ADHUNIK INDUSTRIES LIMITED

(Formerly known as Bhagwati Resources Ltd.)
An ISO 9001:2015 , 14001 : 2015 & 18001 : 2007 Organisation
Corporate Office : "LANSDOWNE TOWERS", 2/1A, SARAT BOSE ROAD, KOLKATA - 700 020
Phone : 033-3051 7100 ★ Fax : 91-33-2289 0285 ★ Website : www.adhunikindustries.com
E-mail: info@adhunikgroup.com

4th October, 2018.

Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001. Scrip Code: 538365	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai-400 051. Scrip Code- ADHUNIKIND
The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001 Scrip Code: 28188	

Dear Sir/ Madam,

Sub: Submission of 39th Annual Report of the Company for the Financial Year 2017-18
Re: Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

In accordance with Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 39th Annual Report of the Company for the financial year 2017-18. Please note that the Annual General Meeting of the Company was held on 26th September, 2018.

Thanking you and assuring you of our best attention always,

Yours faithfully,

For Adhunik Industries Limited

Jugal Kishore Agarwal
Managing Director
DIN: 00227460

Encl: As above

ADHUNIK INDUSTRIES LIMITED

39th ANNUAL REPORT 2017-18

Adhunik

BHAROSA HAMESHA

The Path Ahead



THE MAN WHO SHOWED THE WAY TO EXCEL



Late Mahadeo Prasad Agarwal
(24 October 1925 – 13th May 2002)

Respected Late Mahadeo Prasad Agarwal, the visionary behind Adhunik laid the foundation stone of the Group which has now flourished to be known as Adhunik Group. What started as a trickle – is now developing into a potent economic force –a force to reckon with. The roots of Adhunik are steel strong. The sure- footed way in which the group is embarking upon a journey is comprehended as one of the finest examples of how a group can grow with values, determination, technological excellence and care for its customers.

We dedicate ourselves to the ideas and values cherished and nurtured by him and commit ourselves to the organization's building task.

Seek to attain leadership in business through a relentless pursuit of excellence, while delivering superior value to customers & stakeholders.

- Late Mahadeo Prasad Agarwal

Contents

Corporate Information	02
Chairman's Statement	04
Board's Report	06
Management Discussion & Analysis Report	35
Report on Corporate Governance	41
Independent Auditor's Report	64
Balance Sheet	70
Statement of Profit & Loss	71
Cash Flow Statement	72
Statement of Changes in Equity	73
Notes to Financial Statements	74

CORPORATE INFORMATION

BOARD OF DIRECTORS



Shri Mahesh Kumar Agarwal
(DIN: 00507690)
Non-executive Chairman



Shri Jugal Kishore Agarwal
(DIN: 00227460)
Managing Director



Shri Mohan Lal Agarwal
(DIN: 01047906)
Non-executive Director



Shri Chandra Shekhar Jalan
(DIN: 01023586)
Independent Director



Shri Asit Baran Dasgupta
(DIN: 02476594)
Independent Director



Smt. Sonam Agarwal
(DIN: 08054202)
Independent Woman Director

CORPORATE INFORMATION

CHIEF FINANCIAL OFFICER
Shri Bikash Roy Chowdhury

COMPANY SECRETARY
Shri Bharat Agarwal

STATUTORY AUDITORS
M/s. Sudhir Kumar Jain & Associates
Chartered Accountants

COST AUDITORS
M/s. Dipak Lal & Associates
Cost Accountants

SECRETARIAL AUDITORS
M/s. M R & Associates
Company Secretaries

INTERNAL AUDITORS
M/s. G. P. Agarwal & Co.
Chartered Accountants

BANKERS
State Bank of India
Canara Bank
Bank of India
Oriental Bank of Commerce
Punjab National Bank
Bank of Baroda

REGISTERED OFFICE
14, Netaji Subhas Road
2nd Floor, Kolkata- 700 001.
Phone/Fax: 033-2243 4355 / 2242-8551

CORPORATE OFFICE
Lansdowne Towers
2/1 A, Sarat Bose Road
Kolkata-700 020.
Phone: (033) 3051-7100
Fax: (033) 2289-0285
E-mail- investorsail@adhunikgroup.co.in
Website: www.adhunikindustries.com

WORKS
Raturia, Angadpur
Durgapur-713 215
Phone: (0343) 2591105 / 2591122 / 1123 / 1124

REGISTRAR & TRANSFER AGENT
M/s. MaheshwariDatamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor
Kolkata-700 001.
Phone: (033) 2243-5809/5029
Fax: (033) 2248-4787
E-mail- mdpldc@yahoo.com



CHAIRMAN'S COMMUNIQUE

Dear Shareholders,

One of the most principal messages that I would like to convey is that even we experienced one of the most challenging periods in the external environment; we performed creditably in this challenging environment.

Reviewing 2017-18

Post-Demonetization and post-implementation of GST, the industry, on an overall basis, witnessed a sluggish growth in the last fiscal. Amidst the same, Adhunik Industries Limited has been able to script a success story in the said fiscal year by registering a growth in turnover of 19.59% from ₹ 40,735.33 Lakhs in 2016-17 to ₹ 48,715.95 Lakhs in 2017-18. At a time when most manufacturers struggled to create demand for their products, your Company registered a healthy growth in Profit After Tax (PAT) of 111.93% from ` 229.36 Lakhs in 2016-17 to ₹ 486.09 Lakhs in 2017-18.

Growth drivers

In my opinion this performance and counter-slowdown is attributed to many reasons – one of them being superior quality of our products.

It is a sign of deep prospects that despite the infrastructural slowdown in the last couple of years, the country continues to remain one of the most attractive in iron & steel sector opportunities. With a new dawn in the Indian economy, Government of India has also come up with various policy reforms to address the root needs of people. Infrastructure development is one such area taken-up by the Government keeping in mind the future growth of the Indian economy considering that the over-all economy can prosper only if bottom-line needs of the people are taken care of. We are of the view that this initiative will boost construction activity thereby increasing the demand for steel.

India's urban population is growing at breath-taking speed. This makes it imperative to strike the right balance of urban development alongside the infrastructure growth. Towards this, our country is foreseeing a record allocation of ` 3.96 trillion to infrastructure sector. This will turn the spotlight on reinforced structures like ports, roads, railways and other areas like affordable housing, physical infrastructure thereby providing necessary momentum to the steel sector to meet its growth targets.

Adhunik Industries is attractively placed to capitalize on India's projected 7.3% GDP growth for 2018-19 through a combination of prudent vertical selection, in-depth knowledge, proven competence, best-in-class assets, transparent governance and spare capacity to grow.

Steel insight

China accounts for half of global steel production. During 2017-18 after the Chinese Government selected to moderate steel production due to various internal reasons at their end, there was adverse impact on demand-supply scenario and prices internationally. But this caused a huge benefit to our country. There was reduction in imports from China thereby giving a huge fillip to the domestic steel makers.

World crude steel production for the 64 countries reporting to the World Steel Association (world steel) was 148.3 million

tonnes (Mt) in March 2018, a 4.0% increase compared to March, 2017. China's crude steel production for March 2018 was 74.0 million tonnes (Mt), an increase of 4.5% compared to March, 2017. India produced 9.2 million tonnes (Mt) of crude steel in March 2018, up by 5.3% from March, 2017. Japan produced 9.1 million tonnes (Mt) of crude steel in March, 2018, an increase of 2.2 % compared to March, 2017.

The Indian steel industry is riding high on the resurgent economy and rising demand for steel. Rapid rise in steel production has resulted in India becoming the 2nd largest producer of crude steel. The 12th five year plan of the government is envisaging an investment of $ 1 trillion in infrastructure that will boost the demand for steel. India has enormous scope and untapped potential to increase steel consumption in almost all sectors, especially in automobiles, engineering industries and infrastructure development. The consumption of steel per capita in India is around 65 kg per year, much lower compared to the global average (235 kg), leaving significant scope for growth. Growing investments in infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural steel market can raise the country's per capita steel consumption considerably. India's GDP growth is likely to move on the higher side in the coming years due to focus by policy makers on compulsory development of infrastructures & other sectors.

Brand Adhunik

The rapidly growing diversity and choices in the market have increased the role of brand leadership which has significant positive correlation with product and service quality. We are deeply committed to strengthen the Adhunik brand further and towards this we have ensured strict quality compliance for each of the products besides developing strong work ethics. We are also taking advertising and on-ground marketing initiatives to enhance the brand's recognition and popularity among the target customers. This approach has helped us enormously to achieve our set goals. We have built strong distribution network of more than 192 dealers and distributors and we are also empanelled with various Government Departments such as RDSO-Indian Railways, Delhi Metro Rail, Manipur Police Housing Corporation (Manipur), North Eastern Electric Power Corporation Limited (NEEPCO), Public Health Engineering (West Bengal) etc.. We have planned to prudently utilize every resource in the new financial year so as to achieve the set targets and create new demands in the market.

Our Driving Force

The belief that 'great people create great organizations' is the philosophy of the Company's approach to its people. We continued to make significant investments for training in the areas of marketing excellence, customer service and building capabilities for organized retail trade. Human Resources always have been, and shall continue to be, central to the growth of our Company. We are continuously making efforts in the development of Human Resource through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention. Our endeavour is to develop a culture where a sense of belongingness and ownership of work are the key motivating factors and provide world class training to create a world-class work force.

Expectations and Prospects

India is expected to report steady growth over the foreseeable future. This growth will be manifested in rising disposable incomes, post-GST stabilisation and increased aspirations. Given this context, I am pleased to state that Adhunik Industries is the right company in the right verticals at the right time. My optimism stems from the fact that we have created a strong foundation and a rich repository of sectoral experience.

We will continue to focus on enhancing efficiency, optimising costs and increasing liquidity and preparing for the big leap when the sector rebounds. We are optimistic that this will translate into superior margins, returns on capital employed and market capitalization, enhancing value in the hands of all those who own shares in our company.

With warm regards,

Sincerely,

Mahesh Kumar Agarwal

Chairman

28th May, 2018

BOARD'S REPORT

DEAR MEMBERS,

Your Directors take pleasure in presenting the Thirty Ninth Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS:

The summarized financial performance of your Company for the financial year ended 31st March, 2018 is as under:

(₹ in Lakhs)

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Revenue from Operations	48,715.94	40,735.33
Other Income	71.63	79.59
Total Revenue	**48,787.57**	**40,814.92**
Earning Before Interest, Depreciation and Taxes (EBIDTA)	**2,581.44**	**2,257.21**
Depreciation and Amortization Expenses	367.59	370.79
Finance Costs	1,516.16	1,540.02
Profit Before Tax	**697.69**	**346.40**
Total Tax expense	211.60	117.05
Profit After Tax	**486.09**	**229.36**
Other Comprehensive Income	(0.62)	(0.80)
Total Comprehensive Income	**485.47**	**228.56**

(Note: The Company had prepared its financial statements in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India. Thus, figures of previous FY 2016-17 are adjusted accordingly.)

OPERATIONS:

Iron & Steel is indispensable for nation building and has a direct linkage with nation's health and growth. FY 2017-18 continued to be a very challenging year for global economy and in particular for iron and steel industry in India. In spite of challenges, the Company is able to achieve the desired results. The key highlights of Company's performance during the year under review are:

- With the improvement in production as well as prices of finished goods as compared to last year, revenue from operations increased by 19.59% to ₹ 48,715.94 Lakhs only.
- With the improvement in margins as compared to last year, EBIDTA increased by 14.36% to ₹ 2,581.44 Lakhs only.
- Profit before Tax significantly increased by 101.41% to ₹ 697.69 Lakhs of current year as compared to ₹ 346.40 Lakhs of last year.
- Profit after Tax significantly increased by 111.93% to ₹ 486.09 Lakhs of Current year as compared to ₹ 229.36 Lakhs of last year.

STATE OF THE COMPANY'S AFFAIRS:

The FY 2017-18 has been overall a successful year for the Company. The Company had faced many challenges in its operating sector mainly on account of average demand of finished products due to overall improvement in production and significant imports from countries like China, Korea etc.. In spite of that, your Company is able to manage the situation at its end and achieve the desired result by taking appropriate decision by the management of the Company keeping in mind the prevailing market trends. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION:

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your company to which the financial statements relate and the date of the report.

CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of business implemented by the Company during the Financial Year 2017-18.

INDUSTRY SCENARIO AND OUTLOOK:

The Government of India is aiming to scale up steel production in the country to 300 million tonnes (MT) by 2030. India produced 9.07 million tonnes (Mt) of crude steel and bags second position in crude steel production, output up by 3.6% from March, 2017. The world's total crude steel production in March stood at 148.3 million tonnes (Mt), up 4.0 percent from corresponding period last year as India grabbed the second position pushing Japan a notch lower.

(Source: World steel Association).

India is expected to become the world's largest producer of crude steel in the next 10 years, moving up from the second position. The sector has benefited from the hike in prices and production, especially since the beginning of the millennium. It is general assumption that the year 2018 would give more benefits to the steel industry in terms of demand, costs of production, market realisation and exports than what was experienced in the previous year.

Your company is one of the major key players among the various players in the rolling mill industry in the Durgapur region of West Bengal. It operates with a vision to become industry leader in zone which inspires its stakeholders and a well-defined business plan with planned strategy give hope to achieve its vision.

DIVIDEND AND RESERVES:

In view of meeting capital requirements of the Company through ploughing back of profit in the business, the Directors of your Company are intend to retain the surplus profits in the business itself. Therefore, no dividend is being recommended.

During the period under review, no amount was transferred to General Reserve.

SHARE CAPITAL:

During the financial year under review, there is no change in the capital structure of the Company and accordingly the issued, subscribed and paid up share capital of your Company stood at ₹ 46,76,37,500/- (Rupees Forty Six Crores Seventy Six Lakhs Thirty Seven Thousand Five Hundred Only) comprising of ₹ 4,67,63,750 (Four Crores Sixty Seven Lakhs Sixty Three Thousand and Seven Hundred and Fifty) number of Equity shares of ₹10/- each fully paid up as on 31st March, 2018.The Company had not issued any equity shares with differential rights as to dividend, voting or otherwise.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES INDUSTRIAL RELATIONS:

During the financial year under review, industrial relations remained cordial. Employees' competencies and skills were enhanced by exposing them to several internal and external training programmes. Various measures were taken to improve motivation level of employees. Additional efforts are continued to be implemented with a view to obtain commitment and loyalty towards the organization.

CREDIT RATING:

The Company's credit rating ascribed by rating agency is given below:

Instrument	Rating Agency	Rating	Outlook
Long Term Loans and Fund Based and Non Fund Based Limits	India Ratings & Research Pvt. Ltd	IND D	Stable

(Note: The Credit rating for Long Term Loans was withdrawn as the same was fully repaid to Term lenders as per repayment schedule, for Fund Based Limits upgraded to IND B-/stable and for Non Fund Based Limits upgraded to IND A4 by M/s. India Ratings and Research Pvt. Ltd. on April 2, 2018.)

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

Information as required under the provisions of sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure-A**, which is annexed hereto and forms part of Board's Report.

DETAILS OF BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

During the year, four Board meetings were held, details of which are given below. The maximum time gap between any two consecutive meetings did not exceed 120 days.

Date of the meeting	No. of Directors attended the meeting
22nd May, 2017	6(Six)
11th August, 2017	6 (Six)
28th November, 2017	6 (Six)
12th February, 2018	6 (Six)

COMMITTEES OF BOARD:

There are currently five Committees of the Board as per Companies Act, 2013 and the same are as follows:

- ✓ Audit Committee
- ✓ Nomination and Remuneration Committee
- ✓ Corporate Social Responsibility Committee
- ✓ Stakeholders Relationship Committee
- ✓ Management and Finance Committee

The details of composition of the Committees of Board of Directors are as under:-

a. Audit Committee

During the year under review, the Board of Director of your Company re-constituted the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee had met four times i.e. on 22nd May, 2017, 11th August, 2017, 28th November, 2017and 12th February, 2018.

The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Shri Mahesh Kumar Agarwal	Member
3.	Shri Chandra Shekhar Jalan	Member
4.	Smt. Sonam Agarwal*	Member
5.	Smt. Archana Gupta Sha**	Ex-Member

*Appointed w.e.f 12.02.2018
**Resigned w.e.f. 19.12.2017

All the recommendations made by the Committee are duly accepted and approved by the Board of Directors.

Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. During the year under review, no personnel has been denied access to the Audit Committee. Further, the Vigil Mechanism/ Whistle Blower Policy have been uploaded on the website of the Company at www.adhunikindustries.com and may be accessed at the following web-link: http://www.adhunikindustries.com/download/21526556637.pdf

b. Nomination & Remuneration Committee

During the year under review, the Board of Director of your Company re-constituted the Nomination and Remuneration Committee in accordance with the provision of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee had met three times i.e. on 11th August, 2017, 12th February, 2018 and 23rd March, 2018. The details of composition of the Nomination & Remuneration Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Smt. Sonam Agarwal*	Chairman
2.	Smt. Archana Gupta Sha**	Ex-Chairman
3.	Shri Chandra Shekhar Jalan	Member
4.	Shri Mahesh Kumar Agarwal	Member

* Appointed w.e.f. 12.02.2018
** Resigned w.e.f 19.12.2017

c. Corporate Social Responsibility Committee

The CSR philosophy of your Company is embedded in its commitment to all stakeholders, consumers, employees, environment and society while your Company's approach extends both to External community as well as to your Company's large and diverse internal employee base & their families. The Committee had approved the CSR policy and the Budget. The CSR policy is uploaded on Company's website. Further, the Report on CSR Activities/ Initiatives is enclosed as **Annexure - B.**

During the financial year 2017-18, the Committee had met once i.e. on 22nd May, 2017.The composition of the CSR Committee formed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is as under:

Sl. No.	Name	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Chairman
2.	Shri Chandra Shekhar Jalan	Member
3.	Shri Mohan Lal Agarwal	Member

d. Stakeholders Relationship Committee:

During the year under review, the Board of Directors of your Company had re-constituted the Stakeholders Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee met once during the financial year 2017-18 on 23rd March, 2018. The details of composition of the Stakeholders Relationship Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Chairman
2.	Shri Mohan Lal Agarwal	Member
3.	Smt. Sonam Agarwal*	Member
4.	Smt. Archana Gupta Sha**	Ex-Member

*Appointed w.e.f. 12.02.2018
** Resigned w.e.f. 19.12.2017

e. Management and Finance Committee:

The Management and Finance Committee had met three times during the year on 5th April, 2017, 18th July, 2017 and October 24, 2017. The details of composition of the Management and Finance Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Jugal Kishore Agarwal	Chairman
2.	Shri Mahesh Kumar Agarwal	Member
3.	Shri Mohan Lal Agarwal	Member

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, and based on the information provided by the Management, the Board of Directors report that:

(i) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent except as otherwise stated in the Notes to Financial Statements so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;

(iii) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

(iv) The Directors have prepared the annual accounts for the financial year ended March 31,2018 on a 'going concern' basis;

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD INDEPENDENCE:

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms above said provisions :-

a) Shri Asit Baran Dasgupta (DIN: 02476594)

b) Shri Chandra Shekhar Jalan (DIN: 01023586)

c) Smt. Sonam Agarwal* (DIN: 08054202)

d) Smt. Archana Gupta Sha** (DIN: 07089290)

*Appointed w.e.f. 12.02.2018
** Resigned w.e.f. 19.12.2017

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(7) of the Companies Act, 2013 as well as Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

DIRECTORS:

Shri Asit Baran Dasgupta (DIN: 02476594), Shri Chandra Shekhar Jalan (DIN: 01023586) and Smt. Archana Gupta Sha* (DIN: 07089290) has furnished their individual declaration on 1st April, 2017 and Smt. Sonam Agarwal (DIN: 08054202) who was appointed as an Non-Executive additional Independent Woman Director on 12th February, 2018 has furnished her declaration on 12th February, 2018 pursuant to Section 149(7) of the Companies Act, 2013 confirming their status as an Independent Director pursuant to provisions of Section 149(6) of the Companies Act, 2013.

The other Board of Directors of your company comprises of Shri Mohan Lal Agarwal (DIN: 01047906), Director (Non-Executive), Shri Mahesh Kumar Agarwal (DIN: 00507690), Director & Chairman (Non- Executive) and Shri Jugal Kishore Agarwal (DIN: 00227460) Managing Director (Executive).

As per provisions of Section 152 of the Companies Act, 2013, Mr. Jugal Kishore Agarwal has been re-appointed for a further period of 3 years commencing from 30th November, 2017 to 29th November, 2020 based on the recommendation of Nomination and Remuneration Committee and approval of shareholders sought in the 38th Annual General Meeting held on 21st September, 2017.

Further, in accordance with the provisions of Section 152 of the Act, the Rules prescribed thereunder and your Company's Articles of Association, Shri Mahesh Kumar Agarwal (DIN: 00507690) retires by rotation at the ensuing Annual General Meeting being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Shri Mahesh Kumar Agarwal (DIN: 00507690) at the ensuing Thirty Ninth Annual General Meeting.

Again, consent of the shareholders has been sought in the ensuing Annual General Meeting for continuation of holding office by Shri Asit Baran Dasgupta as Non-Executive Independent Director after attaining the age of seventy five years.

(*Smt. Archana Gupta Sha, Independent Director, resigned from the Board of Directors of the Company w.e.f 19th December, 2017 due to her some other business engagements.)

KEY MANAGERIAL PERSONNEL(KMPs):

During the year under review, no changes occurred in the position of Whole-time Key Managerial Personnel (KMPs) of the Company. Shri Jugal Kishore Agarwal, (DIN: 00227460) Managing Director, Shri Bikash Roy Chowdhury, Chief Financial Officer and Shri Bharat Agarwal, Company Secretary are the Whole-time Key Managerial Personnel (KMPs) of the Company.

(Note: Shri. Jugal Kishore Agarwal has been re-appointed as the Managing Director of the Company for a period of three years i.e. from 30th November, 2017 to 29th November, 2020.)

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

Pursuant to provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy. The Company's Remuneration Policy is available on the web link http://www.adhunikindustries.com/download/21526556394.pdf

The Remuneration Policy of the Company, inter alia, includes the aims and objectives, principles of remuneration, guidelines for remuneration to Executive Directors and Non-Executive Directors, fixed and variable components in the remuneration package, criteria for identification of the Board Members and appointment of senior management.

The criteria for identification of the Board Members including that for determining qualification, positive attributes, independence etc. are summarily given hereunder:

- The Board member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in appropriate manner.
- Independent Director shall be person of integrity and expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.
- In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievement.
- Director should possess high level of personal and professional ethics, integrity and values. He / She should be able to balance the legitimate interest and concern of all the Company's stakeholder in arriving at decisions, rather than advancing the interest of a particular constituency.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:

During the year, your company has duly complied with the provision of section 186 of the Companies Act, 2013. The particulars of loans given, investments made, guarantees given under the provisions of Section 186 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the notes to the Financial Statements.

DETAILS RELATING TO MATERIAL VARIATIONS:

Disclosures regarding material variations as specified in Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not required to be furnished as no such event took place during the year.

RISK MANAGEMENT:

Risk management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has a well-defined process to ensure risks are identified and steps to treat them are put in place at the right level in the management.

In terms of the requirement of the Companies Act, 2013 and Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has developed and implemented the Risk Management Policy. The Company has taken adequate measures to mitigate various risk encountered. There are no risks which in the opinion of the Board threaten the existence of the

Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report which forms a part of this report.

HUMAN RESOURCE:

Company's industrial relations continued to be harmonious during the period under review. The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has qualified and talented human resources at all levels of operation. It has put concerted efforts for continuous learning and training to ensure that strong and credible leadership is developed.

SAFETY, HEATH AND ENVIRONMENT:

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is an ISO certified (ISO 9001:2008, 14001:2004 & 18001:2007) organization. Further, there is a team of professionals who conducts regular training programs to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation. Our mission is to protect and enhance the well-being of our employees, visitors and partners. Safe working is non-negotiable.

CORPORATE SOCIAL RESPONSIBILITY:

In lines with the provisions of Section 135 of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) Policy for the development and benefit of the weaker section of the society and the same is approved by the CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides a road map for its CSR activities. The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy of discharging its CSR responsibilities related to social service through various trusts/societies in addition to its own initiatives and donations made to other non-government organizations.

