the Group's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. Taking into account the experience of the Group over time, the counter party risk attached to such assets is considered to be insignificant.

Notes to Consolidated financial statements for the year ended 31 March 2018

(41) Financial risk management *(Contd.)*

None of the Group's cash and cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31 March 2018, that defaults in payment obligations will occur.

ii) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of Balance Sheet date is given below. The age analysis have been considered from the due date:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Neither past due nor impaired	15,661.26	17,511.15	9,536.59
Past due but not impaired			
Due less than 6 months *	8,290.47	4,716.19	6,536.90
Due between 6–12 months	64.73	77.89	3,169.62
Due greater than 12 months	356.05	215.88	626.04
Total	**24,372.51**	22,521.11	19,869.15

* This includes debtors overdue for less than 3 months amounting to ₹8,283.54 lakh as at 31 March 2018.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Group based on past experiences does not expect any material loss on its receivables and hence no allowance is deemed necessary on account of Expected Credit Loss.

The credit quality of the Group's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Group uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

(c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Group maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flow projections and level of liquid assets necessary to meet these on a regular basis.

(41) Financial risk management *(Contd.)*

(i) Financing arrangements

The Group had access to the following undrawn funding facilities at the end of the reporting period:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Expiring within one year (bank overdraft and other facilities)	7,850.00	7,294.00	5,170.00
	7,850.00	7,294.00	5,170.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities in INR may be drawn at any time.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the financial position. The maturity profile of the Group's financial liabilities based on the remaining period from the date of Balance Sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 31 March 2018					
Borrowings *	4,144.37	78.57	123.16	712.83	5,058.93
Derivative financial liabilities	34.19	-	-	-	34.19
Trade payables	14,728.49	-	-	-	14,728.49
Other financial liabilities **	2,930.48	-	-	-	2,930.48
Total	**21,837.53**	**78.57**	**123.16**	**712.83**	**22,752.09**

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 31 March 2017					
Borrowings	7,753.12	78.57	123.16	753.88	8,708.73
Derivative financial liabilities	-	-	-	-	-
Trade payables	6,907.85	-	-	-	6,907.85
Other financial liabilities **	3,363.38	-	-	-	3,363.38
Total	18,024.35	78.57	123.16	753.88	18,979.96

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 1 April 2016					
Borrowings	14,044.94	78.57	123.16	794.93	15,041.60
Derivative financial liabilities	-	-	-	-	-
Trade payables	14,590.97	-	-	-	14,590.97
Other financial liabilities **	2,831.20	-	-	-	2,831.20
Total	31,467.11	78.57	123.16	794.93	32,463.77

* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings and committed interest payments including finance lease obligations.

** Includes other non-current and current financial liabilities but excludes current maturities of non-current borrowings and derivatives and committed interest payments on borrowings.

Notes to Consolidated financial statements for the year ended 31 March 2018

(42) Capital management

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Group is not subject to any externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares .

The gearing ratio at the end of the reporting period was as follows: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Long-term borrowings	366.83	1,969.29	8,539.46
Short-term borrowings and current maturities of long-term borrowings	4,107.39	6,114.75	5,775.07
Total borrowings (a)	4,474.22	8,084.04	14,314.53
Less:			
Cash and cash equivalents (Refer note 11)	3,160.67	7,607.61	3,537.47
Other bank balances (Refer note 12)	44.44	29.24	33.66
Current investments (Refer note 9)	33,516.71	6,214.34	4,833.76
Total cash (b)	**36,721.82**	13,851.19	8,404.89
Net Debt (c = a-b)	(32,247.60)	(5,767.15)	5,909.64
Total Equity (as per Balance Sheet) (d)	86,838.02	58,570.51	40,737.75
Total capital (e = c + d)	**54,590.42**	52,803.36	46,647.39
Gearing Ratio (c/e)	**(0.59)**	(0.11)	0.13

(b) Dividends paid and proposed (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Final dividend (including DDT) paid for the year ended 31 March 2017 of ₹2.50 (1 April 2016 – Nil) per fully paid share	875.95	-
(ii) Dividends not recognised at the end of the reporting period		
The Board of directors have recommended dividend of ₹3.00 (PY: ₹2.50) per fully paid up equity shares of ₹10 each. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	873.35	727.79
Dividend distribution tax (DDT) on above	179.52	148.16

