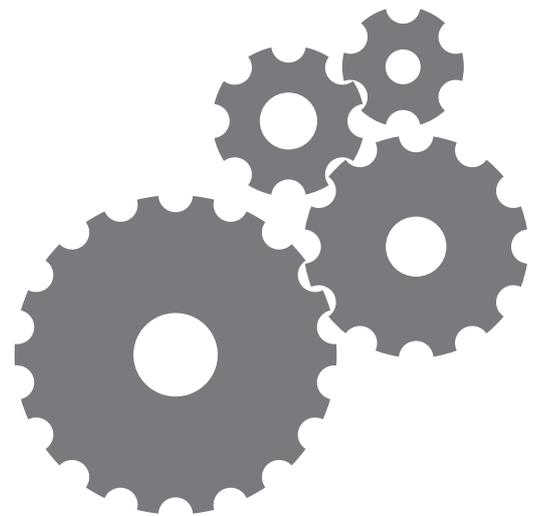




ADHUNIK METALIKS LIMITED



ANNUAL
REPORT
2015-16



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CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|----------------------------|--------------------------|
| Shri Ghanshyam Das Agarwal | - Non-executive Chairman |
| Shri Jugal Kishore Agarwal | - Non-executive Director |
| Shri Nirmal Kumar Agarwal | - Managing Director |
| Shri Mohan Lal Agarwal | - Non-executive Director |
| Shri Mahesh Kumar Agarwal | - Non-executive Director |
| Shri Nihar Ranjan Hota | - Independent Director |
| Dr. Ramgopal Agarwala | - Independent Director |
| Shri Nandanandan Mishra | - Independent Director |
| *Shri Raghaw Sharan Pandey | - Independent Director |
| Shri Gopal Dikshit | - Independent Director |
| Shri Amrendra Prasad Verma | - Independent Director |
| **Shri Manoj Kumar Agarwal | - Managing Director |
| Smt. Uttara Dasgupta | - Nominee Director |

COMPANY SECRETARY

Shri Sanjay Dey

STATUTORY AUDITORS

Das & Prasad
Chartered Accountants

COST AUDITORS

SB & Associates
Cost Accountants

BANKERS

Allahabad Bank
Bank of Baroda
Bank of Maharashtra
Corporation Bank
HDFC Bank
ICICI Bank
IFCI Ltd.
Indian Overseas Bank
Punjab National Bank
Punjab & Sind Bank
State Bank of Bikaner & Jaipur
State Bank of India
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
SREI Infrastructure Finance Ltd.
UCO Bank
Union Bank of India

*(Resigned w.e.f. 16-02-2016)

***(Resigned w.e.f. 14-11-2015)

REGISTERED OFFICE

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P.O. Kuarmunda
Sundergarh
Odisha-770039
Phone: (0661)3051300
Fascimile: (0661)3051303

CORPORATE OFFICE

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2/1A Sarat Bose Road
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Fax: (033) 22890285 / 30517225
e-mail: info@adhunikgroup.com
www.adhunikgroup.com

WEBSITE

www.adhunikgroup.com

REGISTRAR & TRANSFER AGENT

M/s. Karvy Computershare Pvt. Ltd.
Karvy Selenium, Tower B
Plot No. 31 & 32, Financial District
Nanakramguda, Gachibowli
Hyderabad - 500032
Tel No. 91-40-67162222
Facsimile: 91-40-2342-8014
E-mail id: einward.ris@karvy.com



MANAGEMENT DISCUSSION & ANALYSIS

ADHUNIK METALIKS – AN OVERVIEW

Your Company operates in a specialised segment of steel industry, producing, special alloy steel, ferro alloys, iron billets and rolled products at its manufacturing facility at Odisha. Though integrated with iron ore and manganese ore mines and a 1.6 MMTPA pellet making facility set up under its wholly owned subsidiary, Orissa Manganese & Minerals Limited, the fortune of your industry are dependent upon the growth and fall of iron & steel segment of the economy. During the year under review, the iron & steel industry has been plagued with several challenges relating to negative growth, issues with the mining sector and uncontrolled imports from countries with surplus capacities. Though a preferred supplier to many major industrial houses, your Company's performance has been marred due to the sharp decline in the performance of important customers of the Company.

GLOBAL ECONOMIC OUTLOOK

Global economic recovery has been slow generally, with several economies facing different geographic challenges. China's act of rebalancing and general slowdown in growth has had a spill over effect into other economies, especially in the steel sector. Overcapacity in China and subsequent dumping of steel products into the world market has marred local growth prospects. Emerging markets and developing economies, which contributes to 70% of world growth, has lagged behind and have experienced negative growth for the 3 years. Economies dependent on commodities have taken a severe beating due to weak commodity prices. While some resistance has been shown in the path of decline by economies like USA, however countries like Brazil and most resource intensive countries in the African continent has had sharp growth decline due to low commodity prices. The impact in Euro Zone is yet to fully bare itself post Britain's exit.

INDIAN ECONOMY

The year 2015-16 was no different from the preceding year as the slowdown in the global economy continued in most of the regions. Although, there was marginal improvement in GDP growth rate in India from 7.3% in 2014-15 to 7.6% in 2015-16, the iron and steel industry in India and world over showed no signs of any improvement. On the demand side, the foundry industry, except some segments of the automobile sector, remained subdued due to low construction activities and delay in implementation of projects on ground. According to the data, the growth in manufacturing and farm sectors during the fourth quarter accelerated to 9.3% and 2.3%, respectively. The policy initiatives of the government, low interest rates, declining fiscal deficit and moderating inflation have helped the Indian economy stay on a sustainable growth path. The growth rate is expected to touch 8% in FY 2016-17. India's long-term growth potential continues to be strong with focus on faster infrastructure creation, improving manufacturing and farm output, expanding services sector,

increasing urbanisation; and stronger regulatory framework for banking and financial services.

GLOBAL STEEL DEMAND IN 2015

Global steel demand expanded by a mere 0.6% to 1.537 billion tonnes, primarily due to contraction of demand in emerging economies like China, Brazil, Russia and Turkey. Chinese demand fell by 3.3% in the year to 710.8 million tonnes, with the outlook for 2015 and 2016 showing signs of reducing further by 0-5% year-on-year (yoy). Developed nations like USA, Germany, South Korea and Japan continued to show growth support during the year. The global steel demand for 2015 and 2016 is forecasted to grow by 0.5% and 1.6% respectively to a level of 1.544 and 1.565 billion tonnes.

STEEL INDUSTRY IN INDIA

The Indian steel industry is largely iron-based through the blast furnace (BF) or the direct reduced iron (DRI) route. Indian steel industry is highly consolidated. About 60% of the crude steel capacity is resident with integrated steel producers (ISP). But the changing ratio of hot metal to crude steel production indicates the increasing presence of secondary steel producers (non integrated steel producers) manufacturing steel through scrap route, enhancing their dependence on imported raw material

India continues to hold its position as the 3rd largest steel making nation in the World in the current calendar year. During FY 15, domestic crude steel production was 88.1 MT, registering a growth of around 7.9% over the previous year. Further, finished steel production registered a growth of 3.3% in FY15. Due to adverse Global conditions, there has been a large inflow of imports, which surged by more than 70% while overall domestic consumption registered a growth of 3.1% only. In case of carbon steel, the consumption growth remained almost flat at 0.5%. This has also manifested in a series of price cuts for the domestic steel industry during the year, leading to a squeeze on margins earned by steel producers.

Steel prices are now increasingly aligning to global export prices as markets strike a balance between imports and domestic demand. China's waning demand and resultant rise in exports poses a risk to leveraging improving domestic demand in South Asia and Europe. Further, movement of currencies against USD would also have a significant impact on the movement of global steel and raw material prices.

OUTLOOK

The Indian economy is on a path of gradual recovery. The government has undertaken several steps to unplug the bottlenecks and to revive the business confidence. The Indian economy stands to benefit from the correction in global crude oil prices, will have positive impact on the macro economy in form of



MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

lower inflation, reduced current account deficit, healthier fiscal accounts, increased consumption and a stable INR.

India is expected to be Asia's biggest turnaround economy and also one of the fastest growing economies in 2016. However, India has its own set of challenges with tepid activity in the infrastructure and manufacturing sectors. Assuming a further moderation in the average annual price of crude petroleum and other products, the current account deficit is expected to decrease further. Though it may take time to see the full benefits of policy changes in India, declining inflation, improved current account balance and stable-to-improving fiscal deficit provide a better picture than previous years. India's growth, relative to the world's growth, is expected to move upward. Infrastructure development, increased urbanisation and revival in the manufacturing sector is expected to provide necessary triggers for acceleration in steel demand. In 2015-16, steel demand is expected to grow by 6% to 7%. However, a much sharper than expected increase in inflation and higher than budgeted fiscal consolidation are the key downside risks to the outlook, highlights World Steel Association.

RISK OPPORTUNITIES AND THREATS

The steel sector is intrinsically linked with the economic growth of a nation. High economic growth in India in the last 10 years has led to an increase in demand for steel and moved the Indian steel industry into a new stage of growth and development. An increase in production has resulted in India becoming the 4th largest producer of crude steel and the largest producer of sponge iron/DRI in the world. Per capita steel consumption also improved from 35 kgs in 2005 to 59 kgs in 2014. However, it is still significantly below world and developed economies averages of 217 Kg/capita and 395 Kg/capita respectively and thus presents a large opportunity for the Indian steel sector.

The projected increase in demand by sectors like construction and infrastructure, automobiles and railways are expected to contribute to this demand. At the same time, in the current depressed global environment, Indian steel industry faces many headwinds. Globally, the steel industry is affected by significant oversupply. Sharp currency depreciation of some of the steel exporting countries has further compounded the problem. The major risk facing the Indian steel industry is uncorrelated steel prices with the indigenous raw material prices. Thermal coal and Iron ore prices are still high in India compared to global prices. The dynamics of global and Indian steel have changed and its long term sustainability of operations would be dependent on competitive raw material prices and sustainable debt levels in the Company. In the above context of challenges facing the industry, Adhunik has put in place several building blocks to enhance operating efficiency, optimize costs, shift to better product mix for higher value addition with a clear focus on quality improvement, expand its dealer network for deeper market penetration, in order to capitalise on the long-term opportunities as well as mitigate short-term challenges. Its long-

term strategy includes globally competitive operations, cost competitiveness and sustained operational excellence.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial information discussed in this section is derived from the Company's Audited Standalone Financial Statements.

Revenues (net of excise duty) were ₹ 467.18 Crores in Fiscal 2016, as compared to ₹ 598.11 Crores in Fiscal 2015. The reasons for the muted performance have been the outcome of several external industry factors affecting iron & steel industry at large. The Company operated its manufacturing units at 50.6% of its installed capacity; however capacity ramp up could not be achieved due to poor market condition. The Company continued to make all efforts to control costs which are reflected through reduced employee cost and other costs however the Company incurred a pre tax loss of ₹ 368.69 Crores.

RAW MATERIAL PRICES

IRON ORE

Iron Ore price trends continued to be at volatile levels both domestically as well as internationally. Prices crashed at the international levels due to overcapacity and excess supply by major mining companies. The same was further affected due to subdued consumption by major consumers like China.

In contrast to the oversupply in the global market, India witnessed a supply crisis. The closure of 26 mines in Odisha, and defunct mining operations in Karnataka and Goa flushed out a significant quantum of supply from the Indian market, creating a dearth of domestic iron ore. This eventually led to increased prices and high imports to India. Increase in the royalty rates for iron ore from 10% to 15% on sale price ad valorem basis acted as a catalyst in increasing the cost of production for steel and pellet makers.

COKING COAL & COKE

Global Coking Coal prices have receded due to lower consumption by China due to its slowing economy. Also, a slowing Chinese economy has resulted in lower demand for Coke which manifested in lower Coke prices. Going forward, it is yet to be seen whether current levels of Coking Coal & Coke prices are sustainable in the long run. This has also had an impact on the Company, leading to closure of the coke oven batteries set up at the manufacturing facilities at Odisha. Capital cost expended on setting up of such facilities remained a drag on profitable operations of the Company during the entire term under review.

RAW MATERIALS MANAGEMENT

The Company, during the period under review continued to procure its major raw materials, iron ore and manganese ore from mines located within a radius of 200 Km from the manufacturing facility. This strategy has helped in maintaining working capital cycle time



MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

as also minimising delays in the supply logistics.

Coal is being procured through linkages and from overseas sources through established procurement standards and contracts. Company's proposed merger with OMML would further reduce cost due to elimination of taxes.

MINING

Post-merger with OMML, mining of iron ore and manganese ore would be an integral part of business of your Company.

ENVIRONMENT

WATER & WASTE WATER MANAGEMENT SYSTEM

A number of initiatives have been taken in the realms of wastewater recycling and reuse by the Company for achieving the aim of zero discharge. In the captive power plant, DRI, blast furnace, steel melting and the rolling mill, the blow down from the closed loop soft water circuits is utilised for the makeup of the industrial cooling circuits. Any excess blow down water generated after the above uses, along with the storm water drainage and the plant drainage is routed to a settling pond, where the suspended solids get settled in a series of chambers and the clear water is used for ore washing and dust suppression systems and the development of green belts. The remaining water from the settling pond is routed back to the raw water reservoir for reuse.

AIR POLLUTION CONTROL MEASURES:

DRI hot gas is utilised in the waste heat recovery boilers to generate power. Provision of high-efficiency bag houses electrostatic precipitators in captive power plant to maintain the emission levels. Latest technology is used to control the dusty fumes from SMS (EAF/LRF) including primary and secondary de-dusting technology and Sulphur dioxide emission is controlled by dilution/dispersion process. Sprinklers are regularly used to control and minimise the fugitive emission. All kilns, MBF and other furnaces are also lined with high temperature resistant refractories to control heat loss and protect the personnel from thermal pollution.

CORPORATE SOCIAL RESPONSIBILITY

As a measure of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) has now allowed the service

of documents to all Members through electronic mode. As a measure to support such initiative, the Company would endeavour to send all its communications through electronic mode. The Company requests all its Members to be a part of this initiative and come forward and register their e-mail addresses so that all communications can flow with minimum footprint on the environment.

As a part of our social engagement around our plant locations, dedicated CSR teams continue to work tirelessly for upliftment of society and enhance the lives of each individual through education, medical camps, vocational training and employment.

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

People are the primary drivers of operation at the Company. We endeavour to empower our people and reinforce long term value system. During the year under review, no reportable incidents occurred and the management continues to enjoy the patronage of its employees across locations. In spite of severe stress faced by the Company, employees of the Company endeavoured to capability building and cultural integration. Various in house training programs were held by the HR department and technical staff to enhance and augment skills.

The Company undertakes regular appraisals wherein performers are recognised every month. Your Company has implemented an ESOP scheme for the senior management thereby strengthening the bond between the Company and its decision makers

CAUTION STATEMENT

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry - global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations, labour relations and interest costs.



DIRECTORS' REPORT

To the Members of **Adhunik Metaliks Limited**

Your Directors are pleased to present the Fifteenth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2016.

(₹ in Lacs)

| Particulars | Standalone Results | | Consolidated Results | |
|--|--------------------|--------------------|----------------------|--------------------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| | (9 Months) | (12 Months) | (9 Months) | (12 Months) |
| Revenue from operations (gross) | 51,748.28 | 64,737.09 | 73,182.72 | 1,21,054.45 |
| Less: Excise duty | 5,030.89 | 4,926.15 | 6,398.98 | 10,224.54 |
| Revenue from operations (net) | 46,717.39 | 59,810.94 | 66,783.74 | 1,10,829.91 |
| Other income | 825.06 | 1,215.73 | 2,624.63 | 1,641.19 |
| Revenue from operations (including other income) | 47,542.45 | 61,026.67 | 69,408.37 | 1,12,471.10 |
| Profit before Interest, Depreciation and Exceptional item | (7,376.57) | (26,811.62) | (5,032.06) | (13,177.08) |
| Less: Finance Cost | 19,343.09 | 24,946.07 | 37,974.42 | 45,289.28 |
| Less: Depreciation | 10,149.71 | 9,743.31 | 14,673.09 | 14,709.77 |
| Profit/(loss) before Exceptional item | (36,869.37) | (61,501.00) | (57,679.57) | (73,176.13) |
| Less : Exceptional items | 5,113.45 | — | 6,812.43 | — |
| Profit/(loss) before Tax | (41,982.82) | (61,501.00) | (64,492.00) | (73,176.13) |
| Taxes | (13,077.35) | (20,640.74) | (18,112.30) | (24,810.13) |
| Net Profit/(loss) after tax but before minority interest | (28,905.47) | (40,860.26) | (46,379.70) | (48,366.00) |
| Share of profit /(loss) of Minority Interest | — | — | (12.09) | (7.42) |
| Profit/(loss) for the year | (28,905.47) | (40,860.26) | (46,367.61) | (48,358.58) |

OPERATIONAL REVIEW

During the year under review, post implementation of Corporate Debt Restructuring, your management made all efforts to revive operations, however iron & steel sector scenario continued to remain subdued and inspite of improvements in operations, overall profitability could not be established. Total revenue on standalone basis, stood at ₹ 47,542.45 lacs for 9 months period ended 31st March, 2016. The Company has incurred net loss of ₹ 28,905.47 lacs during the period.

DIVIDEND

In view of the losses for the year ended 31st March, 2016 and accumulated losses, the Board of Directors of your Company is constrained not to recommend any dividend for the year under review.

TRANSFER TO RESERVES

In view of losses incurred by the Company during the year, no

amount has been transferred to the General Reserve for the financial year ended 31st March, 2016.

CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

DEPOSITS

Your Company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under. The Company does not hold any deposits from the public, shareholders and employees as on 31st March, 2016.

FINANCE

During the year under review, CDR scheme was implemented by the Lenders of the Company which helped the Company to revive operations. The package implemented by the Lenders included the following:



DIRECTORS' REPORT (CONTINUED)

- a. Reduction of Interest rates and step up in the years to come, for term loans and working capital
- b. Conversion of part of outstanding into Working Capital Term Loan
- c. Repayment period rescheduled to match revenues of the Company with moratorium
- d. Interest funding for initial years, to be repaid subsequently

The CDR package helped the Company to revive operations at its unit at Sundergarh and maintain a capacity utilisation 50.56% during the year under review.

SCHEME OF AMALGAMATION

During Financial year 2013-14, your Directors approved amalgamation of the Company with its wholly owned subsidiary i.e Orissa Manganese & Minerals Limited. The Company has filed the confirmation Petition before the Hon'ble High Court, Cuttack (Odisha) and the same is pending for approval at present. The amalgamation, if approved will be advantageous and beneficial to all stakeholders of your Company. The Hon'ble High Court at Odisha has heard the matter and is yet to pass final orders.

SHARE CAPITAL

The Company's paid up equity share capital remained at ₹ 1,234,995,360 (Rupees One Hundred Twenty Three Crores Forty Nine Lacs Ninety Five Thousand Three Hundred Sixty only) comprising of 12,34,99,536 equity shares of ₹ 10 each. There was no change in the Company's share capital during the year under review.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, subsequent to year end, transferred a sum of ₹ 300,387 to Investor Education and Protection Fund, in compliance with the provisions of Section 124, 125 and other applicable provisions of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956).

The said amount represents dividend for the year 2007-08 which remained unclaimed for a period 7 years from its due date of payment.

SUBSIDIARY

Your company's wholly owned subsidiary namely, Orissa Manganese & Minerals Limited (OMML) operates Ghatkuri Iron ore mines in the state of Jharkhand and Patmunda and Orahuri Manganese Mines in the state of Odisha. OMML operates a iron ore pellet plant at Kandra, Jharkhand and another wholly owned

subsidiary, Global Commodity and Resources Limited based at Hongkong SAR, which was set up to boost the trading activity of the company. During the year under review, the subsidiary has remained inactive due to significant operational difficulties faced by the domestic holding company in India.

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards.

A statement containing the salient features of the financial statement of the Company's subsidiaries in the prescribed form AOC-1 pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed separately to the financial statements. The Annual Accounts of the subsidiary companies will be made available to the shareholders of the aforesaid subsidiaries and the Company as and when they demand and will also be kept for inspection by any investor at the registered office of the Company and these subsidiaries. The Financial statements of the Company and its subsidiaries are also available on the website of the Company.

BOARD MEETINGS

The Board met 3 (three) times during the year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

Further, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and of Non Independent Directors, as required under the Act and the Listing Agreement.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms with the Articles of Association of the Company, Mr. Ghanshyam Agarwal (DIN - 00507800) and Mr. Mohan Lal Agarwal (DIN - 01047906) who retires by rotation and being eligible offers themselves for re-appointment. The Board has recommended their re-appointment.

The Company has received declarations from Mr. Nihar Ranjan Hota (DIN 01173440), Mr. Amrendra Prasad Verma (DIN 00236108), Mr. Nandanandan Mishra (DIN 00031342), Mr. Gopal Dikshit (DIN 00090579) and Mr. Ramgopal Agarwala (DIN 02054856), Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.



DIRECTORS' REPORT (CONTINUED)

Ms. Uttara Dasgupta (DIN 06570950) was appointed as Nominee Director (Nominee of State Bank of India as Lead Lender acting for itself and for the consortium of Lenders, providing financial assistance to the Company) on 28th August, 2015.

DIRECTOR'S AND KEY MANAGERIAL PERSONNEL

Mr. Manoj Agarwal, Managing Director of the Company stepped down from his position with effect from 14th November, 2015 owing to health issues.

Mr. Nirmal Agarwal, Director of the Company, has been appointed as Managing Director of the Company with effect from 14th November, 2015 and subsequently his appointment was approved by the Shareholders of the Company at the fourteenth Annual General Meeting held on 31st March, 2016.

FINANCIAL YEAR

The financial year of the Company is from 1st July, 2015 to 31st March, 2016. In accordance with the requirements of the Companies Act, 2013, the Company has changed its accounting year during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets

of the company and for preventing and detecting fraud and other irregularities;

- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively;
- f) 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.

BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the Listing Agreement. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors.

The Board evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.

AUDIT COMMITTEE

The Audit committee comprises of five (5) members of which four (4) members are independent including Chairman Mr. Nandanandan Mishra is the Chairman of the Audit Committee. The members of the Committee possess adequate knowledge of Accounts, Audit and Finance. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and of Clause 49 of the Listing Agreement and is detailed in the Corporate Governance Report forming part of this Annual Report. All recommendations made by the Audit committee were accepted by the Board during FY 2015-16.

DISCLOSURE REGARDING RECEIPT OF COMMISSION BY DIRECTOR

During the year under review, none of the Directors has received any commission from holding / subsidiary Company.

AUDITORS & AUDITOR'S REPORT

M/s. Das & Prasad, Chartered Accountants, having registration number FRN 303054E allotted by The Institute of Chartered Accountants of India (ICAI) retires as Auditor of your Company at the ensuing Annual General Meeting (AGM) and have confirmed



DIRECTORS' REPORT (CONTINUED)

their eligibility and willingness to accept the office of Auditors, if re-appointed. Pursuant to section 139 of the Companies Act, 2013 and rules framed thereunder, it is proposed to appoint M/s. Das & Prasad, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the 16th AGM to be held for F.Y. 2016-17.

The observations of the Auditors are duly dealt in Notes to Accounts attached to Balance Sheet and are self explanatory in nature and do not call for any further comments except:-

- a) The Management of the Company is reasonably certain that the Company would be having Future Taxable Income and deferred tax assets are only recognized to the extent that their utilization is probable, i.e. tax benefit is expected in future periods and the same is further supported by the Technical & Economical Valuation conducted by Dun & Bradstreet as a part of CDR Implementation.
- b) The company has locked out its plant at Rourkela in the month of February, 2015 owing to adverse business condition. The lock out was declared in accordance with the procedures laid down in the state of Odisha. In the opinion of the management, since the lock out was declared in accordance with lawful procedures, the salary and other statutory liabilities do not accrue during the period of lockout and hence no provision has been made in the books of account of the company.
- c) The observation of the Auditors for the subsidiary company, Orissa Manganese & Minerals Limited has been dealt in Notes to Accounts which are self explanatory and do not require any further elucidation.

INTERNAL AUDITORS

In terms of the provisions of Section 138 of the Act, M/s Sudhir Kumar Jain & Associates, Independent Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2015-16. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter alia, reviews the Internal Audit Report.

COST AUDITORS

In respect of financial year ended 31st March, 2016, your Company has appointed M/s. S.B. & Associates, Cost Accountants, as Cost Auditor of the Company w.e.f. 1st July, 2015 to 31st March, 2016 to carry out audit of cost records of the Company in compliance with the requirements of section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. Pramod Kumar Pal, Practising Company Secretary to undertake the Secretarial Audit of the Company for the year ended 31st March, 2016. The Secretarial Audit Report is annexed (Annexure - C) herewith and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENT

In terms of Clause 32 of the Listing Agreement with Stock Exchanges, Consolidated Financial Statement, conforming to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, is attached as a part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges. Report on Corporate Governance & Shareholder Information together with the Practising Company Secretary Certificate thereon is annexed as part of this Annual Report.

DIRECTORS' APPOINTMENT & REMUNERATION POLICY

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed analysis of the Industry and Company Outlook, Company's operations, project review, risk management, strategic initiatives and financial review & analysis, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented under a separate section titled "Management Discussion and Analysis" forming part of the Annual Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT -9 (Annexure - D) as per provisions of the Companies Act, 2013 and rules framed thereunder are annexed to this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

EMPLOYEE STOCK OPTION SCHEME (ESOP)

The Company has in place Adhunik Employee Stock Option Plan ('ESOP 2012') for employees of the Company as well as employees



DIRECTORS' REPORT (CONTINUED)

of the subsidiaries which continue with the Company's philosophy of encouraging the employees to be partners in the growth of the organization. ESOP Scheme is administered by the Remuneration Committee of the Board of Directors of the Company.

During the year under review 333,770 Stock Options have vested with the employees of the Company and its subsidiaries and 913,852 Stock Options have been forfeited till 31st March 2016. As on 31st March 2016, none of the Options have been exercised.

The disclosures required to be made under Clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, together with a certificate obtained from the Statutory Auditors, confirming compliance thereto, are provided in Annexure B forming part of this Report.

RISK MANAGEMENT

The volatility in the global economy and the increasingly complex interplay of factors influencing the business makes Risk Management an inevitable exercise and to cater to the same, your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a robust policy along with well-defined and dynamic structure and proactive approach to assess, monitor and mitigate risks associated with the business. The risk management framework is aimed at effectively mitigating business risks and operational risks through effective strategic implementation. The Company believes that the risks faced by the Company are within its risk capacity.

INTERNAL CONTROL SYSTEM

Your Company has adequate system of internal control procedures commensurate with its size and the nature of its business. The internal control systems of the Company are monitored and evaluated by the Internal Auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors of the Company.

Your Company manages and monitors the various risks and uncertainties that can have adverse impact on the Company's Business. Your Company is giving major thrust in developing and strengthening its internal audit so that risk threat can be mitigated.

Internal control systems are integral to the Company's corporate governance policy. Some of the significant features of internal control systems include:

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Deploying of an SAP system which covers most of its

operations and is supported by a defined on-line authorisation protocol.

- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors, comprising Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards and so on.
- Forming a comprehensive Information Security Policy and continuous up-gradation of IT Systems.

The internal control systems and procedures are designed to assist - the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness

CREDIT RATING

Your Company obtained a Credit Rating of BWR BB - from Brickwork Ratings in the month of November, 2015.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2015-16 were on arm's length basis and also in the ordinary course of business and provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no materially significant related party transactions during the year under review made by the company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions was placed before the Audit Committee for its approval on a quarterly basis. The statement was supported by a Certificate duly signed by the Managing Director and the Head (Finance & Accounts). The policy on Related Party Transactions as approved by the Board is uploaded on the



DIRECTORS' REPORT (CONTINUED)

Company's website at www.adhunikgroup.com

None of the Directors or KMP has any pecuniary relationships or transactions vis-à-vis the Company during FY 2015-16.

SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS / COURTS ETC.

There were no significant and material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and company's operations in future.

There were also no material changes and commitments occurred after the closure of the year till the date of this report, which affect the financial position of the company.

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

Details of energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report (Annexure - A).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial Statements.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report (Annexure - E).

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Report.

VIGIL MECHANISM

The Company has adopted Vigil Mechanism policy that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Board and make protective disclosures about the unethical behaviour, actual or suspected fraud. The Vigil Mechanism comprises of whistle blower policy for directors, employees and vendors.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) policy recommended by the Corporate Social Responsibility Committee had been approved by the Board of Directors. The CSR policy is available on the website of the Company at www.adhunikgroup.com

Since your Company's last three financial years average net profit was negative, the compliance requirement of spending 2% for CSR initiative was not needed for 2015-16. But as a responsible corporate, your Company has already initiated various CSR activities in the surrounding villages of its plant at Chadri Hariharpur, Odisha. However, no separate reporting is made in this regard.

NOMINATION AND REMUNERATION POLICY

In terms of the requirement of Section 178 of the Companies Act, 2013, the Board of Directors has approved the Nomination and Remuneration policy of the Company and the same is available on the website of the company.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has not received any complaint of sexual harassment during the financial year 2015-16.

APPRECIATION

Your Directors wish to place on record their appreciation for the continuous support and guidance of all Governmental Authorities, Central and States. It further acknowledges and wishes to place on record the deep appreciation for support of Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

For and on behalf of the Board

Place: Kolkata

Ghanshyam Das Agarwal

Date: 02nd September, 2016

Chairman

**ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)****Annexure "A" to the Directors' Report**

Information in Accordance with the Provisions of Section 134(3) (M) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy;

1. Use of Waste bag filters Dust in ABC to increase the steam generation in WHRB - Job completed in Kiln#2. System is under stabilization after successful trial run.
2. Maximum utilisation of High Grade South African Coal in DRI kilns with high FC and low fines. This has helped in reducing the specific consumption of Coal as well as cost of production. Reduced specific coal consumption from 1.2 ton to 0.8 ton
3. Screening of all IBRM having higher percentage of +10 mm particles. This reduces return sinter & increase the sinterability of the burden reducing coke consumption
4. Installation of Moisture analyser in PMD/SMD of sinter plant. Analyses the optimum moisture in burden which saves the coke consumption during sintering process.
5. EAF is being run in BOF mode in which the Electrical energy replaced with low energy cost of O2 & the process is under stabilization.
6. Separation of the unburnt coal from ash & recycling of the same along with the fresh coal feed in PGP-I for reduction in specific energy consumption.
7. Improvement of vacuum in Condenser of TG-2 in Captive Power Plant for reduction of specific steam consumption & coal consumption in CFBC Boiler.
8. Installation of Lighting Energy Saver with lighting Distribution Boards of MRSS & SMS for saving of electrical energy by automatic optimization of Lighting Supply Voltage.
9. Replacement of soft starter of Tail ESP ID fan motor (200KW) with a VVVF drive to reduce electrical energy consumption.

(ii) the steps taken by the company for utilising alternate sources of energy;

Use of char in CPP- Modification in Captive power plant to use maximum % return char from DRI plant (In-house generated) and purchased char. This has resulted in appreciable reduction of the Boiler grade coal consumption in power plant.

Now, char consumption is up to 50-60% in charge mix.

(iii) the capital investment on energy conservation equipment's- ₹ 68 lac

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

- (a) Higher intensity magnetic separator for the not magnetic separation in CHP plant
- (b) Installation of Energy Savers in Lighting Distribution System.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

1. Increase in the yield of the liquid steel in SMS
2. Reduces the tap to tap time
3. Increase the productivity of the shop
4. Reduces the refractory consumption and cost
5. Increase the campaign life of the electric arc furnace
6. Decrease in the flux consumption of the SMS shop

(iii) The expenditure incurred on Research and Development- No major expenditure. All the R&D related work was done inhouse.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans;

| Total foreign exchange used and earned | 2015-16 (₹ in Lakhs) | 2014-15 (₹ in Lakhs) |
|--|-------------------------|-------------------------|
| - Foreign exchange earnings | 8,409.85 | 4,439.44 |
| - Foreign exchange outgo | 633.05 | 1,295.98 |

Annexure 'B' to Director's Report

Statement as at March 31, 2016, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended:

**ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)**

| | | | |
|----|--|--|--------|
| | | Exercise price equals market price | ₹ 9.54 |
| | | Exercise price is greater than market price | N.A. |
| | | Exercise price is less than market price | N.A. |
| n. | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: | Fair Value of Options has been calculated by using Black Schole's Method with the following underlying assumptions: | |
| o. | risk-free interest rate, | The interest rate applicable for a maturity equal to the expected life of the option based on the zero - coupon yield curve for Government Securities which as on the grant date was approx. 8.21%. | |
| p. | expected life, | The expected life is equal to vesting period plus half of the exercise period of the ESOPs issued which is approx. 3.66 years. | |
| q. | expected volatility, | The expected volatility has been equal to the volatility in the stock price of the Company prior to the grant date which is approx. 39.29%. | |
| r. | expected dividends, and | The estimated dividends of the Company over the estimated life of the option taking into account the company's past dividend policy as well as the mean dividend yield of an appropriate comparable peer group which is approx. 3.08%. | |
| s. | the price of the underlying share in market at the time of option grant | The market price is the latest closing price, prior to the meeting of the Compensation Committee, in which options are granted, on the stock exchange on which the shares of the company are listed. Since the shares of the Company are listed in more than one stock exchange, the stock exchange where there is highest trading volume on the said date has been considered which is approximately ₹ 30.15/-. | |

The Company has received a Certificate from the Auditors of the Company that the Scheme has been implemented in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolution passed by the Members on August 29, 2012.

