A.K. SARAF & COMPANY
Chartered Accountants

50, Weston Street,
Kolkata – 700 012.
Tel : 22116466 / 0427
E-mail:ajaysaraf@hotmail.com

Independent Auditor's Report

To the Members of M/s. ANUP MALLEABLES LIMITED

Report on the Ind As Financial Statements

We have audited the accompanying Ind As financial statements of **M/s. Anup Malleables Limited**, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive Income), statement of cash flow and statement of change in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 statement that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flow 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 (Ind As standards) Rules, 2015 as amendend . This responsibility also includes maintenance of adequate accounting record 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.

Auditors' 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 there under. 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind As financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind As 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 the internal financial control relevant to the Company's preparation and fair presentation 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 31st March, 2018, its **Profit** including other comprehensive income , its cash flows and the changes in equity for the year ended on that date.

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A. K. SARAF & CO. ★ Chartered Accountants ★

A.K. SARAF & COMPANY
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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 Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with companies (Ind As)Rules,2015, as amended.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind As financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

i) The company has disclosed the pending litigation which would impact its its Ind As financial position in note No. 39(b).

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

iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For A.K. Saraf & Company,
Chartered Accountants,
Firm Regn. : 325864E

A.K. SARAF & CO. ★ Chartered Accountants ★

CA. A.K. Saraf
Partner
M. No. 055428

50, Weston Street,
Kolkata – 700 012.

Dated the 4th day of July, 2018.

A.K. SARAF & COMPANY
Chartered Accountants

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Annexure - A to the Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of M/s. **Anup Malleables Limited** on the accounts of the company for the year ended 31st March, 2018.

i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased program of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) All the title deeds of all immovable properties are in the name of the company. Building has been constructed by the company.

ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals/ (at the end of the year) by the Management.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

iii) According to the information and explanations given to us, the Company has not granted unsecured loans to companies, firm, Limited liability partnerships or other parties covered in the register maintained under section 189 of Act. Therefore, the provisions of clause 3(iii),(iii) (a) (iii) (b) and (iii) (c) of the said order are not applicable to the company.

iv) The company has not granted any loans or provide any guarantees or security any party during the year. Hence provision of section 185 & 186 of the Act are not applicable to the company

v) The company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the companies (Acceptance of deposits) Rules , 2014 (as amended). Accoringly , the provisions of clause 3(v) of the order are not applicable to the company.

vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Goods & services Tax (GST) Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities. However there were some minor delays. No undisputed statutory dues were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

A. K. SARAF & CO. Chartered Accountants

Contd….2

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(b) The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows :-

Name of the statute	Nature of dues	Amount (Rs.)	Amount paid under protest (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax	4,48,770	-	A.Y. 2012-13	Dy. Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income tax	69,17,436	-	A.Y. 2014-15	Commissioner of Income Tax (Appeal)

viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

ix) According to the information and explanations given to us, during the year the term loan has been raised by the Company and the same has been applied by the Company for the purposes for which they were obtained.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

xi) Company has not paid any managerial remuneration during the year.

xii) The company is not a Nidhi Company hence this clause is not applicable.

xiii) According to the information and explanations given to us, the transaction with related parties has been entered as per arm's length price and therefore the provisions of section 188 are not applicable. However provision of sub-section 177 are applicable and are duly complied with.

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause(xiv) of Paragraph 3 of the Order is not applicable to the Company.

xv) The company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A.K. Saraf & Company,
Chartered Accountants,
Firm Regn. : 325864E

A. K. SARAF & CO. ★ Chartered Accountants ★

CA. A.K. Saraf
Partner
M. No. 055428

50, Weston Street,
Kolkata – 700 012.

Dated the 4th day of July, 2018.

A.K. SARAF & COMPANY
Chartered Accountants

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Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **M/s. Anup Malleables Limited** as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/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 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.

A. K. SARAF & CO. Chartered Accountants

Contd.....2

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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-Mar-2018.

For A.K. Saraf & Company,
Chartered Accountants,
Firm Regn. : 325864E

50, Weston Street,
Kolkata – 700 012.

Dated the 4th day of July, 2018.