(43) Disclosures on financial instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of Financial Instruments (₹ in lakh)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and cash equivalents	11	5,686.43	7,607.61	3,537.47
ii) Other bank balances	12	53.17	1,457.49	1,878.59
iii) Trade receivables	10	24,372.51	22,521.11	19,869.15
iv) Other financial assets	6 & 14	3,148.44	3,144.73	2,275.75
Sub-Total		33,260.55	34,730.94	27,560.96
b) Measured at Fair Value through OCI (FVOCI)				
i) Investment in quoted equity shares	5	743.36	756.65	-
ii) Investment in unquoted equity shares	5	0.15	0.15	0.15
Sub-Total		743.51	756.80	0.15
c) Measured at Fair Value through Profit and Loss (FVTPL)				
i) Investment in mutual fund	10	33,516.71	6,214.34	4,833.76
Sub-Total		33,516.71	6,214.34	4,833.76
Total Financial Assets		67,520.77	41,702.08	32,394.87
Financial Liabilities				
a) Measured at Amortised Cost				
i) Borrowings	18, 22 & 24	4,474.22	8,084.04	14,314.53
ii) Trade payables	26	14,728.49	6,907.85	14,590.97
iii) Other financial liabilities	24	2,931.89	3,367.46	2,900.01
Sub-Total		22,134.60	18,359.35	31,805.51
b) Derivatives measured at Fair Value				
i) Derivative instruments designated as hedging instruments	24	34.19	-	-
Sub-Total		34.19	-	-
Total Financial Liabilities		22,168.79	18,359.35	31,805.51

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Notes to Consolidated financial statements for the year ended 31 March 2018

(43) Disclosures on financial instruments *(Contd.)*

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of all assets and liabilities
- the fair value of the financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Year ended 31 March 2018		Year ended 31 March 2017		As at 1 April 2016	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Investment in equity instruments	743.36	0.15	756.65	0.15	-	0.15
Total financial assets	**743.36**	**0.15**	756.65	0.15	-	0.15

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Year ended 31 March 2018		Year ended 31 March 2017		As at 1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Borrowings	4,474.22	4,474.22	8,084.04	8,084.04	14,314.53	14,314.53
Total financial liabilities	**4,474.22**	**4,474.22**	8,084.04	8,084.04	14,314.53	14,314.53

(v) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

(44) Contingent liabilities and commitments

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

(44) Contingent liabilities and commitments *(Contd.)*

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flow.

(a) Contingent Liabilities: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Claims against the Group/ disputed liabilities not acknowledged as debt			
- Excise duty and service tax demand	171.64	407.48	559.12
b) Letters of credit issued by banks and outstanding	3,241.78	4,498.87	7,044.21
c) Bank Guarantees issued by banks and outstanding	2,303.32	2,886.12	2,492.17
d) Bill discounted backed by LC's	534.41	140.06	593.82

The amounts shown above represent the possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Group or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Group does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.

(b) Commitments: (₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Estimated amount of Contracts remaining to be executed to Capital Account	13.52	9.99	51.93

(45) Segment reporting

The Group is primarily in the business of manufacturing of "Ferro Alloys". Revenue from other activities is not material. Accordingly, there are no reportable business segments as per Ind AS 108.Additional information:

45.1 Geographical information (₹ in lakh)

1. Revenue from external customers	Year ended 31 March 2018	Year ended 31 March 2017
- Within India	78,243.92	69,067.01
- Outside India	1,02,058.61	67,394.33
Total	1,80,302.53	1,36,461.34
2. Non-current assets	**As at 31 March 2018**	**As at 31 March 2017**
- Within India	24,148.08	24,583.77
- Outside India	-	-
Total	24,148.08	24,583.77

45.2 For productwise information refer note 28.

45.3 The Group is not reliant on revenue form transactions with any single external customer.

Notes to Consolidated financial statements for the year ended 31 March 2018

(46) Business Combination

Summary of acquisition

On 14 November 2017 the parent entity acquired 40,000, ie.,100% of the issued share capital of Salanpur Sinters Private Limited. On 31 March 2018 Salanpur Sinters Private Limited issued 60,00,000 fresh shares, which was wholly acquired by the parent entity

46.1 Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in lakh)

Purchase consideration	Amount
Cash paid for acquisition of 40,000 shares	2.84

46.2 Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in lakh)

Particulars	Amount
Cash and cash equivalent	2.80
Other assets	0.09
Liabilities	(0.05)
Net identifiable assets acquired	**2.84**

46.3 Calculation of goodwill/capital reserve

(₹ in lakh)

Particulars	Amount
Consideration transferred	2.84
less :Net identifiable asset acquired	2.84
Goodwill/Capital reserve	-