ANNEXURE 'II' TO THE DIRECTORS' REPORT**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

| | |
|---|---|
| <p>a) Name(s) of the related party and nature of relationship</p> <p>b) Nature of contracts/arrangements/ transactions</p> <p>c) Duration of the contracts/arrangements/ transactions</p> <p>d) Salient terms of the contracts or arrangements or transactions including the value, if any.</p> <p>e) Justification for entering into such contracts or arrangements or transactions :</p> <p>f) Date(s) of approval by the Board</p> <p>g) Amount paid as advances, if any</p> | <p>Nil (All contracts or arrangements or transactions with related parties are at arm's length basis)</p> |
|---|---|

**ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)**

| | |
|--|--|
| h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |
|--|--|

2. Details of material contracts or arrangements or transactions at arm's length basis

| | |
|--|--|
| a) Name(s) of the related party and nature of relationship | Orissa Manganese & Minerals Limited, a wholly owned subsidiary |
| b) Nature of contracts/arrangements/ transactions | Sale and purchase of goods and services |
| c) Duration of the contracts/arrangements/ transactions | July'15-Mar'16 |
| d) Salient terms of the contracts or arrangements or transactions including the value, if any. | Purchase of Iron Ore, Manganese Ore, Pellet and Misc. Stores item at arm's length basis (for details of transactions during the year refer Note no 38(b) to the Standalone financial statements) |
| e) Date(s) of approval by the Board | In the quarterly meetings of the Board |
| f) Amount paid as advances, if any | Nil |

**ANNEXURE C
FORM No MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,

The Members,

ADHUNIK METALIKS LIMITED

Chadri Hariharpur, P.O. Kuarmunda,

Dist. Sundargarh, Orissa - 770 039

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADHUNIK METALIKS 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 the company and also the information provided by the Company, its officers, agents and authorized 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 31st March, 2016 complied with the statutory provisions listed hereunder and also 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 the company for the financial year ended on 31st March, 2016 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,



ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

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') -
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015)
 - 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;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I further report that, there were no actions/ events in pursuance of:-

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
- vi) Other Laws applicable to the Company as per representations made by the company;

I further report that having regard to the compliance system prevailing in the company and as per the representation made by the management, the company has complied with the specific applicable laws like:-

- Factories Act, 1948,
- Industrial Dispute Act, 1947,
- Environment (Protection) Act, 1986 and environment laws,
- Payment of wages Act, 1936 and other applicable labour laws,
- The Air (Prevention and control of Pollution) Act, 1981,
- Water (Prevention and Control of Pollution) Act, 1974 etc.

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

- Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India, effective from July 1, 2015.
- The Listing Agreement entered into by the Company with the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:-

- Woman Director has been appointed by the company on the Board as required under applicable provisions of Companies Act, 2013 and SEBI Act on 28th August, 2015.
- No Chief Financial Officer has been appointed by the company as required under applicable provisions of Companies Act, 2013 and SEBI Act;

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 process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

I further report that during the Audit period the company

- a) Has obtained prior approval from its member under section 180(1)(a) of the Companies Act, 2013 upto a limit of ₹ 5500.00 crores (Rupees Five Thousand Five Hundred Crores Only)
- b) Has obtained prior approval from its member under section 180(1)(c) of the Companies Act, 2013 upto a limit of ₹ 5500.00 crores (Rupees Five Thousand Five Hundred Crores Only)
- c) Option to CDR Lenders for conversion of entire debt into fully paid-up Equity Shares and Issue of Equity Shares to CDR Lenders (Vide Postal Ballot)
- d) To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013. (vide Postal Ballot)

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

Place: Kolkata
Date: 26.05.2016

PRAMOD KUMAR PAL
Company Secretary in Practice
ACS No : 21983
C.P.No : 8425

'Annexure A'

**(To the Secretarial Audit report of M/s. Adhunik Metaliks Limited
For the financial year ended 31st March, 2016**

To,
The Members,
ADHUNIK METALIKS LIMITED
Chadri Hariharpur, P.O. Kuarmunda ,
Dist. Sundargarh, Orissa - 770 039

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

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

Place: Kolkata
Date: 26.05.2016

PRAMOD KUMAR PAL
Company Secretary in Practice
ACS No : 21983
C.P.No : 8425



'Annexure D'
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|--|---|
| 1 | CIN | L28110OR2001PLC017271 |
| 2 | Registration Date | 20/11/2001 |
| 3 | Name of the Company | ADHUNIK METALIKS LIMITED |
| 4 | Category/Sub-category of the Company | PUBLIC LIMITED COMPANY / LIMITED BY SHARES |
| 5 | Address of the Registered office & contact details | Chadri Hariharpur P.O. Kuarmunda Sundergarh Odisha - 770039 Tel: +91 0661 3051 300 Fax: +91 0661 3051 303 |
| 6 | Whether listed company | Yes |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Karvy Computershare Pvt. Ltd. "Karvy Selenium Tower B", Plot No.31 & 32 Gachibowli, Financial District Nanakramguda, Serlingampally Hyderabad - 500032, Telangana Tel: +91 40 6716 2222 Fax: +91 40 2342 0814 |

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)

| S.No. | Name and Description of main products / services | NIC Code of the products / services | % to total turnover of Product/service the company |
|-------|--|--|--|
| 1 | Iron & Steel | 241- Manufacture of basic Iron & Steel | 100.00 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SN | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|--|-----------------------|--------------------------------------|------------------------|-----------------------|
| 1 | Orissa Manganese & Minerals Limited | U13201OR1953PLC017027 | Subsidiary | 100 | 2(87)(ii) |
| 2 | Adhunik Power & Natural Resources Ltd. | U40101WB2005PLC102935 | Associate (indirectly) | 0.82 | 2(6) |



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 30-Jun-2015] | | | | No. of Shares held at the end of the year [As on 31-Mar-2016] | | | | % Change during the year |
|--|--|-----------------|-------------------|--------------|--|-----------------|-------------------|--------------|--------------------------|
| | Demat | Physical Shares | Total | % of Total | Demat | Physical Shares | Total | % of Total | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 11103634 | - | 11103634 | 8.99 | 11103634 | - | 11103634 | 8.99 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 68809537 | - | 68809537 | 55.72 | 68809537 | - | 68809537 | 55.72 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (1) | 79,913,171 | - | 79,913,171 | 64.71 | 79,913,171 | - | 79,913,171 | 64.71 | - |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/ FI's | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| TOTAL (A) | 79,913,171 | - | 79,913,171 | 64.71 | 79,913,171 | - | 79,913,171 | 64.71 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | -1.62 |
| b) Banks / FI | 4642366 | - | 4642366 | 3.76 | 4642366 | - | 4642366 | 3.76 | -0.02 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | 5949413 | - | 5949413 | 4.82 | 5949413 | - | 5949413 | 4.82 | 0.00 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) - NBFC | - | - | - | - | 12,755 | - | 12,755 | 0 | - |
| Sub-total (B)(1) | 10,591,779 | - | 10,591,779 | 8.58 | 10,604,534 | - | 10,604,534 | 8.59 | -1.64 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 13520261 | - | 13,520,261 | 10.94 | 11840678 | - | 11,840,678 | 9.59 | -1.35 |
| ii) Overseas | 1000 | - | 1000 | 0.00 | 1000 | - | 1000 | 0.00 | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 8,092,841 | 24,049 | 8,116,890 | 6.57 | 9,543,101 | 24,049 | 9,567,150 | 7.75 | 1.18 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 5,607,214 | 35,000 | 5,642,214 | 4.57 | 6,589,671 | 35,000 | 6,624,671 | 5.36 | 0.82 |



| Category of Shareholders | No. of Shares held at the beginning of the year [As on 30-Jun-2015] | | | | No. of Shares held at the end of the year [As on 31-Mar-2016] | | | | % Change during the year |
|---|--|-----------------|--------------------|---------------|--|-----------------|--------------------|---------------|--------------------------|
| | Demat | Physical Shares | Total | % of Total | Demat | Physical Shares | Total | % of Total | |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 308,236 | | 308,236 | 0.25 | 365,279 | | 365,279 | 0.30 | 0.04 |
| Overseas Corporate Bodies | - | - | - | 0.00 | - | - | - | 0.00 | - |
| Foreign Nationals | - | - | - | 0.00 | - | - | - | 0.00 | - |
| Clearing Members | 30,805 | | 30,805 | 0.02 | 29,680 | | 29,680 | 0.02 | 0.00 |
| Trusts | - | - | - | 0.00 | - | - | - | 0.00 | - |
| Foreign Bodies - D R | 5,375,180 | | 5,375,180 | 4.35 | 4,553,373 | | 4,553,373 | 3.69 | -0.07 |
| Sub-total (B)(2) | 32,935,537 | 59,049 | 32,994,586 | 26.72 | 32,922,782 | 59,049 | 32,981,831 | 26.71 | 1.88 |
| Total Public (B) | 43,527,316 | 59,049 | 43,586,365 | 35.29 | 43,527,316 | 59,049 | 43,586,365 | 35.29 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 123,440,487 | 59,049 | 123,499,536 | 100.00 | 123,440,487 | 59,049 | 123,499,536 | 100.00 | 0.00 |

(ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % 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 | JUGAL KISHORE AGARWAL | 1252032 | 1.01 | - | 1252032 | 1.01 | 100.00 | 0.00 |
| 2 | GHANSHYAM DAS AGARWAL | 1085536 | 0.88 | - | 1085536 | 0.88 | 100.00 | 0.00 |
| 3 | NIRMAL KUMAR AGARWAL | 1540825 | 1.25 | - | 1540825 | 1.25 | 100.00 | 0.00 |
| 4 | MOHAN LAL AGARWAL | 1453763 | 1.18 | - | 1453763 | 1.18 | 100.00 | 0.00 |
| 5 | MAHESH KUMAR AGARWAL | 1213846 | 0.98 | - | 1213846 | 0.98 | 100.00 | 0.00 |
| 6 | MANOJ KUMAR AGARWAL | 1297256 | 1.05 | - | 1297256 | 1.05 | 100.00 | 0.00 |
| 7 | NAVEEN KUMAR AGARWAL | 85606 | 0.07 | - | 85606 | 0.07 | 100.00 | 0.00 |
| 8 | SACHIN KUMAR AGARWAL | 85606 | 0.07 | - | 85606 | 0.07 | 100.00 | 0.00 |
| 9 | PERMILA AGARWAL | 173463 | 0.14 | - | 173463 | 0.14 | - | 0.00 |
| 10 | MEENA AGARWAL | 740000 | 0.60 | - | 740000 | 0.60 | 100.00 | 0.00 |
| 11 | ANITA AGARWAL | 312680 | 0.25 | - | 312680 | 0.25 | 100.00 | 0.00 |
| 12 | RITA AGARWAL | 399242 | 0.32 | - | 399242 | 0.32 | 100.00 | 0.00 |
| 13 | CHANDRAKANTA AGARWAL | 686212 | 0.56 | - | 686212 | 0.56 | 100.00 | 0.00 |
| 14 | SONIKA AGARWAL | 516767 | 0.42 | - | 516767 | 0.42 | 100.00 | 0.00 |
| 15 | EKTA AGARWAL | 190000 | 0.15 | - | 190000 | 0.15 | 100.00 | 0.00 |
| 16 | SMITA AGARWAL | 70800 | 0.06 | - | 70800 | 0.06 | 100.00 | 0.00 |
| 17 | SUNGROWTH SHARE & STOCKS LIMITED | 29813102 | 24.14 | 18.03 | 29813102 | 24.14 | 74.68 | 0.00 |
| 18 | MAHANANDA SUPPLIERS LIMITED | 29993485 | 24.29 | 1.74 | 29993485 | 24.29 | 7.15 | 0.00 |
| 19 | ADHUNIK INDUSTRIES LIMITED | 40000 | 0.03 | - | 40000 | 0.03 | - | 0.00 |
| 20 | ADHUNIK MEGHALAYA STEELS PVT. LTD. | 1600000 | 1.30 | 0.33 | 1600000 | 1.30 | 100.00 | 0.00 |
| 21 | ADHUNIK STEELS LIMITED | 6103492 | 4.94 | - | 6103492 | 4.94 | 13.66 | 0.00 |
| 22 | FUTURISTIC STEEL LIMITED | 1259458 | 1.02 | - | 1259458 | 1.02 | 36.44 | 0.00 |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|------------------------------|---|-------------------|---|-------------------|
| | | No. of shares | % of total shares | No. of shares | % of total shares |
| | At the beginning of the year | 79,913,171 | 64.71 | 79,913,171 | 64.71 |
| | Changes during the year | No Change during the year | | | |
| | At the end of the year | 79,913,171 | 64.71 | 79,913,171 | 64.71 |

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For each of the Top 10 shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|-------------------|---|-------------------|
| | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Linkstar Marketing Private Limited | 5983464 | 4.84 | 5983464 | 4.84 |
| 2 | Clearwater Capital Partners Cyprus Ltd. | 5375180 | 4.35 | 4553373 | 3.69 |
| 3 | Clearwater Capital Partners Singapore Fund III Private Limited | 3773658 | 3.06 | 3773658 | 3.06 |
| 4 | Aadi Financial Advisors LLP | 3207047 | 2.60 | 2723254 | 2.21 |
| 5 | LIC of India Profit Plus Growth Fund | 2439711 | 1.98 | 2439711 | 1.98 |
| 6 | LIC of India Market Plus Growth Fund | 1364038 | 1.10 | 1364038 | 1.10 |
| 7 | Vallabh Roopchand Bhanshali | 1170000 | 0.95 | 1170000 | 0.95 |
| 8 | Acacia Institutional Partners, LP | 719800 | 0.58 | 719800 | 0.58 |
| 9 | Acacia Partners, LP | 627455 | 0.51 | 627455 | 0.51 |
| 10 | Aakash Bhanshali | 610000 | 0.49 | 610000 | 0.49 |
| 11 | Acacia Conservation Fund LP | 540000 | 0.44 | 540000 | 0.44 |
| 12 | Vallabh Bhansali | 500000 | 0.40 | 500000 | 0.40 |
| 13 | LIC of India Market Plus 1 Growth Fund | 302653 | 0.25 | 302653 | 0.25 |
| 14 | General Insurance Corporation of India | 300000 | 0.24 | 300000 | 0.24 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Shareholding of each directors and each key managerial personnel | No. of shares held 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 | JUGAL KISHORE AGARWAL | | | | |
| | At the beginning of the year | 1252032 | 1.01 | | |
| | Changes during the year | No changes during the year | | | |
| | At the end of the year | | | 1252032 | 1.01 |
| 2 | GHANSHYAM DAS AGARWAL | | | | |
| | At the beginning of the year | 1085536 | 0.88 | | |
| | Changes during the year | No changes during the year | | | |
| | At the end of the year | | | 1085536 | 0.88 |
| 3 | NIRMAL KUMAR AGARWAL | | | | |
| | At the beginning of the year | 1540825 | 1.25 | | |
| | Changes during the year | No changes during the year | | | |
| | At the end of the year | | | 1540825 | 1.25 |



| | | | | |
|----|--------------------------------|---------|----------------------------|------|
| 4 | MOHAN LAL AGARWAL | | | |
| | At the beginning of the year | 1453763 | 1.18 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 1453763 | 1.18 |
| 5 | NIHAR RANJAN HOTA | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |
| 6 | NANDANANDAN MISHRA | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |
| 7 | RAMGOPAL AGARWALA | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |
| 8 | GOPAL DIKSHIT | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |
| 9 | AMRENDRA PRASAD VERMA | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |
| 10 | UTTARA DASGUPTA | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |
| 11 | SANJAY DEY - Company Secretary | | | |
| | At the beginning of the year | 0 | 0.00 | |
| | Changes during the year | | No changes during the year | |
| | At the end of the year | | 0 | 0.00 |

**V. INDEBTEDNESS**

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

(₹ in lacs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 157,819.43 | 777 | - | 158,596.43 |
| ii) Interest due but not paid | 177.06 | - | - | 177.06 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 157,996.49 | 777 | - | 158,773.49 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 10,959.70 | - | - | 10,959.70 |
| * Reduction | (65.07) | - | - | (65.07) |
| Net Change | 10,894.63 | - | - | 10,894.63 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 168,599.93 | 777 | - | 169,376.93 |
| ii) Interest due but not paid | 291.19 | - | - | 291.19 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 168,891.12 | 777 | - | 169,668.12 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**(A) Remuneration to Managing Director, Whole-time Directors and/or Manager**

| S.No. | Particulars of Remuneration | Name of MD/WTD/Manager |
|-------|--|--------------------------|
| | Name: | Mr. Nirmal Kumar Agarwal |
| | Designation: | Managing Director |
| 1 | Gross Salary | ₹ 5.00 |
| | (a) Salary as per provisions of contained in section 17(1) of the Income-tax Act, 1961 | ₹ 5.00 |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | |
| | (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | |
| 2 | Stock Option | Nil |
| 3 | Sweat Equity | Nil |
| 4 | Commission | Nil |
| | - as % of profit | Nil |
| | - others, specify | Nil |
| 5 | Others, please specify | Nil |

* Employed for the part of the financial year.

**(B) Remuneration to other Directors**

| S.No. | Particulars of Remuneration | Name of Directors | | | | | | |
|-------|---|---------------------------|---------------------------|--------------------------|--------------------------|-------------------|---------------------------|----------------------|
| 1 | Independent Directors | Mr. Nihar Ranjan Hota | Mr. Nandanandan Mishra | Dr. Ramgopal Agarwala | Mr. Raghav Sharan Pandey | Mr. Gopal Dikshit | Mr. Amrendra Prasad Verma | Smt. Uttara Dasgupta |
| | Fee for attending board/ committee meetings | 90,000 | 90,000 | 90,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| | Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Other Non-Executive Directors | Mr. Jugal Kishore Agarwal | Mr. Ghanshyam Das Agarwal | Mr. Nirmal Kumar Agarwal | Mr. Mohan Lal Agarwal | | | |
| | Fee for attending board/ committee meetings | 60,000 | 60,000 | 50,000 | 40,000 | | | |
| | Commission | 0 | 0 | 0 | 0 | | | |
| | Others, please specify | 0 | 0 | 0 | 0 | | | |

(C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| | Name: | Sanjay Dey |
|---|--|-------------------|
| | Designation: | Company Secretary |
| 1 | Gross Salary | ₹ 52,50,006 |
| | (a) Salary as per provisions of contained in section 17(1) of the Income-tax Act, 1961 | Nil |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | Nil |
| | (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | Nil |
| 2 | Stock Option | Nil |
| 3 | Sweat Equity | Nil |
| 4 | Commission - as % of profit - others, specify | |
| 5 | Others, please specify | Nil |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | NIL | | |
| Compounding | | | NIL | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | NIL | | |
| Compounding | | | NIL | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | NIL | | |
| Compounding | | | NIL | | |



ANNEXURE E

STATEMENT PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE FINANCIAL ENDED 31ST MARCH, 2016

| Sl. No. | Name | Designation | Remuneration Received (Amount in Rupees) | Nature of Employment & other terms | Nature of Duties | Qualification & Experience (yrs) | Date of Employment | Age | Last Employment & Designation | % of Equity Shares |
|---------|---------------|--|--|------------------------------------|------------------|----------------------------------|--------------------|-----|---|--------------------|
| 1 | Sanjay Pratap | ED-Mines & Govt. Affairs | 67,50,000/- | Regular | Managerial | BA, LLB; 25 | 01.11.2009 | 50 | Bhusan Steel & Strips Limited | Nil |
| 2 | Sanjay Dey | Group Head- Company Secretary & Overseas Finance | 52,50,006/- | Regular | Managerial | B.Com., ACS; 16 | 12.02.2015 | 43 | Jindal Steel & Power (Mauritius) Limited- Business Head | Nil |
| 3 | Mohan Lal* | Group CEO | 31,25,001/- | Regular | Managerial | B.Tech(Mech.), PGDBM; 38 | 01.08.2015 | 63 | Tata Steel Limited- Vice President | Nil |

*Employed for the part of the financial year and hence not comparable

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 & RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE FINANCIAL ENDED 31ST MARCH, 2016

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

| Sl. No. | Name of Director/ KMP & Designation | Remuneration of Director/KMP for the financial year 2015-2016 (Rs. In Crores) | Percentage Increase in Remuneration for the Financial Year 2015-16 | Ratio of Remuneration of each Director/KMP to median remuneration of employees | Comparison of Remuneration of the employee with company performance |
|---------|-------------------------------------|---|--|--|---|
| | | | | | |

The Company incurred loss during the year, hence no increase in remuneration.



REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organisation. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. The Company has a well-established and proven system which not only ensures complete transparency and fairness but also ensures the integrity in the operations and conduct of the company.

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit. Good governance practices stem from the dynamic culture and positive mindset of the organization, disclosure of information pertaining to financial situation, performance, ownership and governance is an important part of corporate governance. The Company continues its endeavor to achieve corporate excellence in its functioning and conduct of business with strong accountability so as to generate sustainable economic value for all its stakeholders.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange Limited (NSE), the report containing the details of Corporate Governance systems and processes at Adhunik Metaliks Limited is as follows:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Board of Directors ('the Board') is at the core of our Corporate Governance practices and oversees all functions and processes relating to management of resources with a single aim – to maximize stakeholder value. The Board consists of experienced and qualified individuals with long standing experience in industry, which enables focused approach to enhancing stakeholder's long term goals.

The Board of Directors and Management of Adhunik commit themselves to:

- Enhancement of Shareholders Value through prudent and informed decision making in a transparent environment.
- Continuous improvement in systems and processes and review of decision making process through implementation of modern control tools.
- Ensure safety, health and environment management by making it an integral part of the Company's business strategy and to actively promote awareness of safety, health and environment issues throughout the Company and to our business partners.
- Continuous improvement and review of Environment Management Plan (EMP) for all its facilities in order to reduce environmental footprint.
- Achieve excellence in all activities by implementing Total Productive Maintenance (TPM) with the involvement of all employees to reduce cost, increase productivity and improve quality continuously with the aim of achieving "**Zero Failure, Zero Defect and Zero Accident**".

Board Composition as on 31st March, 2016

| Sl. No | Name of Director | DIN | Category of Director | No. of outside Directorship(s) held | | Outside Committee Position held | |
|--------|---------------------------|----------|-------------------------------|-------------------------------------|---------|---------------------------------|--------------|
| | | | | Public | Private | Membership | Chairmanship |
| 1 | Mr. Jugal Kishore Agarwal | 00227460 | Non- Executive | 9 | 5 | 1 | 0 |
| 2 | Mr. Ghanshyam Das Agarwal | 00507800 | Non- Executive | 8 | 3 | 4 | 0 |
| 3 | Mr. Nirmal Kumar Agarwal | 00605669 | Executive - Managing Director | 8 | 3 | 2 | 0 |
| 4 | Mr. Mohan Lal Agarwal | 01047906 | Non- Executive | 9 | 1 | 4 | 0 |
| 5 | Mr. Mahesh Kumar Agarwal | 00507690 | Non- Executive | 9 | 2 | 2 | 0 |
| 6 | Mr. Nihar Ranjan Hota | 01173440 | Independent & Non-Executive | 0 | 0 | 0 | 0 |
| 7 | Dr. Ramgopal Agarwala | 02054856 | Independent & Non-Executive | 2 | 0 | 4 | 0 |
| 8 | Mr. Nandanandan Mishra | 00031342 | Independent & Non-Executive | 5 | 0 | 8 | 5 |
| 9 | Mr. Amrendra Prasad Verma | 00236108 | Independent & Non-Executive | 6 | 0 | 1 | 0 |
| 10 | Mr. Raghaw Sharan Pandey | 02306586 | Independent & Non-Executive | 0 | 1 | 0 | 0 |
| 11 | Mr. Mr. Gopal Dikshit | 00090579 | Independent & Non-Executive | 1 | 0 | 1 | 0 |
| 12 | Smt. Uttara Dasgupta | 06570950 | Nominee & Non-Executive | 1 | 0 | 0 | 0 |



1. Independent director is as defined in Clause 49 of the Listing Agreement.
2. For this purpose, only two Committees, viz., the Audit Committee and the Stakeholders Relationship Committee have been considered.
3. Ms. Uttara Dasgupta (DIN 06570950) was appointed as Nominee Director (Nominee of State Bank of India) on 28th August, 2015.
4. Mr. Mahesh Kumar Agarwal (DIN :- 00507690), Director of the company resigned from Directorship of the company on 23rd October, 2015 due to his other business engagements and some health issues. Mr. Mahesh Kumar Agarwal was further appointed as Additional Director of the Company w.e.f 12th February, 2016.
5. Mr. Manoj Kumar Agarwal (DIN :- 00227871), Managing Director has expressed his desire on 7th September, 2015 to resign from the Board due to his health issues. The Board has accordingly accepted his request and he was relieved from the services of the Company from the close of business hours on Saturday, 14th November, 2015.
6. Mr. Nirmal Kumar Agarwal (DIN :- 00605669) has been appointed as the Managing Director of the Company w.e.f 14th November, 2015 for a period of 5 years .w.e.f 14th November, 2015.
7. Mr Raghav Sharan Pandey (DIN :- 02306586) has been resigned from the Board w.e.f. 16.02.2016

BOARD MEETINGS

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value.

The Board generally meets at regular intervals to discuss and decide on Company's business policy and strategy apart from normal business. Agenda and Notes on the agenda are circulated among the Directors, well in advance, in a structured format. All the Agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. In addition to the information required under Annexure X to the Revised Clause 49 of the Listing Agreement, the Board is also kept informed of major events wherever necessary.

The details of Board meetings held during the financial year and the number of Directors present are listed below:

Details of the Board Meeting and Attendance

| Date of the Board Meeting | City | No. of Directors Present |
|---------------------------|---------|--------------------------|
| 28th August, 2015 | Kolkata | 11 |
| 14th November, 2015 | Kolkata | 10 |
| 12th February, 2016 | Kolkata | 10 |

Details of remuneration paid to Board of Directors

A. Non Executive Directors

| Name of the Director | Sitting Fees | Total Payment paid / payable in F.Y 2015-16 | No. of Board Meetings | | Attended Last AGM |
|---------------------------|--------------|---|-----------------------|----------|-------------------|
| | | | Held | Attended | |
| Mr. Jugal Kishore Agarwal | 60000 | 60000 | 3 | 3 | No |
| Mr. Ghanshyam Das Agarwal | 60000 | 60000 | 3 | 3 | No |
| Mr. Nirmal Kumar Agarwal | 50000 | 50000 | 3 | 3 | Yes |
| Mr. Mohan Lal Agarwal | 40000 | 40000 | 3 | 2 | No |
| Mr. Mahesh Kumar Agarwal | 0 | 0 | 3 | 0 | No |
| Mr. Nihar Ranjan Hota | 90000 | 90000 | 3 | 3 | No |
| Dr. Ramgopal Agarwala | 90000 | 90000 | 3 | 3 | No |
| Mr. Nandanandan Mishra | 90000 | 90000 | 3 | 3 | Yes |
| Mr. Amrendra Prasad Verma | 60000 | 60000 | 3 | 3 | No |

**Details of remuneration paid to Board of Directors****A. Non Executive Directors**

| Name of the Director | Sitting Fees | Total Payment paid/ payable in F.Y 2015-16 | No. of Board Meetings | | Attended Last AGM |
|--------------------------|--------------|--|-----------------------|----------|-------------------|
| | | | Held | Attended | |
| Mr. Raghaw Sharan Pandey | 60000 | 60000 | 3 | 2 | No |
| Mr. Gopal Dikshit | 60000 | 60000 | 3 | 3 | No |
| Smt. Uttara Dasgupta | 60000 | 60000 | 3 | 3 | No |

Note:

1. During 2015 - 16, sitting fees were paid @ ₹ 20,000 per Board Meeting and ₹10,000 per Committee Meeting, i.e. Audit and Nomination and Remuneration Committees.
2. Annual General Meeting was held on 31st March, 2016.
3. No stock options have been granted during the year to any of the Directors.

B. Executive Directors

| Name of the Director | Relationship with other Directors | Business relationship with the Company, if any | Business relationship with the Company, if any | | | |
|--------------------------|-----------------------------------|--|---|--|---|------------------------------|
| | | | All elements of remuneration package, i.e. salary, benefits, bonuses etc. (₹) | Fixed component & performance linked incentives, along with performance criteria | Service contracts, notice period, severance fee | Stock option details, if any |
| Mr. Manoj Kumar Agarwal | See note (a) | Promoter | 0 | 0 | 0 | 0 |
| Mr. Nirmal Kumar Agarwal | See note (c) | Promoter | 5.00 | 0 | 0 | 0 |

- (a) Mr. Manoj Kumar Agarwal and Mr. Nirmal Kumar Agarwal are brothers of Mr. Jugal Kishore Agarwal, Mr. Ghanshyam Das Agarwal, Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal, Directors of the Company.
- (b) Mr. Manoj Kumar Agarwal (DIN :- 00227871), Managing Director has expressed his desire on 7th September, 2015 to resign from the Board due to his health issues. The Board has accordingly accepted his request and he was relieved from the services of the Company from the close of business hours on Saturday, 14th November, 2015.
- (c) Mr. Nirmal Kumar Agarwal (DIN :- 00605669) has been appointed as the Managing Director of the Company w.e.f 14th November, 2015 for a period of 5 years w.e.f 14th November, 2015.

3. COMMITTEES OF THE BOARD

The Board has constituted five committees as follows:

a. AUDIT COMMITTEE

The terms of reference, role and scope of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange(s). The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment

The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with the management the internal control systems, internal audit functions, observations of the auditors, periodical financial statements before submission to the Board.
3. Recommendation of matters relating to financial management and audit reports.
4. The Committee is authorised to investigate into matters contained in the terms of reference or referred / delegated to it by the Board and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.



During the Financial year ended 31st March, 2016, the Audit Committee ('the committee') comprised of the following members:

Chairman : Shri Nandanandan Mishra, Independent Director

Members : Shri Nihar Ranjan Hota, Independent Director, Dr. Ramgopal Agarwala, Independent Director, Shri Raghaw Sharan Pandey, Independent Director, Shri Nirmal Kumar Agarwal, Managing Director

Secretary : Shri Sanjay Dey acted as the Secretary for meetings.

AUDIT COMMITTEE MEETINGS

The Committee met three times during the period under review on 28th August, 2015, 14th November, 2015 and 12th February, 2016. The maximum time gap between any two consecutive meetings was not more than four months.

Attendance record of Audit Committee members for F.Y. ended 31st March, 2016

| Name of Directors | Shri Nandanandan Mishra | Shri Nihar Ranjan Hota | Dr. Ramgopal Agarwala | Shri Raghaw Sharan Pandey* | Shri Manoj Kumar Agarwal |
|------------------------|-------------------------|------------------------|-----------------------|----------------------------|--------------------------|
| No. of Meetings held | 3 | 3 | 3 | 3 | 3 |
| Attendance at Meetings | 3 | 2 | 2 | 2 | 2 |

* Mr. Raghaw Sharan Pandey resigned from the Board w.e.f. 16.02.2016

The Chairman of the Audit Committee was present at the last Annual General Meeting

The Audit Committee held discussions with the Statutory Auditors on the audit of the quarterly / half-yearly accounts, the yearly audit plan, matters relating to compliance of Accounting Standards and Policies, their observations arising from the Audit of the Company's Accounts and other related matters.

The Audit Committee during their 3 (three) meetings reviewed with the Management and the Auditors (both external and internal) all issues which are required to be reviewed by the Audit Committee pursuant to the Listing Agreement with the Stock Exchanges as also the Companies Act, 2013. The Audit Committee has also reviewed the observations of the Internal and Statutory Auditors in relation to all areas of operations of the Company as also the internal control systems. The Audit Committee has also reviewed the actions taken by the Company on various observations and queries of the Auditors

b. NOMINATION AND REMUNERATION COMMITTEE

This Committee recommends to the Board the compensation terms of Executive Directors and the senior most level of management immediately below the Executive Directors.