The CSR Policy has been uploaded on the Company's website at www.adhunikindustries.com and may be accessed at the link http://www.adhunikindustries.com/download/21530079539.pdf. Pursuant to the requirements under Section 135 of the Companies Act, 2013 and Rules made thereunder, a report on CSR activities and initiatives taken during the year in the prescribed format is given in **Annexure-B**, which is annexed hereto and forms part of the Board's Report.

The Company has been playing a pro-active role in the socio economic growth and has contributed to all spheres ranging from health, education, hygiene and empowerment of women, environment conservation etc. The Company becomes the part of some of the social programs in India, touching the lives of hundreds of people positively by supporting such programs. As a part of its CSR programs, the Company had organized various programs for distribution of food, clothes and basic necessity items to the weaker section of the society as well as to provide them basic education and work based training for generation of livelihood on regular basis for the weaker section of society. Company CSR activities are mainly deployed through a NGO M/s. Nav Nirman Sanstha. Company has also given donations to M/s. Friends of Tribal Society, M/s. Purvanchal Kalyan Ashram to promote education among children belonging to weaker section of the society and also to M/s. Shri Hanuman Parishad for eradication of hunger in rural and backward areas.

PARTICULARS OF EMPLOYEES:

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the prescribed particulars of remuneration of employees pursuant to Section 134(3)(q) and Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, are given in **Annexure - C** to the Board's Report and forms part of this report.

RISK AND CONCERN:

Risk management is the continuing process to identify, analysis, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. In today's complex business environment, effective risk management is critical to success of any business. The Company has a risk management team, which periodically evaluating the risks associated with the business and taking necessary initiatives to minimize its impact. This also helps the Company in taking business decisions with balanced risks and rewards comparison. The risk management framework ensures compliance with the requirements of relevant Regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FAMILIARIZATIONS PROGRAMME FOR IDs':

In terms of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a system of conducting the Familiarization Programme for Independent Director to familiarize them with their roles, rights, responsibilities

in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives. The said policy is uploaded on the Company's website at www.adhunikindustries.com and may be accessed at the link http://www.adhunikindustries.com/download/21526556087.pdf

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company during the period, the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

The policy on the Code of Conduct is uploaded on the Company's website at www.adhunikindustries.com and may be accessed at the link http://adhunikindustries.com/download/21526302496.pdf

BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to sub-section 3(p) of Section 134 of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc. The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors held on 12th February, 2018, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was also discussed in the board meeting at which the performance of the Board, its committees and individual directors was discussed. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Companies Act, 2013. The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATES COMPANIES:

The Company does not have any subsidiaries, joint ventures and associate companies. So, the required disclosure is not applicable to the Company.

DEPOSITS:

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

SEBI vide its letter bearing no. SEBI/HO/ISD/OW/P/2017/18183 dated August 7, 2017 duly addressed to the three Stock Exchanges has forwarded a list of 331 suspected shell companies as identified by Ministry of Corporate Affairs and has directed the Stock Exchanges to identify the companies listed on their trading platform and place trading in all such listed securities in Stage VI of the Graded Surveillance Measure (GSM) with immediate effect. Your Company was also aggrieved by the communication of Securities and Exchange Board of India (SEBI) addressed to the three stock exchanges on August 7, 2017 and the consequential order passed by National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 7, 2017 itself by placing securities of the Company in GSM Stage VI with effect

from August 8, 2017. The Company had made a representation to SEBI on August 9, 2017 against the impugned communication of SEBI dated August 7, 2017 and also provided the required information asked by National Stock Exchange of India Limited (NSE) vide its communication dated August 9, 2017 and BSE Limited (BSE) vide its communication dated August 10, 2017, vide its communication dated August 14, 2017. Since no action was taken on the said representation dated August 9, 2017 and after providing the required information to NSE and BSE, our Company had filed an appeal to Securities Appellate Tribunal (SAT).

The SAT after hearing both the parties directed SEBI and also the Stock Exchanges vide its order dated September 21, 2017 to reverse their decisions dated August 7, 2017 which were all passed without hearing the appellant.

INTERNAL CONTROL AND AUDIT:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The CEO and CFO certification provided in the Annual Report discusses the adequacy of the Company's Internal Control System and Audit.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

AUDITORS AND AUDITOR'S REPORT:

STATUTORY AUDITORS

At the 37th Annual General Meeting (AGM) of the Company held on the 14th day of September, 2016, M/s Sudhir Kumar Jain & Associates, Chartered Accountants, having (Registration No. 318016E) allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of 37th AGM till the conclusion of the 42nd AGM of the Company subject to ratification of such appointment by the Members at every AGM .

The Company has received a letter from the Statutory Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 confirming that their appointment on such ratification will be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for the said appointment.

The Companies Amendment Act, 2017 has omitted the requirement of ratification of the appointment of statutory auditors at every Annual General Meeting with effect from May 7, 2018. Hence the ratification of appointment of Statutory Auditors at the ensuing 39th Annual General Meeting is not required.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, the Statutory Auditors have not reported any incident of fraud during the year under review.

COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants (a Cost Audit Firm), as Cost Auditor of the Company w.e.f. 1st April, 2018 to 31st March, 2019 to carry out audit of cost records of the Company, who was also the Cost Auditor for the Financial year 2017-18. The remuneration proposed to be paid to them in Financial Year 2018-19 requires ratification by the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. The report issued by the cost auditor for the Financial Year 2017-18 is self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the Board has appointed M/s. M R & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure- D** to this Report.

Board's comment on Secretarial Audit Report's Observations:

(i) SEBI vide its letter bearing no. SEBI/HO/ISD/OW/P/2017/18183 dated August 7, 2017 duly addressed to the three Stock Exchanges has forwarded a list of 331 suspected shell companies as identified by Ministry of Corporate Affairs and has directed the Stock Exchanges to identify the companies listed on their trading platform and place trading in all such listed securities in Stage VI of the Graded Surveillance Measure (GSM) with immediate effect. Your Company was also aggrieved by the communication of Securities and Exchange Board of India (SEBI) addressed to the three stock exchanges on August 7, 2017 and the consequential order passed by National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 7, 2017 itself by placing securities of the Company in GSM Stage VI with effect from August 8, 2017. The Company had made a representation to SEBI on August 9, 2017 against the impugned communication of SEBI dated August 7, 2017 and also provided the required information asked by National Stock Exchange of India Limited (NSE) vide its communication dated August 9, 2017 and BSE Limited (BSE) vide its communication dated August 10, 2017, vide its communication dated August 14, 2017. Since no action was taken on the said representation dated August 9, 2017 and after providing the required information to NSE and BSE, our Company had filed an appeal to Securities Appellate Tribunal (SAT).

The SAT after hearing both the parties directed SEBI and also the Stock Exchanges vide its order dated September 21, 2017 to reverse their decisions dated August 7, 2017 which were all passed without hearing the appellant.

(ii) The Company had sought approval of shareholders by way of postal ballot on January 12, 2018 for enhancement of limit of Related Party Transactions. However, due to frequent market fluctuations and volatility in the iron and steel market, the Company need to procure larger quantity of raw materials than the expected quantity from the Related Party M/s. Adhunik Alloys & Power Limited in order to keep the purchase of raw materials of the Company cost effective. Thus, the company exceeded the earlier limit approved of ₹ 40,00,00,000/- (Rupees Forty Crores only). Further, pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements)2015, the Company is seeking approval of shareholders for ratification of the same by way of postal ballot. The notice of postal ballot is approved by the Board of Directors in its meeting held on 16th May 2018.

The Board has also appointed M/s. M R & Associates, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2018-19.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

According to the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, all transactions entered with Related Parties during the financial year 2017-18 were on arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company'swebsite www.adhunikindustries.com and may be accessed at the link http://www.adhunikindustries.com/download/21530079703.pdf

Your Directors draw attention of the members to Note 33 to the financial statement which sets out related party disclosures.

Moreover during the year under review the Company has entered into materially significant related party transactions and the relevant disclosure of information pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 has been shown in AOC-2, annexed herewith marked as **Annexure- E** to this report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, the Company has transferred a sum of ₹ 68,000-/ (Rupees Sixty Eight Thousand only) to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Act, being the dividend amount which was due & payable and remained unclaimed and unpaid for a period of 7 (seven) years, as provided in Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In accordance with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and in order

to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work places, your Company has constituted an Internal Complaint Committee and adopted a policy on Prevention of Sexual Harassment at Workplace. The policy aims to provide the effective enforcement of basic human right of gender equality and guarantee against sexual harassment and abuse.

During the year, there was no complaint lodged with the Internal Complaint Committee, formed under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return for the financial year ended on March 31, 2018 in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013, is marked as **Annexure - F** which is annexed hereto and forms part of the Board's Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE:

Your Directors are pleased to report that your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder's value.

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled Report on Corporate Governance has been included in this Annual Report along with the certificate obtained from M/s. MR & Associates, Practicing Company Secretaries Firm certifying compliance with the conditions of corporate governance as stipulated under relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and annexed with the report on Corporate Governance.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards as issued and notified by Institute of Company Secretaries of India.

FORWARD LOOKING AND CAUTIONARY STATEMENTS:

Certain statement in this Report concerning to our growth prospects, particularly those which relate to Management Discussion & Analysis Report, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could however differ materially from those expressed or implied. The risk and uncertainties relating to these statements include, but are not limited to, important factors that could make a difference to the Company's operations such as global and domestic demand-supply conditions, finished goods prices, raw materials and fuels cost and availability, transportation costs, changes in Government regulations and tax structure, economic developments within India and other factors such as litigation and industrial relations. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

APPRECIATION:

Your Directors place on record their sincere appreciation for significant contribution made by employees of the Company at each level, through their dedication, hard work and commitment. The Board places on record its appreciation for the continued co-operation and support extended to the Company by various Banks, Financial Institutions, Stock Exchanges, NSDL and CDSL, Vendors, Customers Consultants, Central and State Government bodies, Dealers, and other Business Associates. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and, above all, the shareholders.

For and on behalf of the Board

Sd/-	Sd/-
Mahesh Kumar Agarwal	**Jugal Kishore Agarwal**
Chairman	Managing Director
(DIN:00507690)	**(DIN:00227460)**

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

ANNEXURES TO THE BOARD'S REPORT

Annexure-A

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

A. CONSERVATION OF ENERGY

i) Energy conservation measures taken or impact on conservation of energy;

Energy conservation dictates how efficiently a Company can conduct its operations. AIL has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change.

Your Company regularly reviews measures to be taken for energy conservation, consumption and its effective utilization. Some of the energy conservation initiatives taken by the Company during the year are given below:

- Use of latest energy efficient technology like high efficiency VFD based motors, inverter based air conditioners and drives;
- Replaced old conventional light fittings with latest generation CFL and LED light fittings in the operational and official floors, thus, power consumption is reduced.
- Effective maintenance and improvement in power factor by installing Capacitor Bank in the plant
- Rationalization of loan on transformer.
- Maximum use of natural light in day time by placing transparent roof and side glass windows
- Power saving lamps have been installed in factory so far as a measure for conservation of energy.

ii) Steps in utilization of alternate sources of energy

The Company is exploring the ways and ideas through its efficient technical team that how it can use the alternate sources of energy in the energy intensive production line in place of conventional sources of energy, its viability and cost effectiveness in relation to the production cost of the products produced by the Company.

iii) Capital investment on energy conservation equipments

No capital investment on energy conservation equipment's incurred by the Company during the financial year ended March 31, 2018.

B. TECHNOLOGY ABSORPTION

i) The efforts made by the Company towards technology absorption during the year under review are as under:

- During the year, your Company has made constant efforts to improve process, design and planning across all manufacturing sections;
- Installation of various machine based testing system to check the quality of the product produced.

ii) Adhunik Industries Limited finished products are always set a reputable standard in the market in comparison to its peers. With the adoption various advanced methodology in the production process, will help the Company to reduce its cost of production and also the quality and durability of the products are also improved.

iii) The Company had not imported any foreign technology during the last three years.

iv) The Company had not incurred any major expenditure which can specifically appropriated to Research and Development work.

v) Worked on increasing the productivity in Rolling Mill within the existing capacity.

C. Foreign Exchange Earnings and Outgo

Total foreign exchange earned and outgo	2017-18	2016-17
Foreign Exchange Inflow (₹ in Lakhs)	1838.30	2,899.13
Foreign Exchange Outgo (₹ in Lakhs)	78.23	109.67

For and on behalf of the Board

Sd/-
Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Sd/-
Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

Annexure-B

Report on Corporate Social Responsibility (CSR) Activities / Initiatives

(Pursuant to Section 135 of the Act and Rules made thereunder)

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

The CSR policy framed by the CSR Committee (constituted by the Board) has been approved by the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

In accordance with schedule VII of the Companies Act, 2013, for enhancing the stakeholders' value, generating economic value of the nation and working towards well-being of the society, the CSR Policy covers certain projects/activities such as supporting education, skill development, food services and health care for underprivileged people of the society.

The detailed CSR Policy is available on the website of the Company at www.adhunikindustries.com and the web link for the same is http://www.adhunikindustries.com/download/21530079539.pdf

2. **The composition of CSR Committee is as under:**

The composition of the CSR Committee formed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is as under:

Sl. No.	Name of Director	Category	Profession
1	Shri Mahesh Kumar Agarwal	Non-Executive Director (Chairman)	Business
2	Shri Mohan Lal Agarwal	Non-Executive Director	Business
3	Shri Chandra Shekhar Jalan	Independent Director	Business

3. **Average net profit of the Company for the last three financial years:**

2014-15, 2015-16 and 2016-17 is ₹ 807.21 Lacs.

4. **The prescribed CSR expenditure (two percent of the amount mentioned in item 3 above):** ₹ 16.14 Lacs

5. **Details of CSR spent during the financial year.**

a) Total amount to be spent for the financial year 2017-18: ₹ 16.14 Lacs

b) Amount spent during the year 2017-18 : ₹16.16 Lacs

c) Amount unspent, if any: Not applicable

d) Manner in which the amount spent during the financial year 2017-18 is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended	Projects or programs 1) Local area other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: i) Direct expenditure on projects or programs ii) Overheads	Cumulative expenditure upto the reporting period i.e. 2017-18	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
				₹ in Lacs	₹ in Lacs	₹ in Lacs	
I	Health Care & Sanitation	Schedule VII (i)	Durgapur, Kolkata, West Bengal	1.10	1.10	1.10	Through implementing Agency i.e. Nav Nirman Sanstha
II	Contribution to Skill development, Education and Livelihood	Schedule VII (ii)	Durgapur, Kolkata, West Bengal	4.74	4.74	4.74	Through implementing Agency i.e. Nav Nirman Sanstha

Sr. No.	CSR Project or activity identified	Sector in which the project is covered clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended	Projects or programs 1) Local area other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: i) Direct expenditure on projects or programs ii) Overheads	Cumulative expenditure upto the reporting period i.e. 2017-18	Amount spent: Direct or through implementing agency
III	Promoting Education	Schedule VII (ii)	Durgapur, Kolkata, West Bengal	1.50	1.50	1.50	Through implementing Agency i.e. Purvanchal Kalyan Ashram
IV	Promoting Education	Schedule VII (ii)	Durgapur, Kolkata, West Bengal	6.00	6.00	6.00	Through implementing Agency i.e. Friends of Tribal Society
V	Women Empowerment	Schedule VII (iii)	Durgapur, Kolkata, West Bengal	0.09	0.09	0.09	Through implementing agency i.e. Nav Nirman Sanstha
VI	Eradicating Hunger	Schedule VII (i)	Durgapur, Kolkata, West Bengal	2.00	2.00	2.00	Through implementing agency i.e. Shree Shree Hanuman Parishad
VII	Supervision of CSR Activities	Overheads	Durgapur, Kolkata, West Bengal	0.71	0.73	0.73	Direct
TOTAL				**16.14**	**16.16**	**16.16**	

6. In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount: Not Applicable

7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

Sd/-
Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Sd/-
Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

Annexure-C

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), AMENDMENT RULES, 2016:

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year	Name of the Director	Ratio
		Shri Jugal Kishore Agarwal	61:1
		1. Apart from Managing Director, no director is in receipt of any remuneration from the Company. 2. Sitting Fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Shri Jugal Kishore Agarwal	NIL
		Shri Bikash Roy Chowdhury	NIL
		Shri Bharat Agarwal	17.72%
3.	The percentage increase in the median remuneration of employees in the financial year	In the financial year, there was an increase of 3.36% in the median remuneration of employees.	
4.	The number of permanent employees on the rolls of Company	There were 162 permanent employees on the rolls of the Company as on March 31, 2018.	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	i) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 is 8.13 % ii) Average percentage increase in the salaries of managerial personnel in the financial year 2017-18: NIL	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.	

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company and Directors is furnished hereunder:

Sl. No.	Name	Designation / Nature of Duties	Remuneration Received (in ₹)	Nature of Employment and other terms	Qualification	Experience (in years)	Age (in years)	Date of commencement of employment	Last employment held and Designation	% of Equity Shares held by the employee in the Company
1.	Mr. Jugal Kishore Agarwal	Managing Director	30,00,000	As per shareholder's Resolution	Graduate in Commerce and Law	34	67	30/11/2017	Adhunik Steels Limited as Executive	1.06
2.	Mr. Ajay Bhuwania	GM-Finance & Accounts	17,61,243	Permanent	FCA, ICWA	20	40	01/06/2005	Tantia Construction Limited as General Manager	0.002
3.	Mr. Bikash Roy Chowdhury	CFO	15,00,000	Permanent	BE-PGDSM	41	72	01/04/2010	Adhunik Corporation Limited as Officer	NIL

Sl. No.	Name	Designation / Nature of Duties	Remuneration Received (in ₹)	Nature of Employment and other terms	Qualification	Experience (in years)	Age (in years)	Date of commencement of employment	Last employment held and Designation	% of Equity Shares held by the employee in the Company
4.	Mr. Bharat Agarwal	Company Secretary	10,57,308	Permanent	FCA, CS	12	33	01/04/2010	Adhunik Corporation Limited as Manager	NIL
5.	Mr. Tushar Chakraborty	Management Representative – ISO	7,53,660	Permanent	M.Com (Hons.), IRCA	41	73	01/11/2008	Tata Iron & Steel Company Limited as Manager-Marketing & Sales	NIL
6.	Mr. Ahmed Saif	Officer-Marketing	7,42,558	Permanent	B. Sc. (Hons.), MBA -Marketing	21	50	01/03/2014	Shyam Metaliks Limited as Manager-Public Relation (Marketing)	NIL
7.	Mr. Baljeet Singh	Assistant General Manager-Electrical	7,30,800	Permanent	B. Tech., MBA	26	49	04/09/2005	Usha Martin Limited as Senior Manager-Electrical	NIL
8.	Mr. Priyabrata Chatterjee	Senior Manager-Marketing	7,06,536	Permanent	B. Com (Hons.), MBA-Marketing	21	51	01/01/2010	Shyam Steel Industries Limited as Manager-Marketing	NIL
9.	Mr. Debasish Bose	Manager-Legal	6,00,000	Permanent	B. Com	26	48	01/07/2012	Asia Brown Bovary as Senior Supervisor	NIL
10.	Mr. Subrata Thakur	Senior Accountant	5,89,200	Permanent	B. Com	16	47	01/04/2005	Adhunik Steels Limited as Accountant	NIL

Notes:

1) The employees have adequate experience to discharge responsibilities assigned to them.

2) None of the above mentioned persons are relatives of Directors of the Company except Mr. Jugal Kishore Agarwal who is the elder brother of Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal.

For and on behalf of the Board

Sd/-
Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Sd/-
Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

Annuxure-D

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
ADHUNIK INDUSTRIES LIMITED
14, N. S. Road, 2nd Floor,
Kolkata-700001
West Bengal

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADHUNIK INDUSTRIES LIMITED**(hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company 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, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on 31st March,2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We 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, 2018 according to the provisions of:
   - i) The Companies Act, 2013 (the Act) amendments thereof and the rules made thereunder;
   - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
     - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

     I further report that, there were no actions/ events in pursuance of;
     - (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
     - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
     - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
     - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
     - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the specific applicable laws like:

a) Factories Act, 1948,

b) Industrial Dispute Act, 1947,

c) Payment of Wages Act, 1936 and other applicable labour laws,

d) Environment (Protection) Act, 1986 and other environment laws,

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and to the extent amended and notified from time to time.

(ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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 observation:

(i) The Company's transactions with one of the Related Party exceeded the limit as approved earlier by the shareholders by way of postal ballot on January 12, 2018 and consequently the Company is in the process of seeking further approval of shareholders by way of Notice of Postal Ballot dated 16.05.2018 for ratification of aforesaid related party transaction.

We 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 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 generally 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period,

i. Securities and Exchange Board of India (SEBI) vide its letter bearing no. **SEBI/HO/ISD/OW/P/2017/18183** dated August 7, 2017 directed the Stock Exchanges, where the Company's securities are listed, to place the trading in security in Stage VI of the Graded Surveillance Measure (GSM). The Company had replied to the various communications with Stock Exchanges in this relation and also filed an appeal to Securities Appellate Tribunal (SAT) and vide SAT order dated September 21, 2017, SEBI and the Stock Exchanges were directed to reverse their decisions dated August 7, 2017.

ii. The Company had obtained approval from its members for material related party transactions to be entered by the Company for Financial Year 2017-18 under section 188 of the Companies Act, 2013 and other applicable provisions read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in 38th Annual General Meeting held on 21st September, 2017 and further by way of Postal Ballot on 12th January, 2018. However, transaction with one related party M/s. Adhunik Alloys & Power Limited exceeds the approved limit and the Company is under process of seeking approval of shareholders for ratification of the same by way of postal ballot.

This Report is to be read with our letter of even date which is annexed **"Annexure A"** and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries
Sd/-
[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Place : Kolkata
Date :28.05.2018

"ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018)

To,
The Members
ADHUNIK INDUSTRIES LIMITED
14, N. S. Road, 2nd Floor,
Kolkata-700001
West Bengal

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our 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.

For MR & Associates
Company Secretaries
Sd/-
[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Place : Kolkata
Date :28.05.2018

Annexure - E

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)

Disclosure of particulars 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:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2017-18.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any
1	Adhunik Corporation Limited (Enterprise over which KMP/ Shareholders/ Relatives have significant influence)	Purchase of Raw Materials & Sale of Finished Goods / By-Product	FY 2017-18	Purchase of Billet and sale of Misroll, Wastage, End-cutting etc. at arm's length basis (For details of amount of transactions during the year refer Note no. 33 (b) of Audited Financial Statements.)
2	Adhunik Alloys & Power Limited (Enterprise over which KMP/ Shareholders/ Relatives have significant influence)	Purchase of Raw Materials & Sale of Finished Goods	FY 2017-18	Purchase of Billets and sale of Wire Rods. (For details of amount of transactions during the year refer Note no. 33 (b) of Audited Financial Statements.)

Notes:

- Shareholders' approval was taken at 38th AGM for the FY 2017-18, considering that above contracts / transactions are material in nature as defined under Regulation 23 of SEBI Listing Regulations (LODR).
- Revision in Limits of Related Party Transaction for the FY 2017-18 has been approved by the shareholders through Postal Ballot on January 12, 2018.
- Ratification of transaction with Related Party M/s. Adhunik Alloys & Power Limited has been approved by the Board of Directors in its meeting held on 16th May, 2018 subject to the approval of the shareholders through Postal Ballot.
- Approval of the Audit Committee was taken for all of these transactions.
- No advances have been paid or received against the transactions mentioned above.