46.4 On 31 March 2017, the parent entity acquired a further 30% of the issued share capital of Anjaney Minerals Limited increasing its ownership interest to 100%. Cash consideration of ₹292.38 lakh was paid to the non-controlling shareholders. The carrying value of the additional interest acquired at the date of acquisition was ₹292.38 lakh. Following is a schedule of additional interest acquired in Anjaney Minerals Limited:

(₹ in lakh)

Particulars	Amount
Cash consideration	292.38
Less: carrying value of the additional interest	292.38
Difference recognised in capital reserve/ goodwill	-

(47) Interest in other entities

a) The subsidiaries considered in preparation of these consolidated financial statements are:

(₹ in lakh)

Name of the Enterprise	Principal activities	Proportion of ownership interest			Country of Incorporation
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
Anjaney Minerals Limited	Manufacturing and trading of metals and/or minerals	100%	100%	70%	India
Salanpur Sinters Private Limited	Processing of powder and lump	100%	-	-	India
AXL Exploration Private Limited	Manufacturing and trading of metals and/or minerals	75%	75%	75%	India

(47) Interest in other entities *(Contd.)*

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Particulars	Net Assets (total assets minus total liabilities)		Share in profit or loss		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
	2017-18		2017-18		2017-18		2017-18	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)	As % of consolidated OCI	Amount (₹)	As % of consolidated TCI	Amount (₹)
Parent								
Maithan Alloys Limited*	98.23%	85,297.49	99.98%	29,174.64	100.00%	(36.65)	99.98%	29,137.99
Subsidiaries								
AXL Explorations Pvt. Ltd. *	0.19%	166.37	-0.01%	(3.57)	0.00%	-	-0.01%	(3.57)
Anjaney Minerals Limited	0.83%	722.18	0.06%	16.55	0.00%	-	0.06%	16.55
Salanpur Sinters Pvt. Ltd.	0.69%	596.54	-0.02%	(6.30)	0.00%		-0.02%	(6.30)
Non-Controlling Interest	0.06%	55.46	0.00%	(1.21)	0.00%	-	0.00%	(1.21)
Total	100.00%	86,838.04	100.00%	29,180.11	100.00%	(36.65)	100.00%	29,143.47

The above figures are before inter-company eliminations.

(48) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
First charge			
Current			
Trade receivables	24,372.51	22,521.11	19,869.15
Inventories	24,818.77	18,657.28	15,079.30
	49,191.28	41,178.39	34,948.45
Non-Current			
Property, plant and equipment	23,331.72	23,748.27	26,202.61
	23,331.72	23,748.27	26,202.61
Total assets pledged as security	**72,523.00**	64,926.66	61,151.06

Notes to Consolidated financial statements for the year ended 31 March 2018

(49) Related party disclosures

a) Name of the related parties and description of relationship:

I Key Managerial Personnel

1 Mr. S. C. Agarwalla — Chairman and Managing Director

2 Mr. Subodh Agarwalla — Whole-time Director and Chief Executive Officer

3 Mr. Parasanta Chattopadyay — Non-Executive Director

II Relatives of Key Managerial Personnel

1 Mr. Sudhanshu Agarwalla

III Enterprises over which Key Managerial Personnel are able to exercise significant influence

1 Maithan Smelters Pvt. Ltd.

2 BMA Foundation

b) Transactions during the year with related parties (₹ in lakh)

Gross Currency	Enterprises influenced by KMP		Key Management Personnel and their relatives	
	2017-18	2016-17	2017-18	2016-17
1. Services received				
Mr. Sudhanshu Agarwalla	-	-	571.09	381.70
2. Remuneration paid				
Mr. S. C. Agarwalla	-	-	1,077.64	607.10
Mr. Subodh Agarwalla	-	-	862.11	467.63
3. Sitting fees				
Mr. Parasanta Chattopadyay	-	-	0.40	0.30
4. Purchase of shares				
Mr. Subodh Agarwalla	-	-	1.41	-
Mr. Sudhanshu Agarwalla	-	-	1.41	-
5. CSR Expenses				
BMA Foundation	6.00	-	-	-
6. Loans / Advances given				
Mr. Subodh Agarwalla	-	-	12.14	-
BMA Foundation	70.70	-	-	-
7. Reimbursement of expenses				
Maithan Smelters Pvt. Ltd.	-	634.48	-	-

b) Balances outstanding with related parties (₹ in lakh)