The constitution of the Nomination and Remuneration Committee ('the committee') is as follows:

Members: Shri Nihar Ranjan Hota, Independent Director, Shri Nandanandan Mishra, Independent Director, Dr. Ramgopal Agarwala, Independent Director

Secretary: Shri Sanjay Dey acted as the Secretary.

The Nomination and Remuneration Committee was set up to review the overall compensation structure and related policies of the Company with a view to attract, motivate and retain employees. The Committee determines the Company's policies on remuneration packages payable to Executive Directors and also reviews the compensation levels vis-à-vis other companies and the industry in general.

During the Financial year ended 31st March, 2016, one meeting of such committee was held.

Attendance record of Nomination and Remuneration Committee members

| Name of Directors | Shri Nandanandan Mishra | Shri Nihar Ranjan Hota | Dr. Ramgopal Agarwala |
|------------------------|-------------------------|------------------------|-----------------------|
| No. of meetings held | 1 | 1 | 1 |
| Attendance at Meetings | 1 | 1 | 1 |

**c. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

During the Financial year ended 31st March, 2016, the Stakeholder's Relationship Committee ('the committee') comprised of three Non executive Directors including one Independent Director. They are:

Members: Dr. Ramgopal Agarwala, Independent Director, Shri Ghanshyam Das Agarwal - Director, Shri Nirmal Kumar Agarwal, Director

Secretary: Shri Sanjay Dey acted as the Secretary for the meeting.

This Committee was constituted to address investor grievances and complaints in the matters such as transfer of equity shares, non-receipt of annual reports and non-receipt of declared dividends, among others, and ensure an expeditious resolution to the matter. The Committee also evaluates performance and service standards of Registrar & Transfer Agent and provides continuous guidance to improve the quality of service provided for the investors.

The Committee met three (3) times during the period under review on

Attendance record of Stakeholders' Relationship Committee

| Name of Directors | Shri Ghanshyam Das Agarwal | Shri Nirmal Kumar Agarwal | Dr. Ramgopal Agarwala |
|------------------------|----------------------------|---------------------------|-----------------------|
| No. of meetings held | 3 | 3 | 3 |
| Attendance at Meetings | 3 | 3 | 3 |

Details of queries and grievances received and disposed of during F.Y. 2015-16 (As per R & TA records)

| Type of Grievances | Grievances Received | Grievances disposed off |
|----------------------------------|---------------------|-------------------------|
| Non-receipt of refund | 0 | 0 |
| Non-receipt of dividend | 1 | 1 |
| Non-receipt of electronic credit | 0 | 0 |
| Duplicate refund order | 0 | 0 |
| Non- receipt of Annual Report | 0 | 0 |
| SEBI/Stock Exchange complaints | 0 | 0 |
| Duplicate dividend warrant* | 0 | 0 |
| Total | 1 | 1 |

* Includes duplicate/revalidation/correction of dividend warrant

No complaints were pending as on March 31, 2016.

d. MANAGEMENT & FINANCE COMMITTEE

Your Company has a Management & Finance Committee with powers to approve strategies, plans, policies and actions related to corporate finance. The committee comprises of the following Directors as on 31st March, 2016 :-

Shri Jugal Kishore Agarwal, Director

Shri Ghanshyam Das Agarwal, Director

Shri Nirmal Kumar Agarwal, Director

The Committee met eight (8) times during the period under review on 14th July, 2015, 12th August, 2015, 1st October, 2015, 20th November, 2015, 8th January, 2016, 30th January, 2016, 17th February, 2016 and 18th March, 2016.

Attendance record of Management & Finance Committee

| Name of Directors | Shri Jugal Kishore Agarwal, Director | Shri Ghanshyam Das Agarwal, Director | Shri Nirmal Kumar Agarwal, Director |
|------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Attendance at Meetings | 8 | 8 | 8 |



e. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board on 14th May, 2014, constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility (CSR) Policy of the Company and the activities included in the policy.

The Committee comprises of the following Directors as on 31st March, 2016:

Mr. Ramgopal Agarwala - Independent Non-Executive Director
 Mr. Ghanshyam Das Agarwal - Non Independent - Non Executive Director

Mr. Nirmal Kumar Agarwal - Non Independent - Executive Director

The CSR policy is available on the website of the Company www.adhunikgroup.com and also forms part of the Board Report.

During the financial year 2015-16, no meeting of the Committee was held. The CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, are detailed in the Annual Report.

CODE OF CONDUCT

Code of Conduct (the "Code") as adopted by the Board is applicable to Directors and Senior Management of the Company. The Code is designed from three interlinked fundamental principles viz. good corporate governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development, concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. The Code is available for public viewing on Company's website at www.adhunikgroup.com.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Program intends to provide insights into the Company so that the Independent Directors can understand the Company's business in depth and the roles, rights, responsibility that they are expected to perform/enjoy in the Company to keep them updated on the operations and business of the Company thereby facilitating their active participation in managing the affairs of the Company.

VIGIL MECHANISM

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy provides for adequate safeguards against victimization of employees and / or Directors and also provides for direct access to the Chairman of the Audit Committee.

SUBSIDIARY MONITORING FRAMEWORK

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company

monitors performance of subsidiary companies, inter alia, by the following means:

- a) Financial statements, in particular the investments made by the material unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company. All minutes of Board meetings and Committee meetings of the material unlisted subsidiary companies are placed before the Board regularly.
- b) A statement containing all significant transactions and arrangements entered into by the material unlisted subsidiary companies is placed before the Company's Board.
- c) The Company has one material unlisted Indian subsidiary namely, Orissa Manganese & Minerals Limited. In compliance with Clause 49(III) (i) of the Listing Agreement with Stock Exchanges the Company has nominated Independent Director(s) of the Company on the Board of its material unlisted Indian subsidiary company. Dr. Ramgopal Agarwala, Independent Director of the Company has been appointed as a Director on the Board of Orissa Manganese & Minerals Limited.

IV. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were on an arm's length price basis and in the ordinary course of business. These have been placed and approved by the Audit Committee. The Board of Directors have approved and adopted a policy on Related Party Transactions

V. DISCLOSURES

Related Party transactions

Related Party transactions as specified under Clause 49 of the Listing Agreement are placed before the Audit Committee.

A comprehensive list of Related Parties and their transactions as required by AS-18 issued by the Institute of Chartered Accountants of India, forms part of Note No. 38 to the Financial Statements in the Annual Report.

Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards

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

There has been no instance of any non-compliance.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.

Company is in compliance with all the mandatory requirements of this Clause. The Company issues Investor & Press Releases wherever applicable, which are sent to the Stock Exchanges and are available on the website of the Company.



Other non-mandatory requirements shall be put in place, as and when considered and approved by the Board.

Remuneration of Directors

All details of remuneration to Directors have been disclosed

Shareholding of Directors in the Company as on March 31, 2016

| S. No. | Name of Director | No. of equity shares held |
|--------|---|---------------------------|
| 1 | Mr. Jugal Kishore Agarwal | 12,52,032 |
| 2 | Mr. Ghanshyam Das Agarwal | 10,85,536 |
| 3 | Mr. Nirmal Kumar Agarwal (Managing Director) | 15,40,825 |
| 4 | Mr. Mohan Lal Agarwal | 14,53,763 |
| 5 | Mr. Mahesh Kumar Agarwal | 12,13,846 |
| 6 | Mr. Manoj Kumar Agarwal* | 12,97,256 |
| 7 | Mr. Nihar Ranjan Hota | Nil |
| 8 | Dr. Ramgopal Agarwala | Nil |
| 9 | Mr. Nandanandam Mishra | Nil |
| 10 | Mr. Amrendra Prasad Verma | Nil |
| 11 | Mr. Raghaw Sharan Pandey** | Nil |
| 12 | Mr. Gopal Dikshit | Nil |
| 13 | Smt Uttara Dasgupta | Nil |

* Mr. Manoj Kumar Agarwal resigned from the Board w.e.f. 14th November, 2015.

** Mr. Raghaw Sharan Pandey resigned from the Board w.e.f. 16.02.2016

Management

A detailed report on Management's Discussion and Analysis forms part of this Annual Report.

Code of Conduct

The Board of Directors adopted a Code of Conduct for the members of the Board, Committees and Senior Management of the Company and also for Independent Directors in compliance with the provisions of Revised Clause 49 of the Listing Agreement. In compliance with Clause 49 (II)(E) the Code of Conduct suitably lays down the duties of the Independent Director as laid down in

the Companies Act, 2013.

The Code of Conduct applicable to Directors and Senior Management, as approved by the Board of Directors is available on the website of the Company at: www.adhunikgroup.com. All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration signed by the erstwhile Joint Managing Director & CEO (Steel Business) is given below:

"I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2015-16."

Place: Kolkata
Date: 2nd September, 2016

Nirmal Kumar Agarwal
Managing Director

Shareholders

Details of Directors being appointed / re-appointed, have been disclosed in the Notice for the Annual General Meeting (AGM), i.e. a brief resume, nature of expertise in specific functional areas, names of directorships and committee memberships and their shareholding in the Company.

MEANS OF COMMUNICATION

Quarterly results: The quarterly results are normally published in Economic Times / Business Standard / Financial Express (English) and Premaya (Odiya) newspaper. The results are also displayed on the Company's website www.adhunikgroup.com.

News releases, presentations, among others: Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website. Official media releases are sent to the Stock Exchanges.

Website: The Company's website contains a special dedication section 'Investor Relations' where shareholder information is available.

Annual Report: Annual Report containing, inter alia, audited annual accounts, consolidated financial statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto and are also available in the website in an user-friendly and downloadable form.

**20. GENERAL SHAREHOLDERS INFORMATION**

The last three Annual General Meetings of the Company were held as per details given below:-

| Year | Date | Time | Venue | Special resolutions passed |
|---------|-------------------|------------|--|--|
| 2014-15 | 31st March, 2016 | 03.00 PM | Rourkela Chamber of Commerce & Industry, Chamber Bhawan, Chamber Road, Rourkela-769004, Odisha | 1. Appointed Mr. Nirmal Kumar Agarwal as Managing Director of the Company. |
| 2013-14 | 15th April, 2015 | 11.00 A.M. | Rourkela Chamber of Commerce & Industry, Chamber Bhawan, Chamber Road, Rourkela-769004, Odisha | <ol style="list-style-type: none">1. Authorize Board of Directors under Section 180(1) (c) of the Companies Act, 2013, for borrowing an amount not exceeding ₹ 3000 Crores.2. Authorize Board of Directors under Section 180(1)(a) for increasing limit for creation of charge on movable and immovable properties of the Company, both present and future from ₹ 2500 Crores to ₹ 3000 Crores.3. Re-appointment of Shri Manoj Kumar Agarwal (DIN 00227871) as the Managing Director of the Company for a further period of three years with effect from 16th March, 2014 and ending on 15th March, 20174. Approval of Related party transactions5. Option to CDR Lenders for Conversion of Debt into Equity Shares and issue of Equity Share to CDR Lenders |
| 2012-13 | December, 6, 2013 | 11.00 A.M. | Rourkela Chamber of Commerce & Nil Industry, Chamber Bhawan, Chamber Road, Rourkela-769004, Odisha | Nil |

Postal Ballot

Whether resolutions were put through postal ballot last year : No

**SHAREHOLDERS' INFORMATION****I. Company Registration Details****CIN - L28110OR2001PLC017271.****II. Annual General Meeting (AGM) details**

| | | |
|----|---------------------------------------|---|
| a. | Annual General Meeting | 30th September, 2016 at 3:00 P.M. at Rourkela Chamber of Commerce & Industry, Chamber Bhawan, Chamber Road, Rourkela - 769004, Odisha |
| b. | Book closure dates | 19th September, 2016 to 30th September, 2016 (both days inclusive) |
| c. | Dividend | Not Recommended |
| d. | Financial Year | April, 2016 to March, 2017 |
| | Financial Calendar (Tentative) | Tentative Schedule |
| | 1. First Quarter Results (Unaudited) | August, 2016 |
| | 2. Second Quarter Results (Unaudited) | November, 2016 |
| | 3. Third Quarter Results (Unaudited) | February, 2017 |
| | 4. Annual Audited Results | End May, 2017 |
| e. | Listing | National Stock Exchange of India Limited (NSE) BSE Limited (BSE) |
| f. | Stock Codes | NSE : ADHUNIK BSE : 532727 |
| g. | Listing Fees | Annual listing fee for the year 2016-17 has been paid by the Company to both the above Stock Exchanges. |
| h. | Depository Fees | Annual Custody/Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL. |

a) MARKET PRICE DATA**Monthly high and low quotes and volume of shares traded on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)**

| Month | Bombay Stock Exchange(BSE) | | | National Stock Exchange (NSE) | | |
|-----------------|----------------------------|---------------|-----------|-------------------------------|---------------|-----------|
| | High Price (₹) | Low Price (₹) | Volume | High Price (₹) | Low Price (₹) | Volume |
| July 2015 | 27.00 | 14.30 | 21,00,326 | 26.50 | 14.80 | 68,26,014 |
| August, 2015 | 21.65 | 14.40 | 5,66,133 | 21.80 | 14.50 | 20,65,403 |
| September, 2015 | 16.95 | 14.25 | 1,29,362 | 16.90 | 14.30 | 7,38,272 |
| October, 2015 | 17.23 | 14.75 | 3,87,545 | 17.20 | 14.80 | 15,81,270 |
| November, 2015 | 17.80 | 14.00 | 1,83,119 | 15.80 | 14.40 | 7,68,118 |
| December, 2015 | 18.75 | 14.71 | 11,26,693 | 18.75 | 14.55 | 35,41,101 |
| January, 2016 | 16.60 | 12.01 | 6,54,322 | 16.60 | 12.00 | 21,70,073 |
| February, 2016 | 13.48 | 10.00 | 2,19,797 | 13.35 | 10.00 | 8,94,154 |
| March, 2016 | 12.70 | 10.11 | 3,47,540 | 12.80 | 10.10 | 9,98,131 |

**a) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016**

| Category (Share) | Shareholders | | Share amount | |
|------------------|--------------|---------------|------------------|---------------|
| | Number | % to total | (₹) | % to total |
| Upto 500 | 19056 | 80.85 | 2706243 | 2.14 |
| 501 – 1000 | 2107 | 8.94 | 1756890 | 1.42 |
| 1001 – 2000 | 1141 | 4.84 | 1763574 | 1.43 |
| 2001 – 3000 | 429 | 1.82 | 1113293 | 0.90 |
| 3001 – 4000 | 174 | 0.74 | 621170 | 0.50 |
| 4001 – 5000 | 158 | 0.67 | 754662 | 0.61 |
| 5001 – 10000 | 249 | 1.06 | 1864197 | 1.51 |
| 10001 and above | 255 | 1.08 | 112919507 | 91.43 |
| Total | 23569 | 100.00 | 123499536 | 100.00 |

b) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2016

| Sl. No. | Category | Number of holders | Number of shares | % to equity |
|---------|--|-------------------|------------------|-------------|
| 1 | Promoter & promoter groups (Individuals) | 16 | 11103634 | 8.99 |
| 2 | Promoter & promoter groups (Bodies Corporates) | 13 | 68809537 | 55.72 |
| 3 | Financial Institution/Banks | 5 | 4436082 | 3.76 |
| 4 | Foreign Portfolio Investors | 6 | 5949413 | 4.82 |
| 5 | Bodies Corporates | 442 | 11840678 | 9.59 |
| 6 | Resident individuals | 22690 | 16191821 | 13.11 |
| 7 | Foreign Bodies | 1 | 4553373 | 3.69 |
| 8 | Non Resident Indians | 355 | 365279 | 0.30 |
| 9 | Overseas Corporate Bodies | 1 | 1000 | 0.00 |
| 10 | NBFC | 5 | 12755 | 0.01 |
| 11 | Clearing members | 35 | 29680 | 0.02 |

c) DIVIDEND HISTORY

| Financial year | Dividend per share (₹) | Total dividend (₹ in lakhs) |
|----------------|------------------------|-----------------------------|
| 2015-16 | Nil | Nil |
| 2014-15 | Nil | Nil |
| 2013-14 | Nil | Nil |
| 2012-13 | Nil | Nil |
| 2011-12 | Nil | Nil |
| 2010-11 | 1.50 | 2153 |
| 2009-10 | 1.25 | 1801 |
| 2008-09 | 1.00 | 1234 |
| 2007-08 | 1.20 | 1281 |
| 2006-07 | 1.00 | 1067 |

DETAILS OF UNCLAIMED SHARES AS ON 31st March, 2016:

Pursuant to Clause 5A of the Listing Agreement, the details of shares issued pursuant to the initial public issue of the Company which remains unclaimed and are lying in the escrow account as on 31st March, 2016 are as follows:

| Year | Opening Balance as on 01.07.2015 | | Cases disposed off during the Financial Year 2015-16 | | Closing Balance as on 31.03.2016 | |
|---------|----------------------------------|---------------|--|---------------|----------------------------------|---------------|
| | No. of Cases | No. of Shares | No. of Cases | No. of Shares | No. of Cases | No. of Shares |
| 2015-16 | 4 | 824 | 0 | 0 | 4 | 824 |

**Dematerialisation of shares**

As per SEBI requirement the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE400H01019. The Company has paid annual custody fee for the financial year 2015-16 to NSDL and CDSL, the depositories. As on March 31, 2016, 123440487 shares of the Company constituting 99.95% of the issued and subscribed share capital stood dematerialised.

DETAILS OF DEMAT AND PHYSICAL SHARES AS ON 31ST MARCH, 2016

| Description | Number of Holders | Number of shares | % of Equity |
|--------------|-------------------|------------------|---------------|
| CDSL | 7993 | 29507933 | 23.89 |
| NSDL | 15538 | 93932554 | 76.06 |
| Physical | 38 | 59049 | 0.05 |
| Total | 23569 | 123499536 | 100.00 |

DETAILS ON USE OF PUBLIC FUNDS OBTAINED IN THE LAST THREE YEARS

No funds had been raised from public in the last three years.

Global depository receipts

During the period under review, the Company did not issue any GDR or ADR or warrants or any convertible bonds

Registrar & Share Transfer Agents

M/s Karvy Computershare Private Limited

Karvy Selenium, Tower B

Plot No. 31 & 32, Financial District

Nanakramguda, Gachibowli

Hyderabad - 500032

Tel No. 91-40-67162222

Facsimile No. 91-40-232420814

Email: support@karvy.com

Share transfer system

The Registrars & Share Transfer Agent M/s Karvy Computer share Private Limited register the share transfers after the shares are lodged for transfer, within a period ranging from seven to ten days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Dedicated e-mail id

Exclusively for investor servicing, the Company has designated an e-mail id, viz. investorsrelation@adhunikgroup.co.in.

Plant location

Vill. - Chadrihariharpur

P.O. Kuarmunda

Dist. Sundergarh,

Odisha-770039



Investor's correspondence

All queries of investors regarding the Company's shares or other matters may be sent at the following addresses.:-

The Company Secretary
Adhunik Metaliks Limited.
Vill. - Chadrihariharpur
P.O. Kuarmunda
Dist. Sundergarh,
Odisha-770039
Tel no.0661- 2586001
Fax no.0661-2586005

M/s Karvy Computershare Private Limited
Unit: Adhunik Metaliks Limited
Karvy Selenium, Tower B
Plot No. 31 & 32, Financial District
Nanakramguda, Gachibowli
Hyderabad - 500032
Tel No. 91-40-67162222
Facsimile no. 91-40-232420814
E-mail id: einward.ris@karvy.com

For Adhunik Metaliks Limited

Registered Office :

Vill. - Chadrihariharpur
P.O. Kuarmunda
Dist. Sundergarh,
Odisha - 770039
Place: Kolkata, India
Date: 2nd September, 2016

Ghanshyam Das Agarwal
Chairman

DECLARATION BY CEO ON CODE OF CONDUCT

To
The Members
M/s. Adhunik Metaliks Limited

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to clause 49 of Listing agreement & SEBI (Listing obligations & disclosure requirements) Regulations 2015 in so far as it was applicable and there was no non-compliance thereof during the year ended March 31, 2016.

Place : Kolkata
Date: 26th May, 2016

Nirmal Kumar Agarwal
Managing Director



CEO CERTIFICATION

I, Nirmal Kumar Agarwal Managing Director, responsible for the finance functions certify that: . I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief :-

- I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- a. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 are fraudulent, illegal or violation of the Company's code of conduct.
- b. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I

am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

- c. (I) There has not been any significant change in internal control over financial reporting during the year under reference;
- II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- III) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 26th May, 2016

Nirmal Kumar Agarwal
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
M/s. Adhunik Metaliks Limited

Re:- Certificate regarding compliance of conditions of Corporate Governance

- A. We have conducted an audit of compliance of corporate governance norms and procedures by M/s. Adhunik Metaliks Limited, having its registered office At Chadrihariharpur, P.O. Kuarmunda, Dist. Sundargarh, Orissa - 770 039 (hereinafter called the company) during the Financial Year ended 31st March, 2016 as per the provisions of clause 49 of the Listing Agreement & SEBI (Listing obligations & disclosure requirements) Regulations 2015 in so far as it was applicable;
- B. That our audit is an independent audit of compliance of corporate governance norms and procedures as mentioned above by the company. That compliance of corporate governance norms and procedures is the responsibility of the Company. That our audit is neither an opinion on financial statements of the Company nor on future viability of the Company or on effective management of the Company.
- C. In our opinion and to the best of our understanding, based on the records, documents, books and other information furnished to us during the aforesaid audit by the Company, its officers and agents, we confirm that the Company has complied with the corporate governance norms and procedures, as applicable to the Company, during the aforesaid period under scrutiny.

Place: Kolkata
Date: 26.05.2016

PRAMOD KUMAR PAL
Company Secretary in Practice
ACS No : 21983
C.P.No : 8425



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADHUNIK METALIKS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Adhunik Metaliks Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

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

Basis of Qualified Opinion

We draw attention to Note 13 of the financial statements with regard to the recognition of deferred tax assets amounting to ₹ 26,413.41 lacs (P.Y ₹ 13,336.06), on unabsorbed depreciation, business losses and other timing differences incurred by the Company. Based on the unexpected orders on hand, the management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, based on our review, we conclude that, in absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available against which the deferred tax assets can be realised, such recognition is not consistent with the principles enunciated under Accounting Standard 22, Accounting for Taxes on Income (AS 22).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the period ended on that date.

Emphasis of Matter

We draw attention to the fact that the Company has made long term investments in Adhunik Power and Natural Resources Limited amounting to ₹ 1,000.02 lacs comprising of 4,200,000 equity share @ ₹ 23.81 per share. The said investments continue to be valued at cost. Due to non availability of audited financial statements for the financial year 2015-16, we have relied on audited financial statements of Adhunik Power and Natural Resources Limited for the year ended 31st March 2015, where book value is at ₹ 6.69 per share, leads to decline in the value of investment. However, the company has not made diminution in value of its investments as required under Accounting Standard 13 - Accounting for Investments, as it considers such investment is a long term strategic investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the standalone financials is currently not ascertainable.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Auditor 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.

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

- a. we have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;



Independent Auditors' Report (Contd.)

- b. except for the effects of the matter described in the Basis for Qualified Opinion in the paragraph above, 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, and the cash flow Statement dealt with by this Report are in agreement with the books of account;
- d. except for the effects of the matter described in the Basis for Qualified Opinion in the paragraph above in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending

litigations on its financial position in its financial statements as stated in Note No. 30 to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Company

Other Matters

We did not audit the financial statements of a foreign branch included in the standalone financial statements of the Company whose financial statements reflect total assets (net) of ₹ 954.04 lacs as at 31st March, 2016 and total revenues of ₹ Nil for the period ended on that date, as considered in the standalone financial statements. The financial statements of this branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

For Das & Prasad
Chartered Accountants
(Firm's Registration No.-303054E)

Anil Kumar Agarwal
(Partner)

Place: Kolkata
Dated: 26th May, 2016

(Membership No.-062368)

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the period ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
 - (c) As per information and explanation given to us by the management, all the title deeds of the immovable properties are held in the name of the Company;
- (ii) As explained to us inventories were physically verified during the period by the management at reasonable intervals. As the Company's inventory of raw material and finished goods mostly include bulk materials which require technical expertise for establishing the quantity thereof, the Company has hired independent agencies for physical verification of such stocks. Relying on the above verification by independent expert agencies and according to information and explanation furnished to us, the

procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph iii (a), iii(b) and iii(c) of the Order are not applicable to the Company and hence, not commented upon;
- (iv) In our opinion and according to information and explanations given to us, the Company has not made any loans, investments or guarantees. However company has pledged a part of its investment in the earlier years, for the loans taken by its wholly owned subsidiary from banks and financial institutions, the terms and conditions thereof, in our opinion prima-facie prejudicial to the interest of the Company;

**Annexure to the Independent Auditors' Report Contd.**

- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order is not applicable to the Company;
- (vi) According to the information and explanations given to us, in our opinion, the Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (vii) a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, cess or other material statutory dues have been generally regularly deposited during the period by the Company with appropriate authorities.
- According to the information and explanation given to us no undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, cess or other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they become payable except in following cases:

| Nature of statute | Nature of dues | Amount (₹ in Lacs) | Period to which the amount relates |
|--------------------------------------|---|-----------------------|---------------------------------------|
| Income Tax Act, 1961 | Tax Deducted at Source | 23.79 | May 2015 to August 2015 |
| Finance Act, 1994 | Service Tax on reverse charge mechanism | 4.99 | May 2015 to August 2015 |
| Employees' State Insurance Act, 1948 | Employees' Share and ESI on contractors | 0.32 | April 2015 to May 2015 |

- b) According to the information and explanation given to us, the following dues of vat, sales-tax, central sales tax, excise, service tax and ESI have not been deposited by the company on account of dispute as at 31st March, 2016:

| Name of statute | Nature of dues | Amount (₹ in Lacs) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------------|---|-----------------------|------------------------------------|--|
| Central Sales Tax | Disallowance of Sale against Form-C, Form-H and transfer of stock to branches | 179.84 | 2004-05, 2005-06 & 2007-08 | Additional Commissioner of Sales Tax, Orissa Sales Tax Tribunal, Cuttack |
| | Sales tax has arisen due to pending C/F/H Forms and Supporting document for Deemed Export. | 17.30 | 2011-12 & 2012-13 | Additional Commissioner of Sales Tax, Sambalpur |
| | On assessment for 2005-06 shortfall in Sales tax has arisen due to pending C Forms, H Forms and F Forms. For 2003-04 Demand raised on the basis of discrepancies identified on the basis of fraud investigation conducted by the department. On the basis of fraud investigation report demand has been raised. The Company has filled an appeal on the ground of arbitrary and time barred | 34.28 | 2003-04 & 2005-06 | The Joint. Commissioner of Sales Tax, Rourkela |
| | Disallowance for sale against Form-C | 2.30 | 2009-10 | Sr. Jt Commissioner, Chowringhee Circle, Kolkata |
| Central Excise and Service Tax | Dispute towards Cenvat Credit on structural steel used for construction of capital goods, input and disallowance of Service Tax on Commission Income | 2,121.14 | 2003-09 | C E S T A T (KOLKATA) |



| Nature of statute | Nature of dues | Amount (₹ in Lacs) | Period to which the amount relates | Forum where dispute is pending |
|-------------------------------------|--|--------------------|------------------------------------|--|
| | Dispute towards Cenvat Credit on Capital goods & input | 1099.96 | 2006-11 | Before Commissioner, Jt. Commissioner, Addl. Commissioner, Commissioner (Appeal) Bhubaneswar |
| | Dispute towards Cenvat Credit on input. | 16.20 | 2005-11 | Before Dy. Commissioner, Asst. Commissioner, Rourkela |
| Orissa Entry Tax | Entry Tax on machinery & spares and Capital Goods, Interest & Penalty for late filling of return | 121.52 | 2011-12 & 2012-13 | Addl. Commissioner of Sales Tax, Sambalpur |
| | Entry Tax on machinery & spares & Capital Goods | 59.92 | 2002-05 & 2007-08 | Additional Commissioner of Sales Tax, The Orissa Sales Tax Tribunal, Cuttack |
| Orissa Value Added Tax | Disallowance of Input Tax credit. | 123.27 | 2005-06 & 2006-07 | High Court Of Orissa, Cuttack |
| | Disallowance of Input Tax credit. | 430.88 | 2005-06 & 2011-12 | The Orissa Sales Tax Tribunal, Additional Commissioner of Sales Tax, Cuttack |
| | Disallowance of Input Tax credit, Interest & Penalty for late filling of return | 3.64 | 2012-13 | Add. Commissioner of Sales Tax, Sambalpur |
| Orissa Sales Tax | Demand against discrepancies identified during investigation | 12.71 | 2003-04 & 2004-05 | Jt. Commissioner of Sales Tax, Dy. Commissioner, Rourkela |
| | Dispute on gross turnover vis-à-vis taxable turnover | 5.98 | 2003-04 | The Orissa Sales Tax Tribunal, Cuttack |
| West Bengal Value Added Tax | Disallowance of input tax credit, Addition of Turnover | 229.31 | 2007 to 2012 | Sr. Joint Commissioner, Chowringhee circle, Kolkata |
| Employees State Insurance Act, 1948 | Non Payment of ESI dues for Companies and Contractors Employees | 34.30 | 2011-12 | ESI Commissioner, Rourkela |
| | Total | 4,492.55 | | |

- (viii) Based on the records examined by us and as per the information and explanations given to us, the Company during the period has not defaulted in repayment of principal amount to the banks and financial institutions. There were no outstanding debentures as on the balance sheet date.
- (ix) According to information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the period, nor have we been informed of such case by the management;
- (xi) According to information and explanation given to us, the Company has not paid or provided any managerial remuneration and hence paragraph 3(xi) is not applicable;
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable;
- (xiii) In our opinion and on the basis of information and explanation given to us by the management, all the transactions with the related parties are in compliance with sections 177 and 188 of

Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

- (xiv) According to information and explanation given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review;
- (xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the paragraph 3(xv) is not applicable to the Company;
- (xvi) In our opinion and on the basis of information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Das & Prasad
Chartered Accountants
(Firm's Registration No.-303054E)

Anil Kumar Agarwal
(Partner)
(Membership No.-062368)

Place: Kolkata
Dated: 26th May, 2016



Annexure to the Independent Auditors' Report Contd.