For and on behalf of the Board

Sd/-
Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Sd/-
Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March, 2018

Annexure-F

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	L65921WB1979PLC032200
2	Registration Date	23-08-1979
3	Name of the Company	ADHUNIK INDUSTRIES LIMITED
4	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY / LIMITED BY SHARES
5	Address of the Registered office & contact details	14, NETAJI SUBHAS ROAD 2ND FLOOR KOLKATA-700 001 Tel: +91 33 2243 4355 Fax: +91 33 2242 8551
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor Kolkata-700 001. Tel: +91 33 2243 5809/5029 Fax: +91 33 2248 4787

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 Product/service	% to total turnover of 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	NIL	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	32,31,050	-	32,31,050	6.91%	32,31,050	-	32,31,050	6.91%	-
b) Central Govt	-	-	-	-	-		-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,18,23,750	-	3,18,23,750	68.05%	3,18,23,750	-	3,18,23,750	68.05%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**3,50,54,800**	**-**	**3,50,54,800**	**74.96%**	**3,50,54,800**	**-**	**3,50,54,800**	**74.96%**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) **Foreign**									
a) NRI Individuals	-	-		-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI's	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	**3,50,54,800**	**-**	**3,50,54,800**	**74.96%**	**3,50,54,800**	**-**	**3,50,54,800**	**74.96%**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	87,22,999	-	87,22,999	18.65%	71,77,881	-	71,77,881	15.35%	-3.30%
ii) Overseas	-	-	-	-		-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,20,129	1	1,20,130	0.26%	5,38,176	1	5,38,177	1.15%	0.89%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	27,55,229	-	27,55,229	5.89%	34,39,512	-	34,39,512	7.36%	1.46%
c) Others (specify)									
Non Resident Indians	2,630	-	2,630	0.01%	728	-	728	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	-		-	-	-	
Foreign Nationals	-	-	-	-		-	-	-	
Clearing Members	1,07,962	-	1,07,962	0.23%	5,52,652	-	5,52,652	1.18%	0.95%
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	
Sub-total (B)(2)	**1,17,08,949**	**1**	**1,17,08,950**	**25.04%**	**1,17,08,949**	**1**	**1,17,08,950**	**25.04%**	**-**
Total Public (B)	**1,17,08,949**	**1**	**1,17,08,950**	**25.04%**	**1,17,08,949**	**1**	**1,17,08,950**	**25.04%**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	-	**-**	-	-	-	-	-	-
Grand Total (A+B+C)	**4,67,63,749**	**1**	**4,67,63,750**	**100.00%**	**4,67,63,749**	**1**	**4,67,63,750**	**100.00%**	**-**

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	Mahesh Kumar Agarwal	5,24,000	1.12%	-	5,24,000	1.12%	-	-
2	Manoj Kumar Agarwal	5,16,550	1.10%	-	5,16,550	1.10%	-	-
3	Ghanshyam Das Agarwal	5,10,500	1.09%	-	5,10,500	1.09%	-	-
4	Jugal Kishore Agarwal	4,94,500	1.06%	-	4,94,500	1.06%	-	-
5	Nirmal Kumar Agarwal	4,89,000	1.05%	-	4,89,000	1.05%	-	-
6	Mohan Lal Agarwal	4,41,500	0.94%	-	4,41,500	0.94%	-	-
7	Rita Agarwal	75,000	0.16%	-	75,000	0.16%		-
8	Chandrakanta Agarwal	52,500	0.11%	-	52,500	0.11%	-	-
9	Meena Agarwal	50,000	0.11%	-	50,000	0.11%	-	-
10	Jugal Kishore Agarwal (HUF)	50,000	0.11%	-	50,000	0.11%	-	-
11	Nirmal Kumar Agarwal (HUF)	27,500	0.06%	-	27,500	0.06%	-	-
12	RND Steels Ltd. (Formerly Adhunik Steels Ltd.)	3,40,000	0.73%	-	3,40,000	0.73%	-	-
13	Mahananda Suppliers Ltd.	1,66,00,000	35.50%	-	1,66,00,000	35.50%	-	-
14	Sungrowth Share & Stocks Ltd.	1,48,83,750	31.83%	-	1,48,83,750	31.83%	-	-

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

SN	Particulars	Date	Reason	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	01-04-2017		3,50,54,800	74.96%	3,50,54,800	74.96%
	Changes during the year	No Change during the year					
	At the end of the year	31-03-2018		3,50,54,800	74.96%	3,50,54,800	74.96%

(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	Date	Reason	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	**Vrindavan Advisory Services LLP**						
	At the beginning of the year	01-04-2017		43,34,606	9.27%	43,34,606	9.27%
	Changes during the year		Transfer	-	0.00%	43,34,606	9.27%
	At the end of the year	31-03-2018		43,34,606	9.27%	43,34,606	9.27%
2	**Admirable Advisory Services LLP**						
	At the beginning of the year	01-04-2017		13,64,882	2.92%	13,64,882	2.92%
	Changes during the year		Transfer	-	0.00%	13,64,882	2.92%
	At the end of the year	31-03-2018		13,64,882	2.92%	13,64,882	2.92%
3	**Shri Deepak Hotilal Thakur**						
	At the beginning of the year	01-04-2017		11,69,246	2.50%	11,69,246	2.50%
	Changes during the year		Transfer		0.00%	11,69,246	2.50%
	At the end of the year	31-03-2018		11,69,246	2.50%	11,69,246	2.50%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	**Shri Munesh Hotilal Thakur**						
	At the beginning of the year	01-04-2017		10,88,575	2.33%	10,88,575	2.33%
	Changes during the year		Transfer		0.00%	10,88,575	2.33%
	At the end of the year	31-03-2018		10,88,575	2.33%	10,88,575	2.33%
5	**Vedanta Resources Private Limited***						
	At the beginning of the year	01-04-2017		-	0.00%	-	0.00%
	Changes during the year	07-07-2017	Transfer	2,30,000	0.49%	2,30,000	0.49%
	Changes during the year	14-07-2017	Transfer	2,70,000	0.58%	5,00,000	1.07%
	Changes during the year	21-07-2017	Transfer	2,00,000	0.43%	7,00,000	1.50%
	At the end of the year	31-03-2018		7,00,000	1.50%	7,00,000	1.50%
6	**Gist Minerals Technologies Limited**						
	At the beginning of the year	01-04-2017		2,87,000	0.61%	2,87,000	0.61%
	Changes during the year	14-04-2017	Transfer	92,460	0.20%	3,79,460	0.81%
	At the end of the year	31-03-2018		3,79,460	0.81%	3,79,460	0.81%
7	**Choice Equity Broking Private Limited *@**						
	At the beginning of the year	01-04-2017		-	0	-	-
	Changes during the year	04-07-2017	Transfer	25843	0.06%	25,843	0.06%
	Changes during the year	14-07-2017	Transfer	(15,309)	-0.03%	10,534	0.02%
	Changes during the year	21-07-2017	Transfer	11,797	0.03%	22,331	0.05%
	Changes during the year	28-07-2017	Transfer	10,840	0.02%	33,171	0.07%
	Changes during the year	04-08-2017	Transfer	1,27,085	0.27%	1,60,256	0.34%
	Changes during the year	11-08-2017	Transfer	(63,874)	-0.14%	96,382	0.21%
	Changes during the year	22-09-2017	Transfer	(2,619)	-0.01%	93,763	0.20%
	Changes during the year	30-09-2017	Transfer	4,500	0.01%	98,263	0.21%
	Changes during the year	13-10-2017	Transfer	3,36,862	0.72%	3,36,862	0.72%
	Changes during the year	20-10-2017	Transfer	(3,000)	-0.01%	3,33,862	0.71%
	Changes during the year	27-10-2017	Transfer	(67,020)	-0.14%	2,66,842	0.57%
	Changes during the year	03-11-2017	Transfer	35,308	0.08%	3,02,150	0.65%
	Changes during the year	10-11-2017	Transfer	40,832	0.09%	3,42,982	0.73%
	Changes during the year	17-11-2017	Transfer	39,366	0.08%	3,82,348	0.82%
	Changes during the year	24-11-2017	Transfer	(44,992)	-0.10%	3,37,356	0.72%
	Changes during the year	01-12-2017	Transfer	(1,26,025)	-0.27%	2,11,331	0.45%
	Changes during the year	08-12-2017	Transfer	65,475	0.14%	2,76,806	0.59%
	Changes during the year	15-12-2017	Transfer	56,470	0.12%	3,33,276	0.71%
	Changes during the year	22-12-2017	Transfer	(21,308)	-0.05%	3,11,968	0.67%
	Changes during the year	29-12-2017	Transfer	30,615	0.07%	3,42,583	0.73%
	Changes during the year	05-01-2018	Transfer	(9,080)	-0.02%	3,33,503	0.71%
	Changes during the year	05-01-2018	Transfer	17,678	0.04%	3,51,181	0.75%
	Changes during the year	12-01-2018	Transfer	(20,680)	-0.04%	3,30,501	0.71%
	Changes during the year	19-01-2018	Transfer	(19,847)	-0.04%	3,10,654	0.66%
	Changes during the year	26-01-2018	Transfer	2,826	0.01%	3,13,480	0.67%
	Changes during the year	02-02-2018	Transfer	11,154	0.02%	3,24,634	0.69%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	09-02-2018	Transfer	7,158	0.02%	3,31,792	0.71%
	Changes during the year	16-02-2018	Transfer	754	0.00%	3,32,546	0.71%
	Changes during the year	23-02-2018	Transfer	(22,738)	-0.05%	3,09,808	0.66%
	Changes during the year	02-03-2018	Transfer	(4,141)	-0.01%	3,05,667	0.65%
	Changes during the year	09-03-2018	Transfer	(14,093)	-0.03%	2,91,574	0.62%
	Changes during the year	16-03-2018	Transfer	55,314	0.12%	3,46,888	0.74%
	Changes during the year	23-03-2018	Transfer	(67,358)	-0.14%	2,79,530	0.60%
	Changes during the year	30-03-2018	Transfer	(14,784)	-0.03%	2,64,746	0.57%
	At the end of the year	31-03-2018		2,64,746	0.57%	2,64,746	0.57%
8	**Shri Jivabhai Ambalal Patel**						
	At the beginning of the year	01-04-2017		1,00,000	0.21%	1,00,000	0.21%
	Changes during the year	07-04-2017	Transfer	1,50,000	0.32%	2,50,000	0.53%
	Changes during the year	14-04-2017	Transfer	(32,850)	-0.07%	2,17,150	0.46%
	At the end of the year	31-03-2018		2,17,150	0.46%	2,17,150	0.46%
9	**Shri J K Prasad**						
	At the beginning of the year	01-04-2017		1,16,100	0.25%	1,16,100	0.25%
	Changes during the year	27-10-2017	Transfer	860	0.00%	1,16,960	0.25%
	Changes during the year	10-11-2017	Transfer	2,140	0.00%	1,19,100	0.25%
	At the end of the year	31-03-2018		1,19,100	0.25%	1,19,100	0.25%
10	**Artha Vrddhi Securities Limited***						
	At the beginning of the year	01-04-2017		Nil	0.00%	-	0.00%
	Changes during the year	28-07-2017	Transfer	1,17,850	0.25%	1,17,850	0.25%
	Changes during the year	04-08-2017	Transfer	5,100	0.01%	1,22,950	0.26%
	Changes during the year	11-08-2017	Transfer	2,350	0.01%	1,25,300	0.27%
	Changes during the year	22-09-2017	Transfer	(200)	0.00%	1,25,100	0.27%
	Changes during the year	30-09-2017	Transfer	2,000	0.00%	1,27,100	0.27%
	Changes during the year	06-10-2017	Transfer	4,500	0.01%	1,31,600	0.28%
	Changes during the year	13-10-2017	Transfer	6,198	0.01%	1,37,798	0.29%
	Changes during the year	20-10-2017	Transfer	(4,250)	-0.01%	1,33,548	0.29%
	Changes during the year	27-10-2017	Transfer	(250)	0.00%	1,33,298	0.29%
	Changes during the year	03-11-2017	Transfer	(1,000)	0.00%	1,32,298	0.28%
	Changes during the year	10-11-2017	Transfer	(9,874)	-0.02%	1,22,424	0.26%
	Changes during the year	17-11-2017	Transfer	(3,000)	-0.01%	1,19,424	0.26%
	Changes during the year	24-11-2017	Transfer	(1,850)	0.00%	1,17,574	0.25%
	Changes during the year	22-12-2017	Transfer	(1,05,000)	-0.22%	12,574	0.03%
	Changes during the year	29-12-2017	Transfer	(360)	0.00%	12,214	0.03%
	Changes during the year	05-01-2018	Transfer	(1,400)	0.00%	10,814	0.02%
	Changes during the year	19-01-2018	Transfer	(640)	0.00%	10,174	0.02%
	Changes during the year	26-01-2018	Transfer	(150)	0.00%	10,024	0.02%
	Changes during the year	02-02-2018	Transfer	1,05,000	0.22%	1,15,024	0.25%
	Changes during the year	16-02-2018	Transfer	(1,000)	0.00%	1,14,024	0.24%
	At the end of the year	31-03-2018		1,14,024	0.24%	1,14,024	0.24%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
11	**Tista Tradelinks Private Limited # @**						
	At the beginning of the year	01-04-2017		13,77,526	2.95%	13,77,526	2.95%
	Changes during the year	07-04-2017	Transfer	(75,000)	-0.16%	13,02,526	2.79%
	Changes during the year	14-04-2017	Transfer	(42,500)	-0.09%	12,60,026	2.69%
	Changes during the year	02-06-2017	Transfer	9,000	0.02%	12,69,026	2.71%
	Changes during the year	16-06-2017	Transfer	(15,000)	-0.03%	12,54,026	2.68%
	Changes during the year	23-06-2017	Transfer	(10,000)	-0.02%	12,44,026	2.66%
	Changes during the year	30-06-2017	Transfer	(70,000)	-0.15%	11,74,026	2.51%
	Changes during the year	07-07-2017	Transfer	(3,50,810)	-0.75%	8,23,216	1.76%
	Changes during the year	14-07-2017	Transfer	(5,48,963)	-1.17%	2,74,253	0.59%
	Changes during the year	21-07-2017	Transfer	(1,87,501)	-0.40%	86,752	0.19%
	Changes during the year	28-07-2017	Transfer	72,004	0.15%	1,58,756	0.34%
	Changes during the year	04-08-2017	Transfer	1,97,576	0.42%	3,56,332	0.76%
	Changes during the year	30-09-2017	Transfer	(2,00,000)	-0.43%	1,56,332	0.33%
	Changes during the year	22-12-2017	Transfer	(11,000)	-0.02%	1,45,332	0.31%
	Changes during the year	29-12-2017	Transfer	(85,000)	-0.18%	60,332	0.13%
	Changes during the year	05-01-2018	Transfer	(60,332)	-0.13%	-	0.00%
	Changes during the year	16-03-2018	Transfer	857	0.00%	857	0.00%
	At the end of the year	31-03-2018		857	0.00%	857	0.00%
12	**Avantika Advisory Servics LLP #**						
	At the beginning of the year	01-04-2017		13,48,869	2.88%	13,48,869	2.88%
	Changes during the year	07-04-2017	Transfer	(71,600)	-0.15%	12,77,269	2.73%
	Changes during the year	14-04-2017	Transfer	(49,960)	-0.11%	12,27,309	2.62%
	Changes during the year	02-06-2017	Transfer	13,850	0.03%	12,41,159	2.65%
	Changes during the year	30-06-2017	Transfer	(1,00,000)	-0.21%	11,41,159	2.44%
	Changes during the year	07-07-2017	Transfer	(3,43,872)	-0.74%	7,97,287	1.70%
	Changes during the year	14-07-2017	Transfer	(3,52,000)	-0.75%	4,45,287	0.95%
	Changes during the year	21-07-2017	Transfer	(3,46,854)	-0.74%	98,433	0.21%
	Changes during the year	28-07-2017	Transfer	(30,576)	-0.07%	67,857	0.15%
	Changes during the year	04-08-2017	Transfer	(67,000)	-0.14%	857	0.00%
	Changes during the year	12-01-2018	Transfer	(857)	0.00%	-	
	At the end of the year	31-03-2018		-	0.00%	-	0.00%
13	**Smt Poonam Gupta #**						
	At the beginning of the year	01-04-2017		1,04,300	0.22%	1,04,300	0.22%
	Changes during the year	17-11-2017	Transfer	3,000	0.01%	1,07,300	0.23%
	At the end of the year	31-03-2018		1,07,300	0.23%	1,07,300	0.23%

* Not in the list of Top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2018.

Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017@ Consolidated holding taken

+ The above information is based on the weekly beneficiary position received from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Jugal Kishore Agarwal		NOT APPLICABLE				
	At the beginning of the year	01-04-2017		4,94,500	1.06%	4,94,500	1.06%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2018		4,94,500	1.06%	4,94,500	1.06%
2	Shri Mohan Lal Agarwal						
	At the beginning of the year	01-04-2017		4,41,500	0.94%	4,41,500	0.94%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2018		4,41,500	0.94%	4,41,500	0.94%
3	Shri Mahesh Kumar Agarwal						
	At the beginning of the year	01-04-2017		5,24,000	1.12%	5,24,000	1.12%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2018		5,24,000	1.12%	5,24,000	1.12%

Note: No shares held by Shri Chandra Shekhar Jalan, Shri Asit Baran Dasgupta, Smt. Archana Gupta Sha and Smt. Sonam Agarwal, all independent directors of the Company during the period under review. Further, no shares held by Shri Bikash Roychowdhury, CFO of the Company and Shri Bharat Agarwal, Company Secretary of the Company during the period under review.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	89,85,30,463	25,00,000	-	90,10,30,463
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	89,85,30,463	25,00,000	-	90,10,30,463
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(17,36,27,920)	(25,00,000)	-	(17,61,27,920)
Net Change	(17,36,27,920)	(25,00,000)	-	(17,61,27,920)
Indebtedness at the end of the financial year				
i) Principal Amount	72,49,02,543	-	-	72,49,02,543
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	72,49,02,543	-	-	72,49,02,543

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹)
	Name	**Shri Jugal Kishore Agarwal**	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	30,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**30,00,000**	**30,00,000**
	Ceiling as per the Act	The remuneration is well within the limits prescribed under Companies Act, 2013.	

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1	Independent Directors	**Shri Asit Baran Dasgupta**	**Shri Chandra Shekhar Jalan**	**Smt. Archana Gupta Sha**	
	Fee for attending board committee meetings	60,000	60,000	45,000	1,65,000
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	60,000	60,000	45,000	1,65,000
	Independent Directors	**Smt. Sonam Agarwal**			
	Fee for attending board committee meetings	15,000			15,000
	Commission	-			
	Others, please specify	-			
	Total (2)	15,000			15,000
2	Other Non-Executive Directors	**Shri Mohan Lal Agarwal**	**Shri Mahesh Kumar Agarwal**		
	Fee for attending board committee meetings	40,000	60,000		1,00,000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (3)	40,000	60,000		1,00,000
	Total=(1+2+3)	1,15,000	1,20,000	45,000	2,80,000
	Total Managerial Remuneration (Exclusive of Sitting Fees)				30,00,000
	Overall Ceiling as per the Act	The total managerial remuneration is well within the limits prescribed under Companies Act, 2013.			

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹)
	Name		Shri Bikash Roychowdhury	Shri Bharat Agarwal	
	Designation	CEO	CFO	CS	
1	Gross salary	NOT APPLICABLE			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		15,00,000	10,57,308	25,57,308
	(b Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		-	-	-
	- others, specify		-	-	-
5	Others, please specify		-	-	-
	Total		**15,00,000**	**10,57,308**	**25,57,308**

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					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board

Sd/-
Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Sd/-
Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. ECONOMIC OVERVIEW

i. INDIAN ECONOMY

The outlook for the Indian Steel Industry continues to be very bright. The country has already risen to be the second-largest producer of crude steel in the world. The Indian Government's focus on infrastructure investments and noteworthy initiatives, like affordable housing, housing for all by 2022, power for all by 2019, 100 smart cities by 2022, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), expansion of railway networks, development of domestic shipbuilding industry, opening up of the defence sector for private participation and the anticipated growth in the automobile sector are expected to create significant demand for steel in the country in the next couple of years. It is expected that at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of close to 2205 million tonnes (Mt) by 2030-31.

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. The steel sector has been a major contributor to India's manufacturing output.

India has been playing a vital role in the production of steel by the use of non-coking coal through Direct Reduction Technology. Considering the abundance of non-coking coal in the country and considering the possibility of utilizing it as a basic raw material in steel making, many sponge iron plants have been set up in different parts of our country with the initiative of Sponge Iron India Limited(a Government of India enterprise). India has also been playing a pioneering role in the production of steel by the recycling of scrap generated during iron and steel making leading to considerable savings in energy and natural resources. With these, there is ample scope for the reduction of production cost and thereby keeping selling price at a competitive rate to stand in the global market.

The world's total crude steel production for the 64 countries reporting to the World Steel Association (World Steel) in March, 2018 stood at 148.3 million tonnes (Mt), up 4.0 percent from corresponding period last year and India grabbed the second position pushing Japan a notch lower *(Source: World steel Association)*.

India is expected to become the world's largest producer of crude steel in the next 10 years, moving up from the second position. The sector has benefitted from the hike in prices and production, especially since the beginning of the millennium. It is general assumption that the year 2018 would give more benefits to the steel industry in terms of demand, costs of production, market realisation and exports than what was experienced in the previous year.

ii. GLOBAL ECONOMY

World Steel Association provided a comprehensive overview of steel industry activities, stretching from crude steel production to apparent steel use, from indications of global steel trade flows to iron ore production and trade. World Steel forecasts global steel demand will reach 1,616.1 million tonnes (Mt) in 2018, an increase of 1.8% over 2017. In 2019, it is forecast that global steel demand will grow by 0.7% to reach 1,626.7 million tonnes (Mt). In the next couple of years the global economic situation is expected to remain favourable with high confidence and strengthening recovery of investment levels in advanced economies. Benefiting from this, steel demand in both developed and developing economies is expected to show sustained growth momentum with risks relatively limited. However, possible adverse impact from rising trade tensions and the probable US and EU interest rate movements could erode this current momentum.

World crude steel production for the 64 countries reporting to the World Steel Association (world steel) was 148.3 million tonnes (Mt) in March 2018, a 4.0% increase compared to March,2017.

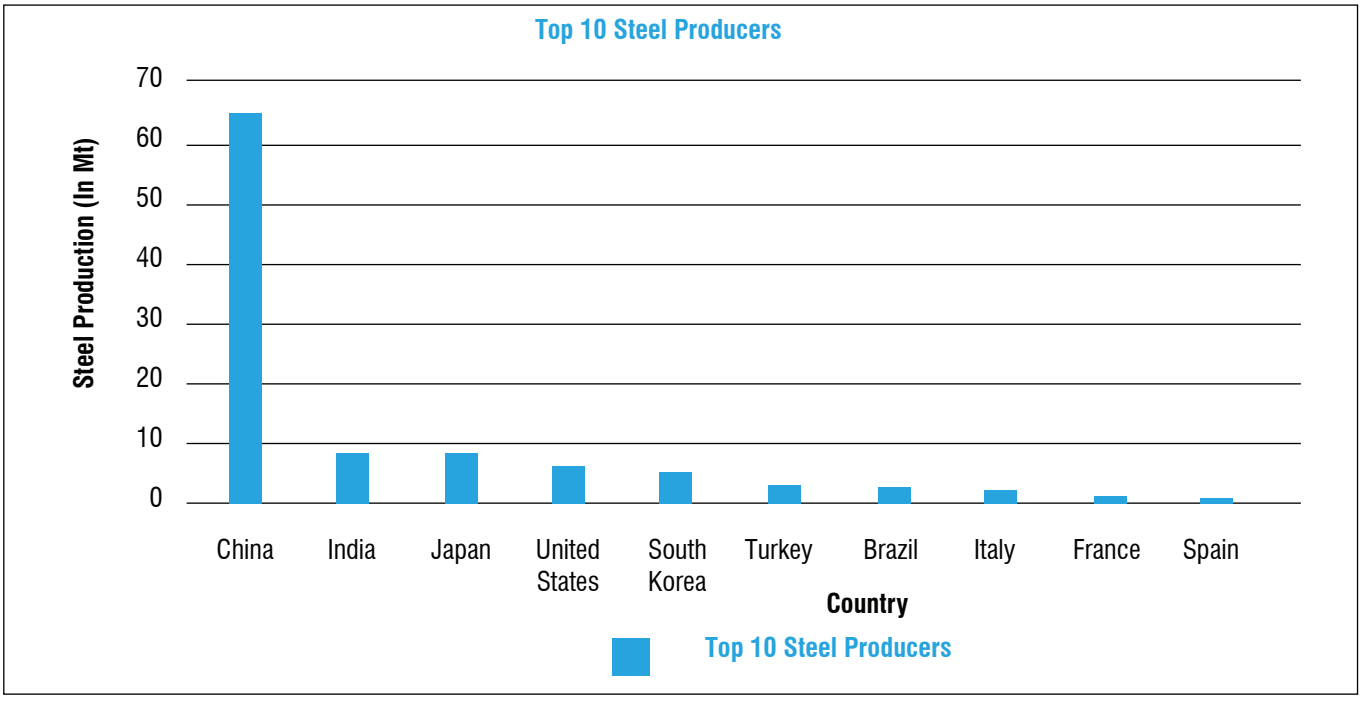
China's crude steel production for March 2018 was 74.0 million tonnes (Mt), an increase of 4.5% compared to March, 2017. India produced 9.2 million tonnes (Mt) of crude steel in March, 2018, up 5.3% on March, 2017. Japan produced 9.1 million tonnes (Mt) of crude steel in March, 2018, an increase of 2.2 % compared to March, 2017. South Korea's crude steel production for March, 2018 was 6.1 million tonnes (Mt), an increase of 4.7% compared to March, 2017.