Particulars	Enterprises influenced by KMP			Key Management Personnel and their relatives		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1. Rent receivable						
Maithan Smelters Pvt. Ltd.	-	0.17	-	-	-	-

(49) Related party disclosures *(Contd.)*

b) Balances outstanding with related parties *(Contd.)* (₹ in lakh)

Particulars	Enterprises influenced by KMP			Key Management Personnel and their relatives		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
2. Remuneration payable						
Mr. S. C. Agarwalla	-	-	-	189.81	186.35	122.16
Mr. Subodh Agarwalla	-	-	-	151.45	139.76	90.82
3. Other payables						
Mr. Sudhanshu Agarwalla	-	-	-	68.87	78.32	-
4. Other receivables						
BMA Foundation	70.70	-	-	-	-	-

d) Compensation to key management personnel (₹ in lakh)

Particulars	31 March 2018	31 March 2017
Short term employee benefits	1,940.15	1,075.03
Post employment benefits*	-	-
Other Long Term Benefits*	-	-
	1,940.15	1,075.03

* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the Group as a whole and hence segregation is not available.

(50) First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The Group has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1 April 2017, with a transition date of 1 April 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31 March 2018 for the Group, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Group has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions Availed

a) **Deemed cost- Property, plant and equipment and intangible assets**

The Group has opted for paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and intangible assets as recognised in the financial statements as deemed cost as at the date of transition to Ind AS.

Notes to Consolidated financial statements for the year ended 31 March 2018

(50) First time adoption of Ind AS *(Contd.)*

b) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operation lease at the date of transition to Ind AS on the basis of the fact and circumstances existing as at that date.

c) Long - term foreign currency monetary items

Ind AS 101 allows a first time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before beginning of the first Ind AS financial reporting period as per the previous GAAP.

d) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its quoted equity investment.

e) Business combination

Ind AS 103 'Business Combination' has not been applied retrospectively to business combinations that occured prior to 1 April 2016. Use of this exemption means that in the opening Balance Sheet, goodwill and other assets and liabilities acquired in previous combinations remain at the previous GAAP carrying values.

B. Applicable Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

(b) Classification of financial assets

As required under Ind AS 101 the Group has assessed the classification of financial assets on the basis of the facts that exist at the date of transition to Ind AS.

(c) De-recognition of financial assets and liabilities

Ind AS 109 requires an entity to derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset as and when the transfer qualifies for derecognition. Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition.

(d) Non-controlling interest

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively

(50) First time adoption of Ind AS *(Contd.)*

C. Transition to Ind AS - Reconciliations

(I) Reconciliation of total equity as reported in previous GAAP and Ind AS (31 March 2017) (₹ in lakh)

Particulars	Notes	Amount
Total equity under previous GAAP		58,508.90
Ind AS adjustments:		
Fair valuation of mutual funds	4	87.94
Fair valuation of equity shares - equity instruments through OCI	4	168.21
Recognition of finance lease obligation	2	(154.66)
Deferred tax on above items	6	(39.88)
Total Ind AS adjustment to equity		61.61
Total equity under Ind AS		58,570.51

(II) Reconciliation of total equity as reported in previous GAAP and Ind AS (1 April 2016) (₹ in lakh)

Particulars	Notes	Amount
Total equity under previous GAAP		39,663.55
Ind AS adjustments:		
Fair valuation of mutual funds	4	1,261.31
Deferred tax on fair valuation of mutual fund	6	(37.72)
Recognition of finance lease obligation	2	(149.39)
Total Ind AS adjustment to equity		1,074.20
Total equity under Ind AS		40,737.75

(III) Reconciliation of total comprehensive income as at 31 March 2017 (₹ in lakh)

Particulars	Notes	Amount
Profit after tax as per previous GAAP		19,137.72
Ind AS adjustments:		
Interest on finance lease obligation	2	(35.88)
Lease rent	2	39.28
Amortisation of leasehold land	2	(8.66)
Profit on sale of investments	4	(1,439.85)
Fair value of investments	4	229.88
Remeasurement of post employee benefit obligations	5	5.48
Tax effect on adjustments	6	32.54
		(1,177.21)
Profit after tax as per Ind AS		17,960.51
Other comprehensive income (net of tax)		164.63
Total comprehensive income as per Ind AS		**18,125.14**

Notes to Consolidated financial statements for the year ended 31 March 2018

(50) First time adoption of Ind AS *(Contd.)*

Notes to Ind As Adjustments:

1 Excise duty

Under Indian GAAP, sale of goods was presented as net of excise duty. However,under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is presented separately on the face of the Statement of Profit and Loss. Thus sale of goods under Ind AS has increased by ₹6,172.98 lakh for FY 2016-17 and simultaneously increase in expenses.