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Adhunik Metaliks Limited ("the Company") as of 31st March, 2016, in conjunction with our Audit of the Standalone Financial Statements of the Company for the period 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Das & Prasad

Chartered Accountants
(Firm's Registration No.-303054E)

Anil Kumar Agarwal
(Partner)

Place: Kolkata
Dated: 26th May, 2016

(Membership No.-062368)

**Balance Sheet** as at 31st March, 2016

(₹ in lacs)

| | Notes | As at 31st March 2016 | As at 30th June 2015 |
|--|-------|--------------------------|-------------------------|
| Equity and liabilities | | | |
| Shareholder's funds | | | |
| Share capital | 3 | 12,349.95 | 12,349.95 |
| Reserves and surplus | 4 | 36,011.78 | 64,988.42 |
| | | 48,361.73 | 77,338.37 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 160,843.28 | 158,257.60 |
| Other long term Liabilities | 6 | 36,506.29 | 31,426.20 |
| Long-term provisions | 7 | 710.10 | 570.12 |
| | | 198,059.67 | 190,253.92 |
| Current liabilities | | | |
| Short-term borrowings | 8 | 46,508.73 | 36,691.48 |
| Trade payables | 9 | 34,849.43 | 26,991.43 |
| Other current liabilities | 10 | 15,172.27 | 6,608.61 |
| Short-term provisions | 7 | 197.55 | 220.47 |
| | | 96,727.98 | 70,511.99 |
| TOTAL | | 343,149.38 | 338,104.28 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets : | | | |
| Tangible assets | 11.1 | 169,781.53 | 178,496.92 |
| Intangible assets | 11.1 | 36,335.77 | 37,766.09 |
| Capital work-in-progress | 11.2 | 2,513.47 | 17.45 |
| Non-current investments | 12 | 7,325.65 | 7,325.21 |
| Deferred tax assets (net) | 13 | 26,413.41 | 13,336.06 |
| Long-term loans and advances | 14 | 21,457.06 | 24,022.25 |
| Other non-current assets | 15 | 781.87 | 521.96 |
| | | 264,608.76 | 261,485.94 |
| Current assets | | | |
| Inventories | 17 | 59,314.98 | 60,705.84 |
| Trade receivables | 16 | 13,113.51 | 8,322.19 |
| Cash and bank balances | 18 | 828.69 | 456.08 |
| Short-term loans and advances | 14 | 4,631.21 | 6,203.03 |
| Other current assets | 15 | 652.23 | 931.20 |
| | | 78,540.62 | 76,618.34 |
| TOTAL | | 343,149.38 | 338,104.28 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date

For Das & Prasad

Firm registration number: 303054E

Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No.: 062368

Nirmal Kumar Agarwal
(Managing Director)

Ghanshyam Das Agarwal
(Chairman)

Place: Kolkata
Date: 26th May, 2016

Sanjay Dey
(Company Secretary)

Statement of Profit and Loss for the period ended 31st March, 2016

(₹ in lacs)

| | Notes | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-------|-----------------------|------------------------|
| Income | | | |
| Revenue from operations (gross) | 19 | 51,748.28 | 64,737.09 |
| Less: Excise duty | | 5,030.89 | 4,926.15 |
| Revenue from operations (net) | | 46,717.39 | 59,810.94 |
| Other income | 20 | 825.06 | 1,215.73 |
| Total revenue (I) | | 47,542.45 | 61,026.67 |
| Expenses | | | |
| Cost of raw materials consumed | 21 | 36,215.29 | 43,491.01 |
| Purchase of stock-in-trade | 22 | 1,181.63 | 11,667.44 |
| (Increase)/decrease in Finished Goods, Work-in-Progress, Traded Goods and By-Products | 23 | (60.12) | 10,156.58 |
| Employee benefits expenses | 24 | 3,005.25 | 4,110.01 |
| Finance costs | 25 | 19,343.09 | 24,946.07 |
| Depreciation and amortization expenses | 26 | 10,149.71 | 9,743.31 |
| Other expenses | 27 | 14,576.97 | 18,413.25 |
| Total expenses (II) | | 84,411.82 | 122,527.67 |
| Profit / (Loss) before exceptional item and tax [III= (I) - (II)] | | (36,869.37) | (61,501.00) |
| Exceptional items | 28 | 5,113.45 | — |
| Profit / (Loss) before tax (IV) | | (41,982.82) | (61,501.00) |
| Tax expenses : | | | |
| Current tax | | — | — |
| Deferred tax credit | | (13,077.35) | (20,626.75) |
| Income Tax relating to earlier years | | — | (13.99) |
| Total tax expenses (V) | | (13,077.35) | (20,640.74) |
| Profit / (Loss) for the year [(IV) - (V)] | | (28,905.47) | (40,860.26) |
| Earnings per equity share [nominal value ₹ 10 per share (₹ 10 per share) - Basic & Diluted (₹)] | | | |
| Basic (₹) | 29 | (23.41) | (33.09) |
| Diluted (₹) | | (23.41) | (33.09) |
| Summary of significant accounting policies | 2 | | |

The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date

For Das & Prasad

Firm registration number: 303054E

Chartered Accountants

For and on behalf of the Board of Directors

 Anil Kumar Agarwal
 Partner
 Membership No.: 062368

 Nirmal Kumar Agarwal
 (Managing Director)

 Ghanshyam Das Agarwal
 (Chairman)

 Place: Kolkata
 Date: 26th May, 2016

 Sanjay Dey
 (Company Secretary)

**Cash Flow Statement** for the period ended 31st March, 2016

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| A: Cash Flow From Operating Activities : | | |
| Loss before Tax | (41,982.82) | (61,501.00) |
| Adjustments for : | | |
| Depreciation and amortisation expense | 10,149.71 | 9,743.31 |
| Gain on sale of fixed assets | (1.35) | — |
| Net unrealised loss/(gain) on exchange rates/forward exchange contracts | — | 417.90 |
| Share of Loss in partnership firm | 0.16 | 0.10 |
| Provision for doubtful debts and advances | 4,466.45 | 3,567.26 |
| Bad debts/advances written off | 60.37 | 42.35 |
| Write back of employee stock option compensation cost | (71.16) | (38.83) |
| Liabilities no longer required written back | (426.59) | (839.27) |
| Interest income | (143.37) | (273.92) |
| Interest & finance charges | 19,343.09 | 24,946.07 |
| Operating Profit Before Working Capital Changes | (8,605.51) | (23,936.03) |
| Movements in Working Capital : | | |
| Increase / (decrease) in trade payables and other liabilities | 33,584.40 | (32,605.18) |
| Increase / (decrease) in provisions* | 117.07 | 155.53 |
| (Increase) / decrease in trade receivables | (7,296.72) | 22,981.61 |
| (Increase) / decrease in loans and advances and other assets* | 2,630.80 | 21,336.61 |
| (Increase) / decrease in inventories | 1,390.87 | 15,906.81 |
| Cash Generated From Operations | 21,820.91 | 3,839.37 |
| Direct taxes paid (Net of refunds) | (21.59) | (56.77) |
| Net Cash Generated From Operating Activities (A) | 21,799.32 | 3,782.60 |
| B: Cash Flow From Investing Activities : | | |
| Purchase of fixed assets, including capital work in progress and capital advances | (22,603.89) | (28,453.70) |
| Proceeds from sale of fixed assets | 2.85 | (2.23) |
| Purchase of non-current investments | (0.60) | — |
| Sale of non-current investments | — | 8,675.00 |
| Investment in/(maturity of) fixed Deposit (Net) [Receipt pledged with various bank as security] | (259.91) | 3,144.23 |
| Interest received | 414.39 | 420.18 |
| Net Cash Used In Investing Activities (B) | (22,447.16) | (16,216.50) |

**Cash Flow Statement** for the period ended 31st March, 2016

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| C: Cash Flow From Financing Activities : | | |
| Proceeds from long-term borrowings | 10,845.59 | 70,589.14 |
| Repayment of long-term borrowings | (65.07) | (1,446.24) |
| Proceeds from unsecured loan from Body Corporate | — | 777.00 |
| (Repayment)/ proceeds from working capital loan (Net) | 9,817.25 | (30,963.41) |
| Interest & finance charges paid | (19,577.32) | (27,310.79) |
| Net Cash Used In Financing Activities (C) | 1,020.45 | 11,645.70 |
| Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C) | 372.61 | (788.20) |
| Cash & Cash Equivalents at the beginning of the year | 456.08 | 1,244.28 |
| Cash & Cash Equivalents at the end of the year | 828.69 | 456.08 |

* Includes both current and non-current items

Notes :-

Components of Cash and Cash Equivalents

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Cash on hand | 21.82 | 11.58 |
| Balances with Banks in : | | |
| - Current Accounts | 802.44 | 436.07 |
| - Unpaid dividend accounts | 4.43 | 7.43 |
| - Cheques / drafts on hand | — | 1.00 |
| Total Cash & Cash Equivalents (Note No. 18) | 828.69 | 456.08 |
| Summary of Significant Accounting Policies | 2 | |

As per our report of even date

For Das & Prasad

Firm registration number: 303054E

Chartered Accountants

Anil Kumar Agarwal
Partner
Membership No.: 062368Place: Kolkata
Date: 26th May, 2016

For and on behalf of the Board of Directors

Nirmal Kumar Agarwal
(Managing Director)Sanjay Dey
(Company Secretary)Ghanshyam Das Agarwal
(Chairman)



Notes to Financial Statements as at and for the period ended 31st March, 2016

1. CORPORATE INFORMATION

Adhunik Metaliks Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on stock exchanges in India. The Company is primarily engaged in the manufacture and sale of steel, both alloy & non alloy.

2. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of fixed assets for which revaluation is carried out. Further, insurance & other claims, on the ground of prudence or uncertainty in realisation, are accounted for as and when accepted / received. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

C) Tangible Fixed Assets

- (i) Tangible Fixed Assets are stated at cost (or revalued amount, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises of purchase price inclusive of duties (net of CENVAT / VAT), taxes, incidental expenses, erection/commissioning expenses/trial run expenses and borrowing cost, etc. up to the date the asset are ready for intended use. In case of revaluation of tangible fixed assets, the cost as assessed by the approved valuers is considered in the accounts and the differential amount is credited to revaluation reserve.

The Company identifies and determines cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'Value in use'. The estimated future cash flows are discounted to their present value using pre tax discount rates and risks specific to the asset.

- (ii) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.
- (iii) Expenditure on new projects and substantial expansion:
Expenditure directly relating to construction activity are capitalized. Indirect expenditure incurred during construction period are capitalized as part of the indirect construction cost to the extent to which the expenditure are related to construction activity or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.



Notes to Financial Statements as at and for the period ended 31st March, 2016

D) Intangibles

- (i) Acquired computer softwares and licenses are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. These costs are amortized on a straight line basis over their estimated useful life of three years.
- (ii) Net Present Value paid to the various State Governments for restoration of forest as a pre-condition of granting license for mining in non-broken forest area (Mining Rights) are capitalized and amortized prospectively on a straight line basis over the remaining lease period.

E) Depreciation

- (i) Depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act.
- (ii) Leasehold Land is amortised over the tenure of respective leases.
- (iii) Mining lease and Development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.
- (iv) Intangible assets (computer softwares) are amortised on straight-line method at the rates determined based on estimated useful lives which vary from 2 years to 5 years.

F) Foreign Currency Transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rate at the date when such value was determined.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting of such monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

G) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline 'other than temporary' in the value of the investments.

H) Inventories

- (i) Raw materials, stores and spares and trading goods are valued at lower of cost computed on moving weighted average basis and



Notes to Financial Statements as at and for the period ended 31st March, 2016

net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- (ii) Finished goods, work in progress and by products are valued at the lower of cost computed on weighted average basis and net realizable value. Cost includes direct materials and labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
- (iii) The Closing stock of materials inter-transferred from one unit to another is valued at cost of the transferor unit or net realizable value, whichever is lower.
- (iv) Net realizable value mentioned above is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

I) Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

J) Excise Duty and Custom Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly is considered for valuation of finished goods stock lying in the factories as on the balance sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

K) Earnings per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

L) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Sales are net of returns, claims, trade discounts, Sales Tax and VAT etc. Export turnover includes related export benefits.

Sale of Services

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends

Dividends are recognized when the shareholders' right to receive payment is established by the balance sheet date.



Notes to Financial Statements as at and for the period ended 31st March, 2016

M) Retirement and other Employee Benefits

- i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss of the year when the contributions to the respective fund is due. The Company has no obligation other than the contribution payable to respective fund.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation, as per projected unit credit method made at the balance sheet date.
- iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

N) Stock Compensation Expenses

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share - based Payments, issued by the Institute of Chartered Accountants of India. The Company accounts for stock compensation expenses based on the fair value of the options granted, determined on the date of grant. Compensation cost is amortised over the vesting period of the option on straight line basis. The accounting value of the options outstanding net of the Deferred Compensation Expenses is reflected as Employee Stock Options Outstanding.

O) Taxation

- (i) Tax expense comprises of Current and Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961.
- (ii) Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured using income tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available.
- (iv) Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

P) Segment Reporting

Identification of Segments

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment.



Notes to Financial Statements as at and for the period ended 31st March, 2016

The Company's secondary geographical segments have been identified based on the location of customers and then demarcated into Indian and overseas revenue earnings.

Q) Leases

(i) Finance Lease

Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments after discounting them at an interest rate implicit in the lease at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expenses account.

Leased assets capitalized are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating Lease

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

R) Cash and Cash Equivalents

Cash and cash equivalents as indicated in cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

S) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the respective assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the pre tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

T) Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under Accounting Standard 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

U) Provision

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

V) Contingent Liabilities

A contingent liability is a 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 is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**3. SHARE CAPITAL**

| | As at 31st March 2016 | | As at 30th June 2015 | |
|--|-----------------------|------------------|----------------------|------------------|
| | Nos. | ₹ in lacs | Nos. | ₹ in lacs |
| Authorized shares | | | | |
| Equity Shares of ₹ 10 each | | | | |
| At the beginning of the year | 145,180,000 | 14,518.00 | 145,180,000 | 14,518.00 |
| Add: Addition during the year | — | — | — | — |
| TOTAL | 145,180,000 | 14,518.00 | 145,180,000 | 14,518.00 |
| Preference Shares of ₹ 100 each | | | | |
| At the beginning of the year | 2,000 | 2.00 | 2,000 | 2.00 |
| Add: Addition during the year | — | — | — | — |
| TOTAL | 2,000 | 2.00 | 2,000 | 2.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity Shares of ₹10 each fully paid up | 123,499,536 | 12,349.95 | 123,499,536 | 12,349.95 |
| TOTAL | 123,499,536 | 12,349.95 | 123,499,536 | 12,349.95 |

(a) Terms/Rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the period ended 31st March, 2016 the amount of dividend per share recognized as distribution to equity shareholders is ₹ Nil per share (₹ Nil per share).

(b) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date is Nil.**(c) Details of shareholders holding more than 5% shares in the Company**

| Name of the Shareholder | As at 31st March 2016 | | As at 30th June 2015 | |
|--|-----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Equity shares of ₹ 10 each fully paid | | | | |
| Mahananda Suppliers Limited | 29,993,485 | 24.29% | 29,993,485 | 24.29% |
| Sungrowth Share & Stocks Limited | 29,813,102 | 24.14% | 29,813,102 | 24.14% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Employee Stock Options Scheme

For details related to shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note 34).



Notes to Financial Statements as at and for the period ended 31st March, 2016

4. RESERVES AND SURPLUS

(₹ in lacs)

| | | As at 31st March 2016 | As at 30th June 2015 |
|---|----------|--------------------------|-------------------------|
| Capital Reserve (as per the last financial statements) | (A) | 588.78 | 588.78 |
| Securities Premium Account (as per the last financial statements) | (B) | 28,255.86 | 28,255.86 |
| General Reserve (as per the last financial statements) | (C) | 1,732.78 | 1,732.78 |
| Employee Stock Options Outstanding (Refer Note 34) | | | |
| Employee Stock Options Outstanding | | 118.04 | 210.07 |
| Less: Deferred Employee Compensation Cost Outstanding | | 6.92 | 27.79 |
| Closing Balance | (D) | 111.12 | 182.28 |
| Revaluation Reserve | | | |
| Balance as per the last financial statements | | 50,263.43 | 52,348.38 |
| Less: Depreciation on Revalued assets transferred to Statement of Profit and Loss | | 1,570.83 | — |
| Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation | | — | 2,084.94 |
| Closing Balance | (E) | 48,692.60 | 50,263.44 |
| Surplus in the Statement of Profit and Loss | | | |
| Balance as per the last financial statements | | (16,034.72) | 25,067.55 |
| Profit/(Loss) for the year | | (28,905.47) | (40,860.26) |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferred Tax ₹ 116.23 Lacs) | | — | (242.01) |
| Add: Depreciation on Revalued assets transferred from Revaluation Reserve | | (1,570.83) | — |
| Net surplus in the statement of profit and loss | (F) | (43,369.36) | (16,034.72) |
| Total reserves and surplus | (A to F) | 36,011.78 | 64,988.42 |

5. LONG-TERM BORROWINGS

(₹ in lacs)

| | | Non Current Portion | | Current Maturities | |
|---|---------|--------------------------|-------------------------|--------------------------|-------------------------|
| | | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| A) Secured | | | | | |
| Term Loans from : | | | | | |
| Banks | | 146,189.17 | 144,570.93 | 7,694.34 | — |
| Financial Institutions | | 13,493.28 | 12,453.07 | 710.17 | 217.38 |
| | (A) | 159,682.45 | 157,024.00 | 8,404.51 | 217.38 |
| Deferred Payment Liabilities | | | | | |
| Vehicle/Equipment/Housing Loans | (B) | 383.83 | 456.60 | 129.14 | 121.45 |
| B) Unsecured | | | | | |
| Loans from Body Corporates | (C) | 777.00 | 777.00 | — | — |
| Total | (A+B+C) | 160,843.28 | 158,257.60 | 8,533.65 | 338.83 |
| Amount disclosed under the head "other current liabilities" (Note No. 10) | | | | (8,533.65) | (338.83) |
| | | 160,843.28 | 158,257.60 | — | — |



Notes to Financial Statements as at and for the period ended 31st March, 2016

(A) Secured Term Loans

During the financial year 2014-15, the Company was referred to the Corporate Debt Restructuring Forum (CDR), a non statutory voluntary mechanism set up under the aegis of the Reserve Bank of India, for the restructuring of its corporate debt w.e.f. 1st August 2014 and pursuant to which the CDR package was approved vide the letter of approval of CDR cell dated 20th March 2015 and a Master Restructuring Agreement (MRA) dated 30th March 2015 was executed to give effect to the CDR package. The CDR Package includes reliefs/measures such as reduction of interest rates, funding of interest, rearrangement of securities etc. On restructuring the following loans have been recorded in the books of the Company under long term borrowings as on March 31, 2016:

Restructured Term Loan :

In terms of the CDR Package, outstanding term loan of the Company amounting to ₹ 80,056.53 lacs (₹ 78,294.10 lacs) as on August 1, 2014 (cut-off date) which falls due to payment on or after the cut off date has been restructure into new term loan (herein after referred to as "Restructure Term Loan").

Working Capital Term Loan (WCTL):

In terms of the CDR Package, the overdrawn portion of the Cash Credit Accounts of the Company amounting to ₹ 30,470.00 lacs (₹ 30,470.00 lacs) has been carved out into separate Working Capital Term Loans (WCTL-I) and LC/BG devolved amounting to ₹ 33,126.55 lacs (₹ 33,126.55 lacs) from cut-off date till March 31, 2015 has been carved out as Working Capital Term Loan - II (WCTL- II).

Funded Interest Term Loan (FITL):

In terms of the CDR Package, funding of interest has been provided for :

- Interest on restructure term loans for a period of 24 months from the cut-off date i.e. from August 01, 2014 to July 31, 2016;
 - Interest on WCTL-I & on WCTL-II for a period of 24 months from the cut-off date i.e. from August 01, 2014 to July 31, 2016;
 - Interest on regular cash credit limit for a period of 8 months from the cut-off date i.e. August 01, 2014 to March 31, 2015;
- Till March 31, 2016 ₹ 20,048.39 lacs (₹ 11,485.80 lacs) interest on above loans have been funded from FITL.

Priority Term Loan :

In terms of the CDR Package, Priority Term Loan amounting to ₹ 3,777.00 lacs with a moratorium period of 2 years has been sanctioned to meet payment obligations towards statutory liabilities, pressing creditors and employees dues. Till date, ₹ 3,861.49 lacs (₹ 2,102.50 lacs) loan has been availed out of above mentioned Priority Term Loan.

Capex Term Loan :

In terms of the CDR Package, Capex Term Loan amounting to ₹ 6,096.00 lacs has been sanctioned with a moratorium period of 2 years. During the year ₹ 524.00 loan has been availed out of above mentioned Capex Term Loan.

(B) Nature of security

- i) The rupee term loan from CDR lenders amounting to ₹ 168,086.96 lacs (₹ 155,478.95 lacs) are secured by charge over the entire assets of the Company and over all the assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited (except assets exclusively charged to ICICI Bank) and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges in favor of other existing CDR lenders (including working capital lenders) under obligor and co-obligor structure.
- ii) The term loans from Non-CDR lender (SREI) amounting to ₹ Nil lacs (₹ 1,762.43 lacs) are secured by first charge over all the fixed assets of the Company and over all the fixed assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited, and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges created / to be created in favor of other existing and proposed banks and financial institutions and second pari-passu charge on all the current assets of the Company, Orissa Manganese & Minerals Limited and Zion Steel Limited under obligor co-obligor structure.
- iii) 8,302,264 shareholdings of promoters and promoter group in the Company has been pledged as security to CDR lenders.
- iv) The rupee term loans from ICICI Banks amounting to ₹ 20,860.19 lacs (₹ 18,841.71 lacs) are further secured by exclusive charged on the fixed assets of the mining division of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited and pledge of 30% shares of the pre merged entity, i.e. Orissa Manganese & Minerals Limited. However, post-merger (Refer Note No. 39), proportionate shares would continue to be pledged with ICICI Bank as per the scheme of merger.
- v) The rupee Term Loans of ₹ 168,086.96 lacs (₹ 157,241.38 lacs) from banks and financial institutions are further secured by the personal guarantee of one or more promoter directors of the Company.
- vi) Finance against equipments/vehicles/housing are secured by hypothecation of the respective equipments/vehicles/housing.

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**(C) Terms of repayment of rupee loans from banks/financial institutions and rate of interest charged****Terms of repayment of rupees term loan**

- i) The Restructure Term Loan, Working Capital Term Loan, Priority Term Loan and Capex Term Loan are to be repaid over a period of 8 years by way of 32 structured quarterly installments commencing from September 30, 2016 upto June 30, 2024 as per the Repayment Schedule given below:

| Financial Year | Quarter | Repayment per Quarter % | Percentage of Term Loan due for Repayment (%) |
|----------------|---------|-------------------------|---|
| 2016-17 | 3 | 1.67% | 5.00% |
| 2017-18 | 4 | 1.88% | 7.50% |
| 2018-19 | 4 | 2.50% | 10.00% |
| 2019-20 | 4 | 2.50% | 10.00% |
| 2020-21 | 4 | 3.13% | 12.50% |
| 2021-22 | 4 | 3.75% | 15.00% |
| 2022-23 | 4 | 3.75% | 15.00% |
| 2023-24 | 4 | 3.75% | 15.00% |
| 2024-25 | 1 | 10.00% | 10.00% |

- ii) The Funded Interest Term Loan (FITL) for 12 months shall be converted into Equity of OMML after merger of AML, hereinafter referred to as "OMML (Merge Entity)" (Refer Note 39), subject to the overall holding of the lenders post conversion of FITL into equity should not go beyond 49% share capital of the OMML (Merge Entity) and balance shall remain as FITL which are to be repaid over a period of 6 years by way of 24 structured quarterly installments commencing from September 30, 2016 upto June 30, 2022. The said equity conversion which falls due for conversion in March 2016, have been extended till October 2016 by CDR EG in their meeting held on April 27, 2016. In case of non-resolution of merger, the Company shall issue equity for stipulated FITL by December 2016 with all the statutory approvals. Repayment Schedule of FITL is given below:

| Financial Year | Quarter | Repayment per Quarter % | Percentage of Term Loan due for Repayment (%) |
|----------------|---------|-------------------------|---|
| 2016-17 | 3 | 1.67% | 5.00% |
| 2017-18 | 4 | 1.88% | 7.50% |
| 2018-19 | 4 | 3.13% | 12.50% |
| 2019-20 | 4 | 4.38% | 17.50% |
| 2020-21 | 4 | 5.63% | 22.50% |
| 2021-22 | 4 | 5.63% | 22.50% |
| 2022-23 | 1 | 12.50% | 12.50% |

Rate of Interest charged

- i) The Restructured Rupee Term Loan from CDR lenders amounting to ₹ 80,056.53 lacs shall carry floating interest rate of 11% p.a. w.e.f. the cut-off date till March 31, 2017, 11.50% p.a. for next three years and 12% p.a. for the balance years and shall be linked to individual bank base rate.
- ii) The Working Capital Term Loan (WCTL-I & WCTL-II) amounting to ₹ 63,596.55 lacs and FITL amounting to ₹ 20,048.39 lacs from CDR lenders carry floating interest rate, linked to individual bank base rate, of 11% p.a.
- iii) The Priority Term Loan from CDR lenders amounting to ₹ 3,861.49 lacs carry floating interest rate, linked to individual bank base rate, of 11.25% p.a.
- iv) The Capex Term Loan from CDR lenders amounting to ₹ 524.00 lacs as on March 31, 2016 shall carry floating interest rate, linked to individual bank base rate, of 11.25% p.a.
- (D)** Unsecured Loans from Body Corporate ₹ 777.00 lacs (₹ 777.00 lacs) represent amount brought in by the promoters group pursuant to MRA executed by the Company. Refer Note A above.



Notes to Financial Statements as at and for the period ended 31st March, 2016

(E) Vehicle/Equipment/Housing loans carry interest ranging between 8.46% to 12.00% per annum and are secured by the respective fixed assets purchased there against. Following is the repayment schedule of such loans:

| Deferred Payment Liabilities | | | | |
|---|-----------------------|--------------------|----------------------|--------------------|
| Payment Terms | As at 31st March 2016 | | As at 30th June 2015 | |
| Installments due | No. of Installments | Amount (₹ in lacs) | No. of Installments | Amount (₹ in lacs) |
| Within one year | 86 | 129.14 | 103 | 121.45 |
| After one but not more than three year | 69 | 91.89 | 119 | 160.15 |
| After three but not more than five year | 24 | 14.21 | 12 | 13.00 |
| More than five year | 163 | 277.73 | 172 | 283.45 |
| TOTAL | 342 | 512.97 | 406 | 578.05 |

6. OTHER LONG TERM LIABILITIES

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---------------|-----------------------|----------------------|
| Other payable | 36,506.29 | 31,426.20 |
| | 36,506.29 | 31,426.20 |

7. PROVISIONS

(₹ in lacs)

| | Non Current | | Current | |
|--|-----------------------|----------------------|-----------------------|----------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Provision for employee benefits*: | | | | |
| Gratuity (Refer Note No. 33) | 523.16 | 387.94 | 149.69 | 162.34 |
| Leave benefits | 186.94 | 182.18 | 47.86 | 58.13 |
| | 710.10 | 570.12 | 197.55 | 220.47 |

* The classification of provision for employee benefits into current / non current have been done by the actuary of the Company based on the estimated amount of cash outflow during the next twelve months from the balance sheet date.

8. SHORT-TERM BORROWINGS (SECURED)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|-------------------------|-----------------------|----------------------|
| Cash credits from banks | 46,508.73 | 36,691.48 |
| Total | 46,508.73 | 36,691.48 |

- (a) Cash credit from banks of ₹ 46,508.73 lacs (₹ 36,691.48 lacs) which is repayable on demand are secured by charge over the entire assets of the Company and over all the assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited (except assets exclusively charged to ICICI Bank) and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges in favor of other existing CDR lenders (including term loan lenders) under obligor and co-obligor structure.
- (b) Cash credit from banks of ₹ 46,508.73 lacs (₹ 36,691.48 lacs) are further secured by the personal guarantee of one or more promoter directors of the Company.

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**9. TRADE PAYABLES**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|------------------------------------|--------------------------|-------------------------|
| Acceptances | 12,381.05 | 3,352.43 |
| Trade Payables (Refer Note No. 37) | 22,468.38 | 23,639.00 |
| | 34,849.43 | 26,991.43 |

10. OTHER CURRENT LIABILITIES

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Current Maturities of Long-term borrowings (Refer Note No.5) | 8,533.65 | 338.83 |
| Interest accrued and due on borrowings (Refer Note No. 10.1) | 291.19 | 177.06 |
| Advance from customers | 117.82 | 158.41 |
| Book Overdraft | 4.59 | 84.64 |
| Investor Education and Protection Fund: | | |
| Unpaid Dividend (not due) | 4.43 | 7.43 |
| Employee related liabilities | 1,017.50 | 1,220.05 |
| Statutory Liabilities | 4,109.68 | 3,654.79 |
| Others | 1,093.41 | 967.40 |
| | 15,172.27 | 6,608.61 |

10.1 The interest on Term Loan amounting to ₹ 291.19 lacs due for payment on 31st March 2016 have been subsequent paid.

Notes to Financial Statements as at and for the period ended 31st March, 2016

11.1 FIXED ASSETS

(₹ in lacs)

| | Tangible Assets | | | | | | | | | | Intangible Assets | | | Total |
|--|---|-----------------|------------------|---------------------|-----------------|---------------|----------------------|-------------------|-----------------|-----------------|-------------------|------------------|-------------------|------------------|
| | Freehold Land including Site Development Expenses | Leasehold Land | Buildings | Plant and Machinery | Vehicles | Computers | Furniture & Fixtures | Office Equipments | Railway Wagons | Railway Siding | Total | Mining Rights | Computer Software | |
| Gross Block (At Cost): | | | | | | | | | | | | | | |
| As at 1st July, 2014 | 8,309.64 | 6,173.86 | 15,593.67 | 161,380.08 | 3,039.86 | 445.59 | 431.46 | 416.40 | 2,550.35 | 9,007.96 | 207,348.87 | 43,164.48 | 237.95 | 43,402.43 |
| Additions | 1,379.64 | — | 17.93 | 34,189.38 | 9.31 | 3.60 | 0.19 | 2.93 | — | 5.00 | 35,607.98 | — | — | — |
| Disposals/Discard | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| As at 30th June 2015 | 9,689.28 | 6,173.86 | 15,611.60 | 195,569.46 | 3,049.17 | 449.19 | 431.65 | 419.33 | 2,550.35 | 9,012.96 | 242,956.85 | 43,164.48 | 237.95 | 43,402.43 |
| Additions | — | — | — | — | — | 3.09 | — | 2.41 | — | — | 5.50 | — | — | — |
| Disposals/Discard | — | — | — | — | 26.16 | — | — | — | — | — | 26.16 | — | — | — |
| As at 31st March 2016 | 9,689.28 | 6,173.86 | 15,611.60 | 195,569.46 | 3,023.01 | 452.28 | 431.65 | 421.74 | 2,550.35 | 9,012.96 | 242,936.19 | 43,164.48 | 237.95 | 43,402.43 |
| Accumulated Depreciation/ Amortisation: | | | | | | | | | | | | | | |
| As at 1st July, 2014 | — | 174.95 | 2,156.10 | 46,830.06 | 945.72 | 349.78 | 191.79 | 133.37 | 1,660.64 | 1,701.63 | 54,144.04 | 3,625.64 | 140.10 | 3,765.74 |
| Charge for the year | — | 74.04 | 1,065.56 | 7,446.32 | 342.45 | 31.74 | 40.59 | 113.81 | 104.12 | 739.02 | 9,957.65 | 1,824.97 | 45.63 | 1,870.60 |
| Adjusted with General Reserves | — | — | 131.92 | 30.14 | 14.57 | 40.44 | 22.41 | 118.76 | — | — | 358.24 | — | — | — |
| Disposals/Discard | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| As at 30th June 2015 | — | 248.99 | 3,353.58 | 54,306.52 | 1,302.74 | 421.96 | 254.79 | 365.94 | 1,764.76 | 2,440.65 | 64,459.93 | 5,450.61 | 185.73 | 5,636.34 |
| Charge for the year | — | 55.78 | 740.75 | 6,886.86 | 252.79 | 10.99 | 33.44 | 21.07 | 160.83 | 556.88 | 8,719.39 | 1,396.12 | 34.20 | 1,430.32 |
| Disposals/Discard | — | — | — | — | 24.66 | — | — | — | — | — | 24.66 | — | — | — |
| As at 31st March 2016 | — | 304.77 | 4,094.33 | 61,193.38 | 1,530.87 | 432.95 | 288.23 | 387.01 | 1,925.59 | 2,997.53 | 73,154.66 | 6,846.73 | 219.93 | 7,066.66 |
| Net Block | | | | | | | | | | | | | | |
| As at 30th June 2015 | 9,689.28 | 5,924.87 | 12,258.02 | 141,262.94 | 1,746.43 | 27.23 | 176.86 | 53.39 | 785.59 | 6,572.31 | 178,496.92 | 37,713.87 | 52.22 | 37,766.09 |
| As at 31st March 2016 | 9,689.28 | 5,869.09 | 11,517.27 | 134,376.08 | 1,492.14 | 19.33 | 143.42 | 34.73 | 624.76 | 6,015.43 | 169,781.53 | 36,317.75 | 18.02 | 36,335.77 |

Land, Railway Sidings and Mining rights (at Kulum Orissa), aggregating to ₹ 8,924.62 lacs (Gross block) as on 30th June 2012 were revalued by an external independent valuer on Net Replacement Cost/Fair Value basis and net increase of ₹ 56,283.66 lacs were transferred to Revaluation Reserve.

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**11.2 CAPITAL WORK IN PROGRESS**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Civil Construction and Structural Works | — | 2,487.10 |
| Plant and Equipments | 2,499.46 | 16,270.12 |
| | 2,499.46 | 18,757.22 |
| Less: Transfer to Fixed Assets | — | 18,739.77 |
| | 2,499.46 | 17.45 |
| Add: Pre-operative Expenditure (Pending Allocation) (Refer details below) | 14.01 | — |
| | 2,513.47 | 17.45 |

Details of Pre-operative Expenditure (Pending Allocation)

During the year, the company has incurred the following expenses relating to ongoing projects of the company, which are accounted as pre-operative expenses and grouped under Capital Work-in-progress. Consequently, expenses disclosed under the respective notes are net of the following amounts capitalized by the company.