In the EU, Italy's crude steel production for March 2018 was 2.3 million tonnes (Mt), up by 1.0% on March, 2017. France produced 1.4 Mt of crude steel in March, 2018, an increase of 1.5% compared to March, 2017. Spain produced 1.3 Mt of crude steel in March, 2018, down by 4.1% on March 2017.

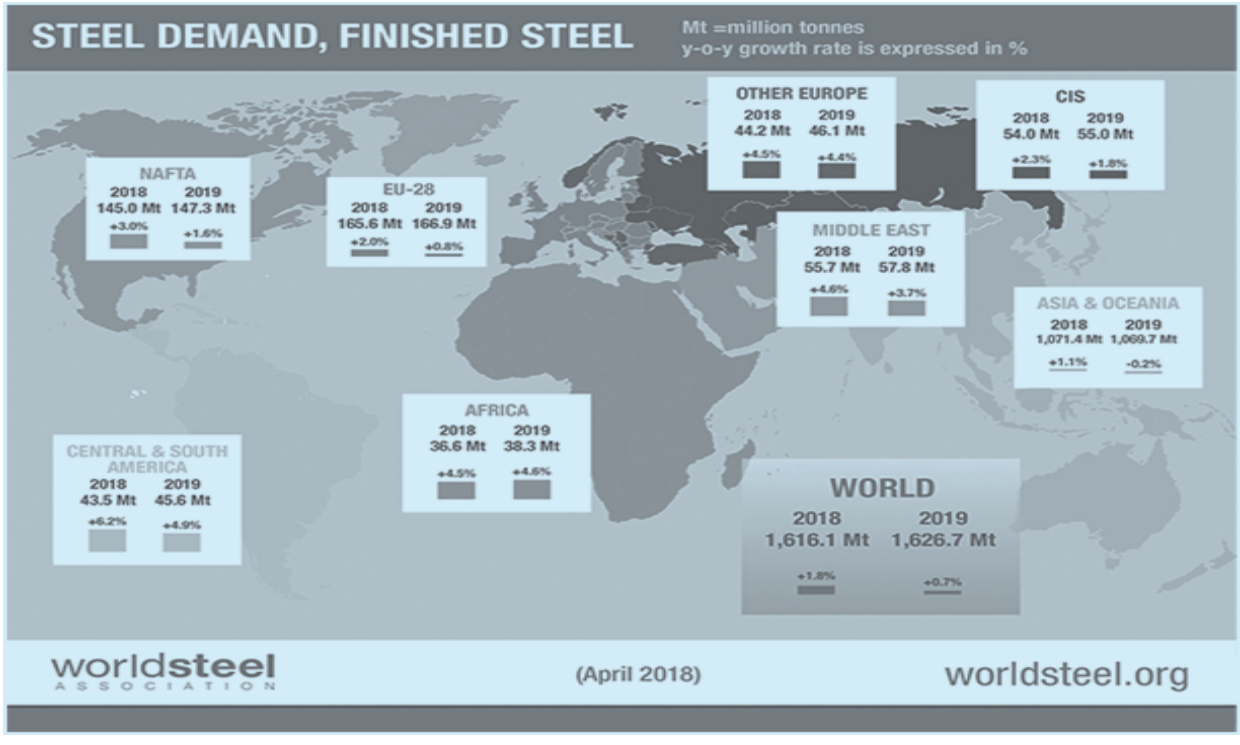
Turkey's crude steel production for March, 2018 was 3.4 million tonnes (Mt), up by 7.6% on March, 2017.

The US produced 7.3 million tonnes (Mt) of crude steel in March, 2018, a 5.3% increase on March, 2017.

The crude steel capacity utilisation ratio of the 64 countries in March 2018 was 74.5%. This is 2.2 percentage points higher than March 2017. Compared to February 2018, it is 0.9 percentage points higher.



The World Steel Association (worldsteel) released its April 2018 Short Range Outlook (SRO). Worldsteel forecasts global steel demand will reach 1,616.1 Mt in 2018, an increase of 1.8% over 2017. In 2019, it is forecast that global steel demand will grow by 0.7% to reach 1,626.7 Mt.



(Source: World Steel Association)

B. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Iron and steel sector is the backbone of an economy. It is one of the primary vehicles of economic development of a country. The per capita production and consumption of steel is the index of the depth of a country's economic infrastructure. Increase in the use of iron and steel leads to infrastructural development and rapid industrialization of the country. According to Pandit Jawaharlal Nehru, "Steel is a symbol of strength of the economy and a portent of the glory of India of the future".

The steel ministry is working proactively to lay down the road map to achieve 300 million tons (Mt) by 2030 and we seem to be on the right track. The sector has benefitted from the hike in prices and production, especially since the beginning of the millennium. In a major achievement, India has overtaken Japan to become the world's second largest producer of crude steel according to Steel Users Federation of India (SUFI). It is to be noted that India overtook the US in 2015 to become the third largest producer of crude steel.

C. GOVERNMENT INITIATIVES

The Government of India is aiming to scale up steel production in the country to 300 million tonnes (Mt) by 2030. India produced 9.07 million tonnes (Mt) of crude steel and bags second position in crude steel production, output up by 3.6% from March, 2017. The world's total crude steel production in March stood at 148.3 million tonnes, up 4.0 percent from corresponding period last year as India grabbed the second position pushing Japan a notch lower. *(Source: World steel Association)*

Some of the recent government initiatives in this sector are as follows:-

- A new Policy that aims to achieve steelmaking capacity of 300 million tonnes (Mt) by 2030 with an additional investment of ₹10 lakh crore got the Cabinet green light on May 4, 2017. "The Union Cabinet chaired by Prime Minister Narendra Modi has given its approval to the National Steel Policy (NSP) 2017,"
- The Government has approved the policy for providing preference to domestically manufactured iron and steel products on government procurement. The policy makes it mandatory to give preference to domestically manufactured iron and steel products (DMI & SP) in government procurement. The policy is applicable to all government tenders where price bid is yet to be opened.
- The NSP enshrines a long-term vision to give impetus to the steel sector. It seeks to boost domestic steel consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry. The policy projects crude steel capacity of 300 million tonnes (Mt), production of 255 million tonnes (Mt) and robust finished steel per capita consumption of 158 kg by 2030-31, as against the current use of 61 kg. *(Source : Business PTI)*
- Over the last two years, the government has taken several targeted interventions in the form of trade remedial measures such as imposition of minimum import price (MIP), anti-dumping duty, safeguard duty, etc. and strategic interventions such as an increased focus on the expansion of the MSME sector, raw material security, enhanced R&D activities, reduction in import dependency & cost of production to tackle the global glut in steel industry.
- 100% FDI through the automatic route has been allowed and large infrastructure projects in the public-private partnership (PPP) mode are being formed.

  These steps have resulted in improved capacity utilisations, increased cash flows and profit margins for steelmakers, reduced imports and significantly improve exports. We also hope that the new National Steel Policy (NSP) will encourage the industry to reach global benchmarks. Similarly, policy clarity and stability in the leasing of mines and forest clearances are also bound to benefit the sector. *(Source: The Dollar Business)*
- The Union Minister of Steel, Shri Birender Singh launched a dedicated e-portal for online sales of steel products by RINL through MSTC Metal Mandi, in North Eastern Region of the country, in New Delhi on July 20, 2017.
- Ministry of Steel in association with the steel industry put up its Steel Pavilion at India International Trade Fair 2017 with the theme 'Startup India Stand up India' where several items of steel and mining sector were showcased.

Your Company is engaged in the production of TMT bars and Wire Rods which are mainly used in the construction industry. As such, the outlook for your Company is closely linked to that of the steel, infrastructure and real estate industry and the demand for TMT and wire rod in particular is influenced by the price & availability of raw materials.

D. OPPORTUNITIES AND THREATS:

The outlook for the global economy is mostly positive with growth picking up in the US, India and Southeast Asia, while several emerging markets are experiencing a deceleration in growth. However, the structural shift in the transitioning Chinese economy could cap this momentum.

Countries and businesses are becoming increasingly interdependent through trade, investment and financial systems across the world. The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming more diverse and global. The businesses that ride the next wave of growth will be those that understand the trends and refine their strategies, business models and portfolios according to a truly global mind-set. The steel producers must find the right balance between globalization and customization.

The steel industry is faced with dwindling investments, financial market turbulence and geopolitical conflicts in many developing regions. The industry's low-growth outlook will persist until other developing regions of sufficient size and strength can support another major growth cycle.

India has enormous scope and untapped potential to increase steel consumption in almost all sectors, especially in automobiles, engineering industries and infrastructure development. The consumption of steel per capita in India is around 65 kg per year, much lower compared to the global average (235 kg), leaving significant headroom for growth. Growing investments for infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural steel market can raise the country's per capita steel consumption considerably. India's GDP growth is likely to move higher in the coming years due to compulsive focus by policy makers for development of infrastructures & other sectors.

E. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The company has identified iron & steel products as its sole operating segment and the same has been treated as primary segment. The Company is mainly involved in the production of steel related rolled products only.

F. FUTURE OUTLOOK:

The Indian steel industry is riding high on the resurgent economy and rising demand for steel. Rapid rise in steel production has resulted in India becoming the 2nd largest producer of crude steel and is all set to meet the target of reaching the 1st place in world steel production. The 12th five year plan of the government is envisaging an investment of $ 1 trillion in infrastructure that will boost the demand for steel. Further, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 11 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, among others, shall also spiral the demand for steel in the country in the future years.

G. RISKS AND CONCERNS:

The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the company to identify, categorize and prioritize operational, financial and strategic business risks. Across the organization, there are teams responsible for these processes who report to the management. The risks are prudently evaluated and necessary preventive steps or actions are taken to mitigate these probable risks.

In the context of the steel operations, although our country has rich and abundant resources of the key inputs for steel making, namely iron ore and coal, the mining sector in the country has witnessed severe obstacles in the past few years on account of regulatory and environmental issues, which has severely affected the development and opening up of new mines. The biggest challenges before any steel company remain to be the tie up of interrupted supplies of coal and iron ore on one hand and the fear of glut of cheap imports from countries like China, Korea and Japan on the other.

Risk Management comprises of three key components as below:

i) Risk Identification

ii) Risk assessment and its mitigation

iii) Risk monitoring and its assurance

Your Company has identified the following aspects as the major risks for its operations:

i. Industry Risk

Demand is dependent on general economic conditions. A downturn can affect business and earnings. The low per capita steel consumption in India coupled with a large population base provides significant growth opportunities to the iron and steel industry. The urgent need towards infrastructure creation and surging consumption growth are visible opportunities that will drive iron and steel demand.

ii. Raw Material Risk

Inability of the Company to procure right quality and quantity of raw material at right price could affect business sustainability. Further, the requirements can partly be mitigated by supply from the group companies.

iii. Regulatory Risk

The Company's business could be affected by potential regulatory and judicial actions.

iv. Operational Risk

The Company's business is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Mismatches between trends in prices of raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect its profitability. Further, the industry is highly cyclical and a decrease in steel prices may adversely impact its financial condition. The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies. However the Company aims to mitigate these risks through development of well-structured processes for effective project planning & management.

v. Health, Safety and Environment Risk

Your Company is firmly committed to conservation of natural resources, reduction of emissions and discharges to the environment and preservation of bio-diversity in all its operations.

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is an ISO certified (ISO 9001:2008, 14001:2004 & 18001:2007) organization. Further, there is a team of professionals who conduct regular training programs to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation. This is progressively taking the Company towards achieving the target of Zero Accidents. Company continues to adopt best safety practices which have resulted into a reduced accident and severity rate.

H. KEY CHALLENGES:

The constant fluctuation in price of raw materials and weak steel prices have put significant pressure on steel margins. However, steel manufacturers have been working hard to become competitive in other ways. They have been taking several steps to gain more control of their raw material pricing. Several steel manufacturers are also investing a considerable amount of money into R&D for differentiating their products from other players in the market.

I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them. The Statutory Auditors of your Company have opined in their report that your Company has adequate internal controls over financial reporting.

J. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial year 2017-18 underscores the improving fortunes of Indian steel makers as increasing government investments in infrastructure boosts demand for steel. Domestic steel prices have been surging since November amid strong demand from the infrastructure sector. Rising domestic steel prices and declining raw material prices have resulted in spreads. Several other factors, including the decline in exports from China, helped firm up prices over the past few months. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

K. HUMAN RESOURCES/INDUSTRIAL RELATIONS:

As the Company is moving towards consumer centricity, it is vital to keep the people motivated and constantly aligned to the business vision. The Company's human resource philosophy is focused on empowering employees with the essential skills and endow them with aspirations.

Your Company considers its employees as the most valuable resource and ensures the strategic alignment of human resource practices to business priorities and objectives. Your Company strives to provide a conducive and competitive work environment for all its employees to excel and create new benchmarks of work culture, employee engagement, productivity, effectiveness, efficiency and customer delight. Human Resources Department ("HRD") works continuously for maintaining healthy working relationship with the workers and other staff members.

The underlying principle is that workers and staff at all levels are equally instrumental for attaining the Company's goals. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. Senior Management is easily accessible for counselling and redressal of grievances if any. There are 162 number of permanent employees employed in your Company as on 31st March, 2018. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. The HR Department strives to maintain and promote harmony and co-ordination amongst workers, staff and members of the senior management.

L. ENVIRONMENT & SAFETY:

Your Company has always believed in an integrated approach for embedding environment in sustainable business goals & has continually focussed on an effective Environmental Management System. The Company has integrated the environmental concerns and decision making towards achieving its goals. It has taken effective steps to spread environmental awareness among its employees and has always encouraged them to work in an environmentally responsible manner to fulfill the environmental commitment of the Company towards its clients, customers & the public. Company has insisted on consistent improvement in the environmental performance by minimizing the social impact and damage to environment by periodically reviewing the environmental policy of the Company in light of its current and planned future activities. Some of the key areas towards fulfillment of its environmental responsibility are management of natural resources, energy management, carbon emission reduction, conservation of water resources & waste management. The Company is committed to provide a safe and healthy workplace to its employees by operating in compliance with all relevant environmental legislation and by adopting the environmental best practices.

M. CORPORATE SOCIAL RESPONSIBILITY:

As a measure of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) has now allowed service of documents to members also 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 green initiative and come forward and register their e-mail addresses so that all communications can flow with minimum footprint on the environment. The Company's initiatives towards fulfilling its Corporate Social Responsibility includes promoting education, developing primary health care mechanism, women empowerment, contribution to livelihood, health & sanitation etc.

N. CAUTIONARY STATEMENT:

Statement in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied in the Report. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events or otherwise.

O. DISCLOSURE OF ACCOUNTING TREATMENT:

The Financial statements were prepared as per the prescribed Indian Accounting Standards ('Ind AS').

Report on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organization. Good Corporate Governance leads to long term shareholder's value and enhances interest of other stakeholders.

The Directors present the Company's Report on Corporate Governance pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulation") entered into with the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Calcutta Stock Exchange Limited (CSE). The report containing the details of Corporate Governance systems and processes at Adhunik Industries Limited is as follows:

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance is to achieve the highest level of transparency, accountability in all of its interactions with its stakeholders including shareholders, employees, lenders and the Government. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. The Company is always been pro-active to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development. The Company is committed to transparency in all its dealings and places high emphasis on business ethics.

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. The basic philosophy of Corporate Governance of the Company is to achieve business excellence and to dedicate itself for increasing long-term shareholders' value, keeping in view the needs and interests of all its stakeholders.

The key elements of good Corporate Governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect and a commitment to the organization. The Corporate Governance framework of the Company ensures that a timely and accurate disclosure is made on all material matters regarding the Company, including the financial statements, performance, ownership and governance of the Company. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors and enhance the trust and confidence of the stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher levels. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. At Adhunik Industries, our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels.

The Board of Directors and Management of Adhunik Industries commits themselves to:

i. Enhancement of Shareholders Value through prudent and informed decision making in a transparent environment.

ii. Continuous improvement in systems and processes and review of decision making process through implementation of modern control tools.

iii. 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.

iv. Continuous improvement and review of Environment Management Plan (EMP) for all its facilities in order to reduce environmental footprint.

v. 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".

vi. Ensure that core values of the Company are protected.

vii. Ensure that the decision making is transparent and documentary evidence is traceable through the minutes of the meeting of the Board/Committee thereof.

viii. Ensure that the Board exercises its fiduciary responsibilities towards shareowners and creditors, thereby ensuring high accountability.

ix. Ensure that the extent to which the information is disclosed to present and potential investors is maximized.

2) APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established five Committees to discharge its responsibilities in an effective manner. AIL's Company Secretary acts as the Secretary to all Committees. The Managing Director (MD) provides overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation of decisions taken by the Board. In the operations and functioning of the Company, the MD is assisted by the Directors of the Company.

The Board of Directors ('The Board') is at the core of our Corporate Governance practice and oversees how the management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

3) BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth and seeks accountability for their fulfillment. The Board of the Company comprises an adequate blend of Non-Executive, Executive and Independent Directors.

4) BOARD COMPOSITION

The Board of Directors of the Company have an optimum combination of executive and non-executive directors with a woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. The Composition of the Board of Directors as on March 31, 2018 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the SEBI Listing Regulations, 2015. The Board has a strength of 6(Six) Directors as on March 31, 2018. The Board comprises of 1 (One) Executive and 5 (Five) Non-Executive Directors out of which 3 (Three) are Independent Directors including one woman director and rests are Non-Independent Directors. The chairman of the company is a non-executive director.

In accordance with the provisions of Companies Act, 2013 and clarifications/ circulars issued from time to time, the Company has appointed Mrs. Sonam Agarwal as an Additional Non Executive Independent Woman Director of the Company with effect from 12th February, 2018. Therefore, her position as a director of the Company and as a member of various committees will be effective from 12th February, 2018, which is within the limit prescribed by the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5) MEETINGS, ATTENDANCE AND AGENDA OF THE BOARD MEETING

During the FY 2017-18, the Board met four times on May 22, 2017, August 11, 2017, November 28, 2017 and February 12, 2018 as per the statutory requirements. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred and Twenty) days. All the agenda items are supported by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating and financial performance and annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to concerned officials and departments.

The composition and category of Directors on the Board, their attendance at the Board Meeting and at the last Annual General Meeting and the Directorship/ Chairmanship / Membership and/or Chairmanship of Committee of each Director in other companies as on 31st March, 2018 are as under:

S. No.	Name of Director	DIN	Attendance		Category of Directors	Other Directorship (Other than AIL)			Other committee (Other than AIL)			No. of shares and convertible instruments held	Relationship between directors inter-se
			Board Meeting (2017-18)	Last AGM held on 21/09/17		Indian Public Companies (Refer Note 3)	Others (Refer Note 4)	Total	Member Ship	Chair-man ship	Total		
1	Shri Mahesh Kumar Agarwal (Chairman)	00507690	4	Yes	Non Independent & Non-Executive	6	2	8	Nil	Nil	Nil	5,24,000	Brother of Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal
2	Shri Jugal Kishore Agarwal (Managing Director)	00227460	4	Yes	Non-Independent & Executive	8	4	12	2	Nil	2	4,94,500	Brother of Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal
3	Shri Mohan Lal Agarwal	01047906	4	Yes	Non Independent & Non-Executive	8	1	9	3	Nil	3	4,41,500	Brother of Mr. Jugal Kishore Agarwal and Mr. Mahesh Kumar Agarwal
4	Shri Asit Baran Dasgupta	02476594	4	Yes	Independent & Non-Executive	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
5	Shri Chandra Shekhar Jalan	01023586	4	Yes	Independent & Non-Executive	1	1	2	Nil	Nil	Nil	Nil	NA
6	Smt. Sonam Agarwal*	08054202	1	No	Independent & Non-Executive	1	Nil	1	1	Nil	1	Nil	NA
7	Smt. Archana Gupta Sha**	07089290	3	Yes	Independent & Non-Executive	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA

(NOTE: * Smt. Sonam Agarwal appointed on the Board w.e.f. 12th February, 2018.
**Smt. Archana Gupta Sha was resigned from the Board w.e.f. 19th December, 2017.)

1. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 is excluded.
2. In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee in all public limited companies have been considered.
3. Includes Directorships in private companies that are either holding or subsidiary company of a public company.
4. Includes Directorships in private limited companies (other than private companies that are either holding or subsidiary company of a public company), foreign entities, companies under Section 8 of the Companies Act, 2013, alternate Directorships and Directorship/Memberships of Managing Committees of various Chambers / Institutions.
5. None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. In compliance with Regulation 25 of SEBI Listing Regulations, 2015, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he/she is a Director. Further, the Director on the Board serving as a Whole time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he/she is a Director.
7. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies and at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with the Regulation 25 and 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
8. Shri Mahesh Kumar Agarwal (DIN: 00507690), who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the notice.

6) INDEPENDENT DIRECTORS (IDs)

Independent Directors play an important role in the governance process of the Board. The appointment process of Independent Directors is independent of the Company's management. While electing Independent Directors, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

In accordance with the provisions of Companies Act, 2013 and clarifications/circulars issued from time to time, the members of the Company has appointed Smt. Sonam Agarwal (DIN: 08054202) as an Additional Non-Executive Independent Woman Director of the Company in the Board Meeting held on February 12, 2018. In this regard, the Company has issued formal letter of appointment to the Independent Director. The sample terms and conditions of appointment of independent director is available on company's web link http://adhunikindustries.com/download/21526555897.pdf

All the Independent Directors of the Company furnished a declaration at the time of their appointment as well as annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All requisite declarations were placed before the Board.

7) SELECTION OF NEW DIRECTORS

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the Nomination and Remuneration committee, which consists mostly of Independent directors. The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Nomination and Remuneration committee makes recommendations to the Board on the induction of new directors.

8) PERFORMANCE EVALUATION

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors (including Independent Directors), the board and various Board Committees on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

9) MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 12, 2018 without the presence of the Chairman, Managing Director, CFO, the Non-Executive Non Independent Directors and the Management Team. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

The Independent Directors hold a unanimous opinion that the non-independent Directors including Chairman are actively participates in the conduct of business and day-to-day affairs of the Company and offers fruitful suggestions to the management of the Company on various matters.

The Managing Director has abundant knowledge, experience, skills and understanding of the Board's functioning. He is actively handling all the day to day affairs of the Company in an efficient manner and under his dynamic leadership, the Company is able to achieve its desired goals in a planned manner.

10) INDEPENDENT DIRECTORS' INDUCTION, FAMILIARIZATION AND TRAINING:

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company, latest developments in the Company's business and the external environment effecting the industry as a whole.

In this relation, the Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The Company had been taken the following initiatives for training of its Independent Directors as under-

a) The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

b) Such programs / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

c) The programs / presentations also familiarizes the Independent Directors with their roles, rights and responsibilities.

d) When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

e) The Company circulate news and articles related to the industry on a regular basis and provide specific regulatory updates from time to time;

f) At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.

g) Quarterly presentations on operations made to the Board which generally includes information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

h) Quarterly results / press release of the Company are sent to the Directors.

The details of familiarization programs imparted to Independent Director have been placed on the website of the Company at www.adhunikindustries.com, as required under Regulation 46 of SEBI Listing Regulations, 2015 and may be accessed at the link http://adhunikindustries.com/download/21526556035.pdf

11) CODE OF CONDUCT OF INDEPENDENT DIRECTORS:

As per the provisions of Section 149(8) of the Companies Act, 2013, the Company and Independent Directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a Code for Independent Directors of the Company and the same has also been posted on the website of the Company at www.adhunikindustries.com and at the weblink http://adhunikindustries.com/download/21526302567.pdf .

12) BOARD BUSINESS:

The normal business of the Board, *inter-alia* includes:

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring the effectiveness of the company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and remuneration of board of directors with the longer term interests of the company and its shareholders.

e. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.

f. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing board of director's evaluation framework.