2 Finance lease

The Group has considered fair value of leasehold land and land development in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

3 Government grant

According to Ind AS 20, "Government Grant", grant received for purchase of property, plant and equipment is to be recognised as deferred income under non current liabilities and to be credited to Statement of Profit and Loss over the remaining expected life of the related asset. The Group had received ₹103.55 lakh as government grant during FY 2016-17 and the same was added to property, plant and equipment and credited to deferred government grant.

4 Fair valuation of investments

"As required under Ind AS 32, investments are measured at fair value.

Equity investments have been designated as fair value through OCI. Accordingly, the fair value changes with respect to such investments have been recognised in OCI – 'Equity investments at FVOCI' and subsequently in other comprehensive income for the year ended 31 March 2017.

Other investments have been measured through profit or loss, fair value change is recognised in profit or loss."

5 Employee benefit obligation

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to profit or loss under the previous GAAP.

6 Deferred tax

The various transitional adjustments lead to different temporary differences. Deferred tax adjustments are recognised in relation to the underlying transactions either in retained earnings or a separate component of equity.

7 Cash flow statement

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2017 as compared with the previous GAAP.

(51) The previous year figures are reclassified where considered necessary to confirm to this year's classification

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M Choudhury & Co.**
Chartered Accountants
FRN.: 302186E

D. Choudhury
Partner
Membership No.: 052066

Place: Kolkata
Date: 30 April 2018

For and on behalf of the Board of Directors

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lakh)

1. Sl. No.	01	02	03
2. Name of the subsidiary	Anjaney Minerals Limited	AXL-Exploration Private Limited	Salanpur Sinters Private Limited
3. The date since when subsidiary was acquired	22 October 2008	16 March 2004	28 November 2017
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees
6. Share capital	1,100.00	323.50	604.00
7. Reserves & surplus	-377.82	-101.68	-7.46
8. Total assets	728.51	317.05	596.67
9. Total liabilities	6.34	95.22	0.13
10. Investments	224.17	Nil	Nil
11. Turnover	Nil	Nil	Nil
12. Profit before taxation	19.18	-4.78	-6.29
13. Provision for taxation	2.63	Nil	Nil
14. Profit after taxation	16.55	-4.78	-6.29
15. Proposed dividend	Nil	Nil	Nil
16. Extent of shareholding in percentage	100%	75%	100%

Notes:

1. Anjaney Minerals Limited has acquired some mining lands and has applied for mining licences which are in process and is yet to commence its operations.
2. AXL-Exploration Private Limited has made an application to the government authorities for renewal of its mining lease and necessary approval thereon is awaited. The Company has not undertaken activity pending renewal of mining lease.
3. Salanpur Sinters Private Limited is engaged in dealing and trading of metal and/or minerals.
4. None of the subsidiary(ies) have been liquidated or sold during the year 2017-18.

Part "B": Associates and Joint Ventures

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

The Company do not have any associate company or joint ventures.

For and on behalf of the Board of Directors

For **M Choudhury & Co.**
Chartered Accountants
FRN.: 302186E

S. C. Agarwalla
Chairman & Managing Director
DIN: 00088384

Subodh Agarwalla
Whole-time Director & CEO
DIN: 00339855

D. Choudhury
Partner
Membership No.: 052066

Sudhanshu Agarwalla
President & CFO

Rajesh K. Shah
Company Secretary

Place: Kolkata
Date: 30 April 2018

CORPORATE INFORMATION

Chairman and Managing Director
Mr. S. C. Agarwalla

Whole-time Director and CEO
Mr. Subodh Agarwalla

Directors
Mr. Nand Kishore Agarwal
Mr. Biswajit Choudhuri
Mr. Ashok Bhandari
Mr. Vikash Kumar Jewrajka
Mr. P. K. Venkatramani
Mrs. Kalpana Biswas Kundu
Mr. Parasanta Chattopadyay

President & CFO
Mr. Sudhanshu Agarwalla

Company Secretary
Mr. Rajesh K. Shah

Corporate Identification Number
L27101WB1985PLC039503

Auditors
M Choudhury & Co,
Chartered Accountants

Registered Office
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Kolkata - 700 017

Works
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Ri-Bhoi (Meghalaya)
Visakhapatnam (Andhra Pradesh)
Jaisalmer (Rajasthan)
Sangli (Maharashtra)

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Citibank N.A.
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