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--------------------------------------|--------------------------|-------------------------|
| Opening Balance Brought Forward | — | 11,432.14 |
| EXPENDITURE | | |
| Power & Fuel | — | 1,204.37 |
| Consumption of Stores and Consumable | — | — |
| Salaries and Bonus etc. | — | 689.09 |
| Staff Welfare | — | — |
| Professional and Consultancy Charges | — | 36.84 |
| Interest on Term Loans | — | 3,439.35 |
| Other borrowing costs | — | — |
| Miscellaneous Expenses | 14.01 | 51.41 |
| Sub-Total | 14.01 | 16,853.20 |
| Less: Transfer to Fixed Assets | — | 16,853.20 |
| | 14.01 | — |

12. NON-CURRENT INVESTMENTS (LONG-TERM)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Trade investments (valued at cost unless stated otherwise) | | |
| Unquoted equity shares | | |
| Investment in subsidiaries/step down subsidiaries | | |
| 20,000,000 (20,000,000) Equity Shares of ₹ 10 each fully paid-up in Orissa Manganese & Minerals Limited (Refer Note No. 31 (b)) | 6,309.60 | 6,309.60 |
| 6,000 (Nil) Equity Shares of ₹ 10 each fully paid-up in Kolkata Glass & Ceramics Private Limited | 0.60 | — |
| Investment in Associate Company | | |
| 4,200,000 (4,200,000) Equity Shares of ₹ 10 each fully paid-up in Adhunik Power & Natural Resources Limited | 1,000.02 | 1,000.02 |
| Investment in Other Company | | |
| 76,500 (76,500) Equity Shares of ₹ 10 each fully paid-up in Adhunik Meghalaya Steels Private Limited | 7.65 | 7.65 |
| Investment in Capital of Partnership Firm (Joint Venture) | | |
| United Minerals (Refer Note No. 36) | 7.78 | 7.94 |
| | 7,325.65 | 7,325.21 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**13. DEFERRED TAX ASSETS (NET)**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Balance as per last financial statements | 13,336.06 | (7,406.92) |
| Add: Deferred Tax Asset on Depreciation adjusted with retain earning | — | 116.23 |
| Add: Deferred Tax Asset recognised for the year | 13,077.35 | 20,626.75 |
| | 26,413.41 | 13,336.06 |

13.1 COMPONENTS OF NET DEFERRED TAX ASSETS AS ON THE BALANCE SHEET DATE ARE AS FOLLOWS:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Deferred tax assets on | | |
| Unabsorbed Depreciation | 20,810.80 | 17,133.52 |
| Unabsorbed Business Losses | 23,725.15 | 15,283.06 |
| Other timing differences | 3,460.44 | 1,575.42 |
| | (A) 47,996.39 | 33,992.00 |
| Deferred tax liabilities on | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 21,582.98 | 20,655.94 |
| | (B) 21,582.98 | 20,655.94 |
| Net deferred tax assets | (A-B) 26,413.41 | 13,336.06 |

13.2 The Company has provided for deferred tax assets for ₹ 26,413.41 lacs (₹ 13,336.06 lacs) based on future profitability projection. The management is of the view that future taxable income will be available to realise/adjust such deferred tax assets.



Notes to Financial Statements as at and for the period ended 31st March, 2016

14. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

(₹ in lacs)

| | | Non Current | | Current | |
|--|-----------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Capital advances | (A) | 7,914.59 | 7,777.25 | — | — |
| Advances recoverable in cash or kind | | | | | |
| Considered good - To Related Parties | | 8,261.38 | 11,538.10 | 553.53 | — |
| Considered good - To Others | | — | — | 3,208.55 | 4,914.86 |
| Doubtful - To Others | | 5,643.32 | 3,682.26 | — | — |
| | | 13,904.70 | 15,220.36 | 3,762.08 | 4,914.86 |
| Provision for doubtful advances | | 5,643.32 | 3,682.26 | — | — |
| | (B) | 8,261.38 | 11,538.10 | 3,762.08 | 4,914.86 |
| Loans / Advance to Employees | (C) | — | — | 57.50 | 62.40 |
| Security Deposits | (D) | 1,415.42 | 862.82 | — | — |
| Others | | | | | |
| Balances with statutory / Government authorities | | 304.65 | 304.65 | 761.69 | 1,111.38 |
| Prepaid expenses | | — | — | 49.94 | 114.39 |
| Advance income-tax [net of provision for taxation ₹ Nil (₹ Nil)] | | 477.42 | 455.83 | — | — |
| MAT credit entitlement | | 3,083.60 | 3,083.60 | — | — |
| | (E) | 3,865.67 | 3,844.08 | 811.63 | 1,225.77 |
| Total | (A to E) | 21,457.06 | 24,022.25 | 4,631.21 | 6,203.03 |

15. OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

(₹ in lacs)

| | | Non Current | | Current | |
|---|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Non-current bank balances (Refer Note No 18) | | 781.87 | 521.96 | — | — |
| Others | | | | | |
| Interest Receivable on | | | | | |
| Bank Deposits | | | | 7.57 | 6.57 |
| Other Advances | | | | 348.36 | 272.03 |
| Receivable from Banks towards excess interest charged | | | | 126.60 | 457.10 |
| Export Benefits Receivable | | | | 169.70 | 195.50 |
| Total | | 781.87 | 521.96 | 652.23 | 931.20 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**16. TRADE RECEIVABLES (UNSECURED)**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | 3,094.91 | 7,080.62 |
| Doubtful | 2,888.21 | 382.82 |
| | 5,983.12 | 7,463.44 |
| Less: Provision for doubtful receivables | 2,888.21 | 382.82 |
| | (A) 3,094.91 | 7,080.62 |
| Other trade receivables (considered good) | (B) 10,018.60 | 1,241.57 |
| Total | (A+B) 13,113.51 | 8,322.19 |

17. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Raw Materials [includes in transit ₹ 49.30 lacs (₹ 110.99 lacs)] | 19,233.01 | 20,290.82 |
| Finished Goods [includes in transit ₹ 81.04 lacs (₹ 6.25 lacs)] | 20,507.99 | 18,821.40 |
| Work-in-progress | 911.73 | 901.85 |
| By Products | 9,590.02 | 11,057.63 |
| | 50,242.75 | 51,071.70 |
| Stock-in-trade | 69.03 | 20.02 |
| Stores & Spares [includes in transit ₹ 20.40 lacs (₹ Nil)] | 9,003.20 | 9,614.12 |
| | 59,314.98 | 60,705.84 |

DETAILS OF STOCK OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Sponge Iron | 3,349.19 | 6,067.80 |
| Billets | 7,616.03 | 5,047.58 |
| Rolled Products | 4,945.01 | 3,677.15 |
| Pig Iron | 3,321.99 | 2,198.57 |
| Coke | 763.11 | 768.92 |
| Others | 1,424.39 | 1,963.23 |
| | 21,419.72 | 19,723.25 |
| Stock-in-trade- Iron & Steel product | 69.03 | 20.02 |
| | 69.03 | 20.02 |



Notes to Financial Statements as at and for the period ended 31st March, 2016

18. CASH AND BANK BALANCES

(₹ in lacs)

| | Non Current | | Current | |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| On current accounts | | | 802.44 | 436.07 |
| On unpaid dividend account | | | 4.43 | 7.43 |
| Cheques/Drafts on Hand | | | — | 1.00 |
| Cash on hand | | | 21.82 | 11.58 |
| | | | 828.69 | 456.08 |
| Other bank balances | | | | |
| Deposits with original maturity for more than 12 months # | 15.26 | 15.06 | — | — |
| Margin money deposit # | 766.61 | 506.90 | — | — |
| | 781.87 | 521.96 | — | — |
| Amount disclosed under non-current assets (Refer Note No 15) | (781.87) | (521.96) | — | — |
| | — | — | 828.69 | 456.08 |

Receipts lying with Banks/Government Authorities as security against guarantees / letters of credit issued by them.

19. REVENUE FROM OPERATIONS

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Revenue from operations | | |
| Sale of products | | |
| Finished goods | 50,386.04 | 45,767.00 |
| Traded goods | 1,168.14 | 13,580.80 |
| Sale of Services | — | 3,340.93 |
| Other operating revenue | | |
| Sale of By-Products | 89.88 | 1,468.14 |
| Sale of Raw Materials | — | 457.67 |
| Export Benefits | 104.22 | 122.55 |
| Revenue from operations (gross) | 51,748.28 | 64,737.09 |
| Less: Excise duty | 5,030.89 | 4,926.15 |
| Revenue from operations (net) | 46,717.39 | 59,810.94 |

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--------------------------|-----------------------|------------------------|
| Finished goods | | |
| Billet | 26,806.34 | 18,411.68 |
| Rolled Product | 13,557.55 | 18,903.17 |
| Pig Iron | 5,387.63 | 2,558.96 |
| Silicon and Ferro Alloys | — | 1,268.93 |
| Sponge Iron | 4,634.52 | 4,039.52 |
| Others | — | 584.74 |
| | 50,386.04 | 45,767.00 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**19. REVENUE FROM OPERATIONS (CONTINUED)**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---------------------------------------|-----------------------|------------------------|
| By Product | | |
| Granulated Slag | 10.60 | 213.72 |
| Scrap | 3.24 | 1,180.86 |
| Others | 76.04 | 73.56 |
| | 89.88 | 1,468.14 |
| Raw Material | | |
| Coal | — | 457.67 |
| | — | 457.67 |
| Stock-in-trade - Iron & Steel product | 1,168.14 | 13,580.80 |
| | 1,168.14 | 13,580.80 |

20. OTHER INCOME

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Interest income on | | |
| Bank deposits | 58.36 | 131.94 |
| Deposits | 85.01 | 141.98 |
| Unspent liabilities and provisions no longer required written back | 426.59 | 839.27 |
| Write back of Employee stock option compensation cost | 71.16 | 38.83 |
| Surplus on tangible assets sold (net) | 1.35 | — |
| Gain on foreign exchange fluctuation / forward exchange contracts (net) | 176.21 | — |
| Miscellaneous Income | 6.38 | 63.71 |
| | 825.06 | 1,215.73 |

21. COST OF RAW MATERIALS CONSUMED

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---------------------------------------|-----------------------|------------------------|
| Opening stock of raw materials | 20,290.82 | 25,183.70 |
| Add: Purchases | 35,157.48 | 38,598.13 |
| | 55,448.30 | 63,781.83 |
| Less: Closing Stock | 19,233.01 | 20,290.82 |
| Cost of raw materials consumed | 36,215.29 | 43,491.01 |

DETAILS OF RAW MATERIALS CONSUMED

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|-------------|-----------------------|------------------------|
| Iron Ore | 11,019.73 | 7,905.43 |
| Coal | 9,104.98 | 9,322.81 |
| Coke | 14,401.52 | 15,387.66 |
| Sponge Iron | — | 4,684.84 |
| Pellet | 1,474.44 | 1,884.33 |
| Others | 214.62 | 4,305.94 |
| | 36,215.29 | 43,491.01 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**22. PURCHASE OF STOCK-IN-TRADE**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------|-----------------------|------------------------|
| Iron & Steel product | 1,181.63 | 11,667.44 |
| | 1,181.63 | 11,667.44 |

23. (INCREASE)/DECREASE OF INVENTORIES IN FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE AND BY-PRODUCTS

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) | (Increase)/ Decrease |
|---|-----------------------|------------------------|-------------------------|
| Inventories at the end of the year: | | | |
| Finished Goods | 20,507.99 | 18,821.40 | (1,686.59) |
| Work in Progress | 911.73 | 901.85 | (9.88) |
| Stock-in-trade | 69.03 | 20.02 | (49.01) |
| By Products | 9,590.02 | 11,057.63 | 1,467.61 |
| (A) | 31,078.77 | 30,800.90 | (277.87) |
| Inventories at the beginning of the year: | | | |
| Finished Goods | 18,821.40 | 23,381.21 | 4,559.81 |
| Work in Progress | 901.85 | 2,577.29 | 1,675.44 |
| Stock-in-trade | 20.02 | 1,377.92 | 1,357.90 |
| By Products | 11,057.63 | 14,116.66 | 3,059.03 |
| (B) | 30,800.90 | 41,453.08 | 10,652.18 |
| (B-A) | (277.87) | 10,652.18 | |
| Excise duty on (Increase)/decrease in finished good | 217.75 | (495.60) | |
| | (60.12) | 10,156.58 | |

24. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--------------------------------------|-----------------------|------------------------|
| Salaries, wages and bonus | 2,725.24 | 3,769.69 |
| Contribution to provident fund | 118.42 | 143.77 |
| Gratuity expense (Refer Note No. 33) | 134.66 | 126.26 |
| Workmen and Staff Welfare Expenses | 26.93 | 70.29 |
| | 3,005.25 | 4,110.01 |

25. FINANCE COSTS

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Interest: | | |
| On Term Loans | 13,350.61 | 11,358.46 |
| On Cash Credit, Letters of Credit and Others | 5,567.04 | 12,666.30 |
| Other borrowing costs | 425.44 | 921.31 |
| | 19,343.09 | 24,946.07 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**26. DEPRECIATION & AMORTIZATION EXPENSE**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Depreciation of tangible assets | 8,719.39 | 9,957.65 |
| Amortization of intangible assets | 1,430.32 | 1,870.60 |
| Less: Adjusted against revaluation reserve | — | (2,084.94) |
| | 10,149.71 | 9,743.31 |

27. OTHER EXPENSES

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Consumption of Stores and Spares | 5,371.02 | 3,378.73 |
| Power and Fuel | 2,194.33 | 3,336.70 |
| Conversion Charges | 213.17 | 662.35 |
| Operation and Maintenance Charges (Refer details) | 2,370.17 | 1,654.33 |
| Freight and Forwarding Charges | 1,252.41 | 1,310.32 |
| Rent | 154.46 | 303.66 |
| Rates and Taxes | 463.15 | 161.35 |
| Legal and Professional Charges | 257.64 | 304.07 |
| Insurance | 53.32 | 71.83 |
| Repairs to and Maintenance of : | | |
| Buildings | 0.11 | 11.44 |
| Machinery | 848.04 | 794.37 |
| Others | 95.36 | 403.38 |
| Travelling and Conveyance Expenses | 50.69 | 74.82 |
| Directors' Travelling & Conveyance Expenses | 2.51 | 8.03 |
| Communication Costs | 99.06 | 167.29 |
| Director's Sitting fees | 7.20 | 11.40 |
| Payment to Auditors: | | |
| As Auditors | | |
| Audit Fees | 20.00 | 20.00 |
| Limited Review Fees | 15.00 | 15.00 |
| In other capacity | | |
| Tax Audit Fees | — | 3.00 |
| For Certificates and Other services | 0.95 | 8.25 |
| Reimbursement of Expenses | 0.85 | — |
| Prior Period items (net) (Refer details below) | — | 12.70 |
| Exchange Differences (net) | — | 619.61 |
| Provision for doubtful debts and advances | — | 3,567.26 |
| Bad debts/advances written off | 60.37 | 42.35 |
| Rebate, discounts and other selling expenses | 687.13 | 628.77 |
| Motor Vehicle Expenses | 119.34 | 236.79 |
| Cost of raising, drilling and excavation | — | 96.00 |
| Share of Loss in Partnership Firm (refer to note no.36) | 0.16 | 0.10 |
| Miscellaneous Expenses | 240.53 | 509.35 |
| | 14,576.97 | 18,413.25 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**27.1 OPERATION & MAINTENANCE CHARGES CONSIST OF THE FOLLOWING EXPENSES**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------------|-----------------------|------------------------|
| Contract Payments | 828.58 | 484.86 |
| Testing and Inspection Charges | 63.23 | 65.51 |
| Refractory Management Charges | 716.15 | 444.69 |
| Labour Charges | 404.81 | 306.14 |
| Plant and Equipment Hire Charges | 331.56 | 291.56 |
| Packing & Forwarding Charges | — | 9.25 |
| Miscellaneous | 25.84 | 52.32 |
| | 2,370.17 | 1,654.33 |

27.2 PRIOR PERIOD EXPENSES/(INCOME) CONSIST OF THE FOLLOWING EXPENSES

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|------------------------|-----------------------|------------------------|
| Income | | |
| Miscellaneous Income | — | — |
| Total (A) | — | — |
| Expenses | | |
| Miscellaneous Expenses | — | 12.70 |
| Total (B) | — | 12.70 |
| Total (B-A) | — | 12.70 |

28. EXCEPTIONAL ITEMS

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Loss on preclosure of Derivative Transaction | 647.00 | — |
| Provision for doubtful debts and advances | 4,466.45 | — |
| | 5,113.45 | — |

28.1 The company has forclosed outstanding derivative transaction of full currency swap from ₹ to \$ for notional amount of ₹ 3,100.00 lacs (notional \$ 5,283,203.73) resulting in loss of ₹ 647.00 lacs, which has been considered as exceptional item.

28.2 During the year the Company has made internal assessment of outstanding Trade Receivables and Advance for material/capital goods and has made provision for outstanding Trade Receivables and Advance for material/capital goods for which recovery is doubtful amounting to ₹ 4,466.45 lacs and the same has been considered as exceptional item.

**Notes to Financial Statements** as at and for the period ended 31st March 2016**29. EARNINGS PER SHARE (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Net Profit / (Loss) after tax for calculation of basic and diluted EPS (₹ in lacs) | (28,905.47) | (40,860.26) |
| Weighted average number of equity shares in calculating basic EPS | 1234,99,536 | 1234,99,536 |
| Add: Effect of stock options | — | — |
| Weighted average number of equity shares in calculating diluted EPS | 1234,99,536 | 1234,99,536 |
| Nominal Value of equity shares | ₹ 10 | ₹ 10 |
| Basic Earnings Per Share | ₹ (-) 23.41 | ₹ (-) 33.09 |
| Diluted Earnings Per Share | ₹ (-) 23.41 | ₹ (-) 33.09 |

30. CONTINGENT LIABILITIES

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Claims & Government demands against the Company not acknowledged as debt: | | |
| i) Excise/Service tax demand under dispute/appeal | 3,273.38 | 2,936.83 |
| ii) Sales Tax matters (under dispute/appeal) | 1,460.03 | 1,473.52 |
| iii) Others | 4,976.09 | 292.40 |
| iv) Bills discounted and Bank Guarantees outstanding | 6,754.05 | 523.52 |
| | 16,463.55 | 5,226.27 |

v) The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/ to be made by CDR Lenders under obligor co-obligor structure (Refer Note No 5(A)) as per the CDR package is approximately ₹173,022.00 lacs.

31. Capital and other commitments

- As at 31st March 2016, the Company has commitments of ₹ 2,198.80 lacs (₹ 450.31 lacs) net of advances ₹ 8,206.20 lacs (₹ 7,777.15 lacs) relating to estimated amount of contracts to be executed on capital account and not provided for.
- The Company has given undertaking to the lenders not to dispose off its 51% shareholding in Orissa Manganese and Minerals Limited (OMM), a wholly owned subsidiary, till the loan taken by OMM is paid in full. Further, the Company has also pledged 6,000,000 equity shares of OMM as a security against the above loan.

32. Leases :**Operating lease**

- The Company has obtained Liquid Oxygen Plant on operating lease. The lease rent payable per month is ₹ 15.00 lacs (₹ 15.00 lacs). The lease term is for a non-cancellable period of 10 years and the initial term may be extended for such further period and on such terms and conditions as the parties may mutually agree. There are no sub leases. Future lease rentals payable under non-cancellable operating leases are as follows:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Within one year | 180.00 | 180.00 |
| After one year but not more than five years | 375.00 | 555.00 |
| | 555.00 | 735.00 |

**Notes to Financial Statements** as at and for the period ended 31st March 2016

- b) Certain office premises, godowns, etc. are held on operating lease. The leases range upto 3 years and are renewable for further year either mutually or at the option of the Company. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------------|-----------------------|------------------------|
| Lease payments made for the year | 154.46 | 303.66 |
| | 154.46 | 303.66 |

33. DISCLOSURE UNDER ACCOUNTING STANDARD-15 (REVISED) ON 'EMPLOYEE BENEFITS'

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets Gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme are unfunded and as such there are no plan assets. The following table summarizes (to the extent applicable) the components of net benefits / expenses recognized in the financial statements.

Statement of Profit and Loss**(a) Net employee benefit expense recognized in the employee cost**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------|-----------------------|------------------------|
| Current service cost | 59.71 | 82.09 |
| Interest cost on benefit | 30.79 | 36.71 |
| Net actuarial (gain)/loss | 44.16 | 7.46 |
| Net benefit expense | 134.66 | 126.26 |

Balance Sheet**(b) Benefit asset/liability**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Present value of defined benefit obligation | 672.85 | 550.28 |
| Fair value of plan assets | — | — |
| Less: Unrecognised past service cost | — | — |
| Net asset/(liability) | (672.85) | (550.28) |

(c) Changes in the present value of the defined benefit obligation are as follows:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Opening defined benefit obligation | 550.28 | 428.57 |
| Current service cost | 59.71 | 82.09 |
| Interest cost | 30.79 | 36.71 |
| Benefits paid | (12.09) | (4.55) |
| Actuarial (gains)/losses on obligation | 44.16 | 7.46 |
| Closing defined benefit obligation | 672.85 | 550.28 |

**Notes to Financial Statements** as at and for the period ended 31st March 2016**(d) The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:**

| | (₹ in lacs) | |
|-----------------|-----------------------------------|-----------------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Discount rate | 7.80% | 7.50% |
| Salary increase | 7.00% | 7.00% |
| Mortality table | LIC (2006-2008) ultimate table | LIC (2006-2008) ultimate table |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(e) Amounts for the current and previous four periods are as follows:

| | (₹ in lacs) | | | | |
|---|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 30th June 2014 | As at 30th June 2013 | As at 30th June 2012 |
| Gratuity | | | | | |
| Defined benefit obligation | 672.85 | 550.28 | 428.57 | 376.07 | 312.96 |
| Plan assets | — | — | — | — | — |
| Surplus/(deficit) | (672.85) | (550.28) | (428.57) | (376.07) | 312.96 |
| Experience adjustments on plan liabilities (gains)/losses | 44.16 | 7.46 | (169.41) | (140.01) | (185.66) |

(f) Amounts provided for the defined contribution plans are as follows:

| | (₹ in lacs) | |
|--|-----------------------|------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Defined Contribution plans: | | |
| Amount recognised in the Statement of Profit and Loss | | |
| Contribution to Provident Fund | 118.42 | 143.77 |

34. EMPLOYEE STOCK OPTION PLANS (EQUITY SETTLED)

During the earlier year, the shareholders of the Company, had approved the Adhunik Employee Stock Option Plan ('ESOP 2012') in accordance with the Guidelines issued by Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans, covering employees of the Company as well as employees of the subsidiaries. The plan provide for issue upto 12,349,954 number of options convertible into equity shares of ₹ 10 each duly adjusted for any bonus, splits, etc. The Compensation Committees of the Board administers the Scheme. The option vest subject to continuation of employment.

During the years 2012-13, the Company had granted 3,708,643 number of options convertible into equity shares of ₹ 10 each. These options carry a vesting period ranging from one to four years and at an exercise price of ₹ 30.15 as determined in accordance with applicable SEBI Guidelines as at the date of grant. All the options granted have an exercise period of two years from the date of vesting.

Employee Stock Options outstanding (Net of deferred compensation cost) is as follows:

| | (₹ in lacs) | |
|---|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 |
| Total accounting value of options outstanding | (A) 118.04 | 210.07 |
| Deferred Compensation Cost | 118.04 | 210.07 |
| Less: Cost Amortised during the year | (111.12) | (182.28) |
| Net Deferred Compensation Cost | (B) (6.92) | (27.79) |
| Employee Stock Options outstanding (Net of deferred compensation cost) | (A-B) 111.12 | 182.28 |

**Notes to Financial Statements** as at and for the period ended 31st March 2016**The following table summarises the Company's stock options activity:**

| Particulars | As at 31st March 2016 | | | As at 30th June 2015 | | |
|--|-----------------------|--------------------|-------------------------------------|----------------------|--------------------|-------------------------------------|
| | No. of Options | Amount (₹ in lacs) | Weighted average Exercise Price (₹) | No. of Options | Amount (₹ in lacs) | Weighted average Exercise Price (₹) |
| Outstanding at the beginning of the year | 21,56,574 | 210.07 | 30.15 | 30,87,949 | 294.29 | 30.15 |
| Granted during the year | — | — | — | — | — | — |
| Forfeited/Expired during the year | 9,13,852 | 92.05 | 30.15 | 9,31,375 | 84.22 | 30.15 |
| Exercised during the year | — | — | — | — | — | — |
| Outstanding at the end of the year | 12,42,722 | 118.01 | 30.15 | 21,56,574 | 210.07 | 30.15 |
| Exercisable at the end of the year | 8,41,145 | — | — | 8,08,262 | — | — |
| Weighted average remaining contractual life (in years) | 0.77 | | | 1.67 | | |

The weighted average market price of the Company's shares during the year ended March 31, 2016 was ₹ 15.17 (₹ 29.09) per shares.

The fair value of the options granted during the previous year was calculated by applying the Black - Scholes - Merton formula. The following are assumptions and result.

| Particulars | Assumption Used |
|--|-----------------|
| Average risk free interest rate | 8.21% |
| Weighted average expected life of options granted (in years) | 3.66 |
| Expected dividend yield | 3.08% |
| Volatility (annualised)* | 39.29% |
| Weighted average market price (₹) | 30.15 |
| Exercise Price (₹) | 30.15 |
| Weighted average fair value of the options (₹) | 9.54 |

* Based on historical market price of the Company's shares.

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**35. SEGMENT INFORMATION**

(i) **Business Segment:** The Company's business activity primarily falls within a single business segment i.e. Iron & steel business and hence there are no disclosures to be made under Accounting Standard-17, other than those already provided in the financial statements.

(ii) **Geographical Segment:** The Company primarily operates in India and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

Information for Secondary Geographical Segments:

| | (₹ in lacs) | |
|---|-----------------------|------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Domestic Revenues | 43,234.21 | 60,175.10 |
| Export Revenues (Including Export Benefits) | 8,514.07 | 4,561.99 |
| Total | 51,748.28 | 64,737.09 |

| | (₹ in lacs) | |
|----------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 |
| Domestic Trade Receivables | 13,113.51 | 7,325.03 |
| Export Trade Receivables | — | 997.16 |
| Total | 13,113.51 | 8,322.19 |

(iii) Since the Company has common fixed assets for producing goods for domestic and overseas markets and there are no overseas fixed assets, separate figures for fixed assets / additions to fixed assets for these two segments are not furnished.

36. INTEREST IN PARTNERSHIP FIRM

The Company has Partnership Agreement with United Minerals (jointly controlled entity), a firm registered under The Indian Partnership Act, 1932, which is engaged in mining of limestone and dolomite.

| | (₹ in lacs) | |
|---------------------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 |
| Total Capital of the Partnership Firm | 15.56 | 15.88 |

The Profit and Loss sharing ratio between the Partners in the aforesaid Partnership firm is as under:

| | (₹ in lacs) | |
|--------------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 |
| Adhunik Metaliks Limited | 50% | 50% |
| Adhunik Alloys & Power Limited | 50% | 50% |

The Company's share of the assets, liabilities, income and expenses of the Partnership firm (jointly controlled entity) as per the audited accounts as at and for the year ended 31st March 2016 are as follows:

| | (₹ in lacs) | |
|---------------------------|-----------------------|------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Assets | 27.51 | 27.63 |
| Liabilities | 16.29 | 16.24 |
| Capital Reserves | 3.44 | 3.44 |
| Revenue | — | — |
| Other Income | 0.17 | 0.25 |
| Depreciation | 0.29 | 0.34 |
| Others Expenses | 0.04 | 0.01 |
| Profit / (Loss) after tax | (0.16) | (0.10) |



Notes to Financial Statements as at and for the period ended 31st March, 2016

(b) Related party transactions

(₹ in lacs)

| Nature of Transactions | Subsidiary/ Step down Subsidiary Companies | Associate Company | Key Management Personnel and their Relatives | Enterprises over which Key Management Personnel / Share Holders /Relatives have significant influence | Joint Venture (Partnership Firm) | Total |
|---|---|----------------------|---|---|--|----------------------|
| 1. In relation to Statement of Profit and Loss | | | | | | |
| Purchase of goods / services | | | | | | |
| Orissa Manganese & Minerals Limited | 370.72 (2,592.03) | | | | | 370.72 (2,592.03) |
| Adhunik Alloys & Power Limited | | | | 2.20 (1,006.62) | | 2.20 (1,006.62) |
| Adhunik Industries Limited | | | | 175.30 (21.52) | | 175.30 (21.52) |
| Amuel Engineering Private Limited | | | | — (227.99) | | — (227.99) |
| Zion Steel Limited | | | | — (3,140.36) | | — (3,140.36) |
| Revenue from Operations | | | | | | |
| Adhunik Power & Natural Resources Limited | | — (23.58) | | | | — (23.58) |
| Adhunik Corporation Limited | | | | — (50.29) | | — (50.29) |
| Orissa Manganese & Minerals Limited | 2.67 (90.99) | | | | | 2.67 (90.99) |
| Futuristic Steel Limited | | | | 64.53 (36.26) | | 64.53 (36.26) |
| Adhunik Alloys & Power Limited | | | | 63.39 (812.62) | | 63.39 (812.62) |
| Interest Income | | | | | | |
| Kolkata Glass and Ceramics Private Limited | 17.49 (—) | | | | | 17.49 (—) |
| Accounts maintenance charges and Rent | | | | | | |
| Adhunik Infotech Limited | | | | 151.69 (181.55) | | 151.69 (181.55) |
| Supply of goods/Services | | | | | | |
| Zion Steel Limited | | | | 140.51 (—) | | 140.51 (—) |
| Conversion Charges | | | | | | |
| Zion Steel Limited | | | | 100.60 (178.82) | | 100.60 (178.82) |
| Hire charges/ Electricity charges received | | | | | | |
| Zion Steel Limited | | | | — (98.73) | | — (98.73) |
| Remuneration to Key Management Personnel# | | | | | | |
| Manoj Kumar Agarwal | | | — (120.00) | | | — (120.00) |
| Sanjay Dey | | | 52.50 (26.88) | | | 52.50 (26.88) |
| 2. In relation to Balance Sheet Items | | | | | | |
| Balance outstanding as at the year end – Debit | | | | | | |
| Adhunik Power & Natural Resources Limited | | 6.38 (4.63) | | | | 6.38 (4.63) |
| Kolkata Glass and Ceramics Private Limited | 540.74 (—) | | | | | 540.74 (—) |



Notes to Financial Statements as at and for the period ended 31st March, 2016

(b) Related party transactions (continued)

(₹ in lacs)

| Nature of Transactions | Subsidiary/ Step down Subsidiary Companies | Associate Company | Key Management Personnel and their Relatives | Enterprises over which Key Management Personnel / Share Holders /Relatives have significant influence | Joint Venture (Partnership Firm) | Total |
|--|---|----------------------|---|---|--|--------------------------|
| Adhunik Alloys & Power Limited | | | | 1,796.25 (2,324.31) | | 1,796.25 (2,324.31) |
| Zion Steel Limited | | | | 8,261.38 (11,538.10) | | 8,261.38 (11,538.10) |
| Futuristic Steel Limited | | | | 58.17 (—) | | 58.17 (—) |
| United Minerals | | | | | 6.41 (2.71) | 6.41 (2.71) |
| Adhunik Corporation Limited | | | | 11.18 (11.18) | | 11.18 (11.18) |
| Balance outstanding as at the year end – Credit | | | | | | |
| Orissa Manganese & Minerals Limited | 36,506.29 (32,393.60) | | | | | 36,506.29 (32,393.60) |
| Manoj Kumar Agarwal | | | 105.90 (147.17) | | | 105.90 (147.17) |
| Mahananda Suppliers Limited | | | | 1,006.40 (967.40) | | 1,006.40 (967.40) |
| Amuel Engineering Private Limited | | | | 42.92 (153.04) | | 42.92 (153.04) |
| Adhunik InfoTech Limited | | | | 113.45 (99.62) | | 113.45 (99.62) |
| Adhunik Industries Limited | | | | 53.39 (23.09) | | 53.39 (23.09) |
| Neepaz B.C. Dagara Steels Private Limited | | | | | 70.71 (70.71) | 70.71 (70.71) |

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

39. The Board of Directors of the Company in its meeting held on July 22, 2013 has approved to amalgamate Zion Steel Limited (ZSL) with the Company and to amalgamate the the Company (post amalgamation of ZSL) with the wholly owned subsidiary, Orissa Manganese & Minerals Limited, through a composite scheme of amalgamation between ZSL, OMM and the Company (the Scheme) as per the provision of Section 391 to 394 of the Companies Act, 1956. The appointed date of the amalgamation is 1st July 2012. The scheme has been approved by the Shareholders and Creditors of the above Companies in there meeting held on 19th and 20th April 2014 respectively and the Official Liquidator, Orissa High Court, Cuttack has submitted its report dated 17th July 2014 that the affairs of the Company appears to have not been conducted in a manner prejudicial to the interest of its members or to public interest and the Hon'ble High Court may consider to pass order as deemed fit and proper in that manner. Upon effectiveness of the Scheme, every shareholder of ZSL holding 17 (seventeen) fully paid-up equity shares of ₹10/- each shall be entitled to receive 1 (one) fully paid-up equity shares of ₹10/- each in the Company and every shareholder of the Company (post amalgamation of ZSL) holding 1 (one) fully paid-up equity shares of ₹10/- each shall be entitled to receive 1 (one) fully paid-up equity shares of ₹10/- each in the wholly owned subsidiary, Orissa Manganese & Minerals Limited.