Other responsibilities of Board *inter-alia* includes:

a. To provide strategic guidance to the listed entity, ensure effective monitoring of the management and should be accountable to the listed entity and the shareholders.

b. To set a corporate culture and the values by which executives throughout a group will behave.

c. To act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

d. To encourage continuing directors training to ensure that the members of the board of directors are kept up to date.

e. Where decisions may affect different shareholder groups differently, the Board treats all shareholders fairly.

f. To maintain high ethical standards and take into account the interests of stakeholders.

g. To exercise objective independent judgement on corporate affairs.

h. To consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

i. To ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.

j. To be able to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.

k. When committees of the board are established, their mandate, composition and working procedures is well defined and disclosed by the board.

l. To be able to commit themselves effectively to their responsibilities.

m. In order to fulfil their responsibilities, members of the board of directors have access to accurate, relevant and timely information.

n. The Board and senior management facilitate the Independent Directors to perform their role effectively as a member of the board of directors and also as a member of a committee of board of directors.

13) CODE OF CONDUCT

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company's Code of Conduct, adopted by the Board of Directors is applicable to all the Board members and all employees of the Company. The Code of Conduct is posted on the website of the Company at www.adhunikindustries.com and on the weblink http://adhunikindustries.com/download/21526302596.pdf.

The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees 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.

All members of the Board, the executive officers and senior management officials have affirmed compliance to the Code of Conduct as on March 31, 2018.

A declaration by the Managing Director is attached and forms part of the Annual Report of the Company.

No employee including key managerial personnel or director or promoters have enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the company as per Regulation 26(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14) BOARD MEETINGS

In compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

a) Scheduling and selection of agenda items for Board Meetings:

i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.

ii) The meetings are usually held at the Company's Corporate Office at 2/1A, Sarat Bose Road, "Lansdowne Towers" 6th Floor, Kolkata-700 020.

iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman and majority of directors, may bring up any matter for the consideration of the Board.

iv) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

The Managing Director and the Company Secretary in consultation with the other concerned persons in senior management finalize the agenda papers for the Board meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.

b) Agenda Papers Distributed in Advance

Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda with the consent of majority of the directors including at least one independent director. In exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

c) Recording of Minutes of Proceedings at Board/Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board / Committee meeting. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are entered in the minutes book within 30 days from the conclusion of the meeting.

d) Post Meeting Follow Up Mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow up, review and reporting process of the decisions taken by the Board and Board Committee thereof. The important decisions taken by the Board/ Committees are communicated to the respective departments/division concerned promptly. Action taken report on the decisions/minute of the previous meeting(s) is placed at the meeting of the Board/Committee for their noting.

15) BOARD COMMITTEES

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

The Board Committees plays crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concerns the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management and Finance Committee as on March 31, 2018. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

I. AUDIT COMMITTEE

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

During the year under review, 4 (Four) meetings of the Audit Committee were held on May 22, 2017, August 11, 2017, November 28, 2017 and February 12, 2018. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year. The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Shri Mahesh Kumar Agarwal	Member
3.	Shri Chandra Shekhar Jalan	Member
4.	Smt. Sonam Agarwal*	Member
5.	Smt. Archana Gupta Sha**	Ex-Member

* appointed w.e.f. 12.02.2018
** resigned w.e.f. 19.12.2017

a) Attendance record of Audit Committee:

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Asit Baran Dasgupta (Chairman)	Independent Non-Executive	4	4
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	4	4
Shri Chandra Shekhar Jalan	Independent Non-Executive	4	4
Smt. Sonam Agarwal*	Independent Non-Executive	1	1
Smt. Archana Gupta Sha**	Independent Non-Executive	3	3

* appointed w.e.f. 12.02.2018
** resigned w.e.f. 19.12.2017

Mr. Asit Baran Dasgupta is the Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. Statutory Auditors, Internal Auditors, Managing Director and the Chief Financial Officer of the Company are permanent invitees to Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process with a view to ensuring accurate and timely disclosures, with highest levels of transparency, integrity and quality of financial reporting.

b) Powers of The Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal and professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

c) The Role / Terms of reference of Audit Committee Includes:

The terms of reference, role and scope of Audit Committee are in line with those prescribed under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Company *inter alia*, performs the following functions:

1. Oversight the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity and if required the replacement or removal of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions; and
   g) Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Review, approval or any subsequent modification of transactions of the listed entity with related parties and to grant omnibus approval for related party transactions which are in ordinary course of business and on arm's length pricing basis subject to the approval of the Board;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("the Committee') shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statute, rules and regulations which the Committee deems relevant, make recommendations to the Board of Directors in respect to the appointment, reappointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensure 'fit and proper' status of the existing/ proposed Directors of the Company in accordance with SEBI Circulars on Corporate Governance, issued from time to time, and other matters specified.

The details of composition of Nomination and Remuneration Committee are as under-

S. No.	Name	Chairman / Member
1	Smt. Sonam Agarwal*	Chairman
2	Smt. Archana Gupta Sha**	Ex-Chairman
3	Shri Mahesh Kumar Agarwal	Member
4	Shri Chandra Shekhar Jalan	Member

* appointed w.e.f. 12.02.2018
** resigned w.e.f. 19.12.2017

Terms of reference

The Committee shall be responsible for:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on diversity of Board of Directors.

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

e) Identifying whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

f) Other policy as per the requirements of the Acts.

3 (Three) meeting of the Committee was held during the financial year on August 11, 2017, February 12, 2018 and March 23, 2018.

a) Attendance record of Nomination and Remuneration Committee:

Name of the Member	Category	Number of meetings	Meetings attended
Smt. Sonam Agarwal (Chairman)*	Independent Non-Executive	1	1
Smt. Archana Gupta Sha (Ex-Chairman)**	Independent Non-Executive	1	1
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	3	3
Shri Chandra Shekhar Jalan	Independent Non-Executive	3	3

*appointed w.e.f. 12.02.2018
** resigned w.e.f. 19.12.2017.

Mr. Bharat Agarwal, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

b) Remuneration Policy

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and Senior Management, details of which forms part of the Directors' Report. The Company's Remuneration Policy is available on the company's website at www.adhunikindustries.com and on the web link http://adhunikindustries.com/download/21526556394.pdf.

c) Details of remuneration paid/payable to the Directors during the financial year 2017-18

The Company has paid remuneration by way of salary to its Managing Director only and the same is within the limits specified under Schedule V of the Companies Act, 2013 and duly approved by the Board and shareholders of the Company.

Remuneration paid to the Directors (Figures in ₹)

Particulars of Remuneration	Name of Directors							Total
	Mahesh Kumar Agarwal	Mohan Lal Agarwal	Chandra Shekhar Jalan	Asit Baran Dasgupta	Archana Gupta Sha*	Sonam Agarwal**	Jugal Kishore Agarwal	
Salary	-		-	-	-	-	30,00,000	30,00,000
Benefits	-		-	-	-	-	-	-
Bonuses	-		-	-	-	-	-	-
Sitting fees of all Board and Committee Meetings	60,000	40,000	60,000	60,000	45,000	15,000	-	2,80,000
Stock Options	-	-	-	-	-		-	-
Pension	-	-	-	-	-		-	-
Details of fixed component	-	-	-	-	-		-	-
Performance linked incentives	-	-	-	-	-		-	-
Performance criteria	-	-	-	-	-		-	-
Service Contracts	-	-	-	-	-		-	-
Notice Period	-	-	-	-	-		-	-
Severance fees	-	-	-	-	-		-	-
Details of stock option (if any)	-	-	-	-	-		-	-
Whether Option issued at a discount	-	-	-	-	-		-	-
Period over which option accrued/exercisable	-	-	-	-	-		-	-

* resigned w.e.f. 19.12.2017.
**appointed w.e.f. 12.02.2018

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee shall act in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee ('the Committee') comprised of 3 (Three) members including one Independent Director. The details of composition of the Stakeholders Relationship Committee are as under:-

Sl. No.	Name	Category	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	Chairman
2.	Shri Mohan Lal Agarwal	Non Independent Non-Executive	Member
3.	Smt. Sonam Agarwal*	Independent Non-Executive	Member
4.	Smt. Archana Gupta Sha**	Independent Non-Executive	Ex-Member

*appointed w.e.f. 12.02.2018
** resigned w.e.f. 19.12.2017

Mr. Bharat Agarwal, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

Terms of Reference:

Stakeholders Relationship Committee inter alia approves transfer & transmission of shares, issue of duplicate/re-materialized shares and consolidation and splitting of certificates, redressal of complaints from investors etc.

Stakeholders Relationship Committee has been empowered to deal with and disposal of the instruments of transfer of physical shares in the Company including power to reject transfer of physical shares in terms of the provisions of Companies Act, 2013, Securities Contract (Regulations) Act, 1956, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders, debenture holders and other security holders of the Company including complaints related to non-receipt of balance sheet and non-receipt of declared dividends.

1(one) meeting of Stakeholders Relationship Committee held during the financial year 2017-18 on March 23, 2018.

a) Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2018	Nil
Number of complaints not solved to the satisfaction of shareholders	NA
Number of complaints pending as on 31st March, 2018	Nil

E-mail ID earmarked for redressing Investors queries in terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 investorsail@adhunikgroup.co.in

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014, the Board of Directors of the Company had constituted a Committee called "Corporate Social Responsibility Committee".

While aiming to generate maximum profit for our shareholders through the year, we also keep a steadfast eye on our social and environmental responsibilities, to fulfill the needs and expectations of the larger society that we are part of. Our CSR is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability related initiatives.

The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy of discharging its CSR responsibilities related to social service through various trusts/societies in addition to its own initiatives and donations made to other non-government organizations.

Terms of Reference:

a) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder

b) To recommend the amount of expenditure to be incurred on the CSR activities.

c) To monitor the implementation of the CSR Policy of the Company from time to time.

The CSR Policy has been uploaded on the Company's website at www.adhunikindustries.com and may be accessed at the weblink http://www.adhunikindustries.com/download/21530079539.pdf

1 (One) meeting of the Corporate Social Responsibility Committee of the Company was held during the year 2017-18 on May 22, 2017. The attendance of each member of the Committee is given below:

Members	No. of Meetings Held	No. of Meetings Attended
Shri Mahesh Kumar Agarwal (Chairman)	1	1
Shri Mohan Lal Agarwal	1	1
Shri Chandra Shekhar Jalan	1	1

V. MANAGEMENT AND FINANCE COMMITTEE

The Company has also constituted a Management and Finance Committee. Following are the major terms of reference of the Committee:

i) Reviewing the management and take decision regarding taking further loans, equipment finance, car loans for employees and/or other financial assistance

ii) Opening and closure of Bank Account(s) as and when required.

iii) Reviewing financial and risk management policies.

iv) To sub-delegate any of the powers of the Committee to the Managing Director, Directors/or the Key Managerial Personnel.

v) To look after and supervise the keeping and maintaining of the records to be kept and maintained under the provisions of the Companies Act and/or other legislation governing the affairs of the Company and ensure compliance with the provision of such law and to do all such acts, deeds and things as may be necessary or expedient to ensure compliance with such laws and also to appear and represent the Company before any Officer or authority appointed under any such laws for the time being in force.

The Management and Finance Committee ('the Committee') comprised of 3 (Three) members of which all are Non-Independent Director. The details of composition of the Management and Finance Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Jugal Kishore Agarwal	Chairman
2.	Shri Mohan Lal Agarwal	Member
3.	Shri Mahesh Kumar Agarwal	Member

3 (Three) meetings of Management and Finance Committee held during financial year 2017-18 on April 5, 2017, July 18, 2017 and October 24, 2017.

16) SHAREHOLDERS COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Shareholders seeking information related to their shareholding may contact the Company directly or through Registrars and Transfer Agents, details of which are available on the Company's website. The Company ensures that complaints and suggestions of its shareholders are responded in a timely manner.

17) ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

18) NEWS RELEASES, PRESENTATIONS, AMONG OTHERS:

Official news releases and official media releases (if any) are sent to Stock Exchanges on regular basis.

19) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. There were also no investor's complaint pending against the company as on March 31, 2018 on SCORES, the web based compliant redressal system of SEBI.

20) WEBSITE MAINTENANCE

The Company's web site www.adhunikindustries.com contains a separate dedicated section "Investor's Corner" where shareholders information is available. The quarterly and annual results of the Company and shareholding pattern and other details are posted on the Company's website. The Company also posts on its website all its official news releases, important announcements and presentations.

21) DISCLOSURES

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:

Transactions effected with the related parties are disclosed under Note No. 33 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of Indian Accounting Standard Ind AS 24 as notified by the Companies (Indian Accounting Standards) Amendment Rules, 2018.

A Statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. All these transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. There was materially significant related party transaction entered into by the Company with the Related Parties during the period and the same was entered with the prior approval of the shareholders at the 38th Annual General Meeting with M/s. Adhunik Corporation Limited and M/s. Adhunik Alloys & Power Limited, an enterprise over which KMP/ Shareholders/ Relatives have significant influence.

Further, the Company entered into related party transactions with its related parties after receiving assent of shareholders by way of special resolution passed through postal ballot on January 12, 2018. The complete details of the postal ballot held during the year is given below under the head General Body Meetings. However, due to frequent market fluctuations

and volatility in the iron and steel market, the company exceeded the limit approved by shareholders with one of its related party M/s. Adhunik Alloys & Power Limited which was ratified by the Board in its meeting held on 16th May, 2018 subject to the approval of shareholders through postal ballot pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is in the process of obtaining further approval from shareholders through Postal ballot.

Prior approval of Audit Committee is obtained for all Related Party Transactions except for the Related Party Transactions for which omnibus approval is granted by the Audit Committee from time to time. The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at www.adhunikindustries.com and may be accessed at the link http://www.adhunikindustries.com/download/21530079703.pdf

(ii) Policy for Determining Materiality of an event or information and for making disclosures to Stock Exchanges:

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the Stock Exchanges which is effective from December 1, 2015 and same is available on the company's website www.adhunikindustries.com and on the weblink http://adhunikindustries.com/download/21526556618.pdf.The Board has authorized Key Managerial Personnel of the Company, viz. the Managing Director or CFO or Company Secretary or all or any of them, to determine materiality of an event or information and for making disclosures to the Stock Exchanges under the said regulation.

(iii) Disclosure of Accounting Treatment:

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

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

SEBI vide its letter bearing no. SEBI/HO/ISD/OW/P/2017/18183 dated August 7, 2017 duly addressed to the three Stock Exchanges has forwarded a list of 331 suspected shell companies as identified by Ministry of Corporate Affairs and has directed the Stock Exchanges to identify the companies listed on their trading platform and place trading in all such listed securities in Stage VI of the Graded Surveillance Measure (GSM) with immediate effect. Your Company was also aggrieved by the communication of Securities and Exchange Board of India (SEBI) addressed to the three stock exchanges on August 7, 2017 and the consequential order passed by National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 7, 2017 itself by placing securities of the Company in GSM Stage VI with effect from August 8, 2017. The Company had made a representation to SEBI on August 9, 2017 against the impugned communication of SEBI dated August 7, 2017 and also provided the required information asked by National Stock Exchange of India Limited (NSE) vide its communication dated August 9, 2017 and BSE Limited (BSE) vide its communication dated August 10, 2017, vide its communication dated August 14, 2017. Since no action was taken on the said representation dated August 9, 2017 and after providing the required information to NSE and BSE, our Company had filed an appeal to Securities Appellate Tribunal (SAT).

The SAT after hearing both the parties directed SEBI and also the Stock Exchanges vide its order dated September 21, 2017 to reverse their decisions dated August 7, 2017 which were all passed without hearing the appellant.

(v) There were no inter-se or pecuniary relationships or transactions with the Non-Executive Directors.

(vi) Whistle Blower Policy (Vigil Mechanism):

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company. The Company affirms that none of the employees have been denied access to the Audit Committee.

(vii) Policy against Sexual and Workplace Harassment:

Company in its endeavor to provide a safe and healthy work environment for all its employees and has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential.

(viii) Shareholding of Directors in the Company as on March 31, 2018:

Name of Directors	Number of equity shares
Shri Jugal Kishore Agarwal	4,94,500
Shri Mohan Lal Agarwal	4,41,500
Shri Mahesh Kumar Agarwal	5,24,000

(ix) Code for prevention of Insider Trading practices:

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for prevention of Insider Trading.

The new code viz. "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" has been framed and adopted. The Codes requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the connected persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Codes.

During the year under review, there has been due compliance with the code.

(x) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this Regulation:

The Company has complied with all the mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. However the Company had not adopted discretionary Requirements as specified in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xi) Web- link for policy determining 'material' subsidiaries:

The Company does not have any subsidiary as defined under the Companies Act, 2013.

(xii) Compliance of the requirement of Corporate Governance Report:

During the financial year 2017-2018, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(xiii) Disclosure of the Compliance with Corporate Governance:

The Company has complied with the regulations 17-20, 22-23, 25-27 and Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2017-2018. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

(xiv) Disclosure with respect to demat suspense account/unclaimed suspense account:

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/ right issues as at 31st March, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.

(xv) Disclosure of commodity price risks or foreign exchange risk and hedging activities:

The Company generally exports its finished goods to neighbouring countries of India such as Nepal etc. The export made by the Company is normally supported by 100% advance payment from the overseas customers or backed by Foreign Letter of Credit issued by their bankers in favor of the Company and sometimes executed in Indian currency only. So, there is minimum foreign exchange risk and commodity price risk as well associated with the transactions of the Company.

22) MEANS OF COMMUNICATION

a) Quarterly Results/ Half Yearly/ Annual Results:

The Quarterly, Half-yearly and Yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

b) Newspaper Publications:

The Financial results are regularly submitted to the stock exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and published in one English Daily (Business Standard) and one Bengali Daily (Aajkal).

c) Website:

For the financial results and other relevant information, shareholders may log on to the website of the Company www.adhunikindustries.com

d) News and press release as available are posted on the website of the company www.adhunikindustries.com. During the year under review there were no such news releases.

e) As the company does not have any institutional investors and angel investors, so no presentation made to institutional investors or to the analysts.

f) **Email id:** investorsail@adhunikgroup.co.in

g) **The Management Discussion and Analysis Report is a part of Annual Report.**

23) GENERAL BODY MEETINGS

A) Details of Previous Annual General Meeting:

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

Year	Date	Time	Venue	Number of special resolutions passed
2016-17	September 21, 2017	02.30 pm	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	1
2015-16	September 14, 2016	02.30 pm	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	1
2014-15	September 17, 2015	10:30 am	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	2

B) **Postal Ballot**

During the financial year 2017-18, one resolution was passed by the shareholders through postal ballot. The Board had approved the notice(s) of the postal ballot and appointed Mr. Mohan Ram Goenka, the Practicing Company Secretary, as scrutinizer, who had conducted the postal ballot exercise in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses registered with the depository (in case of electronic shareholding). For shareholders whose email IDs are not registered, physical copies of the postal ballot notice are sent by permitted mode along with a postage prepaid self-addressed business-reply envelope. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. The Company fixes a cut-off date to reckon the number of paid-up value of equity shares registered in the name of shareholders for the purpose of voting. Shareholders may cast their votes through e-voting during the voting period fixed for this purpose. Alternatively, shareholders may exercise their votes through physical ballot by sending duly completed and signed forms so as to reach the scrutinizer before a specified date and time. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced by the Chairman or any Director of the Company duly authorized within 48 hours of conclusion of the voting period. The results are also displayed on the website of the Company www.adhunikindustries.com, besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

The details of resolutions passed by the shareholders through postal ballot and the voting pattern thereon are as under:

Date of the postal ballot notice: November 28, 2017

Date of declaration of result: January 13, 2018

Voting period: December 14, 2017 to January 12, 2018

Particulars	Type of resolution	Total no. of valid votes	Total votes cast in favour		Total votes cast against	
			No. of shares	% of votes cast	No. of shares	% of votes cast
To approve Related Party Transaction for the FY 2017-18	Special Resolution	64,31,759	64,31,607	99.9976	152	0.0024

Following Resolution is proposed to be passed through Postal Ballot as under-

As on the date of this report, your Company proposes to conduct the following business through postal ballot, the result of which will be announced on date as mentioned in the notice of Postal Ballot dated- May 16, 2018.

1) Alteration/deletion of the Object Clause of Memorandum of Association of the Company.
2) Alteration of Liability Clause of Memorandum of Association of the Company.
3) Alteration and adoption of Articles of Association of Company in conformity with the Companies Act, 2013.
4) Approval/Ratification of Related party Transaction entered into by the Company in the FY 2017-18.
5) Approval of Related Party Transaction(s) for the FY 2018-19 to FY 2022-23 (5 years).

24) GENERAL SHAREHOLDERS' INFORMATION

a) AGM DETAILS

Day and date	Wednesday, September 26, 2018.
Venue	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kolkata-700 017.
Time	02.30 PM
Book closure dates	20th September, 2018 to 26th September, 2018 (Both day inclusive)

b) REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Private Limited.
23, R. N. Mukherjee Road, 5th Floor
Kolkata- 700 001
Tel no. 91-33-22435809/5029
Fax no. 91-33-22484787
E-mail- mdpldc@yahoo.com

c) CEO/CFO CERTIFICATION

The CEO and CFO certification is issued in accordance with the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year is annexed and forms part of the Annual Report.

d) SHARE TRANSFER SYSTEM

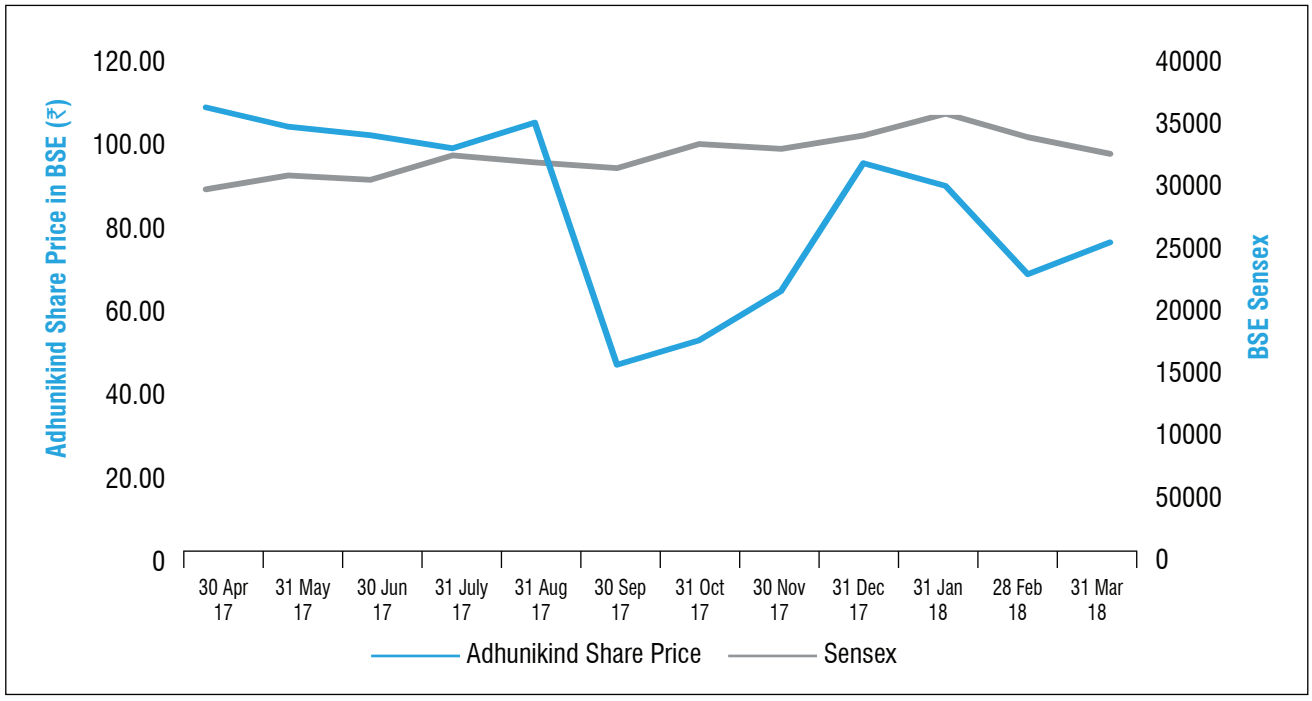
The Registrars and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/ Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchange.

e) MARKET PRICE DATA

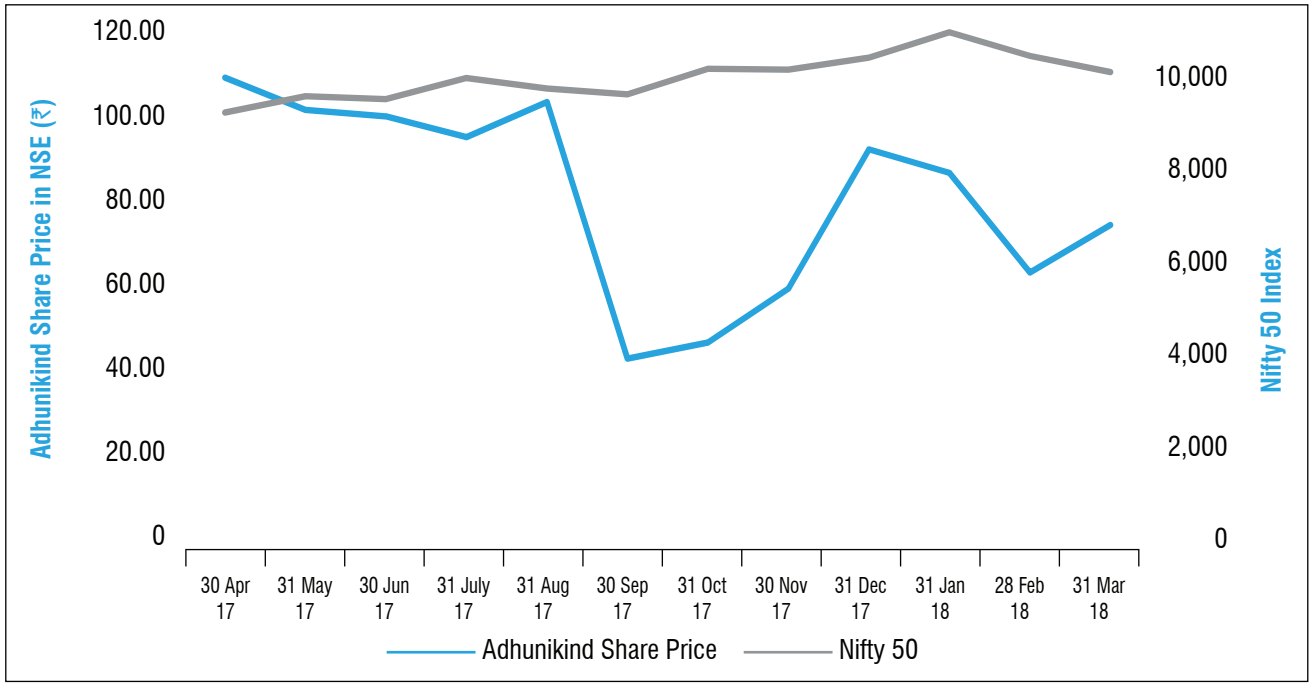
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
April 2017	119.00	103.20	7,35,134	116.40	104.50	6,87,550
May 2017	117.75	100.50	6,90,284	117.00	102.05	8,80,797
June 2017	121.70	97.10	10,64,146	105.90	95.10	14,13,740
July 2017	115.30	95.30	33,22,918	114.80	95.90	49,32,670
August 2017	111.00	94.00	9,60,669	110.50	93.65	16,98,847
September 2017	83.55	46.40	6,916	98.85	43.90	2,06,881
October 2017	56.80	36.05	4,77,600	56.85	34.15	11,10,180
November 2017	66.00	45.00	1,96,009	65.00	44.65	3,68,679
December 2017	99.25	60.00	2,28,658	99.00	60.00	6,30,105
January 2018	104.00	86.60	1,14,709	104.50	85.80	2,66,938
February 2018	92.90	64.00	1,27,438	92.05	61.75	5,65,724
March 2018	80.95	59.55	3,18,401	80.40	60.00	14,44,351

Note: The Company's shares are not actively traded presently on Calcutta Stock Exchange Limited, therefore the market price data are not available.

Details of performance of Adhunik Industries in comparison with BSE Sensex:

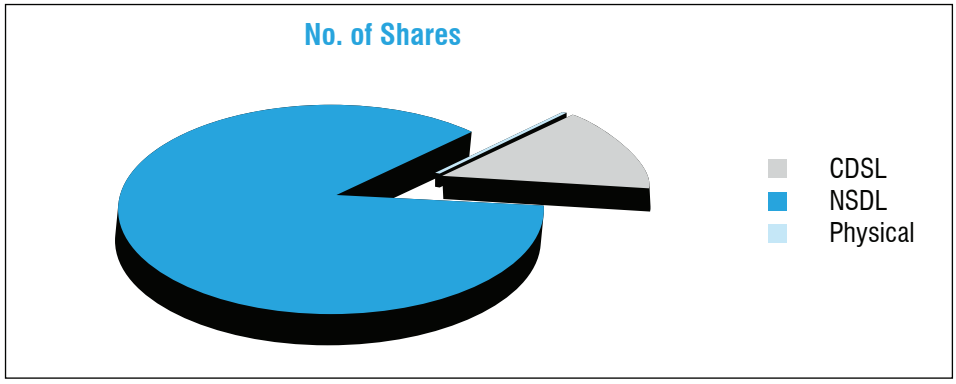


Details of performance of Adhunik Industries in comparison with NSE Sensex:



f) DETAILS OF DEMAT AND PHYSICAL SHARES AS ON MARCH 31, 2018

Description	Number of Holders	Number of Shares	% of Equity
CDSL	1196	68,13,290	14.57%
NSDL	819	3,99,50,459	85.43%
Physical	1	1	0.00%
Total	**2016**	**4,67,63,750**	**100.00%**



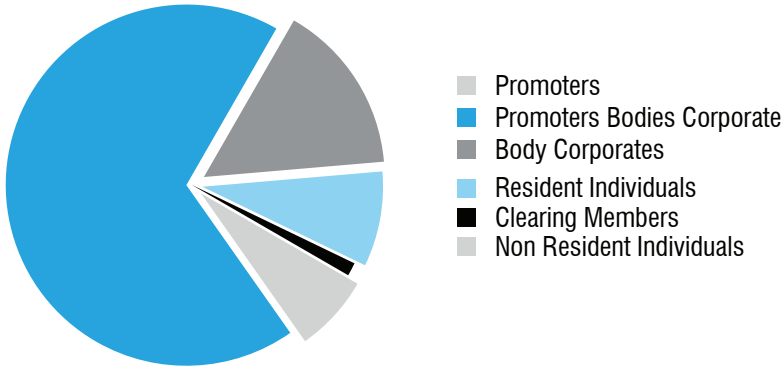
g) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018

Category (Share)	Shareholders		No of Shares	
	Number	% to total	Number	% to total
Upto 500	1734	86.0119	95681	0.2046
501-1000	96	4.7619	79372	0.1697
1001-2000	44	2.1825	70110	0.1499
2001-3000	28	1.3889	72515	0.1551
3001-4000	7	0.3472	24678	0.0528
4001-5000	21	1.0417	101535	0.2171
5001-10000	24	1.1905	182748	0.3908
10001 and above	62	3.0754	46137111	98.6600
Total	**2016**	**100.0000**	**4,67,63,750**	**100.0000**

h) CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2018

S. No.	Category	Numbers of holders	Number of shares	% to equity
1	Promoters	11	32,31,050	6.9093
2	Promoters Bodies Corporate	3	3,18,23,750	68.0522
3	Body Corporates	56	71,77,881	15.3492
4	Resident Individuals	1895	39,77,689	8.5060
5	Clearing Members	44	5,52,652	1.1818
6	Non Resident Individuals	7	728	0.0015
Total		**2016**	**4,67,63,750**	**100.0000**

i) SHAREHOLDING PATTERN AS ON MARCH 31, 2018



j) DEMATERIALIZATION OF SHARES AND LIQUIDITY

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 share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2017-18 to NSDL and CDSL, the depositories. As on 31st March, 2018, 4,67,63,749 Equity Shares of the Company representing almost 100.00 % of the issued and subscribed share capital stood dematerialized.

k) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE

Name of the Stock Exchange	Stock code / Symbol
National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051	ADHUNIKIND
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	538365
The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001.	10028188
ISIN No.-	INE452L01012

The annual listing fee for the year 2017-18has been paid to the above stock exchanges.

l) DEPOSITORY SERVICES

National Securities Depository Limited
Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai-400013
Tel.: (022) 2499 4200; Fax: (022) 2497 6351
E-mail: info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, 25th Floor,
NM Joshi Marg, Lower Parel (East)
Mumbai-400001
Tel.: (022) 2302 3333; Fax: (022) 2300 2035
E-mail: helpdesk@cdslindia.com
Website: www.cdslindia.com

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL up-to 31st March, 2018.

m) FINANCIAL CALENDAR TENTATIVE

Financial Year 2018-19		
1	First quarter results	Within August 14, 2018
2	Second quarter and half-year results	Within November 14, 2018
3	Third quarter results	Within February 14, 2019
4	Annual Result	Within May 30, 2019

n) DIVIDEND HISTORY

Financial year	Dividend per share (₹)	Total dividend (₹ in lakhs)
2017-18	Nil	Nil
2016-17	Nil	Nil
2015-16	Nil	Nil
2014-15	Nil	Nil
2013-14	Nil	Nil
2012-13	Nil	Nil
2011-12	Nil	Nil
2010-11	1.00	467.64
2009-10	1.00	467.64
2008-09	1.00	2.00
2007-08	1.00	2.00

o) SECRETARIAL AUDIT

The Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Secretarial Audit Report for the financial year ended March 31, 2018 is provided in the Annual Report.

p) OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Not applicable

q) PLANT LOCATION :

Rolling Mill
Raturia Industrial Area, Angadpur
Durgapur-713 215, West Bengal, India
Wind Mill
Nandurbar, Dhule, Maharashtra

r) INVESTORS CORRESPONDENCE

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

The Company Secretary Adhunik Industries Limited Lansdowne Towers 2/1A, Sarat Bose Road, Kolkata – 700020 Tel no. 91-33-30517100 Fax no. 91-33-22890285 E-mail: investorsail@adhunikgroup.co.in	or	M/s Maheshwari Datamatics Pvt. Limited. 23, R. N. Mukherjee Road, 5th Floor Kolkata- 700 001 Tel no. 91-33-22435809/5029 Fax no. 91-33-22484787

For and on behalf of the Board

Sd/-
Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Sd/-
Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date:28.05.2018

DECLARATION BY CEO ON CODE OF CONDUCT

To
The Members
M/s. Adhunik Industries Limited

Pursuant to Regulation 17 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Jugal Kishore Agarwal, Managing Director of Adhunik Industries Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2018.

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN: 00227460

Place: Kolkata
Date: 28.05.2018

CEO AND CFO COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Jugal Kishore Agarwal, Managing Director and Bikash Roy Choudhury, Chief Financial Officer, responsible for the finance function certify that:

(A) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief :

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have indicated to the auditors and the audit committee :

a. significant changes, if any, in internal control over financial reporting during the year;

b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN:00227460

Sd/-
Bikash Roy Chowdhury
Chief Financial Officer

Place: Kolkata
Date: May 28, 2018

Company Secretary Certificate regarding compliance of conditions of Corporate Governance

To,
The Members
M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited ("the Company") for the year ended on March 31, 2018, as stipulated in Schedule V and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations 2015"].
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For MR & Associates
Company Secretaries
Sd/-
Mohan Ram Goenka
Partner
C.P. No. 2551

Place: Kolkata
Date: 28.05.2018

Independent Auditors' Report

To the Members of
Adhunik Industries Limited,

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Adhunik Industries Limited ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as " Ind AS Financial Statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the **Annexure 'A'** statement of the matters specified in paragraph 3 and 4 of the order to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper accounts adequate for the purposes of our audit have been received from the branches not visited by us]

c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and the accounts received from the branches not visited by us.

e) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 , Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

g) with respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, please refer to our separate report in **Annexure 'B'** and

h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule, 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to our 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 referred to in Note 28 to the financial statements.

ii. the Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR SUDHIR KUMAR JAIN & ASSOCIATES
(Chartered Accountants)
Firm Regn No: 318016E
Sd/-
CA. S Jain
(Partner)
Membership No. 053537

Place: Kolkata
Date: 28th May 2018

Annexure 'A' to the Independent Auditors Report

The Annexure referred to in our report to the members of Adhunik Industries Limited ('The Company') for the year ended March' 2018.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

i. (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The company has a regular programme of physical verification of its fixed asset by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size of the company and the nature of its assets.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable property held in the name of the company.

ii. The company has a regular programme of physical verification of its inventory by which inventories are physically verified in regular intervals by the management.

iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph 3 of clause iii (a) and iii (b) of the order are not applicable to the company.

iv. According to information and explanation given to us and on the basis of examination of the books of accounts, the company has complied provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and security.

v. According to the information and explanation given to us, the company has not accepted any deposits, and accordingly, the provisions of paragraph 3 of clause v of the Order are not applicable to the Company.

vi. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, and we are of the opinion that prima facie such prescribed accounts and records have been made and maintained.

vii. (a) According to the records, the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable to the Company with appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues were in arrears as at 31st March, 2018 for a period of more than six month from the date they became payable.

(b) According to the information and explanations given to us, there is no material dues of income tax or service tax or custom duty or excise duty or value added tax or cess which have not been deposited on account of any dispute;

viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the company has not defaulted in repayment of dues to a financial institution or bank.

ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised;

x. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, there is no any fraud by the company and any fraud on the company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

xii. In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Therefore, the provisions of paragraph 3 of clause xii of the order is not applicable to the company.

xiii. Based on our audit procedures and on the information and explanations given to us, we report that transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.

xiv. According to the 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 financial year covered by our audit. Consequently, the provisions of paragraph 3 of clause xiv of the order is not applicable to the company.

xv. Based on our audit procedures and on the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, the provisions of paragraph 3 of clause xv of the order is not applicable to the company.

xvi. Based on our audit procedures and on the information and explanations given to us, the company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR SUDHIR KUMAR JAIN & ASSOCIATES
(Chartered Accountants)
Firm Regn No: 318016E
Sd/-
CA. S Jain
(Partner)
Membership No. 053537

Place: Kolkata
Date: 28th May 2018

Annexure 'B' to the Independent Auditor's Report

Report on the Internal Financial Controls over financial reporting 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 Industries Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 auditors' 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 authorizations of the Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SUDHIR KUMAR JAIN & ASSOCIATES
(Chartered Accountants)
Firm Regn No: 318016E
Sd/-
CA. S Jain
(Partner)
Membership No. 053537

Place: Kolkata
Date: 28th May 2018

Balance Sheet as at 31st March 2018

(Amount in ₹)

	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	3	50,45,46,659	54,13,05,677	57,30,33,077
(b) Financial assets :				
(i) Investments	4	1,40,800	2,78,000	4,45,600
(ii) Other financial assets	5	87,14,751	65,35,015	76,92,396
Total Non-Current Assets		**51,34,02,210**	**54,81,18,692**	**58,11,71,073**
Current Assets				
(a) Inventories	6	96,80,56,732	88,07,87,205	81,18,73,524
(b) Financial assets:				
(i) Trade receivables	7	87,32,05,322	87,86,37,011	82,31,18,406
(ii) Cash and cash equivalents	8	2,78,19,429	57,95,787	74,48,883
(iii) Bank balance other than (ii) above	9	5,96,16,012	6,79,40,719	6,42,58,144
(iv) Other financial assets	5	7,65,00,000	8,59,80,000	8,59,80,000
(c) Other current assets	10	33,39,85,513	28,98,09,978	33,07,40,780
Total Current Assets		**2,33,91,83,008**	**2,20,89,50,700**	**2,12,34,19,737**
Total Assets		**2,85,25,85,218**	**2,75,70,69,392**	**2,70,45,90,810**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	46,76,37,500	46,76,37,500	46,76,37,500
(b) Other equity	12	63,07,46,595	58,21,99,263	55,93,43,641
Total Equity		**1,09,83,84,095**	**1,04,98,36,763**	**1,02,69,81,141**
Liabilities				
Non-Current Liabilities				
(a) Financial liabilities:				
(i) Borrowings	13	-	25,00,000	4,45,10,000
(ii) Other financial liabilities	16	21,68,30,546	6,00,63,787	5,90,92,389
(b) Deferred tax liabilities (net)	14	9,30,74,391	9,40,93,141	9,07,71,498
Total Non-Current Liabilities		**30,99,04,937**	**15,66,56,928**	**19,43,73,887**
Current liabilities				
(a) Financial liabilities:				
(i) Borrowings	13	72,49,02,543	86,44,87,225	61,23,65,270
(ii) Trade payables	15	50,42,62,442	52,31,10,405	65,05,29,661
(iii) Other financial liabilities	16	19,36,712	3,56,37,793	6,57,71,898
(b) Other current liabilities	17	20,85,80,537	12,33,56,028	15,12,29,950
(c) Provisions	18	46,13,952	39,84,250	33,39,003
Total Current Liabilities		**1,44,42,96,186**	**1,55,05,75,701**	**1,48,32,35,782**
Total Equity and Liabilities		**2,85,25,85,218**	**2,75,70,69,392**	**2,70,45,90,810**
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 SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants
Sd/-
CA. S. JAIN
(Partner)
Membership No. 053537
Place: Kolkata
Date: 28th May 2018

For and on behalf of the Board of Directors

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Sd/-
Bikash Roy Chowdhury
Chief Financial Officer

Sd/-
Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Sd/-
Bharat Agarwal
Company Secretary

Statement of profit and loss for the period ended 31st March 2018

(Amount in ₹)

	Notes	2017-18	2016-17
Income			
Revenue from operations	19	4,87,15,94,543	4,07,35,33,035
Other income	20	71,62,772	79,58,912
Total revenue		**4,87,87,57,315**	**4,08,14,91,947**
Expenses			
Cost of materials consumed	21	4,01,49,90,645	3,28,53,86,558
Change in inventories of stock-in-trade, by-products and finished goods	22	20,09,52,511	(9,41,13,637)
Excise duty on sale of goods		6,41,23,735	33,01,72,886
Employee benefits expenses	23	3,11,70,359	2,19,80,271
Finance costs	24	15,16,15,766	15,40,02,189
Depreciation and amortization expenses	25	3,67,59,018	3,70,78,902
Other expenses	26	30,93,75,977	31,23,44,358
Total expenses		**4,80,89,88,011**	**4,04,68,51,527**
Profit/(Loss) before tax		**6,97,69,304**	**3,46,40,420**
Less: Tax expenses :			
Current tax		2,21,77,761	84,26,430
Deferred tax		(10,55,899)	32,78,372
Income tax relating to earlier years		38,120	-
Profit/(Loss) for the year		**4,86,09,322**	**2,29,35,618**
Other Comprehensive Income/(Expenses) (OCI)			
A. Items that will not be reclassed to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		1,12,359	1,30,875
Less: Income tax effect		37,149	43,271
		75,210	**87,604**
Net (loss)/gain on FVTOCI equity securities		(1,37,200)	(1,67,600)
Less: Income tax effect		-	-
		(1,37,200)	(1,67,600)
B. Items that will be reclassed to profit or loss:			
Exchange differences on translation of foreign operations		-	-
Less: Income tax effect		-	-
		-	**-**
Other Comprehensive Income/(Expenses) (OCI), net of taxes		**(61,990)**	**(79,996)**
Total Comprehensive Income /(Loss) for the year		**4,85,47,332**	**2,28,55,622**
Earnings per equity share [nominal value ₹ 10 per share]	27		
Basic (₹)		1.04	0.49
Diluted (₹)		1.04	0.49
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 SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants
Sd/-
CA. S. JAIN
(Partner)
Membership No. 053537
Place: Kolkata
Date: 28th May 2018

For and on behalf of the Board of Directors

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Sd/-
Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Sd/-
Bikash Roy Chowdhury
Chief Financial Officer

Sd/-
Bharat Agarwal
Company Secretary

Cash Flow Statement for the period ended 31st March 2018

(Amount in ₹)

		2017-18	2016-17
A: Cash Flow From Operating Activities :			
Profit/(Loss) before Tax		**6,97,44,463**	**3,46,03,695**
Adjustments for :			
Depreciation and amortisation expense		3,67,59,018	3,70,78,902
Provision for Gratuity		6,29,702	6,45,247
Net (loss)/gain on FVTOCI equity securities		1,37,200	1,67,600
Interest income		(40,87,972)	(52,84,652)
Interest & finance charges		15,16,15,766	15,40,02,189
Operating Profit Before Working Capital Changes		**25,47,98,177**	**22,12,12,981**
Movements in Working Capital :			
Increase / (decrease) in trade payables and other liabilities		22,35,53,461	(15,40,05,035)
(Increase) / decrease in trade receivables		54,31,690	(5,55,18,605)
(Increase) / decrease in loans and advances and other assets*		(5,89,59,308)	4,49,21,964
(Increase) / decrease in inventories		(8,72,69,527)	(6,89,13,681)
Cash Generated From Operations		**33,75,54,493**	**(1,23,02,376)**
Direct taxes paid (Net of refunds)		(1,31,844)	(1,12,60,211)
Net Cash Generated/(Used) From Operating Activities	**(A)**	**33,74,22,649**	**(2,35,62,587)**
B: Cash Flow From Investing Activities :			
Purchase of fixed assets, including capital work in progress		-	(53,51,503)
Investment in/(maturity of) fixed Deposit (Net)		82,56,707	(37,50,575)
Interest received		40,87,972	52,84,652
Net Cash Used In Investing Activities	**(B)**	**1,23,44,679**	**(38,17,426)**
C: Cash Flow From Financing Activities :			
Repayment of long-term borrowings		(3,65,43,238)	(7,23,92,849)
(Repayment)/ proceeds from working capital loan (Net)		(13,95,84,682)	25,21,21,955
Interest & finance charges paid		(15,16,15,766)	(15,40,02,189)
Net Cash from Financing Activities	**(C)**	**(32,77,43,686)**	**2,57,26,917**
Net Increase / (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	2,20,23,642	(16,53,096)
Cash & Cash Equivalents at the beginning of the year		57,95,787	74,48,883
Cash & Cash Equivalents at the end of the year		**2,78,19,429**	**57,95,787**

* Includes both current and non-current items

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.

Notes :-

Components of Cash and Cash Equivalents		As at 31st March 2018	As at 31st March 2017
Cash in hand		13,35,888	59,454
Balances with Banks in :			
- Current Accounts		2,64,83,541	57,36,333
Total Cash & Cash Equivalents		**2,78,19,429**	**57,95,787**
Summary of Significant Accounting Policies	2		

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants
Sd/-
CA. S. JAIN
(Partner)
Membership No. 053537
Place: Kolkata
Date: 28th May 2018

For and on behalf of the Board of Directors

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Sd/-
Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Sd/-
Bikash Roy Chowdhury
Chief Financial Officer

Sd/-
Bharat Agarwal
Company Secretary

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

(Amount in ₹)

A. Equity Share Capital	As at 31st March 2018	As at 31st March 2017
At the beginning of the year	**4,67,63,750**	**46,76,37,500**
Add: Addition during the year	**-**	**-**
At the End of the year	**4,67,63,750**	**46,76,37,500**

B. Other Equity	Reserve & Surplus	Item of Other Comprehensive Income		Total Equity
	Retained Earning	Re-measurement of net defined benefit plans	Others	
Balance as at 1st April 2016	**55,91,34,423**	**1,63,618**	**45,600**	**55,93,43,641**
Add: Profit/(Loss) for the year	2,29,35,618	-	-	2,29,35,618
Add: Other Comprehensive Income for the year	-	87,604	(1,67,600)	(79,996)
Balance as at 31st March 2017	**58,20,70,041**	**2,51,222**	**(1,22,000)**	**58,21,99,263**
Add: Profit/(Loss) for the year	4,86,09,322	-	-	4,86,09,322
Add: Other Comprehensive Income for the year	-	75,210	(1,37,200)	(61,990)
Balance as at 31st March 2018	**63,06,79,363**	**3,26,432**	**(2,59,200)**	**63,07,46,595**

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants
Sd/-
CA. S. JAIN
(Partner)
Membership No. 053537
Place: Kolkata
Date: 28th May 2018

For and on behalf of the Board of Directors

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Sd/-
Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Sd/-
Bikash Roy Chowdhury
Chief Financial Officer

Sd/-
Bharat Agarwal
Company Secretary

Notes to Financial Statements as at and for the period ended 31st March 2018

1. CORPORATE INFORMATION

Adhunik industries Limited (the Company) is a public limited company domiciled in India with its registered office located at 14 N.S. Road, Kolkata - 700001, West Bengal. Its equity shares are listed on stock exchanges in India. The Company is primarily engaged in the manufacturing and sale of iron and steel related rolled products. The Company has manufacturing facilities in Durgapur, West Bengal. The Corporate Identification Number (CIN) of the company is L65921WB1979PLC032200.