40. CIF VALUE OF IMPORTS (INCLUDING THROUGH CANALIZING AGENCY) DURING THE YEAR:

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------|-----------------------|------------------------|
| Raw materials | 454.10 | 909.59 |
| Components and Spare Parts | 118.37 | 156.44 |
| Capital Goods | 54.40 | 68.05 |
| | 626.87 | 1,134.08 |

**Notes to Financial Statements** as at and for the period ended 31st March, 2016**41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS):**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Professional and Consultancy charges | 2.67 | 7.31 |
| Interest, Finance & Commitment Charges | — | 24.59 |
| Others | 3.51 | 130.00 |
| | 6.18 | 161.90 |

42. Value of Raw Materials and Components, Stores and Spares consumed during the period (including charged to repairs and maintenance and capital)

(₹ in lacs)

| | % of total consumption 2015-16 (9 Months) | Value (₹ in lacs) 2015-16 (9 Months) | % of total consumption 2014-15 (12 Months) | Value (₹ in lacs) 2014-15 (12 Months) |
|-----------------------------|--|---|---|--|
| Raw Materials # | | | | |
| Imported | 1% | 454.10 | 0% | 7.37 |
| Indigenously | 99% | 35,761.19 | 100% | 43,031.78 |
| | 100% | 36,215.29 | 100% | 43,039.15 |
| Stores and Spares ## | | | | |
| Imported | 3% | 157.16 | 0% | 18.82 |
| Indigenously | 97% | 5,853.03 | 100% | 3,860.36 |
| | 100% | 6,010.19 | 100% | 3,879.18 |

Net of cost of raw material sold ₹ Nil lacs (₹ 451.86 lacs).

Including Stores and Spares included under Repairs and Maintenance.

43. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS):

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------|-----------------------|------------------------|
| FOB Value of Exports | 8,409.85 | 4,439.44 |

44. The Company is in process of appointing Chief Financial Officer to comply with the provision of The Companies Act, 2013.**45.** Section 2(41) of the companies Act 2013 requires all companies to have their financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the company is for nine month period from 1st July 2015 to 31st March 2016 (herein after referred as "Year ended 31st March 2016"). Accordingly, the figure for the current financial year are not comparable to those of the previous year.**46.** Previous year figures including those given in brackets have been rearranged where ever necessary to conform with the current year classification.

As per our report of even date

For Das & PrasadFirm registration number: 303054E
Chartered AccountantsAnil Kumar Agarwal
Partner
Membership No.: 062368Place: Kolkata
Date: 26th May, 2016

For and on behalf of the Board of Directors

Nirmal Kumar Agarwal
(Managing Director)Sanjay Dey
(Company Secretary)Ghanshyam Das Agarwal
(Chairman)



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADHUNIK METALIKS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ADHUNIK METALIKS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the nine months period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and the Jointly control entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures

that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis of Qualified Opinion

We draw attention to Note 13 of the consolidated financial statements, in case of Adhunik Metaliks Limited with regard to the recognition of deferred tax assets amounting to ₹ 26,413.41 lacs (including ₹ 5,041.30 lacs in March'16 quarter, ₹ 4635.92 lacs in December'15 quarter and ₹ 3400.13 lacs in September'15 quarter), on unabsorbed depreciation, business losses and other timing differences incurred by the Company. Based on the unexpected orders on hand, the management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, based on our review, we conclude that, in absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available against which the deferred tax assets can be realised, such recognition is not consistent with the principles enunciated under Accounting Standard 22, Accounting for Taxes on Income(AS 22).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, an associate (as referred to below in the Other Matter Paragraph) and jointly controlled entities as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the nine months period ended on that date.

Emphasis of Matter

- We draw attention the fact that the parent company has made long term investments in Adhunik Power and Natural Resources Limited amounting to ₹ 1,000.02 lacs comprising of 4,200,000 equity share @ ₹ 23.81 per share. The said investments continue to be valued at cost. Due to non availability of audited financial statements for the financial year 2015-16, we have relied on audited financial statements of Adhunik Power and Natural Resources Limited for the year ended 31st March, 2015 where book value is at ₹ 6.69 per share, leads to decline in the value of investment. However, the company has not made diminution in value of its investments as required under Accounting Standard 13 -Accounting for Investments, as it considers such investment was as long term strategic investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the consolidated financials is currently not ascertainable.
- We draw attention the fact that one of the subsidiary company, Orissa Manganese & Minerals & Limited, has made long term



Independent Auditors' Report (Contd.)

investments in Adhunik Power and Natural Resources Limited amounting to ₹ 47,259.88 lacs comprising of 2,53,721,461 equity share @ ₹ 18.63 per share and investment in convertible preference share amounting to ₹ 4,684.00 lacs comprising of 468,400 convertible preference share @ ₹ 1000 per share. The said investments continue to be valued at cost. Due to non availability of audited financial statements for the financial year 2015-16, we have relied on audited financial statements of Adhunik Power and Natural Resources Limited for the year ended 31st March 2015 where book value is at ₹ 6.69 per share, leads to decline in the value of investment. However, the company has not made diminution in value of its investments as required under Accounting Standard 13 - Accounting for Investments, as it considers such investment was as long term strategic investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the consolidated financials is currently not ascertainable.

Our Opinion is not modified in respect of above matters

Other Matters

- We did not audit the financial statements of 4(four) subsidiaries and 2(two) jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 1,406.46 lacs as at 31st March, 2016 and the total revenues of ₹ 47.93 lacs for the nine months period then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.
- We did not audit the financial statements of one foreign branch included in the consolidated financial statements of the Company whose financial statements reflect total assets (net) of ₹ 954.04 lacs as at 31st March, 2016 and total revenues of ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. The financial statements of this branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.
- Further reference is drawn to Note No.2 (B)(vii) of Consolidated financial statement in respect of non consolidation of financial statements of an Associates namely Adhunik Power & Natural Resources Limited due to non availability of audited accounts for the year ended 31st March, 2016.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, we report, the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief

were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- Except for the effects of the matter described in the Basis for Qualified Opinion in the paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- Except for the effects of the matter described in the Basis for Qualified Opinion in the paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- The matters describes in the 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
- 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"; and
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Group and jointly control entities has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No.30 to the financial statements.
 - The Group and jointly control entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Group & jointly controlled company incorporated in India.

For Das & Prasad

Chartered Accountants

(Firm's Registration No.-303054E)

Anil Kumar Agarwal

(Partner)

(Membership No.-062368)

Place: Kolkata

Dated: 26th May, 2016



Annexure to the Independent Auditors' Report on Consolidated Financial Statements

Annexure - A to the Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Adhunik Metaliks Limited ("the Holding Company") and its 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 (two) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Das & Prasad
Chartered Accountants
(Firm's Registration No.-303054E)

Anil Kumar Agarwal
(Partner)
(Membership No.-062368)

Place: Kolkata
Dated: 26th May, 2016

**Consolidated Balance Sheet** as at 31st March, 2016

(₹ in lacs)

| | Notes | As at 31st March 2016 | As at 30th June 2015 |
|--|-------|--------------------------|-------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 12,349.95 | 12,349.95 |
| Reserves and surplus | 4 | 48,136.04 | 94,580.20 |
| | | 60,485.99 | 106,930.15 |
| Minority Interest | | 0.58 | 12.50 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 3,78,464.08 | 362,931.19 |
| Other long-term liabilities | 6 | 1,196.06 | 1,695.28 |
| Long-term provisions | 7 | 894.01 | 808.87 |
| | | 380,554.15 | 365,435.34 |
| Current liabilities | | | |
| Short-term borrowings | 8 | 65,078.15 | 51,180.41 |
| Trade payables | 9 | 50,582.49 | 40,107.09 |
| Other current liabilities | 10 | 32,003.77 | 14,483.09 |
| Short-term provisions | 7 | 272.11 | 257.18 |
| | | 147,936.52 | 106,027.77 |
| TOTAL | | 588,977.24 | 578,405.76 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets : | | | |
| Tangible assets | 11.1 | 246,001.43 | 258,326.06 |
| Intangible assets | 11.1 | 41,859.81 | 43,378.55 |
| Capital work-in-progress | 11.2 | 3,512.06 | 410.77 |
| Goodwill on Consolidation | | 5,972.29 | 5,971.94 |
| Non-current investments | 12 | 43,761.77 | 43,761.77 |
| Deferred tax assets (net) | 13 | 25,592.80 | 8,252.25 |
| Long-term loans and advances | 14 | 47,331.77 | 42,250.18 |
| Other non-current assets | 15 | 2,499.37 | 1,424.32 |
| | | 416,531.30 | 403,775.84 |
| Current assets | | | |
| Inventories | 16 | 81,895.65 | 83,799.25 |
| Trade receivables | 17 | 38,906.18 | 24,236.80 |
| Cash and bank balances | 18 | 1,124.95 | 2,349.03 |
| Short-term loans and advances | 14 | 48,638.82 | 60,634.26 |
| Other current assets | 15 | 1,880.34 | 3,610.58 |
| | | 172,445.94 | 174,629.92 |
| TOTAL | | 588,977.24 | 578,405.76 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date

For Das & Prasad

Firm registration number: 303054E

Chartered Accountants

Anil Kumar Agarwal

Partner

Membership No.: 062368

Place: Kolkata

Date: 26th May, 2016

For and on behalf of the Board of Directors

Nirmal Kumar Agarwal

(Managing Director)

Ghanshyam Das Agarwal

(Chairman)

Sanjay Dey

(Company Secretary)

**Consolidated Statement of profit and loss** for the period ended 31st March, 2016

(₹ in lacs)

| | Notes | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-------|-----------------------|------------------------|
| Income | | | |
| Revenue from operations (gross) | 19 | 73,182.72 | 121,054.45 |
| Less: Excise duty | | 6,398.98 | 10,224.54 |
| Revenue from operations (net) | | 66,783.74 | 110,829.91 |
| Other income | 20 | 2,624.63 | 1,641.19 |
| Total revenue (I) | | 69,408.37 | 112,471.10 |
| Expenses | | | |
| Cost of raw materials consumed | 21 | 43,482.47 | 58,616.59 |
| Purchase of Stock-in-trade | 22 | 1,181.63 | 11,667.44 |
| (Increase)/ decrease in inventories of finished goods, work-in-progress, stock-in-trade and by-products | 23 | 2,372.93 | 10,792.49 |
| Employee benefits expenses | 24 | 4,539.60 | 6,722.84 |
| Finance costs | 25 | 37,974.42 | 45,289.28 |
| Depreciation & amortization expenses | 26 | 14,673.09 | 14,709.77 |
| Other expenses | 27 | 22,863.80 | 37,848.82 |
| Total expense (II) | | 127,087.94 | 185,647.23 |
| Profit / (Loss) before exceptional item and tax [III= (I)-(II)] | | (57,679.57) | (73,176.13) |
| Exceptional items | 28 | 6,812.43 | — |
| Profit before tax (IV) | | (64,492.00) | (73,176.13) |
| Tax expenses : | | | |
| Current tax | | 0.24 | — |
| Income Tax relating to Earlier Years | | (771.99) | (284.19) |
| Deferred tax charge | 13 | (17,340.55) | (24,525.94) |
| MAT Credit Entitlement | | — | — |
| Total tax expenses (V) | | (18,112.30) | (24,810.13) |
| Net Profit after tax but before minority interest [VI=(IV-V)] | | (46,379.70) | (48,366.00) |
| Share of profit / (loss) of Minority Interest | | (12.09) | (7.42) |
| Profit for the year | | (46,367.61) | (48,358.58) |
| Earnings per equity share [nominal value ₹ 10 per share (₹ 10 per share)] | 29 | | |
| Basic (₹) | | (37.54) | (39.16) |
| Diluted (₹) | | (37.54) | (39.16) |
| Summary of significant accounting policies | 2 | | |

The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date

For Das & PrasadFirm registration number: 303054E
Chartered AccountantsAnil Kumar Agarwal
Partner
Membership No.: 062368
Place: Kolkata
Date: 26th May, 2016

For and on behalf of the Board of Directors

Nirmal Kumar Agarwal
(Managing Director)Ghanshyam Das Agarwal
(Chairman)Sanjay Dey
(Company Secretary)



Consolidated Cash Flow Statement for the period ended 31st March, 2016

(₹ in lacs)

| Notes | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| A: Cash Flow From Operating Activities : | | |
| Profit / (Loss) before Tax | (64,492.00) | (73,176.13) |
| Adjustments for : | | |
| Depreciation and amortisation expense | 14,673.08 | 14,709.78 |
| Gain on sale of fixed assets | (0.81) | — |
| Net unrealised loss/(gain) on exchange rates/forward exchange contracts | 177.56 | 584.53 |
| Employee stock option compensation cost | (71.14) | (38.84) |
| Provision for doubtful debts and advances | 2,767.47 | 4,566.52 |
| Bad debts/advances written off | 60.37 | 1,492.62 |
| Liabilities no longer required written back | (622.90) | (941.99) |
| Interest income | (258.90) | (406.92) |
| Interest & finance charges | 37,974.42 | 45,289.27 |
| Operating Profit Before Working Capital Changes | (9,792.85) | (7,921.16) |
| Movements in Working Capital : | | |
| Increase / (decrease) in trade payables and other liabilities | 10,176.18 | (47,426.05) |
| Increase / (decrease) in provisions* | 100.42 | 119.97 |
| (Increase) / decrease in trade receivables | (15,533.90) | 29,873.06 |
| (Increase) / decrease in loans and advances and other assets* | 13,286.91 | 2,057.18 |
| (Increase) / decrease in inventories | 1,903.60 | 11,965.28 |
| Cash Generated From Operations | 140.36 | (11,331.72) |
| Direct taxes paid (Net of refunds) | 294.29 | (818.21) |
| Net Cash Generated From Operating Activities (A) | 434.65 | (12,149.93) |
| B: Cash Flow From Investing Activities : | | |
| Purchase of fixed assets, including capital work in progress and capital advances | (11,786.14) | (61,619.08) |
| Proceeds from sale of fixed assets | 3.85 | (2.23) |
| Purchase of non-current investments | — | (8,674.04) |
| Proceeds from sale of subsidiary | — | 8,674.58 |
| Investment in/(maturity of) fixed Deposit (Net) [Receipt pledged with various bank as security] | (997.60) | 4,420.96 |
| Interest received | 513.88 | (177.47) |
| Net Cash Used In Investing Activities (B) | (12,266.01) | (57,377.28) |

**Consolidated Cash Flow Statement** for the period ended 31st March, 2016

(₹ in lacs)

| | Notes | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|----------------|-----------------------|------------------------|
| C: Cash Flow From Financing Activities : | | | |
| Proceeds from long-term borrowings | | 31,685.27 | 100,895.47 |
| Repayment of long-term borrowings | | (481.92) | 41,228.46 |
| Proceeds from working capital loan (Net) | | 13,897.73 | (34,963.55) |
| Proceeds from unsecured loan from Body Corporate | | 2,830.00 | 11,158.00 |
| Interest & Finance charges paid | | (37,323.80) | (49,345.10) |
| Net Cash Used In Financing Activities | (C) | 10,607.28 | 68,973.28 |
| Net Increase / (Decrease) In Cash And Cash Equivalents | (A+B+C) | (1,224.08) | (553.93) |
| Cash & Cash Equivalents at the beginning of the year | | 2,349.03 | 2,902.96 |
| Cash & Cash Equivalents at the end of the year | | 1,124.95 | 2,349.03 |

* Includes both current and non-current items

Notes :-

1. Components of Cash and Cash Equivalents

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Cash on hand | 33.30 | 16.50 |
| Balances with Banks in : | | |
| - Current Accounts | 1,087.22 | 517.90 |
| - Deposits with original maturity of less than three months | — | 1,806.20 |
| - Unpaid dividend accounts | 4.43 | 7.43 |
| - Cheques/ drafts on hand | — | 1.00 |
| Total Cash & Cash Equivalents (Note No. 18) | 1,124.95 | 2,349.03 |
| Summary of Significant Accounting Policies | 2 | |

As per our report of even date

For Das & PrasadFirm registration number: 303054E
Chartered AccountantsAnil Kumar Agarwal
Partner
Membership No.: 062368Place: Kolkata
Date: 26th May, 2016

For and on behalf of the Board of Directors

Nirmal Kumar Agarwal
(Managing Director)Ghanshyam Das Agarwal
(Chairman)Sanjay Dey
(Company Secretary)

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**1. CORPORATE INFORMATION**

Adhunik Metaliks Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on stock exchanges in India. The Company along with its subsidiaries, associate and joint venture companies operates in (a) manufacture and sale of steel, both alloy & non alloy, (b) mining of iron ore, manganese ore and graphite ore, and (c) generation of power at Jamshedpur.

2. SIGNIFICANT ACCOUNTING POLICIES**A) Basis of Preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of fixed assets for which revaluation is carried out. Further, insurance & other claims, on the ground of prudence or uncertainty in realisation, are accounted for as and when accepted / received. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B) Principles of Consolidation of Financial Statements

The Consolidated Financial Statements which relate to Adhunik Metaliks Limited, ("the Company") its Subsidiaries and Joint Ventures (the Group), have been prepared on the following basis:

- (i) In terms of Accounting Standard 21 – 'Consolidated Financial Statements', the financial statements of the Company and its Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra-group balances, intra-group transactions and any unrealized profit included therein. Unrealised losses resulting from intra-group transactions are to be eliminated unless the cost cannot be recovered.
- (ii) The difference of the cost to the Company of its investment in Subsidiaries over its proportionate share in the equity of the respective investee companies as at the date of acquisition of stake, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (iii) The Subsidiary companies considered in the consolidated financial statements are as follows:

| Name of the Subsidiary | Country of Incorporation | Proportion of ownership / interest as at | |
|--------------------------------------|--------------------------|--|----------------|
| | | 31st March 2016 | 30th June 2015 |
| Orissa Manganese & Minerals Limited | India | 100.00% | 100.00% |
| Orchid Global Resources Pte. Limited | Singapore | 100.00% | 100.00% |
| Vasundhra Resources Limited | India | 58.82% | 58.82% |
| Kolkata Glass & Ceramics Pvt Ltd | India | 60.00% | 0.00% |
| Global Commodity & Resources Limited | Hong Kong | 100.00% | 100.00% |

- (iv) Minorities' interest in net profit/loss of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately.
- (v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.
- (vi) Investment in Associate is accounted in accordance with AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements", under "Equity Method". Unrealised Profit/Loss are eliminated. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (vii) The Associate company considered in the consolidated financial statements are as follows:

| Name of the Associate | Country of Incorporation | Proportion of ownership Interest as at | |
|---|--------------------------|--|----------------|
| | | 31st March 2016 | 30th June 2015 |
| Adhunik Power & Natural Resources Limited # | India | 46.93% | 46.93% |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016

In absence of the financial statements of Adhunik Power & Natural Resources Limited, the Associate Company, for the year ended 31st March 2016, the results of the same could not be accounted as per Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements.

- (viii) In terms of Accounting Standard 27 – ‘Financial Reporting of Interests in Joint Ventures’, the Company has prepared these Consolidated Financial Statements by including the Company’s proportionate interest in the Joint Venture’s assets, liabilities, income, expenses etc. in the consolidated financial statements. Intra group balances, transactions and unrealized profits/losses have been eliminated to the extent of the Company’s proportionate share.
- (ix) The Joint Venture companies considered in the consolidated financial statements as jointly controlled entity are as follows:

| Name of the Joint Venture | Country of Incorporation | Proportion of ownership interest as at | |
|--|--------------------------|--|----------------|
| | | 31st March 2016 | 30th June 2015 |
| United Minerals (Partnership firm) | India | 50% | 50% |
| Neepaz B.C.Dagara Steels Private Limited (Jointly controlled entity) *** | India | 50% | 50% |

*** Equity Shares held by a wholly owned subsidiary company, Orissa Manganese & Minerals Limited.

- (x) The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and events in similar circumstances and necessary adjustments required for deviation in accounting policies, if any, and to the extent possible, are made in the Consolidated Financial Statements and are presented, to the extent possible, in the same manner as the Company’s separate financial statements.
- (xi) The financial statements of all the subsidiaries have been prepared for the year ended 31st March 2016 and used for the purpose of consolidation.

C) Use of Estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

D) Tangible Fixed Assets :

- (i) Tangible Fixed Assets are stated at cost (or revalued amount, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises of purchase price inclusive of duties (net of CENVAT / VAT), taxes, incidental expenses, erection/commissioning expenses/trial run expenses and borrowing cost, etc. up to the date the asset are ready for intended use. In case of revaluation of tangible fixed assets, the cost as assessed by the approved valuers is considered in the accounts and the differential amount is credited to revaluation reserve.

The Company identifies and determines cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their ‘Value in use’. The estimated future cash flows are discounted to their present value using pre tax discount rates and risks specific to the asset.

- (ii) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.
- (iii) Expenditure on new projects and substantial expansion:

Expenditure directly relating to construction activity are capitalized. Indirect expenditure incurred during construction period are capitalized as part of the indirect construction cost to the extent to which the expenditure are related to construction activity or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are



Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2016

not related to the construction activity nor are incidental thereto, are charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

E) Depreciation :

- (i) Depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful life of tangible assets where applicable, specified in Schedule II to the Act.
- (ii) Leasehold Land is amortised over the tenure of respective leases.
- (iii) Mining lease and Development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.
- (iv) Intangible assets (computer softwares) are amortised on straight-line method at the rates determined based on estimated useful life which vary from 2 years to 5 years.

F) Intangibles :

- (i) Acquired computer softwares and licenses are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. These costs are amortized on a straight line basis over their estimated useful life of three years.
- (ii) Net Present Value paid to the various State Governments for restoration of forest as a pre-condition of granting license for mining in non-broken forest area (Mining Rights) are capitalized and amortized prospectively on a straight line basis over the remaining lease period.

G) Foreign Currency Transactions :

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rate at the date when such value was determined.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting of such monetary items at rates different from those at which they were initially recorded during the year or reported in previous consolidated financial statements are recognized as income or as expenses in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the consolidated statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

v) Translation of Non Integral Foreign Operation

The financial statements of foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

In translating the financial statement of a non-integral foreign operation for incorporating in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at exchange rates at the date of the transaction; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net Investments.

On disposal of a non-integral foreign operation, the cumulative amount of the foreign exchange difference which have been deferred and which relate to that operation are recognized as income or expenses in the same period in which the gain or loss on disposal is recognized. Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

H) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary' in the value of the investments.

I) Inventories

- (i) Raw materials, stores and spares and trading goods are valued at lower of cost computed on moving weighted average basis and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- (ii) Finished goods, work in progress and by products are valued at the lower of cost computed on weighted average basis and net realizable value. Cost includes direct materials and labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
- (iii) The Closing stock of materials inter-transferred from one unit to another is valued at cost of the transferor unit or net realizable value, whichever is lower.
- (iv) Net realizable value mentioned above is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

J) Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

K) Excise Duty, Custom Duty and Royalty

Excise Duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the balance sheet date. Similarly, custom duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials. Royalty on finished goods and work in progress is computed based on the latest declared rate issued by the Indian Bureau of Mines (IBM).

L) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

M) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Sales are net of returns, claims, trade discounts, Sales Tax and VAT etc. Export turnover includes related export benefits.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends

Dividends are recognized when the shareholders' right to receive payment is established by the balance sheet date.

N) Retirement and other Employee Benefits

- (i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Consolidated Statement of Profit and Loss for the year when the contributions to the respective fund is due. The Group has no obligation other than the contribution payable to respective fund.



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

- (ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation, as per projected unit credit method made at the balance sheet date.
- (iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method.
- (iv) Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

O) Stock Compensation Expenses

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share - based Payments, issued by the Institute of Chartered Accountants of India. The Company accounts for stock compensation expenses based on the fair value of the options granted, determined on the date of grant. Compensation cost is amortised over the vesting period of the option on straight line basis. The accounting value of the options outstanding net of the Deferred Compensation Expenses is reflected as Employee Stock Options Outstanding.

P) Taxation

- (i) Tax expense comprises of Current and Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961.
- (ii) Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured using income tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- (iii) The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonable certain or virtually certain, as the case may be that sufficient future taxable income will be available.
- (iv) Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss account and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Q) Segment Reporting

(i) Identification of Segments:

The Group has identified that its operating segments are the primary segments. The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Group are located.

(ii) Inter-segment transfers:

The Group generally accounts for inter-segment sales and transfers at cost.

(iii) Allocation of Common Costs:

Common allocable costs are allocated to each segment on case to case basis applying the ratio appropriate to each relevant case.

(iv) Unallocated items:

Revenue and expenses which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis have been included under the head "Unallocated - Common".



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

(v) Segment accounting policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the company as a whole.

R) Leases

(i) Finance Lease :

Assets acquired under finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to the ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments after discounting them at an interest rate implicit in the lease at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of profit and loss.

Leased assets capitalized are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating Lease:

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss account on straight line basis over the lease term.

S) Cash and Cash Equivalents

Cash and cash equivalents as indicated in cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

T) Impairment of Assets

(i) Tangible Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the respective assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the pre tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

ii) Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each Cash generating unit (CGU) (or group of CGUs) to which the goodwill relates and impairment loss is recognized when recoverable amount of CGU is less than its carrying value.

U) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

V) Provision

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

W) Contingent Liabilities

A contingent liability is a 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 is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**3. SHARE CAPITAL**

(₹ in lacs)

| | As at 31st March 2016 | | As at 30th June 2015 | |
|--|-----------------------|------------------|----------------------|------------------|
| | Nos. | ₹ in lacs | Nos. | ₹ in lacs |
| Authorized shares | | | | |
| Equity Shares of ₹ 10 each | | | | |
| At the beginning of the year | 1451,80,000 | 14,518.00 | 1451,80,000 | 14,518.00 |
| Add: Addition during the year | — | — | — | — |
| TOTAL | 1451,80,000 | 14,518.00 | 1451,80,000 | 14,518.00 |
| Preference Shares of ₹ 100 each | | | | |
| At the beginning of the year | 2,000 | 2.00 | 2,000 | 2.00 |
| Add: Addition during the year | — | — | — | — |
| TOTAL | 2,000 | 2.00 | 2,000 | 2.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| Equity Shares of ₹ 10 each fully paid up | 1234,99,536 | 12,349.95 | 1234,99,536 | 12,349.95 |
| TOTAL | 1234,99,536 | 12,349.95 | 1234,99,536 | 12,349.95 |

(a) Terms/rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the period ended 31st March, 2016 the amount of per share dividend recognized as distribution to equity shareholders is ₹ Nil per share (₹ Nil per share).

(b) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date is Nil.

(c) Details of shareholders holding more than 5% shares in the Company

| Name of the Shareholder | As at 31st March 2016 | | As at 30th June 2015 | |
|--|-----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Equity shares of ₹ 10 each fully paid | | | | |
| Mahananda Suppliers Limited | 299,93,485 | 24.29% | 299,93,485 | 24.29% |
| Sungrowth Share & Stocks Limited | 298,13,102 | 24.14% | 298,13,102 | 24.14% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Employee Stock Options Scheme

For details related to shares reserved for issue under Employee Stock Option (ESOP) plan of the Company (Refer Note No. 34).

4. RESERVES AND SURPLUS

(₹ in lacs)

| | | As at 31st March 2016 | As at 30th June 2015 |
|---|-----|--------------------------|-------------------------|
| Capital Reserve (as per the last financial statements) | (A) | 2,392.22 | 2,392.22 |
| Securities Premium Account | | | |
| Balance as per the last consolidated financial statements | (B) | 28,255.84 | 28,255.84 |
| General Reserve | | | |
| General Reserve (as per the last financial statements) | (C) | 3,184.10 | 3,184.10 |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

4. RESERVES AND SURPLUS - contd.

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Employee Stock Options Outstanding (Refer Note No. 34) | | |
| Employee Stock Options Outstanding | 118.04 | 210.07 |
| Less: Deferred Employee Compensation Cost Outstanding | 6.92 | 27.79 |
| Closing Balance (D) | 111.12 | 182.28 |
| Revaluation Reserve | | |
| Balance as per last financial statement | 50,263.43 | 52,348.38 |
| Less: Depreciation on Revalued assets transferred to Statement of Profit and Loss | 1,570.83 | — |
| Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation | — | 2,084.94 |
| Closing Balance (E) | 48,692.60 | 50,263.44 |
| Surplus in the consolidated statement of profit and loss | | |
| Balance as per the last consolidated financial statements | 10,281.11 | 58,932.92 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferred Tax ₹ 140.87 Lacs) | — | 293.23 |
| Add: Amount transferred from Revaluation Reserve | 1,570.83 | — |
| Add: Profit/(Loss) for the year | (46,367.61) | (48,358.58) |
| Net surplus in the consolidated statement of profit and loss (F) | (34,515.67) | 10,281.11 |
| Foreign Exchange Translation Reserve | | |
| Balance as per the last consolidated financial statements | 21.20 | 14.30 |
| Add : Addition during the year | (5.37) | 6.90 |
| Closing Balance (G) | 15.83 | 21.20 |
| Total reserves and surplus (A to G) | 48,136.04 | 94,580.20 |

5. LONG-TERM BORROWINGS (SECURED)

(₹ in lacs)

| | Non Current Portion | | Current Maturities | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| A) Secured | | | | |
| Term Loans from : | | | | |
| Banks | 329,587.94 | 319,923.71 | 17,401.51 | — |
| Financial Institutions | 34,250.28 | 30,968.72 | 1,748.02 | 238.60 |
| (A) | 363,838.22 | 350,892.43 | 19,149.53 | 238.60 |
| Deferred payment liabilities | | | | |
| Vehicle, Equipment & Housing Loans | 637.86 | 880.76 | 431.00 | 670.03 |
| B) Unsecured | | | | |
| Rupee loan from body Corporates | 13,988.00 | 11,158.00 | — | — |
| Total (A+B+C) | 378,464.08 | 362,931.19 | 19,580.53 | 908.63 |
| Amount disclosed under the head "other current liabilities" (Note No. 10) | — | — | (19,580.53) | (908.63) |
| | 378,464.08 | 362,931.19 | — | — |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

(A) Secured Term Loans

During the financial year 2014-15, the Company was referred to the Corporate Debt Restructuring Forum (CDR), a non statutory voluntary mechanism set up under the aegis of the Reserve Bank of India, for the restructuring of its corporate debt w.e.f. 1st August 2014 and pursuant to which the CDR package was approved vide the letter of approval of CDR cell dated 20th March 2015 and a Master Restructuring Agreement (MRA) dated 30th March 2015 was executed to give effect to the CDR package. The CDR Package includes reliefs/measures such as reduction of interest rates, funding of interest, rearrangement of securities etc. On restructuring the following loans have been recorded in the books of the Company under long term borrowings as on March 31, 2016:

Restructured Term Loan :

In terms of the CDR Package, outstanding term loan of the Company amounting to ₹ 215,634.60 lacs (₹ 210,835.39 lacs) as on August 1, 2014 (cut-off date) which falls due to payment on or after the cut off date has been restructure into new term loan (herein after referred to as "Restructure Term Loan").

Working Capital Term Loan (WCTL):

In terms of the CDR Package, the overdrawn portion of the Cash Credit Accounts of the Company amounting to ₹ 41,478.17 lacs (₹ 41,509.59 lacs) has been carved out into separate Working Capital Term Loans (WCTL-I) and LC/BG devolved amounting to ₹ 57,783.52 lacs (₹ 57,824 lacs) from cut-off date till March 31, 2015 has been carved out as Working Capital Term Loan - II (WCTL- II).

Funded Interest Term Loan (FITL):

In terms of the CDR Package, funding of interest has been provided for :

- Interest on restructure term loans for a period of 24 months from the cut-off date i.e. from August 01, 2014 to July 31, 2016;
- Interest on WCTL-I & on WCTL-II for a period of 24 months from the cut-Off date i.e. from August 01, 2014 to July 31, 2016;
- Interest on regular cash credit limit for a period of 8 months from the cut-Off date i.e. August 01, 2014 to March 31, 2015; Till March 31, 2016 ₹ 56,879.98 lacs (₹ 31,265.57 lacs) interest on above loans have been funded from FITL.