2. SIGNIFICANT ACCOUNTING POLICIES

A) Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year's figure.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented (Note No.37), a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 2(T) of the financial statement.

B) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

The effect on reported financial position and financial performance of the Company on transition to Ind AS has been provided in Note 37, which also includes reconciliations of total equity and total comprehensive income for comparative years under Indian GAAP to those reported for respective years under Ind AS.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes to Financial Statements as at and for the period ended 31st March 2018

- Level 3 inputs are unobservable inputs for the asset or liability.

C) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

D) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

E) Intangibles

Intangible assets 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.

F) Depreciation and amortisation of property, plant and equipment and intangible assets

(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. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Depreciation on assets under construction commences only when the assets are ready for their intended use.

(ii) Freehold land is not depreciated.

(iii) Leasehold Land is amortised over the tenure of respective leases.

(iv) Company do not have any intangible assets.

G) Impairment

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

H) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) **Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

I) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a) Financial assets

Cash and bank balances

Cash and bank balances consist of:

(i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

(ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Notes to Financial Statements as at and for the period ended 31st March 2018

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL B73 which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

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

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are measured at fair value.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months except for interest rate derivatives.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

J) Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Notes to Financial Statements as at and for the period ended 31st March 2018

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

K) Inventories

(a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realizable value.

(b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(c) By-products are valued at net realizable value.

(d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

L) Provision

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

M) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

N) Income taxes

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

O) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

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 accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

P) Foreign currency transactions and translations

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are recognised directly in equity or added/deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

Q) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Notes to Financial Statements as at and for the period ended 31st March 2018

R) 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.

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) First-time adoption - mandatory exceptions, optional exemptions

a) Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2016 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

b) Derecognition of Financial Assets and Financial Liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after April 01, 2016 ('the transition date').

c) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the Fair value through other comprehensive income (FVTOCI) criteria based on the fact and circumstances that existed as of the transition date.

d) Deemed cost for Property, Plant and Equipment and Intangible assets

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognised as of April 01, 2016 ("transition date") measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

e) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 "Determining whether an arrangement contains a Lease" to determine whether an arrangement existing at the transition date contain a lease on the basis of facts and circumstances existing at the date.

f) The Company elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

U) 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.

V) 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.

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

	Tangible Assets								
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Vehicles	Computers	Furniture & Fixtures	Office Equipments	Total
Gross Block (At Cost):									
As at 1st April, 2016	17,00,000	84,29,270	17,34,13,783	67,57,10,556	38,55,727	28,93,611	6,63,212	44,72,863	87,11,39,022
Additions	-	-	-	53,51,502	-	-	-	-	53,51,502
Disposals/Discard	-	-	-	-	-	-	-	-	-
As at 31st March 2017	**17,00,000**	**84,29,270**	**17,34,13,783**	**68,10,62,058**	**38,55,727**	**28,93,611**	**6,63,212**	**44,72,863**	**87,64,90,524**
Additions	-	-	-	-	-	-	-	-	-
Disposals/Discard	-	-	-	-	-	-	-	-	-
As at 31st March 2018	**17,00,000**	**84,29,270**	**17,34,13,783**	**68,10,62,058**	**38,55,727**	**28,93,611**	**6,63,212**	**44,72,863**	**87,64,90,524**
Accumulated Depreciation/ Amortisation:									
As at 1st April, 2016	-	11,80,644	4,61,58,600	24,10,12,599	32,25,007	25,06,138	6,15,417	34,07,540	29,81,05,945
Charge for the year	-	98,387	54,10,352	3,07,19,899	4,42,528	98,363	15,869	2,93,504	3,70,78,902
Disposals/Discard	-	-	-	-	-	-	-	-	-
As at 31st March 2017	**-**	**12,79,031**	**5,15,68,952**	**27,17,32,498**	**36,67,535**	**26,04,501**	**6,31,286**	**37,01,044**	**33,51,84,847**
Charge for the year	-	98,387	54,10,353	3,08,81,358	2,239	88,343	-	2,78,338	3,67,59,018
Disposals/Discard	-	-	-	-	-	-	-	-	-
As at 31st March 2018	**-**	**13,77,418**	**5,69,79,305**	**30,26,13,856**	**36,69,774**	**26,92,844**	**6,31,286**	**39,79,382**	**37,19,43,865**
Net Block									
As at 31st March 2017	**17,00,000**	**71,50,239**	**12,18,44,831**	**40,93,29,559**	**1,88,192**	**2,89,111**	**31,926**	**7,71,819**	**54,13,05,677**
As at 31st March 2018	**17,00,000**	**70,51,852**	**11,64,34,478**	**37,84,48,202**	**1,85,953**	**2,00,768**	**31,926**	**4,93,481**	**50,45,46,659**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

4. Investments (at cost)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Long term investments (other than trade)			
Quoted equity shares			
Investment in Other Company			
40,000 (40,000) Equity Shares of ₹ 10 each fully paid-up in Adhunik Metaliks Limited	1,40,800	2,78,000	4,45,600
	1,40,800	**2,78,000**	**4,45,600**
Market value of Quoted Investments	**1,40,800**	**2,78,000**	**4,45,600**

5. Other Financial Assets (Unsecured, considered good unless stated otherwise)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A. Non Current			
Security Deposits	87,14,751	65,35,015	76,92,396
Others	-	-	-
Total	**87,14,751**	**65,35,015**	**76,92,396**
B. Current			
Security Deposits	7,65,00,000	8,59,80,000	8,59,80,000
Others	-	-	-
Total	**7,65,00,000**	**8,59,80,000**	**8,59,80,000**

6. Inventories (valued at lower of cost and net realizable value)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Raw Materials [includes in transit ₹ 59,62,408 (₹ Nil)]	65,16,24,499	36,43,80,125	39,21,18,992
Finished Goods [includes in transit ₹ Nil (₹ Nil)]	28,76,64,117	49,73,05,203	39,85,88,994
By Products	1,04,67,979	17,79,405	63,81,976
	94,97,56,595	**86,34,64,733**	**79,70,89,962**
Stores & Spares [includes in transit ₹ Nil (₹ Nil)]	1,83,00,137	1,73,22,472	1,47,83,562
	96,80,56,732	**88,07,87,205**	**81,18,73,524**
Details of Stock of Finished Goods			
Rolled Products	28,76,64,117	49,73,05,203	39,85,88,994
	28,76,64,117	**49,73,05,203**	**39,85,88,994**

7. Trade receivables (Unsecured)		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good		35,53,39,695	2,43,51,371	2,61,51,371
Doubtful		-	-	-
		35,53,39,695	2,43,51,371	2,61,51,371
Less: Provision for doubtful receivables		-	-	-
	(A)	35,53,39,695	2,43,51,371	2,61,51,371
Other trade receivables (considered good)	**(B)**	51,78,65,627	85,42,85,640	79,69,67,035
Total	**(A+B)**	**87,32,05,322**	**87,86,37,011**	**82,31,18,406**

8. Cash and Cash Equivalents	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with banks:			
On current accounts	2,64,83,541	57,36,333	35,84,259
Cash in hand	13,35,888	59,454	38,64,624
	2,78,19,429	**57,95,787**	**74,48,883**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

9. Bank Balance Other Than Cash and Cash Equivalents	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unpaid dividend account	68,000	1,36,000	2,04,000
Margin money deposit #	5,95,48,012	6,78,04,719	6,40,54,144
	5,96,16,012	**6,79,40,719**	**6,42,58,144**

Margin money lying with Banks as collaterals against working capital facilities, guarantees and letters of credit issued by them.

10. Other Assets (Unsecured, considered good unless stated otherwise)		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A. Current				
Advances recoverable in cash or kind				
Considered good - To Related Parties		-	-	-
Considered good - To Others		7,03,141	15,07,91,818	9,83,13,367
Doubtful - To Others		-	-	-
		7,03,141	15,07,91,818	9,83,13,367
Provision for doubtful advances		-	-	-
	(A)	**7,03,141**	**15,07,91,818**	**9,83,13,367**
Prepaid expenses		2,35,745	2,58,710	1,35,552
Accrued Income		4,70,370	-	-
Advance Payment to suppliers		8,01,55,540	1,63,333	9,86,41,959
Balances with statutory / Government authorities		24,23,74,080	11,23,42,703	11,02,30,269
Advance income-tax (Net of current tax)		41,69,377	2,62,53,414	2,34,19,633
Export Benefits Receivable		58,77,260	-	-
	(B)	**33,32,82,372**	**13,90,18,160**	**23,24,27,413**
Total	**(A+B)**	**33,39,85,513**	**28,98,09,978**	**33,07,40,780**

11. Share capital	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorized shares			
10,00,00,000 (10,00,00,000) Equity Shares of ₹ 10 each	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
Issued, subscribed and fully paid-up shares			
4,67,63,750 (4,67,63,750) Equity Shares of ₹ 10 each fully paid up	46,76,37,500	46,76,37,500	46,76,37,500
	46,76,37,500	**46,76,37,500**	**46,76,37,500**

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
At the beginning of the year	**4,67,63,750**	**4,67,63,750**	**4,67,63,750**
Issued during the period	-	-	-
At the end of the year	**4,67,63,750**	**4,67,63,750**	**4,67,63,750**

(b) Terms/rights attached to equity shares

(i) The Company has only one class of issued shares i.e. equity shares having nominal value of ₹10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend (if any) proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after payment of all the preferential amounts, in proportion to their shareholding.

(ii) During the period ended 31st March 2018 the amount of dividend per share recognized as distribution to equity shareholders is ₹ Nil per share (₹ Nil per share).

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

(c) 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.

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

Name of the Shareholder	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Equity shares of ₹ 10 each fully paid			
Mahananda Suppliers Limited	1,66,00,000	1,66,00,000	1,66,00,000
% holding	35.50%	35.50%	35.50%
Sungrowth Share & Stocks Limited	1,48,83,750	1,48,83,750	1,48,83,750
% holding	31.83%	31.83%	31.83%
Vrindavan Advisory Services LLP	43,34,606	43,34,606	43,34,606
% holding	9.27%	9.27%	9.27%
Integrated Master Securities (P) Limited	-	-	34,90,000
% holding	-	-	7.46%

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.

12. Other Equity	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Surplus in the Statement of Profit and Loss			
Balance as per the last financial statements	58,20,70,041	55,91,34,423	53,63,91,660
Profit/(Loss) for the year	4,86,09,322	2,29,35,618	2,27,42,763
Net surplus in the statement of profit and loss	**63,06,79,363**	**58,20,70,041**	**55,91,34,423**
Items of Other Comprehensive Income			
Balance as per the last financial statements	1,29,222	2,09,218	-
Remeasurement of Defined Benefit Plan	75,210	87,604	1,63,618
Gain/(losses) from investment in equity instrument designated at FVTOCI	(1,37,200)	(1,67,600)	45,600
	67,232	**1,29,222**	**2,09,218**
Total reserves and surplus	**63,07,46,595**	**58,21,99,263**	**55,93,43,641**

13. Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A) Non Current			
i) Secured			
Term Loans from :			
Banks	-	3,40,43,238	10,64,36,087
Financial Institutions	-	-	-
	-	3,40,43,238	10,64,36,087
ii) Unsecured			
Loans from Bodies Corporates	-	25,00,000	25,00,000
Total	**-**	**3,65,43,238**	**10,89,36,087**
Less: Amount disclosed under the head "other current liabilities" (Note No. 16)	-	3,40,43,238	6,44,26,087
Total	**-**	**25,00,000**	**4,45,10,000**
B. Current			
Cash credits from banks	72,49,02,543	86,44,87,225	61,23,65,270
Total	**72,49,02,543**	**86,44,87,225**	**61,23,65,270**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

(i) Secured Term Loans are secured by way of:

(a) Pari passu first charge by way of mortgage of the company's immovable fixed assets both present and future at its factory site at Raturia, Angadpur, Durgapur, West Bengal and first charge by way of hypothecation of the Company's movable assets, save and except asset purchased on lease and hire purchase basis till the entire Term Loan is repaid in full.

(b) Pari passu second charge by way of hypothecation on stock, book debts and other current assets of the company related to factory at Raturia, Andagpur, Durgapur till the entire Term Loan is repaid in full.

(c) Guarantee and certain collateral securities have been provided by the Promoters / Directors in their personal capacity.

(ii) Cash credits from banks are secured by way of:

(a) Pari passu first charge by way of hypothecation on stock, book debts and other current assets of the company related to factory at Raturia, Andagpur, Durgapur.

(b) Pari Passu second charge on immovable and movable fixed assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them to the company related to factory at Raturia, Andagpur, Durgapur. After repayment of term loan in full, first charge on the above mentioned assets was automatically created for cash credit taken from banks.

(c) Guarantee and certain collateral securities have been provided by the Directors/Promoters in their personal capacity.

14. Deferred tax Liabilities (net)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance as per last financial statements	9,40,93,141	9,07,71,498	8,93,90,063
Add: Deferred Tax Asset on Depreciation adjusted with retained earning	-	-	-
Add: Deferred Tax Liability/ (Asset) recognised for the year	(10,18,750)	33,21,643	13,81,435
	9,30,74,391	**9,40,93,141**	**9,07,71,498**

14.1 Components of Net Deferred tax assets as on the balance sheet date are as follows:		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred tax liabilities on				
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting		9,45,99,902	9,53,85,831	9,18,54,838
	(A)	**9,45,99,902**	**9,53,85,831**	**9,18,54,838**
Deferred tax assets on				
Other timing differences		15,25,511	12,92,690	10,83,340
	(B)	**15,25,511**	**12,92,690**	**10,83,340**
Net deferred tax assets	**(A-B)**	**9,30,74,391**	**9,40,93,141**	**9,07,71,498**

15. Trade Payables	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Due to Micro, Small & Medium Enterprises	-	-	-
Trade Payables (including acceptances)	50,42,62,442	52,31,10,405	65,05,29,661
	50,42,62,442	**52,31,10,405**	**65,05,29,661**

Trade Payable include ₹ NIL (₹ NIL) due to small scale and ancillary industry undertakings (SSI) to the extent such parties have been Identified from the availables documents / informations

As per information available with the Company, none of the parties from whom the Company procure goods or receives services are enterprises covered under The Macro, Small and Medium Enterprise Development Act, 2006 ('the Act')

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

16. Other financial Liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A. Non Current			
Other payable	21,68,30,546	6,00,63,787	5,90,92,389
	21,68,30,546	**6,00,63,787**	**5,90,92,389**
B. Current			
Unpaid Dividend	68,000	1,36,000	2,04,000
Current Maturities of Long-term borrowings (Refer Note No. 13)	-	3,40,43,238	6,44,26,087
Employee related liabilities	18,68,712	14,58,555	11,41,811
	19,36,712	**3,56,37,793**	**6,57,71,898**

17. Other Current liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance from customers	20,70,58,621	12,14,22,287	12,46,21,290
Statutory Liabilities	15,21,916	19,33,741	2,66,08,660
	20,85,80,537	**12,33,56,028**	**15,12,29,950**

18. Provisions	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current			
Provision for employee benefits:			
Gratuity (Refer Note No. 30)	46,13,952	39,84,250	33,39,003
	46,13,952	**39,84,250**	**33,39,003**

19. Revenue from operations	2017-18	2016-17
Revenue from operations		
Sale of products		
Finished goods	4,61,89,48,706	3,72,81,87,271
Sale of Services	9,83,28,962	20,01,44,703
Other operating revenue		
Sale of By-Products	14,51,48,680	14,52,01,061
Export Benefits	91,68,195	-
Revenue from operations	**4,87,15,94,543**	**4,07,35,33,035**

Finished goods	2017-18	2016-17
Rolled Product	4,61,89,48,706	3,72,81,87,271
	4,61,89,48,706	**3,72,81,87,271**
By Product		
Misroll & End Cutting	13,03,90,164	14,52,01,061
TMT Cutting	1,47,58,516	-
	14,51,48,680	**14,52,01,061**

20. Other income	2017-18	2016-17
Interest income on		
Bank deposits	37,30,744	48,34,696
Deposits	-	4,49,956
Income Tax Refund	3,57,228	-
Gain on foreign exchange fluctuation (net)	30,74,800	-
Miscellaneous Income	-	26,74,260
	71,62,772	**79,58,912**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

21. Cost of materials consumed	2017-18	2016-17
Opening Stock of Raw Materials	36,43,80,126	38,08,61,745
Add: Purchases	4,29,62,72,610	3,26,89,04,939
	4,66,06,52,736	3,64,97,66,684
Less: Closing Stock	64,56,62,091	36,43,80,126
Cost of raw materials consumed	**4,01,49,90,645**	**3,28,53,86,558**

Details of materials consumed	2017-18	2016-17
Billet/ Ingot	3,85,50,75,335	2,75,23,04,979
CBM Gas	11,03,85,002	10,56,17,473
Others	4,95,30,308	42,74,64,106
	4,01,49,90,645	**3,28,53,86,558**

22. Change in inventories of finished goods and by-products		2017-18	2016-17	(Increase)/ Decrease
Inventories at the end of the year:				
Finished Goods		28,76,64,116	49,73,05,202	20,96,41,086
By Products		1,04,67,980	17,79,405	(86,88,575)
	(A)	**29,81,32,096**	**49,90,84,607**	**20,09,52,511**
Inventories at the beginning of the year:				
Finished Goods		49,73,05,202	39,85,88,993	(9,87,16,209)
By Products		17,79,405	63,81,977	46,02,572
	(B)	**49,90,84,607**	**40,49,70,970**	**(9,41,13,637)**
	(B-A)	**20,09,52,511**	**(9,41,13,637)**	

23. Employee benefits expense	2017-18	2016-17
Salaries, wages and bonus	2,51,39,777	1,60,31,939
Contribution to provident fund	21,98,227	19,72,635
Gratuity expense (Refer Note No. 30)	8,32,355	5,25,697
Managing Directors' Remuneration	30,00,000	30,00,000
Workmen and Staff Welfare Expenses	-	4,50,000
	3,11,70,359	**2,19,80,271**

24. Finance costs	2017-18	2016-17
Interest:		
On Term Loans	17,65,274	90,33,614
On Cash Credit and others	13,77,81,505	13,47,33,016
Other borrowing costs	1,20,68,987	1,02,35,559
	15,16,15,766	**15,40,02,189**

25. Depreciation & amortization expense	2017-18	2016-17
Depreciation of tangible assets	3,67,59,018	3,70,78,902
	3,67,59,018	**3,70,78,902**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

26. Other Expenses	2017-18	2016-17
Consumption of Stores and Spares	1,47,89,459	2,41,18,940
Power and Fuel	17,64,24,727	17,30,63,125
Operation and Maintenance Charges	83,03,452	1,11,86,094
Excise duty on increase/(decrease) in inventory	(3,19,81,315)	(1,29,20,044)
Freight and Forwarding Charges	1,35,00,904	1,26,04,774
Rent	4,32,750	3,43,000
Rates and Taxes	3,62,34,542	7,14,180
Legal and Professional Charges	39,47,740	8,03,303
Insurance	4,47,350	3,57,517
Repairs to and Maintenance of :		
Buildings	12,29,316	8,01,205
Machinery	4,39,44,592	4,59,00,819
Others	54,85,950	53,57,968
Travelling and Conveyance Expenses	5,51,978	7,13,495
Motor Vehicle Expenses	11,80,634	12,50,434
Communication Costs	7,77,135	3,84,739
Payment to Auditors (Refer details below)	2,45,165	4,03,300
Exchange Differences (net)	-	1,09,171
Bank Charges	10,45,841	1,55,11,762
Account & finance maintenance charges	43,25,400	43,41,600
Rebate, discounts and other selling expenses	2,38,80,487	2,08,53,042
Other Administrative Expenses (Refer details below)	46,09,870	64,45,934
	30,93,75,977	**31,23,44,358**

26.01 Payment to auditor's consist of the following expenses	2017-18	2016-17
As Auditors		
Audit Fees	1,25,000	1,25,000
Limited Review Fees	33,000	33,000
In other capacity		
Tax Audit Fees	25,000	25,000
For Certificates and Other services	62,165	2,20,300
	2,45,165	**4,03,300**

26.02 Other Administrative Expenses consist of the following expenses	2017-18	2016-17
- Directors' Sitting Fees	2,80,000	2,65,000
- CSR Activities	16,16,055	19,56,795
Total	**18,96,055**	**22,21,795**

27. Earnings per share (EPS)	2017-18	2016-17
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (₹ in Rupees)	**4,85,47,333**	**2,28,55,622**
Weighted average number of equity shares in calculating basic EPS	4,67,63,750	4,67,63,750
Weighted average number of equity shares in calculating diluted EPS	4,67,63,750	4,67,63,750
Nominal Value of equity shares	₹ 10	₹ 10
Basic Earnings Per Share (₹ in rupees)	1.04	0.49
Diluted Earnings Per Share (₹ in rupees)	1.04	0.49

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

28. Contingent liabilities	As at 31st March 2018	As at 31st March 2017
Bank Guarantees outstanding	-	3,09,61,500
	-	**3,09,61,500**

29. Capital and other commitments

a) As at 31st March 2018, the Company has no commitments relating to estimated amount of contracts to be executed on capital account and not provided for.

30. Employee Benefits

I. Charge to the Statement of Profit and Loss on contributions

	2017-18	2016-17
Employer's contribution to Providend Fund and other Funds	21,98,227	19,72,635

II. Disclosures for defined benefit plans based on actuarial reports

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 below information is certified by actuary. The following table summarizes (to the extent applicable) the components of net benefits / expenses recognized in the financial statements.

(A) Changes in Defined Benefit Obligation

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Gratuity (Unfunded)		
Present Value of Defined Benefit Obligation as at the beginning of the year	39,84,250	33,39,003	28,83,175
Interest Cost	2,92,066	2,50,425	2,30,654
Current Service Cost	8,32,355	5,25,697	4,69,610
Benefits Paid	(3,82,360)	-	-
Actuarial (gains)/loss	(1,12,359)	(1,30,875)	(2,44,436)
Present Value of Defined Benefit Obligation as at the end of the year	**46,13,952**	**39,84,250**	**33,39,003**

(B) Changes in the Fair Value of Assets

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Gratuity (Unfunded)		
Fair Value of Plan Assets as at beginning of the year	-	-	-
Expected Return on Plan Assets	-	-	-
Actuarial (gains)/loss	-	-	-
Fair Value of Plan Assets as at end of the year	**-**	**-**	**-**

(C) Amount recognised in the Balance Sheet

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Gratuity (Unfunded)		
Present Value of Defined Benefit Obligation as at the	39,84,250	33,39,003	28,83,175
Fair value of Plan Assets as at end of the year	46,13,952	39,84,250	33,39,003
Net Liability/(Assets) recognised in the Balance Sheet (Refer Note No. 18)	**6,29,702**	**6,45,247**	**4,55,828**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

(D) Expense recognized in Statement of Profit and Loss

	2017-18	2016-17
	Gratuity (Unfunded)	
Current Service Cost#	8,32,355	5,25,697
Interest cost	2,92,066	2,50,425
Expected Return on Plan Assets	-	-
Total Expense recognized in Statement of Profit and Loss	**11,24,421**	**7,76,122**

Included in Employee Benefit Expenses.

(E) Expense recognized in the Other Comprehensive Income (OCI) for Current Year

	2017-18	2016-17
	Gratuity (Unfunded)	
(Gain)/Losses on Obligation For the Period- Due to changes in the financial assumptions	(84,059)	2,55,517
(Gain)/Losses on Obligation For the Period- Due to experience adjustment	(28,300)	(3,86,392)
Return on Plan Assets.	-	-
Net (Income)/Expense For the Period Recognised in OCI	**(1,12,359)**	**(1,30,875)**

(F) The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:

	2017-18	2016-17
Discount rate	7.70%	7.50%
Salary increase	6.00%	6.00%
Mortality table	IALM (2006-2008) ultimate table	IALM (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.

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

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
Gratuity					
Defined benefit obligation	46,13,952	39,84,250	33,39,003	28,83,175	20,44,475
Plan assets		-	-	-	-
Surplus/(deficit)	(46,13,952)	(39,84,250)	(33,39,003)	(28,83,175)	(20,44,475)
Experience adjustments on plan liabilities (gains)/losses	(1,12,359)	(1,30,875)	(2,44,436)	2,24,967	(83,923)

31. Segment Information

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 Ind AS-108, other than those already provided in the financial statements.

32. Derivative instruments and unhedged foreign currency exposure

Forward Contract

For minimizing the risk of currency exposure, the Forward Cover Contracts are of Nil (USD Nil) for trade receivables.

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

33. Related Party Disclosures

a) Name of related parties and related party relationship

Key Management Personnel	Mr. Jugal Kishore Agarwal (Managing Director)
	Mr. Mohan Lal Agarwal (Director)
	Mr. Chandra Shekhar Agarwal (Independent Director)
	Mr. Mahesh Kumar Agarwal (Director)
	Mr. Asit Baran Dasgupta (Independent Director)
	Ms. Archana Gupta Sha (Independent Director)
	Mrs. Sonam Agarwal (Independent Director)
	Mr. Bikash Roy Chowdhury (Chief Financial Officer)
	Mr. Bharat Agarwal (Company Secretary)
Relatives of Key Management personnel	Mr. Ghanshyam Das Agarwal (Brother of Director)
	Mr. Manoj Kumar Agarwal (Brother of Director)
	Mr. Nirmal Kumar Agarwal (Brother of Director)
	Mr. Sachin Agarwal (Son of Director)
	Mr. Naveen Agarwal (Son of Director)
Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Adhunik Corporation Ltd.
	Adhunik Infotech Ltd.
	Adhunik Power & Natural Resource Ltd.
	Adhunik Alloys & Power Ltd.
	Sungrowth Share & Stocks Ltd.
	Mahananda Suppliers Ltd.
	Adhunik Meghalaya Steels Private Ltd.
	Adhunik Metaliks Ltd. and its subsidiary

(b) Related party transactions

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	Total
1. In relation to Statement of Profit and Loss					
Purchase of goods / services					
Adhunik Corporation Ltd.	-	-	-	1,88,01,44,788	1,88,01,44,788
	-	-	-	(34,77,32,159)	(34,77,32,159)
Adhunik Alloys & Power Ltd.	-	-	-	1,08,81,34,465	1,08,81,34,465
	-	-	-	-	-
Revenue from Operations					
Adhunik Corporation Ltd.	-	-	-	13,19,36,335	13,19,36,335
	-	-	-	(14,77,72,899)	(14,77,72,899)

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

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	Total
Adhunik Metaliks Ltd.	-	-	-	14,31,388	14,31,388
	-	-	-	-	-
Adhunik Power & Natural Resources Ltd.	-	-	-	13,04,157	13,04,157
	-	-	-	-	-
Orissa Managnese & Minerals Ltd.	-	-	-	5,30,558	5,30,558
	-	-	-	-	-
Adhunik Alloys & Power Ltd.	-	-	-	12,74,173	12,74,173
	-	-	-	(7,50,582)	(7,50,582)
Rent					
Adhunik Infotech Limited	-	-	-	3,51,750	3,51,750
	-	-	-	(3,44,750)	(3,44,750)
Accounts maintenance charges					
Adhunik Infotech Limited	-	-	-	50,65,200	50,65,200
	-	-	-	(49,64,400)	(49,64,400)
Directors Sitting Fees					
Mr. Chandra Shekhar Jalan	-	-	60,000	-	60,000
	-	-	(60,000)	-	(60,000)
Mr. Asit Baran Dasgupta	-	-	60,000	-	60,000
	-	-	(60,000)	-	(60,000)
Mr. Mahesh Kumar Agarwal	-	-	60,000	-	60,000
	-	-	(45,000)	-	(45,000)
Mr. Mohan Lal Agarwal	-	-	40,000	-	40,000
	-	-	(40,000)	-	(40,000)
Ms. Archana Gupta Sha	-	-	45,000	-	45,000
	-	-	(45,000)	-	(45,000)
Mrs. Sonam Agarwal	-	-	15,000	-	15,000
	-	-	-	-	-
Remuneration to Key Management Personnel					
Mr. Jugal Kishore Agarwal	-	-	30,00,000	-	30,00,000
	-	-	(30,00,000)	-	(30,00,000)
Mr. Bikash Roy Chowdhury	-	-	15,00,000	-	15,00,000
	-	-	(15,00,000)	-	(15,00,000)
Mr. Bharat Agarwal	-	-	10,57,308	-	10,57,308
	-	-	(7,29,427)	-	(7,29,427)
2. In relation to Balance Sheet Items					
Balance outstanding as at the year end – Debit					
Adhunik Metaliks Ltd.	-	-	-	1,26,29,660	1,26,29,660
	-	-	-	-	-
Orissa Managnese & Minerals Ltd.	-	-	-	5,30,558	5,30,558
	-	-	-	-	-
Adhunik Corporation Limited	-	-	-	-	-
	-	-	-	(64,13,905)	(64,13,905)

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

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	Total
Balance outstanding as at the year end – Credit					
Adhunik Infotech Limited	-	-	-	41,04,721	41,04,721
	-	-	-	(60,66,830)	(60,66,830)
Mr. Jugal Kishore Agarwal	-	-	-	-	-
	-	-	(14,90,000)	-	(14,90,000)
Mr. Bikash Roy Chowdhury	-	-	1,02,090	-	1,02,090
	-	-	(1,00,560)	-	(1,00,560)
Mr. Bharat Agarwal	-	-	11,129	-	11,129
	-	-	(44,515)	-	(44,515)
Adhunik Corporation Limited	-	-	-	8,52,25,870	8,52,25,870
	-	-	-	-	-
Adhunik Alloys & Power Ltd.	-	-	-	7,13,70,200	7,13,70,200
	-	-	-	-	-

34. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i) Equity share capital	46,76,37,500	46,76,37,500	46,76,37,500
ii) Other equity	63,07,46,595	58,21,99,263	55,93,43,641
Total Equity (a)	**1,09,83,84,095**	**1,04,98,36,763**	**1,02,69,81,141**
i) Borrowings	72,49,02,543	86,69,87,225	65,68,75,270
ii) Interest accrued and due on borrowings	-	-	-
iii) Current Maturity of long term debt	-	3,40,43,238	6,44,26,087
Total debt (b)	**72,49,02,543**	**90,10,30,463**	**72,13,01,357**
i) Cash and cash equivalents	2,78,19,429	57,95,787	74,48,883
Total cash (c)	**2,78,19,429**	**57,95,787**	**74,48,883**
Net debt {d=(b-c)}	**69,70,83,114**	**89,52,34,676**	**71,38,52,475**
Total capital (equity + net debt)	**1,79,54,67,209**	**1,94,50,71,439**	**1,74,08,33,616**
Net debt to equity ratio	**0.63**	**0.85**	**0.70**

35. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

Notes to Financial Statements as at and for the period ended 31st March 2018

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist personnel's that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analysis have been prepared on the basis that the amount of debt and derivatives.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018, 31 March 2017 and 1 April 2016.

The sensitivity of equity is calculated by considering the effect of any associated derivatives at 31 March 2018 and 31 March 2017 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of derivative instruments. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax	Effect on post-tax equity
31st March,2018			
Amount in ₹	+ 100	-	-
Amount in ₹	(-) 100	-	-
31st March,2017			
Amount in ₹	+ 100	(3,40,432)	(2,27,875)
Amount in ₹	(-) 100	3,40,432	2,27,875
1st April 2016			
Amount in ₹	+ 100	(10,64,361)	(7,12,451)
Amount in ₹	(-) 100	10,64,361	7,12,451

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

	Change in USD rate	Effect on profit before tax	Effect on post-tax equity
31st March,2018			
Amount in ₹	+ 10 %	(6,65,457)	(4,45,437)
Amount in ₹	(-) 10 %	6,65,457	4,45,437
31st March,2017			
Amount in ₹	+ 10 %	(9,36,684)	(6,26,988)
Amount in ₹	(-) 10 %	9,36,684	6,26,988
1st April 2016			
Amount in ₹	+ 10 %	(5,10,954)	(3,42,017)
Amount in ₹	(-) 10 %	5,10,954	3,42,017

The movement in the post-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in ₹, where the functional currency of the entity is a currency other than. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each divisions subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, buyer's credit and other means of borrowings. The company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risk.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
As at 31st March 2018					
Borrowings	72,49,02,543	-	-	-	**72,49,02,543**
Trade payables	-	50,42,62,442	-	-	**50,42,62,442**
Derivatives- Cross-currency interest rate swap	-	-	-	-	**-**
Other financial liabilities	-	19,36,712	21,68,30,546	-	**21,87,67,257**
	72,49,02,543	**50,61,99,154**	**21,68,30,546**	**-**	**1,44,79,32,243**
As at 31st March 2017					
Borrowings	86,69,87,225	-	-	-	**86,69,87,225**
Trade payables	-	52,31,10,405	-	-	**52,31,10,405**
Derivatives- Cross-currency interest rate swap	-	-	-	-	**-**
Other financial liabilities	-	3,56,37,793	6,00,63,787	-	**9,57,01,580**
	86,69,87,225	**55,87,48,198**	**6,00,63,787**	**-**	**1,48,57,99,210**
As at 1st April 2016					
Borrowings	61,48,65,270	-	4,20,10,000	-	**65,68,75,270**
Trade payables	-	65,05,29,661	-	-	**65,05,29,661**
Derivatives- Cross-currency interest rate swap	-	-	-	-	**-**
Other financial liabilities	-	6,57,71,898	5,90,92,389	-	**12,48,64,287**
	61,48,65,270	**71,63,01,559**	**10,11,02,389**	**-**	**1,43,22,69,218**

36. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 (I) to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	87,32,05,322	87,32,05,322	87,32,05,322
Investments	-	1,40,800	1,40,800	1,40,800
Bank balance other than Cash and cash equivalents	-	5,96,16,012	5,96,16,012	5,96,16,012
Loans	-	-	-	-
Cash and cash equivalents	-	2,78,19,429	2,78,19,429	2,78,19,429
Other financial assets	-	8,52,14,751	8,52,14,751	8,52,14,751
Total	**-**	**1,04,59,96,314**	**1,04,59,96,314**	**1,04,59,96,314**
Liabilities:				
Borrowings	-	72,49,02,543	72,49,02,543	72,49,02,543
Other financial Liabilities	-	21,87,67,257	21,87,67,257	21,87,67,257
Trade payables	-	50,42,62,442	50,42,62,442	50,42,62,442
Total	**-**	**1,44,79,32,243**	**1,44,79,32,243**	**1,44,79,32,243**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	87,86,37,011	87,86,37,011	87,86,37,011
Investments	-	2,78,000	2,78,000	2,78,000
Bank balance other than Cash and cash equivalents	-	6,79,40,719	6,79,40,719	6,79,40,719
Loans	-	-	-	-
Cash and cash equivalents	-	57,95,787	57,95,787	57,95,787
Other financial assets	-	9,25,15,015	9,25,15,015	9,25,15,015
Total	**-**	**1,04,51,66,532**	**1,04,51,66,532**	**1,04,51,66,532**
Liabilities:				
Borrowings	-	86,69,87,225	86,69,87,225	86,69,87,225
Other financial Liabilities	-	9,57,01,580	9,57,01,580	9,57,01,580
Trade payables	-	52,31,10,405	52,31,10,405	52,31,10,405
Total	**-**	**1,48,57,99,210**	**1,48,57,99,210**	**1,48,57,99,210**

The carrying value of financial instruments by categories as of April 1, 2016 is as follows:

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets:				
Trade receivables	-	82,31,18,406	82,31,18,406	82,31,18,406
Investments	-	4,45,600	4,45,600	4,45,600
Bank balance other than Cash and cash equivalents	-	6,42,58,144	6,42,58,144	6,42,58,144
Loans	-	-	-	-
Cash and cash equivalents	-	74,48,883	74,48,883	74,48,883
Other financial assets	-	9,36,72,396	9,36,72,396	9,36,72,396
Total	**-**	**98,89,43,429**	**98,89,43,429**	**98,89,43,429**
Liabilities:				
Borrowings	-	65,68,75,270	65,68,75,270	65,68,75,270
Other financial Liabilities	-	12,48,64,287	12,48,64,287	12,48,64,287
Trade payables	-	65,05,29,661	65,05,29,661	65,05,29,661
Total	**-**	**1,43,22,69,218**	**1,43,22,69,218**	**1,43,22,69,218**

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

	Level 1	Level 2	Level 3
As at March 31, 2018			
Financial Assets:			
Derivative Financial Assets	-	-	-
Total	**-**	**-**	**-**
Financial Liabilities:			
Derivative Financial Liabilities	-	-	-
Total	**-**	**-**	**-**
As at March 31, 2017			
Financial Assets:			
Derivative Financial Assets	-	-	-
Total	**-**	**-**	**-**
Financial Liabilities:			
Derivative Financial Liabilities	-	-	-
Total	**-**	**-**	**-**
As at April 1, 2016			
Financial Assets:			
Derivative Financial Assets	-	-	-
Total	**-**	**-**	**-**
Financial Liabilities:			
Derivative Financial Liabilities	-	-	-
Total	**-**	**-**	**-**

Notes:

i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

ii) Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

iii) Investments are stated at amortized cost which is approximately equal to their fair value.

iv) There have been no transfers between level 1 and level 2 for the years ended March 31, 2018 and 2017.

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

37. First time adoption Ind AS reconciliations

a) Reconciliations of Balance Sheet

	Notes	As at 31st March 2017			As at 1st April 2016		
		Amount As Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount As Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS							
Non-Current Assets							
(a) Property, plant and equipment	3.1	54,13,05,677	-	54,13,05,677	57,30,33,077	-	57,30,33,077
(b) Capital work-in-progress	3.2	-	-	-	-	-	-
(c) Intangible assets	3.1	-	-	-	-	-	-
(d) Financial assets :			-				
(i) Investments	4	4,00,000	(1,22,000)	2,78,000	4,00,000	45,600	4,45,600
(ii) Loans	5	-	-	-	-	-	-
(iii) Other Financial assets	6	65,35,015	-	65,35,015	76,92,396	-	76,92,396
(e) Other Non Current Assets	7	-	-	-	-	-	-
Total Non-Current Assets		**54,82,40,692**	**(1,22,000)**	**54,81,18,692**	**58,11,25,473**	**45,600**	**58,11,71,073**
Current Assets							
(a) Inventories	8	88,07,87,205	-	88,07,87,205	81,18,73,524	-	81,18,73,524
(b) Financial assets:							
(i) Trade receivables	9	87,86,37,011	-	87,86,37,011	82,31,18,406	-	82,31,18,406
(ii) Cash and cash equivalents	10	57,95,787	-	57,95,787	74,48,883	-	74,48,883
(iii) Bank balance other than (ii) above	11	6,79,40,719	-	6,79,40,719	6,42,58,144	-	6,42,58,144
(iv) Loans	5	-	-	-	-	-	-
(v) Other Financial assets	6	8,59,80,000	-	8,59,80,000	8,59,80,000	-	8,59,80,000
(c) Other Current Assets	7	28,98,09,978	-	28,98,09,978	33,07,40,780	-	33,07,40,780
Total Current Assets		**2,20,89,50,700**	**-**	**2,20,89,50,700**	**2,12,34,19,737**	**-**	**2,12,34,19,737**
Total Assets		**2,75,71,91,393**	**(1,22,000)**	**2,75,70,69,393**	**2,70,45,45,210**	**45,600**	**2,70,45,90,810**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	12	46,76,37,500	-	46,76,37,500	46,76,37,500	-	46,76,37,500
(b) Other equity	13	58,23,21,262	(1,22,000)	58,21,99,263	55,92,98,041	45,600	55,93,43,641
Total Equity		**1,04,99,58,762**	**(1,22,000)**	**1,04,98,36,763**	**1,02,69,35,541**	**45,600**	**1,02,69,81,141**
Liabilities							
Non-Current Liabilities							
(a) Financial liabilities:							
(i) Borrowings	14	25,00,000	-	25,00,000	4,45,10,000	-	4,45,10,000
(ii) Other financial Liabilities	16	6,00,63,787	-	6,00,63,787	5,90,92,389	-	5,90,92,389
(b) Provisions	18	-	-	-	-	-	-
(c) Deferred tax liabilities (net)	19	9,40,93,141	-	9,40,93,141	9,07,71,498	-	9,07,71,498
Total Non-Current Liabilities		**15,66,56,928**	**-**	**15,66,56,928**	**19,43,73,887**	**-**	**19,43,73,887**
Current liabilities							
(a) Financial liabilities:							
(i) Borrowings	14	86,44,87,225	-	86,44,87,225	61,23,65,270	-	61,23,65,270
(ii) Trade payables	15	52,31,10,405	-	52,31,10,405	65,05,29,661	-	65,05,29,661
(iii) Other financial Liabilities	16	3,56,37,793	-	3,56,37,793	6,57,71,898	-	6,57,71,898
(b) Other current liabilities	17	12,33,56,028	-	12,33,56,028	15,12,29,950	-	15,12,29,950
(c) Provisions	18	39,84,250	-	39,84,250	33,39,003	-	33,39,003
Total Current Liabilities		**1,55,05,75,701**	**-**	**1,55,05,75,701**	**1,48,32,35,782**	**-**	**1,48,32,35,782**
Total Equity and Liabilities		**2,75,71,91,392**	**(1,22,000)**	**2,75,70,69,392**	**2,70,45,45,210**	**45,600**	**2,70,45,90,810**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

b) Reconciliation of Statement of Profit & Loss and total comprehensive income for the year ended March 31, 2017

	Note	As at 31st March 2017		
		Amount As Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Revenue from operations (Gross)	20	4,07,35,33,035	-	4,07,35,33,035
Less: Excise Duty		33,01,72,886	(33,01,72,886)	-
Revenue from operations (Net)		3,74,33,60,149	33,01,72,886	4,07,35,33,035
Other income	21	79,58,912	-	79,58,912
Total revenue		**3,75,13,19,060**	**33,01,72,886**	**4,08,14,91,946**
Expenses				
Purchase & Cost of raw materials consumed	22	3,28,53,86,558	-	3,28,53,86,558
Change in inventories of work-in-progress, stock-in-trade, by-products and finished goods	24	(9,41,13,637)	-	(9,41,13,637)
Excise duty on sale of goods		-	33,01,72,886	33,01,72,886
Employee benefits expenses	25	2,20,99,821	(1,19,550)	2,19,80,271
Finance costs	26	15,37,51,764	2,50,425	15,40,02,189
Depreciation and amortization expenses	27	3,70,78,902	-	3,70,78,902
Other expenses	28	31,23,44,358	-	31,23,44,358
Total expenses		**3,71,65,47,766**	**33,03,03,761**	**4,04,68,51,527**
Profit/(Loss) Before Exceptional item		**3,47,71,294**	**(1,30,875)**	**3,46,40,419**
Exceptional items	29	-	-	-
Profit/(Loss) before tax		**3,47,71,294**	**(1,30,875)**	**3,46,40,419**
Less: Tax expenses :				
Current tax		84,26,430	-	84,26,430
Deferred tax		33,21,643	(43,271)	32,78,372
Profit/(Loss) for the year		**2,30,23,221**	**(87,604)**	**2,29,35,617**
Other Comprehensive Income/(Expenses) (OCI)				
A. Items that will be reclassed to profit or loss:				
Exchange differences on translation of foreign operations		-	-	-
Less: Income Tax effect		-	-	-
		-	-	-
B. Items that will not be reclassed to profit or loss:				
Remeasurement gains/(losses) on defined benefit plans		-	1,30,875	1,30,875
Less: Income Tax effect		-	43,271	43,271
		-	**87,604**	**87,604**
Net (loss)/gain on FVTOCI equity securites		-	(1,67,600)	(1,67,600)
Less: Income Tax effect		-	-	-
		-	**(1,67,600)**	**(1,67,600)**
Other Comprehensive Income/(Expenses) (OCI), net of taxes		**-**	**(79,996)**	**(79,996)**
Total Comprehensive Income /(Loss) for the year		**2,30,23,221**	**(1,67,600)**	**2,28,55,621**

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

c) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	Note	As at 31st March 2017	As at 1st April 2016
Total equity under Previous GAAP		**1,04,99,58,763**	**1,02,69,35,541**
Net (loss)/gain on FVTOCI equity securities		(1,22,000)	45,600
Total equity under Ind AS		**1,04,98,36,763**	**1,02,69,81,141**

d) Effects of IND AS adoption on Cash Flows for year ended 31 March 2017

	Amount As Per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net Cash Generated/(Used) From Operating Activities	(2,38,13,011)	2,50,424	(2,35,62,587)
Net Cash Used In Investing Activities	(38,17,426)	-	(38,17,426)
Net Cash from Financing Activities	2,59,77,340	(2,50,424)	2,57,26,917
Net Increase / (Decrease) In Cash And Cash Equivalents	**(16,53,096)**	**-**	**(16,53,096)**
Cash & Cash Equivalents at the beginning of the year	76,52,883	-	76,52,883
Cash & Cash Equivalents at the end of the year	**59,99,787**	**-**	**59,99,787**

Notes:

1. To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

2. **Financial liabilities and related transaction costs:**

   Borrowings and other financial liabilities which were recognized at historical cost under previous GAAP have been recognized at amortised cost under IND AS with the difference been adjusted to opening retained earnings. Under previous GAAP, transaction costs incurred in connection with borrowings were amortised equally over the tenure of the borrowings. Under IND AS, transaction costs are deducted from the initial recognition amount of the financial liability and charged over the tenure of borrowing using the effective interest method.

3. **Financial assets at amortised cost:**

   Certain financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognized at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening retained earnings.

4. **Deferred tax as per balance sheet approach:**

   Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

5. **Excise duty:**

   Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under IND AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

6. **Defined benefit liabilities:**

   Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

Notes to Financial Statements as at and for the period ended 31st March 2018

(Amount in ₹)

7. Other comprehensive income:

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes remeasurements of defined benefit plans, foreign currency monetary item translation difference account, effective portion of gains and losses on cash flow hedging instruments and fair value gain or losses on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

38. CIF Value of imports (including through canalizing agency) during the year:

	2017-18	2016-17
Raw materials	-	-
Components and Spare Parts	78,22,591	1,09,66,662
Capital Goods	-	-
	78,22,591	**1,09,66,662**

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

	% of total consumption 2017-18	Value (₹ in Rupees) 2017-18	% of total consumption 2016-17	Value (₹ in Rupees)
Raw Materials				
Imported	-	-	-	-
Indigenously	100%	4,01,49,90,645	100%	3,28,53,86,558
	100%	4,01,49,90,645	**100%**	3,28,53,86,558
Stores and Spares #				
Imported	10%	66,54,574	12%	93,66,837
Indigenously	90%	5,87,94,743	88%	6,68,12,095
	100%	6,54,49,317	**100%**	7,61,78,932

Including Stores and Spares included under Repairs and Maintenance.

40. Earnings in foreign currency (accrual basis):

	2017-18	2016-17
FOB Value of Exports	18,38,29,699	28,99,12,888

41. In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

42. The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account.

43. In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed.

Notes to Financial Statements as at and for the period ended 31st March 2018

44. Unclaimed dividend of earlier years aggregating to ₹ 1,36,000/- deposited in separated bank account, an amount of ₹ 68,000/- which is liable to transferred to Investor Education Protection Fund (IEPF) has been duly transferred during the year. Inclusion of the said amount does not have any impact on the profitability of the company.

45. Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

46. Previous year figures including those given in brackets have been rearranged where ever necessary to confirm with the current year classification.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants
Sd/-
CA. S. JAIN
(Partner)
Membership No. 053537
Place: Kolkata
Date: 28th May 2018

For and on behalf of the Board of Directors

Sd/-
Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Sd/-
Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Sd/-
Bikash Roy Chowdhury
Chief Financial Officer

Sd/-
Bharat Agarwal
Company Secretary


38th ANNUAL GENERAL MEETING 2016-17
Adhunik
TMT BARS


38th ANNUAL GENERAL MEETING 2016-17

Adhunik Industries Ltd.
Corporate Office: Landsdowne Towers 2/1A, Sarat Bose Road, Kolkata – 700020
Registered Office: 14, N.S. Road, 2nd Floor,
Kolkata – 700001, West Bengal, India, **Telefax:** 033022428551/53
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Web: www.adhunikindustries.com, **Trade Enquiry :** +91 33 30517100, 9007477753