Priority Term Loan :

In terms of the CDR Package, Priority Term Loan amounting to ₹ 10,048.00 lacs with a moratorium period of 2 years has been sanctioned to meet payment obligations towards statutory liabilities, pressing creditors and employees dues. Till date, ₹ 10,021.45 lacs (₹ 5,758.89 lacs) loan has been availed out of above mentioned Priority Term Loan.

Capex Term Loan :

In terms of the CDR Package, Capex Term Loan amounting to ₹ 16,218.00 lacs has been sanctioned with a moratorium period of 2 years. During the year ₹ 1,190.03 lacs (₹ Nil) loan has been availed out of above mentioned Capex Term Loan.

(B) Nature of security

- i) The rupee term loan from CDR lenders amounting to ₹ 382,987.75 lacs (₹ 347,193.44 lacs) are secured by charge over the entire assets of the Company and over all the asset of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited (except assets exclusively charged to ICICI Bank), and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges in favor of other existing CDR lenders (including working capital lenders) under obligor and co-obligor structure.
- ii) The term loans from Non-CDR lender (SREI) amounting to ₹ Nil lacs (₹ 3,937.59 lacs) are secured by first charge over all the fixed assets of the Company and over all the asset of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges created / to be created in favor of other existing and proposed banks and financial institutions and second pari-passu charge on all the current assets of the Company, under obligor co-obligor structure.
- iii) 8,302,264 shareholdings of promoters and promoter group in the Company has been pledged as security to CDR lenders.
- iv) The rupee term loans from ICICI Banks amounting to ₹ 60,162.53 lacs (₹ 50,937.01 lacs) are further secured by exclusive charged on the fixed assets of the mining division of the wholly owned subsidiary Company and pledge of 30% shares of the pre merged entity, i.e. Orissa Manganese & Minerals Limited. However, post-merger (Refer Note No. 45), proportionate shares would continue to be pledged with ICICI Bank as per the scheme of merger.
- v) The rupee Term Loans of ₹ 382,987.75 lacs (₹ 351,131.03 lacs) from banks and financial institutions are further secured by the personal guarantee of one or more promoter directors of the Company.
- vi) Finance against equipments/vehicles/housing are secured by hypothecation of the respective equipments/vehicles/housing.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**(C) Terms of repayment of rupee loans from banks and financial institutions rate of interest charged****Terms of repayment of rupees term loan**

i) The Restructure Term Loan, Working Capital Term Loan, Priority Term Loan and Capex Term Loan are to be repaid over a period of 8 years by way of 32 structured quarterly installments commencing from September 30, 2016 upto June 30, 2024 as per the Repayment Schedule given below:

| Financial Year | Quarter | Repayment per Quarter % | Percentage of Term Loan due for Repayment (%) |
|----------------|---------|-------------------------|---|
| 2016-17 | 3 | 1.67% | 5.00% |
| 2017-18 | 4 | 1.88% | 7.50% |
| 2018-19 | 4 | 2.50% | 10.00% |
| 2019-20 | 4 | 2.50% | 10.00% |
| 2020-21 | 4 | 3.13% | 12.50% |
| 2021-22 | 4 | 3.75% | 15.00% |
| 2022-23 | 4 | 3.75% | 15.00% |
| 2023-24 | 4 | 3.75% | 15.00% |
| 2024-25 | 1 | 10.00% | 10.00% |

ii) The Funded Interest Term Loan (FITL) for 12 months shall be converted into Equity of OMML after merger of AML, hereinafter referred to as "OMML (Merge Entity)" (Refer Note 45), subject to the overall holding of the lenders post conversion of FITL into equity should not go beyond 49% share capital of the OMML (Merge Entity) and balance shall remain as FITL which are to be repaid over a period of 6 years by way of 24 structured quarterly installments commencing from September 30, 2016 upto June 30, 2022. The said equity conversion which falls due for conversion in March 2016, have been extended till October 2016 by CDR EG in their meeting held on April 27, 2016. In case of non-resolution of merger, the Company shall issue equity for stipulated FITL by December 2016 with all the statutory approvals. Repayment Schedule of FITL is given below:

| Financial Year | Quarter | Repayment per Quarter % | Percentage of Term Loan due for Repayment (%) |
|----------------|---------|-------------------------|---|
| 2016-17 | 3 | 1.67% | 5.00% |
| 2017-18 | 4 | 1.88% | 7.50% |
| 2018-19 | 4 | 3.13% | 12.50% |
| 2019-20 | 4 | 4.38% | 17.50% |
| 2020-21 | 4 | 5.63% | 22.50% |
| 2021-22 | 4 | 5.63% | 22.50% |
| 2022-23 | 1 | 12.50% | 12.50% |

Rate of Interest charged

- i) The Restructured Rupee Term Loan from CDR lenders amounting to ₹ 215,634.60 lacs shall carry floating interest rate of 11% p.a. w.e.f. the cut-off date till March 31, 2017, 11.50% p.a. for next three years and 12% p.a. for the balance years and shall be linked to individual bank base rate.
- ii) The Working Capital Term Loan (WCTL-I & WCTL-II) amounting to ₹ 99,261.69 lacs and FITL amounting to ₹ 56,879.98 lacs from CDR lenders carry floating interest rate, linked to individual bank base rate, of 11% p.a.
- iii) The Priority Term Loan from CDR lenders amounting to ₹ 10,021.45 lacs carry floating interest rate, linked to individual bank base rate, of 11.25% p.a.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016

- iv) The Capex Term Loan from CDR lenders amounting to ₹ 1,190.03 lacs as on March 31, 2016 shall carry floating interest rate, linked to individual bank base rate, of 11.25% p.a.
- (D) Unsecured Loans from Body Corporate ₹ 13,988.00 lacs (₹ 11,158.00 lacs) represent amount brought in by the promoters group pursuant to MRA executed by the Company. Refer Note A above.
- (E) Vehicle/Equipment/Housing loans carry interest ranging between 8.46% to 12.00% per annum and are secured by the respective fixed assets purchased there against. Following is the repayment schedule of such loans:

| Deferred Payment Liabilities | | | | |
|---|-----------------------|--------------------|----------------------|--------------------|
| Payment Terms | As at 31st March 2016 | | As at 30th June 2015 | |
| Installments due | No. of Installments | Amount (₹ in lacs) | No. of Installments | Amount (₹ in lacs) |
| Within one year (Refer Note No. 10) | 227 | 431.00 | 259 | 670.03 |
| After one but not more than three year | 197 | 294.69 | 325 | 495.10 |
| After three but not more than five year | 41 | 65.44 | 36 | 102.21 |
| More than five year | 163 | 277.73 | 172 | 283.45 |
| TOTAL | 628 | 1,068.86 | 792 | 1,550.79 |

6. OTHER LONG TERM LIABILITIES

| | As at 31st March 2016 | As at 30th June 2015 |
|------------------------------|-----------------------|----------------------|
| Payable towards fixed assets | 1,196.06 | 1,695.28 |
| TOTAL | 1,196.06 | 1,695.28 |

7. PROVISIONS

(₹ in lacs)

| | Non Current | | Current | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Provision for employee benefits*: | | | | |
| Gratuity (Refer Note No. 33) | 600.16 | 524.30 | 208.40 | 182.29 |
| Leave benefits | 267.60 | 258.32 | 63.71 | 74.55 |
| | 867.76 | 782.62 | 272.11 | 256.84 |
| Other provisions - | | | | |
| Mines Restoration Charges | 26.25 | 26.25 | — | — |
| Taxation [net of advance income taxes/Tax deducted at source] | — | — | — | 0.34 |
| | 26.25 | 26.25 | — | 0.34 |
| TOTAL | 894.01 | 808.87 | 272.11 | 257.18 |

* The classification of provision for employee benefits into current / non current have been done by the actuary of the Company based on the estimated amount of cash outflow during the next twelve months from the balance sheet date.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**Provision for mines restoration charges:**

The activities of the Company involve mining of land taken under lease. In terms of the provisions of relevant statutes and lease deeds, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of Accounting Standard - 29, the management has estimated such future expenses on best judgment basis and the provision thereof has been made in the accounts. The movement in provisions for Mine Restoration Charges during the period is as follows :

| | (₹ in lacs) | |
|-------------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 |
| At the beginning of the year | 26.25 | 26.25 |
| Arising during the year | — | — |
| Utilized during the year | — | — |
| At the end of the year | 26.25 | 26.25 |

8. SHORT-TERM BORROWINGS (SECURED)

| | (₹ in lacs) | |
|-------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 |
| Cash credits from banks | 65,078.15 | 51,180.41 |
| TOTAL | 65,078.15 | 51,180.41 |

(i) In case of Adhunik Metaliks Limited,

- (a) Cash credit from banks of ₹ 46,508.73 lacs (₹ 36,691.48 lacs) which is repayable on demand are secured by charge over the entire assets of the Company and over all the assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited (except assets exclusively charged to ICICI Bank) and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges in favor of other existing CDR lenders (including term loan lenders) under obligor and co-obligor structure.
- (b) Cash credit from banks of ₹ 46,508.73 lacs (₹ 36,691.48 lacs) are further secured by the personal guarantee of one or more promoter directors of the Company.

(ii) In case of Orissa Manganese and Minerals Limited,

- (a) Cash Credit from banks of ₹ 18,569.42 lacs (₹ 14,488.93 lacs) which is repayable on demand, are secured by first charge by way of hypothecation of the current assets and second charge over the fixed assets of Iron ore beneficiation and pelletisation plant at Kandra, Jamshedpur.
- (b) Cash credit from banks of ₹ 18,569.42 lacs (₹ 14,488.93 lacs) are further secured by the personal guarantee of one or more promoter directors of the Company.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**9. TRADE PAYABLES**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|----------------|--------------------------|-------------------------|
| Acceptances | 20,048.44 | 14,378.11 |
| Trade Payables | 30,534.05 | 25,728.98 |
| | 50,582.49 | 40,107.09 |

10. OTHER CURRENT LIABILITIES

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Current Maturities of Long-term borrowings (Refer Note No.5) | 19,580.54 | 908.63 |
| Interest accrued and due on borrowings (Refer Note No. 10.01) | 1,011.80 | 361.17 |
| Advance from customers | 839.41 | 764.13 |
| Book Overdraft | 66.28 | 260.34 |
| Employee related liabilities | 1,644.78 | 1,898.60 |
| Security Deposit | 26.69 | 26.69 |
| Investor Education and Protection Fund: | | |
| Unpaid Dividend (not due) | 4.43 | 7.43 |
| Amount payable towards purchase of investments | — | 967.40 |
| Retention Money | 105.81 | 124.15 |
| Other Liabilities | 1,465.73 | — |
| Statutory Dues | 7,258.30 | 9,164.55 |
| | 32,003.77 | 14,483.09 |

10.1 The interest on Term Loan amounting to ₹ 1,011.80 lacs due for payment on 31st March 2016 have been subsequently paid.

Notes to Consolidated Financial Statements as and for the period ended 31st March, 2016

11.1 FIXED ASSETS

(₹ in lacs)

| | Tangible Assets | | | | | | | | | | Intangible Assets | | | | |
|--------------------------------|--|----------------|-----------|---------------------|----------|-----------|----------------------|-------------------|----------------|----------------|-------------------|---------------|----------|-------------------|-----------|
| | Freshhold Land including Site Development Expenses | Leasehold Land | Buildings | Plant and Machinery | Vehicles | Computers | Furniture & Fixtures | Office Equipments | Railway Wagons | Railway Siding | Total | Mining Rights | Goodwill | Computer Software | Total |
| Gross Block: | | | | | | | | | | | | | | | |
| As at 1st July, 2014 | 10,076.55 | 8,591.06 | 20,135.92 | 214,033.27 | 5,680.36 | 638.91 | 859.00 | 663.96 | 2,550.35 | 9,007.96 | 272,237.34 | 43,366.22 | — | 9,452.22 | 52,818.44 |
| Additions | 1,379.64 | 33.88 | 17.93 | 65,563.76 | 29.04 | 6.20 | 43.13 | 5.78 | — | 5.00 | 67,084.36 | 9.80 | — | 655.84 | 665.64 |
| Disposals/Discard | 30.20 | — | — | — | — | — | — | — | — | — | 30.20 | — | — | 158.11 | 158.11 |
| As at 30th June 2015 | 11,425.99 | 8,624.94 | 20,153.85 | 279,597.03 | 5,709.40 | 645.11 | 902.13 | 669.74 | 2,550.35 | 9,012.96 | 339,291.50 | 43,376.02 | — | 9,949.95 | 53,325.97 |
| Additions | — | — | — | 67.47 | — | 3.82 | — | 3.76 | — | — | 75.05 | — | — | 757.63 | 757.63 |
| Disposals/Discard | — | — | — | — | 32.76 | — | — | — | — | — | 32.76 | — | — | — | — |
| As at 31st March 2016 | 11,425.99 | 8,624.94 | 20,153.85 | 279,664.50 | 5,676.64 | 648.93 | 902.13 | 673.50 | 2,550.35 | 9,012.96 | 339,333.79 | 43,376.02 | — | 10,707.58 | 54,083.60 |
| Depreciation | | | | | | | | | | | | | | | |
| As at 1st July, 2014 | — | 1,047.60 | 2,906.32 | 56,335.57 | 1,824.83 | 464.60 | 298.40 | 183.54 | 1,660.62 | 1,701.63 | 66,423.11 | 3,816.62 | — | 3,444.35 | 7,260.97 |
| Charge for the year | — | 315.88 | 1,401.60 | 10,465.43 | 735.51 | 69.16 | 90.98 | 186.56 | 104.12 | 739.02 | 14,108.26 | 1,827.72 | — | 858.73 | 2,686.45 |
| Adjusted with General Reserves | — | — | 142.41 | 30.13 | 14.57 | 69.36 | 22.41 | 155.19 | — | — | 434.07 | — | — | — | — |
| Disposals/Discard | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| As at 30th June 2015 | — | 1,363.48 | 4,450.33 | 66,831.13 | 2,574.91 | 603.12 | 411.79 | 525.29 | 1,764.74 | 2,440.65 | 80,965.44 | 5,644.34 | — | 4,303.08 | 9,947.42 |
| Charge for the period | — | 237.23 | 946.47 | 9,780.86 | 538.42 | 20.51 | 103.15 | 52.36 | 160.83 | 556.88 | 12,396.71 | 1,398.61 | — | 877.77 | 2,276.38 |
| Disposals/Discard | — | — | — | — | 29.78 | — | — | — | — | — | 29.78 | — | — | — | — |
| As at 31st March 2016 | — | 1,600.71 | 5,396.80 | 76,611.99 | 3,083.55 | 623.63 | 514.94 | 577.65 | 1,925.57 | 2,997.53 | 93,332.37 | 7,042.95 | — | 5,180.85 | 12,223.80 |
| Net Block | | | | | | | | | | | | | | | |
| As at 30th June 2015 | 11,425.99 | 7,261.46 | 15,703.52 | 212,765.90 | 3,134.49 | 41.99 | 490.34 | 144.45 | 785.61 | 6,572.31 | 258,326.06 | 37,731.67 | — | 5,646.87 | 43,378.54 |
| As at 31st March 2016 | 11,425.99 | 7,024.23 | 14,757.05 | 203,052.51 | 2,593.09 | 25.30 | 387.19 | 95.85 | 624.78 | 6,015.43 | 246,001.43 | 36,333.07 | — | 5,526.73 | 41,859.81 |

Land, Railway Sidings and Mining rights (at Kulum Orissa), aggregating to ₹ 8,924.62 lacs (Gross block) as on 30th June 2012 were revalued by an external independent valuer on Net Replacement Cost/Fair Value basis and net increase of ₹ 56,283.66 lacs were transferred to Revaluation Reserve.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**11.2. CAPITAL WORK IN PROGRESS**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Civil Construction and Structural Works | 113.50 | 2,663.81 |
| Plant and Equipments | 2,499.46 | 31,107.05 |
| Capital Goods in Stock | 299.90 | 5,300.84 |
| | 2,912.86 | 39,071.70 |
| Less: Transfer to Fixed Assets | — | 38,865.10 |
| | 2,912.86 | 206.60 |
| Add: Pre-operative and trial run expenditure (pending allocation) (Refer details below)` | 599.20 | 204.17 |
| | 3,512.06 | 410.77 |

Details of Pre-operative and trial run expenditure (pending allocation)

During the year, the company has incurred the following expenses relating to ongoing projects of the company, which are accounted as pre-operative expenses and grouped under Capital Work-in-progress. Consequently, expenses disclosed under the respective notes are net of the following amounts capitalized by the company.

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Opening Balance Brought Forward | 204.17 | 17,247.25 |
| Expenditure | | |
| Raw Materials Consumed | — | 5,462.40 |
| Power & Fuel | — | 1,695.55 |
| Salaries, wages and bonus | — | 785.71 |
| Operation & Maintenance Charges | — | 567.47 |
| Legal and Professional Charges | 125.00 | 287.36 |
| Interest on Term Loans | 255.92 | 6,237.41 |
| Miscellaneous Expenses | 14.11 | 51.49 |
| SUB TOTAL (A) | 599.20 | 32,334.64 |
| Increase / (Decrease) in Stock | | |
| Closing Stock | | |
| Finished goods [transferred to (Increase)/ Decrease in inventories - (Note No. 23)] | — | 4,034.98 |
| SUB TOTAL (B) | — | 4,034.98 |
| TOTAL (A-B) | 599.20 | 28,299.66 |
| Less: Transferred to Fixed Assets | — | 28,095.49 |
| | 599.20 | 204.17 |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

12. NON-CURRENT INVESTMENTS (LONG - TERM)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Trade investments - Unquoted (At cost) | | |
| Equity Shares | | |
| 257,921,461 (257,921,461) Equity Shares of ₹ 10 each fully paid up of Adhunik Power & Natural Resources Limited | 39,070.12 | 39,070.12 |
| 76,500 (76,500) Equity Shares of ₹ 10 each fully paid-up in Adhunik Meghalaya Steels Private Limited | 7.65 | 7.65 |
| Preference Shares | | |
| 468,400 (468,400) Preference shares of ₹ 1000 each fully paid up of Adhunik Power & Natural Resources Limited | 4,684.00 | 4,684.00 |
| | 43,761.77 | 43,761.77 |

13. DEFERRED TAX (ASSETS)/LIABILITIES (NET)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Balance as per last consolidated financial statements | 8,252.25 | (16,414.56) |
| Less: Deferred Tax Asset recognised on unabsorbed depreciation of earlier periods | — | — |
| Add: Deferred Tax Asset on Depreciation adjusted with retain earning | — | 140.87 |
| Add: Deferred Tax Asset recognised for the year | 17,340.55 | 24,525.94 |
| Less: Net Deferred Tax Liability relating to subsidiaries sold during the period | — | — |
| | 25,592.80 | 8,252.25 |

13.1 COMPONENTS OF NET DEFERRED TAX (ASSETS)/LIABILITIES AS ON THE BALANCE SHEET DATE ARE AS FOLLOWS:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Deferred tax liabilities | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation | (33,817.43) | (30,627.03) |
| (A) | (33,817.43) | (30,627.03) |
| Deferred tax assets | | |
| On Unabsorbed Depreciation | 31,347.58 | 21,694.97 |
| On Unabsorbed Business Losses | 23,725.15 | 15,283.06 |
| On Other timing differences | 4,337.50 | 1,901.25 |
| (B) | 59,410.23 | 38,879.28 |
| Net deferred tax assets | (A-B) | 8,252.25 |

13.2 The Company has provided deferred tax assets for ₹ 25,592.80 lacs (₹ 8,252.25 lacs) based on future profitability projection. The management is of the view that future taxable income will be available to realise/adjust such deferred tax assets.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**14. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)**

(₹ in lacs)

| | | Non Current | | Current | |
|---|-----------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Capital Advances | (A) | 26,497.84 | 19,144.95 | — | — |
| Advances recoverable in cash or in kind | | | | | |
| Considered good - Related Parties | | 8,261.07 | 11,474.16 | 27,108.88 | 27,060.50 |
| Considered good - Others | | — | 8.75 | 20,172.90 | 30,880.92 |
| Doubtful - To Others | | 8,346.56 | 4,687.26 | — | — |
| | | 16,607.63 | 16,170.17 | 47,281.78 | 57,941.42 |
| Provision for doubtful advances | | 8,346.56 | 4,687.26 | — | — |
| | (B) | 8,261.07 | 11,482.91 | 47,281.78 | 57,941.42 |
| Loans to Employees | (C) | — | — | 135.77 | 137.58 |
| Security Deposits | (D) | 6,795.79 | 6,245.16 | — | — |
| Others | | | | | |
| Balances with statutory/Government Authorities | | 304.65 | 375.31 | 1,165.44 | 2,433.68 |
| Prepaid expenses | | — | 6.55 | 55.83 | 120.83 |
| Advance income-tax (net of provision for taxation) | | 934.91 | 457.79 | — | — |
| MAT Credit Entitlement | | 4537.51 | 4,537.51 | — | — |
| Others | | — | — | — | 0.75 |
| | (E) | 5,777.07 | 5,377.16 | 1,221.27 | 2,555.26 |
| TOTAL | (A to E) | 47,331.77 | 42,250.18 | 48,638.82 | 60,634.26 |

Notes:

(i) The Company has entered into a 50:50 Joint Venture agreement with Mr. B.C. Dagara, the lessee of Sulaipat Iron Ore Mines, Odisha for the transfer of the said iron ore mines to the joint venture company formed between the two parties under the name and style of M/s Neepaz B.C. Dagara Steels Private Limited. The transfer of mines in joint venture is subject to obtaining the requisite approvals from the State Government stipulated by various laws. The said iron ore mines has to be renewed, before such approval for transfer from the State Government can be obtained.

To facilitate the renewal, the Company has advanced ₹ 2,636.42 lacs (₹ 2,636.42 lacs) to Mr. B.C. Dagara which appears as 'Advances recoverable in cash or in kind' against the above mines.

The Company has also entered into another contract with Mr. B.C. Dagara to act as the raising contractor for the said mines, and a sum of ₹ 5,204.10 lacs (₹ 5,137.27 lacs) has been paid as security deposit to him during the pendency of this service contract.

(ii) Long term advances include ₹ 26,734.82 lacs given to one of its group company namely Adhunik Steel Limited. The Company has given such advance based on the mining contract. As per the latest financial statements of this company, the Company has accumulated losses and its net worth have been fully eroded. However management is hopeful of recovery of the same and Company has started process to recover the said balance.



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

15. OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

(₹ in lacs)

| | Non Current | | Current | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Non-current bank balances (Refer Note No. 18) | 2,499.37 | 1,424.32 | — | — |
| Others | | | | |
| Interest Receivable on | | | | |
| Bank Deposits | | | 8.74 | 15.60 |
| Other Advances | | | 474.96 | 728.92 |
| Unbilled Revenue | | | 335.51 | 2,670.56 |
| Subsidy Receivable | | | 891.43 | — |
| Export Benefits Receivable | | | 169.70 | 195.50 |
| Total | 2,499.37 | 1,424.32 | 1,880.34 | 3,610.58 |

16. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Raw Materials [includes in transit ₹ 49.30 lacs (₹ 110.99 lacs)] | 23,541.17 | 22,750.09 |
| Finished Goods [includes in transit ₹ 81.04 lacs (₹ 6.25 lacs)] | 27,819.21 | 28,256.99 |
| Work-in-Progress | 11,370.49 | 11,663.15 |
| By Products | 9,590.02 | 11,057.64 |
| | 72,320.89 | 73,727.87 |
| Stock-in-trade | 70.51 | 21.51 |
| Stores & Spares [includes in transit ₹ 20.40 lacs (₹ Nil)] | 9,504.25 | 10,049.87 |
| | 81,895.65 | 83,799.25 |

DETAIL OF STOCK OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Sponge Iron | 3,349.19 | 6,067.80 |
| Billets | 7,616.03 | 5,047.58 |
| Rolled Products | 4,945.01 | 3,677.15 |
| Pig Iron | 3,321.99 | 2,198.57 |
| Coke | 763.11 | 786.92 |
| Iron Ore | 13,770.61 | 14,318.71 |
| Manganese Ore | 1,105.63 | 1,479.38 |
| Iron Ore Pellets | 2,887.86 | 4,392.93 |
| Other | 1,430.27 | 1,951.10 |
| | 39,189.70 | 39,920.14 |
| Stock-In-trade-Iron & Steel product | 70.51 | 21.51 |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

17. TRADE RECEIVABLES (UNSECURED)

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|--|--------------------------|-------------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | 18,105.99 | 11,612.52 |
| Doubtful | 2,888.21 | 382.82 |
| | 20,994.20 | 11,995.34 |
| Less: Provision for doubtful receivables | 2,888.21 | 382.82 |
| | (A) 18,105.99 | 11,612.52 |
| Other trade receivables (considered good) | (B) 20,800.19 | 12,624.28 |
| Total | (A+B) 38,906.18 | 24,236.80 |

18. CASH AND BANK BALANCES

(₹ in lacs)

| | Non Current | | Current | |
|---|--------------------------|-------------------------|--------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 31st March 2016 | As at 30th June 2015 |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| On current accounts | | | 1,087.22 | 517.90 |
| Deposit with original maturity of less than three months | | | — | 1,806.20 |
| On unpaid dividend account | | | 4.43 | 7.43 |
| Cheque/Draft on hand | | | — | 1.00 |
| Cash on hand | | | 33.30 | 16.50 |
| | | | 1,124.95 | 2,349.03 |
| Other bank balances | | | | |
| Deposits with original maturity for more than 12 months # | 15.26 | 92.52 | — | — |
| Margin money deposit # | 2,484.11 | 1,331.80 | — | — |
| | 2,499.37 | 1,424.32 | — | — |
| Amount disclosed under non-current assets (Refer Note No. 15) | (2,499.37) | (1,424.32) | — | — |
| | — | — | 1,124.95 | 2,349.03 |

Receipts lying with Banks/Government Authorities as security against guarantees / letters of credit issued by them.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**19. REVENUE FROM OPERATIONS**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Revenue from operations | | |
| Sale of products / Services | | |
| Finished goods | 66,013.04 | 90,297.24 |
| Stock-in-trade | 1,168.14 | 13,580.80 |
| Sale of Services | 5,807.44 | 15,128.05 |
| Other operating revenue | | |
| Sale of By-Products | 89.88 | 1,468.14 |
| Sale of Raw Materials | — | 457.67 |
| Export Benefits | 104.22 | 122.55 |
| Revenue from operations (gross) | 73,182.72 | 121,054.45 |
| Less: Excise duty | 6,398.98 | 10,224.54 |
| Revenue from operations (net) | 66,783.74 | 110,829.91 |

DETAIL OF PRODUCTS SOLD

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Finished Goods | | |
| Billet | 26,806.34 | 18,411.68 |
| Rolled Product | 13,557.55 | 18,813.96 |
| Pig Iron | 5,387.63 | 2,558.96 |
| Silicon & Ferro Alloys | — | 1,268.93 |
| Sponge Iron | 4,634.52 | 4,039.52 |
| Iron Ore | 1,914.77 | 368.13 |
| Iron Ore Pellet | 11,250.23 | 44,151.79 |
| Manganese Ore | 2,462.00 | 115.97 |
| Other | — | 568.30 |
| | 66,013.04 | 90,297.24 |
| By Product | | |
| Granulated Slag | 10.60 | 213.72 |
| Scrap | 3.24 | 1,180.86 |
| Other | 76.04 | 73.56 |
| | 89.88 | 1,468.14 |
| Raw Material | | |
| Coal | — | 457.67 |
| | — | 457.67 |
| Stock-in-trade & steel product | 1,168.14 | 13,580.80 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**20. OTHER INCOME**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Interest income on : | | |
| Bank deposits | 191.38 | 264.94 |
| Loan, advances and deposits | 67.52 | 141.98 |
| Subsidy Income | 1,432.45 | — |
| Unspent liabilities and provisions no longer required written back | 622.90 | 941.99 |
| Profit on Sale of Fixed Assets | 0.81 | — |
| Gain on foreign exchange fluctuation / forward exchange contracts (Net) | 176.22 | — |
| Write back of employee stock option compensation cost | 71.16 | 38.84 |
| Insurance & Other Claims | — | 0.52 |
| Rent & Hire Charges | — | 31.38 |
| Other non-operating income | 62.19 | 221.54 |
| | 2,624.63 | 1,641.19 |

21. COST OF RAW MATERIALS CONSUMED

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Opening stock of raw materials | 22,750.09 | 26,798.46 |
| Add: Purchases | 44,273.55 | 60,030.62 |
| | 67,023.64 | 86,829.08 |
| Less: Closing Stock | 23,541.17 | 22,750.09 |
| Less : Raw Materials Consumed in Trial Run | — | 5,462.40 |
| Cost of raw materials consumed | 43,482.47 | 58,616.59 |

DETAIL OF RAW MATERIALS CONSUMED

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------|-----------------------|------------------------|
| Iron Ore | 10,996.42 | 7,317.87 |
| Iron Ore Fines | 7,389.57 | 15,184.51 |
| Iron Ore Concentrate | — | 126.77 |
| Coal | 9,104.98 | 9,322.81 |
| Coke | 14,401.52 | 15,387.66 |
| Sponge Iron | — | 4,684.84 |
| Pellet | 1,151.38 | 85.83 |
| Others | 438.60 | 6,506.30 |
| | 43,482.47 | 58,616.59 |

22. PURCHASE OF STOCK-IN-TRADE

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------|-----------------------|------------------------|
| Iron & Steel product | 1,181.63 | 11,667.44 |
| | 1,181.63 | 11,667.44 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**23. (INCREASE)/DECREASE OF INVENTORIES IN FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE AND BY-PRODUCTS**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) | (Increase)/ Decrease |
|---|-----------------------|------------------------|-------------------------|
| Inventories at the end of the year: | | | |
| Finished Goods | 27,819.21 | 28,256.99 | 437.78 |
| Work in Progress | 11,370.49 | 11,663.15 | 292.66 |
| Stock-in-trade | 70.51 | 21.51 | (49.00) |
| By Products | 9,590.02 | 11,057.63 | 1,467.61 |
| (A) | 48,850.23 | 50,999.28 | 2,149.05 |
| Inventories at the beginning of the year: | | | |
| Finished Goods | 28,256.99 | 31,068.30 | 2,811.31 |
| Work in Progress | 11,663.15 | 11,696.79 | 33.64 |
| Stock-in-trade | 21.51 | 1,379.41 | 1,357.90 |
| By Products | 11,057.63 | 14,116.66 | 3,059.03 |
| (B) | 50,999.28 | 58,261.16 | 7,261.88 |
| (B-A) | 2,149.05 | 7,261.88 | |
| Add : Stock Transferred on commencement of commercial production | | | |
| Finished Goods (Refer Note No. 11.2) | — | 4,034.98 | |
| (B-A) | 2,149.05 | 11,296.86 | |
| Less: Transferred to Fixed Assets | — | — | |
| Excise duty on (Increase)/decrease of finished goods | 223.88 | (504.37) | |
| (B-A) | 2,372.93 | 10,792.49 | |

24. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--------------------------------------|-----------------------|------------------------|
| Salaries, wages and bonus | 4,148.42 | 6,225.73 |
| Contribution to provident fund | 166.38 | 224.00 |
| Gratuity expense (Refer Note No. 33) | 163.89 | 139.89 |
| Workmen and Staff Welfare Expenses | 60.91 | 133.22 |
| (B-A) | 4,539.60 | 6,722.84 |

25. FINANCE COSTS

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Interest on: | | |
| Term Loans | 29,927.45 | 25,961.61 |
| Cash Credit, Letters of Credit and Others | 7,319.00 | 17,563.57 |
| Other borrowing costs | 727.97 | 1,764.10 |
| (B-A) | 37,974.42 | 45,289.28 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**26. DEPRECIATION & AMORTIZATION EXPENSE**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Depreciation of tangible assets | 12,396.71 | 14,108.26 |
| Amortization of intangible assets | 2,276.38 | 2,686.45 |
| Less: Adjusted against revaluation reserve | — | (2,084.94) |
| | 14,673.09 | 14,709.77 |

27. OTHER EXPENSES

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Consumption of Stores and Spares | 5,827.52 | 4,095.88 |
| Power and Fuel | 4,821.06 | 9,878.51 |
| Conversion Charges | 213.17 | 662.35 |
| Operation and Maintenance Charges (Refer Note No. 27.1) | 3,001.12 | 2,937.94 |
| Freight and Forwarding Charges | 1,722.47 | 2,330.21 |
| Rent | 205.21 | 609.86 |
| Cost of raising, drilling and excavation | 1,648.43 | 3,464.54 |
| Royalty | 606.82 | 728.52 |
| Rates and Taxes | 518.40 | 181.68 |
| Legal and Professional Charges | 527.91 | 1,057.20 |
| Insurance | 63.11 | 96.19 |
| Repairs to and Maintenance of : | | |
| Buildings | 0.26 | 12.61 |
| Machinery | 996.15 | 1,128.27 |
| Others | 174.88 | 517.10 |
| Travelling and Conveyance Expenses | 210.78 | 514.06 |
| Directors' Travelling & Conveyance Expenses | 2.51 | 8.03 |
| Communication Costs | 106.43 | 182.13 |
| Director's Sitting fees | 7.20 | 12.37 |
| Payment to Auditors: | | |
| As Auditors | | |
| Audit fee | 37.93 | 31.37 |
| Limited Review Fees | 21.00 | 25.00 |
| In other capacity | | |
| Tax Audit Fees | | 3.00 |
| Certificates and Other services | — | 8.25 |
| Reimbursement of Expenses | 1.81 | — |
| Provision for doubtful debts and advances | — | 4,567.26 |
| Bad debts/advances written off | 60.37 | 1,492.62 |
| Commission on sales | — | 2.79 |
| Rebate, discounts and other selling expenses | 716.16 | 838.42 |
| Motor Vehicle Expenses | 195.19 | 400.56 |
| Security Charges | 112.34 | 207.92 |
| Peripheral Development expenses | 26.76 | 42.83 |
| Exchange Differences (net) | 184.75 | 760.46 |
| Charity and Donations | 0.15 | 34.00 |
| Prior Period items (net) (Refer Note No. 27.2) | — | 12.73 |
| Miscellaneous Expenses | 853.91 | 1,004.16 |
| | 22,863.80 | 37,848.82 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**27.1 OPERATION & MAINTENANCE CHARGES CONSIST OF THE FOLLOWING EXPENSES**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------------|-----------------------|------------------------|
| Contract Payments | 1,040.38 | 1,074.22 |
| Testing and Inspection Charges | 63.23 | 65.51 |
| Refractory Management Charges | 716.15 | 503.77 |
| Labour Charges | 589.43 | 546.01 |
| Plant and Equipment Hire Charges | 497.02 | 627.73 |
| Water Charges | 20.69 | 39.80 |
| Packing & Forwarding Charges | — | 9.25 |
| Miscellaneous | 74.22 | 71.65 |
| | 3,001.12 | 2,937.94 |

27.2 PRIOR PERIOD EXPENSES/(INCOME) CONSIST OF THE FOLLOWING EXPENSES

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|------------------------|-----------------------|------------------------|
| Income | | |
| Miscellaneous Income | — | — |
| Sub Total (A) | — | — |
| Expenses | | |
| Miscellaneous Expenses | — | 12.73 |
| Sub Total (B) | — | 12.73 |
| Total (B-A) | — | 12.73 |

28. EXCEPTIONAL ITEMS

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--|-----------------------|------------------------|
| Loss on preclosure of Derivative Transaction | 647.00 | — |
| Provision for doubtful debts and advances | 6,165.43 | — |
| | 6,812.43 | — |

28.01 The Company has foreclosed outstanding derivative transaction of full currency swap from ₹ to \$ for notional amount of ₹ 3100.00 lacs (notional \$ 5,283,203.73) resulting in loss of ₹ 647.00 lacs, which has been considered as exceptional item.

28.02 During the year the Company has made internal assesment of outstanding Trade Receivable and Advances for material/capital goods and has made provision for outstanding Trade Receivable and Advance for material/capital goods for which recovery is doubtful amounting to ₹ 6,165.43 lacs and the same has been considered as exceptional item.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**29. EARNINGS PER SHARE (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Net Profit after tax for calculation of basic and diluted EPS (₹ in lacs) | (46,367.61) | (48,358.58) |
| Weighted average number of equity shares in calculating basic EPS | 1234,99,536 | 1234,99,536 |
| Add: Effect of stock options | — | — |
| Weighted average number of equity shares in calculating diluted EPS | 1234,99,536 | 1234,99,536 |
| Nominal Value of equity shares | ₹ 10 | ₹ 10 |
| Basic Earnings Per Share | ₹ (37.54) | ₹ (39.16) |
| Diluted Earnings Per Share | ₹ (37.54) | ₹ (39.16) |

30. CONTINGENT LIABILITIES

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Claims & Government demands against the Company not acknowledged as debt: | | |
| Excise demands under dispute/appeal | 5,553.38 | 5,216.83 |
| Sales Tax matters (under dispute/appeal) | 1,460.03 | 1,473.52 |
| Others | 6,469.54 | 353.40 |
| Bills discounted and Bank Guarantees outstanding | 7,365.15 | 2,819.60 |
| Custom Duty on Import of equipments and spare parts under EPCG Scheme | 771.07 | 771.07 |
| | 21,619.17 | 10,634.42 |

(i) During the earlier years, Orissa Manganese and Minerals Limited (OMML) has received a demand for payment of ₹ 2,641.02 lacs as Net Present Value (NPV) towards afforestation charges relating to the forest area proposed to be surrendered by the Company in respect of its existing manganese ore mines in Odisha. However, based on the order passed by the government authority, the Company is presently required to deposit ₹ 1,320.51 lacs i.e. 50% of NPV demand and also to submit an undertaking to the concerned authority that it will deposit the balance 50% of NPV i.e. ₹ 1,320.51 lacs if it is so decided by the Hon'ble Supreme Court in a similar case. The above amount to be so deposited may be refunded to the Company in case the Hon'ble Supreme court in a similar case, decides that no such NPV is payable by the lessee for the surrendered lease area.

Pending the Supreme Court decision, the Company has provided and capitalized 50% of the NPV i.e. ₹ 1,320.51 lacs as 'mining right' under 'Intangible assets', which will be amortized over the remaining lease period of the mines.

(ii) The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made / to be made by CDR Lenders under obligor co-obligor structure (Refer Note No 5 (A)) as per the CDR package is approximately ₹ 173,022.00 lacs.

31. CAPITAL AND OTHER COMMITMENTS

- As at 31st March 2016, the Company has commitments of ₹ 4,623.05 lacs (₹ 2197.46 lacs) net of advances ₹ 9,771.62 lacs (₹ 2,129.76 lacs) relating to estimated amount of contracts to be executed on capital account and not provided for.
- The Company has given undertaking to the lenders not to dispose off its 51% shareholding in Orissa Manganese and Minerals Limited (OMM), a wholly owned subsidiary, till the loan taken by OMM is paid in full. Further, the Company has also pledged 6,000,000 equity shares of OMM as a security against the above loan.

32. LEASES :**Operating lease**

- The Company has obtained Liquid Oxygen Plant on operating lease. The lease rent payable per month is ₹ 15.00 lacs (₹ 15.00 lacs). The lease term is for a non-cancellable period of 10 years and the initial term may be extended for such further period and on such terms and conditions as the parties may mutually agree. There are no sub leases. Future lease rentals payable under non-cancellable operating leases are as follows:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Within one year | 180.00 | 180.00 |
| After one year but not more than five years | 375.00 | 555.00 |
| | 555.00 | 735.00 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016

- b) Certain office premises, godowns, etc. are held on operating lease. The leases range upto 3 years and are renewable for further year either mutually or at the option of the Company. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------------|-----------------------|------------------------|
| Lease payments made for the year | 154.46 | 303.66 |
| | 154.46 | 303.66 |

33. DISCLOSURE UNDER ACCOUNTING STANDARD-15 (REVISED) ON 'EMPLOYEE BENEFITS'

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme are unfunded and as such there are no plan assets. The following table summarizes (to the extent applicable) the components of net benefits / expenses recognized in the financial statements.

Consolidated Statement of Profit and Loss**(a) Net employee benefit expense recognized in the employee cost**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|-------------------------------------|-----------------------|------------------------|
| Current service cost | 79.62 | 116.45 |
| Interest cost on benefit obligation | 39.54 | 49.37 |
| Net actuarial(gain)/loss | 44.73 | (25.93) |
| Net benefit expense | 163.89 | 139.89 |

Balance Sheet**(b) Benefit asset/liability**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| Present value of defined benefit obligation | 808.56 | 706.59 |
| Fair value of plan assets | - | - |
| Less: Unrecognised past service cost | - | - |
| Net asset/(liability) | (808.56) | (706.59) |

(c) Changes in the present value of the defined benefit obligation are as follows:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|------------------------------------|--------------------------|-------------------------|
| Opening defined benefit obligation | 706.59 | 609.93 |
| Current service cost | 79.62 | 116.45 |
| Interest cost | 39.54 | 49.37 |
| Benefits paid | (61.92) | (43.23) |
| Actuarial (gains)/losses on | 44.73 | (25.93) |
| Closing defined benefit | 808.56 | 706.59 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**(d) The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:**

| | (₹ in lacs) | |
|-----------------|-----------------------------------|-----------------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Discount rate | 7.80% | 7.50% |
| Salary increase | 7.00% | 7.00% |
| Mortality table | LIC (2006-2008) ultimate table | LIC (2006-2008) ultimate table |

The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(e) Amounts for the current and previous four periods are as follows:

| | (₹ in lacs) | | | | |
|---|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at 31st March 2016 | As at 30th June 2015 | As at 30th June 2014 | As at 30th June 2013 | As at 30th June 2012 |
| Gratuity | | | | | |
| Defined benefit obligation | 808.56 | 706.59 | 609.93 | 646.35 | 507.22 |
| Plan assets | — | — | — | — | — |
| Surplus/(deficit) | (808.56) | (706.59) | (609.93) | (646.35) | (507.22) |
| Experience adjustments on plan liabilities (gains)/losses | 44.73 | (25.93) | (192.27) | (236.21) | (278.41) |
| Experience adjustments on plan assets | NA | NA | NA | NA | NA |

(f) Amounts provided for the defined contribution plans are as follows:

| | (₹ in lacs) | |
|---|-----------------------|------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Defined Contribution plans: | | |
| Amount recognised in the Consolidated Statement of Profit and Loss | | |
| Contribution to Provident Fund | 166.38 | 224.00 |

34. EMPLOYEE STOCK OPTION PLANS (EQUITY SETTLED)

During the earlier years, the shareholders of the Company, had approved the Adhunik Employee Stock Option Plan ('ESOP 2012') in accordance with the Guidelines issued by Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans, covering employees of the Company as well as employees of the subsidiaries. The plan provide for issue upto 12,349,954 number of options convertible into equity shares of ₹ 10 each duly adjusted for any bonus, splits, etc. The Compensation Committee of the Board administers the Scheme. The option vest subject to continuation of employment.

During the year 2012-13 the Company had granted 37,08,643 number of options convertible into equity shares of ₹ 10 each. These options carry a vesting period ranging from one to four years and at an exercise price of ₹ 30.15 as determined in accordance with applicable SEBI Guidelines as at the date of grant. All the options granted have an exercise period of two years from the date of vesting.

Employee Stock Options outstanding (Net of deferred compensation cost) is as follows:

| | (₹ in lacs) | |
|--|--------------------------|-------------------------|
| Particulars | As at 31st March 2016 | As at 30th June 2015 |
| Total accounting value of options outstanding (A) | 118.04 | 210.07 |
| Deferred Compensation Cost | 118.04 | 210.07 |
| Less: Cost Amortised | (111.12) | (182.28) |
| Net Deferred Compensation Cost (B) | (6.92) | (27.79) |
| Employee Stock Options outstanding (Net of deferred compensation cost) (A-B) | 111.12 | 182.28 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016

The following table summarises the Company's stock options activity:

| Particulars | 31st March 2016 | | | 30th June 2015 | | |
|--|-----------------|--------------------|-------------------------------------|----------------|--------------------|-------------------------------------|
| | No. of Options | Amount (₹ in lacs) | Weighted average Exercise Price (₹) | No. of Options | Amount (₹ in lacs) | Weighted average Exercise Price (₹) |
| Outstanding at the beginning of the year | 21,56,574 | 210.07 | 30.15 | 30,87,949 | 294.29 | 30.15 |
| Granted during the year | — | — | — | — | — | — |
| Forfeited during the year | 9,13,852 | 92.05 | 30.15 | 9,31,375 | 84.22 | 30.15 |
| Exercised during the year | — | — | — | — | — | — |
| Outstanding at the end of the year | 12,42,722 | 118.01 | 30.15 | 21,56,574 | 210.07 | 30.15 |
| Exercisable at the end of the year | 8,41,145 | — | — | 8,08,262 | — | — |
| Weighted average remaining contractual life (in years) | 0.77 | | | 1.67 | | |

The weighted average market price of the Company's shares during the year ended March 31, 2016 was ₹ 15.17 (₹ 29.09) per shares.

The fair value of the options granted during the previous year was calculated by applying the Black - Scholes - Merton formula. The following are assumptions and result.

| Particulars | Assumption Used |
|--|-----------------|
| Average risk free interest rate | 8.21% |
| Weighted average expected life of options granted (in years) | 3.66 |
| Expected dividend yield | 3.08% |
| Volatility (annualised)* | 39.29% |
| Weighted average market price (₹) | 30.15 |
| Exercise Price (₹) | 30.15 |
| Weighted average fair value of the options (₹) | 9.54 |

* Based on historical market price of the Company's shares.

35. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the balance sheet date

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|------------------------|--------------------------|-------------------------|
| Trade Receivables | 146.69 | 325.14 |
| Trade Payables | 47.23 | 36.26 |
| Foreign Currency Loans | 23,216.52 | 22,314.22 |
| | 23,410.44 | 22,675.62 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**36. TRADE PAYABLE INCLUDES AMOUNT DUE TO MICRO & SMALL ENTERPRISES IN TERMS OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT) AS UNDER:**

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|---|--------------------------|-------------------------|
| a) Principal Amount remaining unpaid at the end of accounting year. | 185.49 | 46.00 |
| Interest due on above | — | 2.83 |
| | 185.49 | 48.83 |
| b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | — | — |
| c) The amount of interest adjusted during the period. | — | — |
| d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | — | — |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year. | — | 2.83 |
| f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | — | — |

37. INTEREST IN JOINT VENTURE ENTITIES**a) In Case of Adhunik Metaliks Limited**

The Company's share of the assets, liabilities, income and expenses of the Partnership firm (jointly controlled entity) as per the audited accounts as at and for the year ended 31st March 2016 is as follows:

(₹ in lacs)

| | As at 31st March 2016 | As at 30th June 2015 |
|-------------------------------|--------------------------|-------------------------|
| Tangible Assets | 1.77 | 2.05 |
| Intangible Assets | 10.68 | 10.68 |
| Non current assets | | |
| Other non-current assets | — | — |
| Current assets | | |
| Inventories | 4.46 | 4.46 |
| Trade receivables | 0.09 | 0.09 |
| Cash and bank balances | 2.71 | 2.71 |
| Short-term loans and advances | 6.54 | 6.54 |
| Other current assets | 1.17 | 0.99 |
| Current liabilities | | |
| Trade Payables | 3.43 | 3.38 |

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---------------------------|-----------------------|------------------------|
| Income / Expense | | |
| Other Income | 0.17 | 0.23 |
| Depreciation | 0.29 | 0.35 |
| Other Expenses | (0.78) | (0.02) |
| Profit / (Loss) after tax | (0.67) | 0.10 |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**b) In Case of Orissa Manganese & Minerals Limited**

The company holds 50% interest in Neepaz B.C.Dagara Steels Private Ltd., a jointly controlled entity which would be involved in mining of Iron ore in Odisha.

I) The Company's share of the assets and liabilities of the said jointly controlled entity based on financial statements for the nine months period ended 31st March 2016, are as follows:

| | (₹ in lacs) | |
|---------------------|-----------------------|------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Current assets | 37.49 | 37.49 |
| Current liabilities | (48.30) | (48.22) |
| Equity | (10.82) | (10.73) |

II) The Company's share of the Profit & Loss of the said Jointly controlled entity based on financial statement for nine months period ended 31st March 2016, are as follows:

| | (₹ in lacs) | |
|---------------------|-----------------------|------------------------|
| | 2015-16 (9 Months) | 2014-15 (12 Months) |
| Income | — | — |
| Expenses | (0.08) | 0.14 |
| Tax Expenses | — | — |

III) There are no capital commitment and contingent liability of the above jointly controlled entity, as at the balance sheet date.

38. RELATED PARTY DISCLOSURES**(a) Names of related parties and related party relationship****Related parties with whom transactions have taken place during the year:**

| | |
|---|---|
| Associate Company | Adhunik Power & Natural Resources Limited |
| Joint Venture | United Minerals (partnership firm) Neepaz B C Dagara Steels Private Limited |
| Key Management Personnel | Mr. Manoj Kumar Agarwal (ceases to exist as director w.e.f 14.11.2015) Mr. Ghanshyam Das Agarwal (Chairman) Mr. Jugal Kishore Agarwal (Director) Mr. Nirmal Kumar Agarwal (Appointed as Managing Director w.e.f 14.11.2015) Mr. Mohan Lal Agarwal (Director) Mr. Mahesh Kumar Agarwal (ceases to exist as director w.e.f 23.10.2015) Mr. Sanjay Dey (Company Secretary) |
| Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence | Adhunik Alloys & Power Limited Adhunik Corporation Limited Adhunik Meghalaya Steels Private Limited Adhunik Infotech Limited Adhunik Industries Limited Adhunik Steels Limited Amuel Engineering Private Limited Futuristic Steel Limited Mahananda Suppliers Limited Swarnarekha Steel Industries Zion Steel Limited |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

(b) Related party transactions

(₹ in lacs)

| Nature of Transactions | Key Management Personnel and their Relatives | Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence | Associate Company | Joint Venture | Total |
|---|--|--|-------------------|---------------|------------------------|
| 1. In relation to Statement of Profit and Loss | | | | | |
| Purchase of goods / services | | | | | |
| Adhunik Alloys & Power Limited | | 2.20 (2,774.54) | | | 2.20 (2,774.54) |
| Adhunik Steels Limited | | — (128.52) | | | — (128.52) |
| Adhunik Industries Limited | | 175.30 (21.52) | | | 175.30 (21.52) |
| Amuel Engineering Private Limited | | — (227.99) | | | — (227.99) |
| Zion Steel Limited | | — (3,140.36) | | | — (3,140.36) |
| Revenue from Operations | | | | | |
| Adhunik Alloys & Power Limited | | 4,134.75 (7,846.56) | | | 4,134.75 (7,846.56) |
| Futuristic Steel Limited | | 64.53 (36.26) | | | 64.53 (36.26) |
| Adhunik Power & Natural Resources Limited | | | — (23.58) | | — (23.58) |
| Adhunik Corporation Limited | | 767.89 (2,288.56) | | | 767.89 (2,288.56) |
| Hire & Other charges | | | | | |
| Adhunik Alloys & Power Limited | | — (33.38) | | | — (33.38) |
| Accounting & Maintenance charges and Rent | | | | | |
| Adhunik Alloys & Power Limited | | 1,166.56 (3,246.70) | | | 1,166.56 (3,246.70) |
| Adhunik InfoTech Limited | | 207.67 (257.19) | | | 207.67 (257.19) |
| Supply of goods/Services | | | | | |
| Zion Steel Limited | | 140.51 (—) | | | 140.51 (—) |
| Conversion Charges | | | | | |
| Zion Steel Limited | | 100.60 (178.82) | | | 100.60 (178.82) |
| Electricity charges received | | | | | |
| Zion Steel Limited | | — (98.73) | | | — (98.73) |
| Remuneration to Key Management Personnel | | | | | |
| Manoj Kumar Agarwal | — (120.00) | | | | — (120.00) |
| Sanjay Dey | 52.50 (26.88) | | | | 52.50 (26.88) |
| Alok Samata | — (5.75) | | | | — (5.75) |
| Subscription towards Equity Shares | | | | | |
| Adhunik Power & Natural Resources Limited | | | — (9,642.20) | | — (9,642.20) |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016

(₹ in lacs)

| Nature of Transactions | Key Management Personnel and their Relatives | Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence | Associate Company | Joint Venture | Total |
|------------------------|--|--|-------------------|---------------|-------|
|------------------------|--|--|-------------------|---------------|-------|

2. In relation to Balance Sheet Items**Balance outstanding as at the year end – Debit**

| | | | | | |
|---|--|--------------------------|----------------|----------------|--------------------------|
| Adhunik Alloys & Power Limited | | 5,368.50 (6,066.94) | | | 5,368.50 (6,066.94) |
| Adhunik Steels Limited | | 26,734.82 (26,529.50) | | | 26,734.82 (26,529.50) |
| Adhunik Corporation Limited | | 1,235.06 (5,534.86) | | | 1,235.06 (5,534.86) |
| Adhunik Power & Natural Resources Limited | | | 7.08 (5.33) | | 7.08 (5.33) |
| Amuel Engineering Private Limited | | 106.21 (—) | | | 106.21 (—) |
| Zion Steel Limited | | 8,307.64 (11,538.10) | | | 8,307.64 (11,538.10) |
| United Minerals | | | | 6.41 (2.71) | 6.41 (2.71) |

Balance outstanding as at the year end – Credit

| | | | | | |
|---|--------------------|----------------------|--|------------------|----------------------|
| Futuristic Steels Limited | | 169.46 (227.63) | | | 169.46 (227.63) |
| Mahananda Suppliers Limited | | 1,006.40 (967.40) | | | 1,006.40 (967.40) |
| Manoj Kumar Agarwal | 105.90 (147.17) | | | | 105.90 (147.17) |
| Sanjay Dey | — (26.88) | | | | — (26.88) |
| Adhunik Infotech Limited | | 101.56 (111.43) | | | 101.56 (111.43) |
| Amuel Engineering Private Limited | | — (153.04) | | | — (153.04) |
| Adhunik Industries Limited | | 53.39 (22.44) | | | 53.39 (22.44) |
| Neepaz B.C. Dagara Steels Private Limited | | | | 43.38 (43.38) | 43.38 (43.38) |

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**39. SEGMENT INFORMATION**

(i) **Business Segment:** The Group is primarily engaged in the business of manufacturing and sale of iron and steel products. However, besides Iron and Steel, the Company has also identified Mining and Power as reportable segment, in terms of Accounting Standard 17 on 'Segment Reporting'.

(₹ in lacs)

| Particulars | Iron & steel | Mining | Total |
|--|---|---------------------------------------|--|
| (A) Revenue | | | |
| External | 56,573.30 (101,680.61) | 10,547.58 (10,451.93) | 67,120.88 (112,132.54) |
| Inter Segment sales | — | 337.14 (1,302.63) | 337.14 (1,302.63) |
| Total Revenue from operations (Net of Excise) | 56,573.30 (101,680.61) | 10,210.43 (9,149.30) | 66,783.74 (110,829.91) |
| (B) Results | | | |
| Segment results Profit/(Loss) | (29,453.59) (27,766.86) | 2,726.17 (471.04) | (26,727.42) (28,237.90) |
| Interest Income | | | 258.90 (406.92) |
| Unallocated Expenses | | | 49.06 (56.39) |
| Unallocated Income | | | — (0.52) |
| Operating Profit | | | (26,517.58) (27,886.85) |
| Finance Costs | | | 37,974.42 (45,289.28) |
| Tax expenses | | | (18,112.30) (24,810.13) |
| Minority Interest | | | 12.09 (7.42) |
| Net Profit / (Loss) for the year | | | (46,367.61) 48,358.58 |
| (C) Total Assets | | | |
| Segment assets | 531,032.66 (513,921.48) | (249.38) (620.60) | 530,783.28 (514,542.08) |
| Unallocated assets | | | 58,193.96 (63,863.68) |
| Total assets | | | 588,977.24 (578,405.76) |
| (D) Total Liabilities | | | |
| Segment liabilities | 37,974.54 (55,481.90) | 784.94 (592.30) | 38,759.47 (56,074.20) |
| Unallocated liabilities | | | 489,731.78 (415,401.41) |
| Total liabilities | | | 528,491.25 (471,475.61) |
| (E) Other Segment Information | | | |
| Capital expenditures | | | |
| Tangible | 10,020.46 (25,738.69) | 6.59 (43.11) | 10,027.05 (25,781.80) |
| Intangible | — (—) | 757.63 (665.64) | 757.63 (665.64) |
| Depreciation and amortisation (excluding amount transferred o capital work in progress/amount adjusted against revaluation reserve) | 12,493.37 (12,010.41) | 2,179.72 (2,699.36) | 14,673.09 (14,709.77) |
| Non cash expenses other than depreciation | 2,827.84 (339.04) | — (—) | 2,827.84 (339.04) |

**Notes to Consolidated Financial Statements** as at and for the period ended 31st March, 2016**(ii) Geographical Segment:**

The Company primarily operates in India and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

Information for Secondary Geographical Segments:**(A) Revenue**

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---|-----------------------|------------------------|
| Domestic Revenues | 58,269.67 | 1,07,692.05 |
| Export Revenues (Including Export Benefits) | 8,514.07 | 3,137.86 |
| Total | 66,783.74 | 110,829.91 |

(B) Total Assets

(₹ in lacs)

| | As at 31st March, 2016 | As at 30th June, 2015 |
|---------------|---------------------------|--------------------------|
| Within India | 5,88,830.55 | 5,77,095.42 |
| Outside India | 146.69 | 1,310.34 |
| Total | 588,977.24 | 578,405.76 |

(C) Capital Expenditure

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|---------------|-----------------------|------------------------|
| Within India | 10,784.68 | 26,447.44 |
| Outside India | — | — |
| Total | 10,784.68 | 26,447.44 |

(iii) The Company's production/dispatches at mines were temporarily suspended /discontinued for a part of the year.

40. CIF VALUE OF IMPORT (INCLUDING THROUGH CANALIZING AGENCY) DURING THE YEAR

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------------|-----------------------|------------------------|
| Raw Matreial | 454.10 | 909.59 |
| Components and spare parts | 185.51 | 212.86 |
| Capital goods | 54.40 | 68.05 |
| | 694.01 | 1,190.50 |

41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|--------------------------------------|-----------------------|------------------------|
| Professional & Consultancy Charge | 4.74 | 19.21 |
| Interest Finance & commitment charge | — | 24.59 |
| Other | 4.27 | 138.11 |
| | 9.01 | 181.91 |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

42. EARNING IN FOREGIN CURRENCY (ACCRUAL BASIS)

(₹ in lacs)

| | 2015-16 (9 Months) | 2014-15 (12 Months) |
|----------------------|-----------------------|------------------------|
| FOB Value of exports | 8,409.85 | 4,439.44 |

43. VALUE OF RAW MATERIALS AND COMPONENTS, STORES AND SPARES CONSUMED DURING THE PERIOD (INCLUDING CHARGED TO REPAIRS AND MAINTENANCE)

(₹ in lacs)

| | % of total consumption 2015-16 (9 Months) | Value (₹ in lacs) 2015-16 (9 Months) | % of total consumption 2014-15 (12Months) | Value (₹ in lacs) 2014-15 (12 Months) |
|-----------------------------|--|---|--|--|
| Raw Materials # | | | | |
| Imported | 1% | 454.10 | 0% | 7.37 |
| Indigenously | 99% | 43,374.73 | 100% | 66,231.05 |
| | 100% | 43,828.83 | 100% | 66,238.42 |
| Stores and Spares ## | | | | |
| Imported | 3% | 224.30 | 2% | 86.25 |
| Indigenously | 97% | 6,242.39 | 98% | 4,524.70 |
| | 100% | 6,466.69 | 100% | 4,610.95 |

Net of cost of raw material sold ₹ Nil lacs (₹ 451.86 lacs).

Including Stores and Spares included under Reparis and Maintenance.

44. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

(₹ in lacs)

| Name of Entity | Reporting Currency | As % of consolidated net Assets | Net Assets, i.e. total assets minus total liabilities | As % of consolidated profit or loss | Share in profit or (loss) |
|---|-----------------------|---------------------------------------|---|---|--|
| (A) Parent Company | | | | | |
| Adhunik Metaliks Ltd | INR | 69.01 (66.36) | 48,361.78 (77,338.37) | 61.69 (79.42) | (28,605.78) (38,406.19) |
| (B) Subsidiaries | | | | | |
| Indian | | | | | |
| Orissa Manganese & Minerals Ltd | INR | 31.38 (33.72) | 21,989.12 (39,298.32) | 37.98 (19.95) | (17,608.97) (9,645.96) |
| Vasundhra Resources Limited | INR | (0.18) (0.03) | (122.70) (30.47) | 0.30 (0.02) | (140.67) (10.60) |
| Foreign | | | | | |
| Orchid Global Resources Pte Ltd | INR | (0.24) (0.13) | (171.42) (152.78) | 0.03 (0.62) | (12.46) (297.49) |
| Global Commodity & Resources Limited | INR | 0.03 (0.02) | 20.09 (20.20) | 0.00 — | (0.89) (2.02) |
| Joint Ventures | | | | | |
| Neepaz B C Dagara Steels Private Limited | INR | (0.03) (0.02) | (21.61) (21.46) | 0.00 — | (0.08) (0.14) |
| United Minerals | INR | 0.03 (0.02) | 22.43 (22.75) | (0.00) — | 0.67 (0.14) |
| TOTAL | | 100.00 (100.00) | 70,077.69 (116,535.88) | 100.00 (100.00) | (46,368.19) (48,358.49) |
| (A) Adjustment due to consolidation | | | (9,592.85) (9,593.13) | | |
| (B) Minority Interests in subsidiaries | | | | | |
| Indian | | | | | |
| Vasundhra Resources Limited | | | — (12.50) | | |



Notes to Consolidated Financial Statements as at and for the period ended 31st March, 2016

45. The Board of Directors of the Company in its meeting held on July 22, 2013 has approved to amalgamate Zion Steel Limited (ZSL) with the Company and to amalgamate the Company (post amalgamation of ZSL) with the wholly owned subsidiary, Orissa Manganese & Minerals Limited, through a composite scheme of amalgamation between ZSL, OMM and the Company (the Scheme) as per the provision of Section 391 to 394 of the Companies Act, 1956. The appointed date of the amalgamation is 1st July 2012. The scheme has been approved by the Shareholders and Creditors of the above Companies in their meeting held on 19th and 20th April 2014 respectively and the Official Liquidator, Orissa High Court, Cuttack has submitted its report dated 17th July 2014 that the affairs of the Company appears to have not been conducted in a manner prejudicial to the interest of its members or to public interest and the Hon'ble High Court may consider to pass order as deemed fit and proper in that manner. Upon effectiveness of the Scheme, every shareholder of ZSL holding 17 (seventeen) fully paid-up equity shares of ₹10/- each shall be entitled to receive 1 (one) fully paid-up equity shares of ₹10/- each in the Company and every shareholder of the Company (post amalgamation of ZSL) holding 1 (one) fully paid-up equity shares of ₹10/- each shall be entitled to receive 1 (one) fully paid-up equity shares of ₹10/- each in the wholly owned subsidiary, Orissa Manganese & Minerals Limited.

46. In case of Orissa Manganese & Minerals Limited (OMM), a wholly owned subsidiary company, the Mining Leases pertaining to the various mines have already expired and the Company's applications for renewal thereof are pending with the concerned authorities. The Company had filed applications for renewal of these leases at least 12 months before the expiry of the respective lease period. Accordingly, as per the provisions under MCR (Mineral Concession Rules), 1960, Rule 24A (1) & Rule 24A (5), the periods of said leases are deemed to have been extended by a further period till the State Government passes an order thereon. In view of above, these accounts have been prepared on a Going Concern Basis.

47. Section 2(41) of the companies Act 2013 requires all companies to have their financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the company is for nine month period from 1st July 2015 to 31st March 2016 (herein after referred as "Year ended 31st March 2016"). Accordingly, the figure for the current financial year are not comparable to those of the previous year.

48. In Case of Adhunik Metaliks Limited

The Company is in process of appointing chief Financial Officer to comply with the provision of The Company Act, 2013.

In Case of Orissa Manganese & Minerals Limited

Casual vacancy has been created in the place of Company Secretary w.e.f. 31st December 2014 due to resignation of Company Secretary. The Company is in the process of appointing Company Secretary to comply with the provisions of The Companies Act, 2013. Further the Company is also in process of appointing Chief Financial Officer to comply with the provision of The Companies Act, 2013.

49. Previous year figures including those given in brackets have been rearranged where ever necessary to conform with the current year classification.

As per our report of even date

For Das & Prasad

Firm registration number: 303054E
Chartered Accountants

Anil Kumar Agarwal
Partner
Membership No.: 062368

Place: Kolkata
Date: 26th May, 2016

For and on behalf of the Board of Directors

Nirmal Kumar Agarwal
(Managing Director)

Ghanshyam Das Agarwal
(Chairman)

Sanjay Dey
(Company Secretary)



ADHUNIK METALIKS LIMITED

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