A. K. SARAF & CO. ★ Chartered Accountants ★

CA. A.K. Saraf
Partner
M. No. 055428

ANUP MALLEABLES LIMITED
Regd. Office: 46B Rafi Ahmed Kidwai Road, 2nd Floor ,Kolkata -700016
Balance Sheet as at 31 March 2018

(in Rs.)

Particulars	Notes	31-Mar-18	31-Mar-17	01-Apr-16
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	189,695,787	210,742,322	170,331,858
(b) Capital work-in-progress		-	2,439,712	33,593,100
(c) Financial assets				
(i) Investments	4	1,500	1,500	1,500
(ii) Loans	5	1,711,338	1,621,564	1,400,297
(d) Other non-current assets	6	180,416	180,416	1,621,195
Total non-current assets		**191,589,041**	**214,985,514**	**206,947,950**
Current assets				
(a) Inventories	7	98,470,721	97,277,918	93,738,908
(b) Financial assets				
(i) Trade receivables	8	76,224,932	29,071,625	66,229,669
(ii) Cash and cash equivalents	9	1,666,053	1,638,162	3,471,945
(iii) Other Bank balances (other than (ii) above)	10	4,681,456	5,192,850	5,041,580
(iv) Loans	11	4,824,957	6,502,918	5,041,641
(v) Other financial assets	12	1,238,934	1,501,929	1,205,393
(c) Current tax assets (net)	13	4,450,706	4,093,076	3,593,002
(d) Other current assets	14	21,027,931	12,229,103	13,320,519
Total current assets		**212,585,690**	**157,507,581**	**191,642,657**
Total assets		**404,174,731**	**372,493,096**	**398,590,607**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	67,916,670	67,916,670	67,916,670
(b) Other equity	16	101,263,869	104,834,167	101,635,546
Total equity		**169,180,539**	**172,750,837**	**169,552,216**
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	103,171,532	97,893,465	102,886,323
(b) Deferred tax liabilities (net)	18	13,148,338	7,804,622	7,213,699
Total non-current liabilities		**116,319,870**	**105,698,087**	**110,100,022**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	91,451,858	50,074,877	70,709,404
(ii) Trade payables		9,430,200	7,044,379	13,848,310
(iii) Other financial liabilities	20	12,241,637	30,964,941	23,197,546
(b) Employee benefit obligation	21	3,469,540	2,443,364	1,671,284
(c) Other current liabilities	22	2,081,087	3,516,611	9,511,825
Total current liabilities		**118,674,322**	**94,044,172**	**118,938,369**
Total liabilities		**234,994,192**	**199,742,259**	**229,038,390**
Total equity and liabilities		**404,174,731**	**372,493,096**	**398,590,607**
Significant accounting policies	1 & 2			

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

As per our report of the even date

For A.K. Saraf & Company
Firm Registration No.: 325864E
Chartered Accountants

CA. A.K. Saraf
Partner M.No. : 055428
Place : Kolkata
Dated the 4th day of July, 2018.

For and on behalf of Board of Directors

Suyash Khaitan
Chief Financial Officer

Ashok Khaitan
Managing Director
DIN:00293871

Anand Agarwal
Company Secretary

Ayush Agarwalla
Director
DIN:03051060

A. K. SARAF & CO. ★ Chartered Accountants ★

ANUP MALLEABLES LIMITED
Regd. Office: 46B Rafi Ahmed Kidwai Road, 2nd Floor ,Kolkata -700016
Statement of Profit and Loss for the year ended 31 March, 2018

(in Rs.)

Particulars	Notes	31/03/2018	31/03/2017
INCOME			
Revenue from operations	23	192,823,043	330,426,259
Revenue from operations		192,823,043	**330,426,259**
Other income	24	8,284,445	3,520,134
Total income		**201,107,488**	**333,946,393**
EXPENSES			
Cost of materials consumed	25	80,214,574	132,311,125
(Increase)/decrease in inventories	26	(2,141,800)	12,602,979
Excise duty		4,904,372	20,976,366
Employee benefit expenses	27	22,778,419	22,161,925
Finance costs	28	19,165,288	21,007,012
Depreciation and amortisation expenses	29	17,127,882	14,817,130
Other expenses	30	84,240,152	105,238,578
Total expenses		**226,288,888**	**329,115,115**
Profit before exceptional and Extraordinery items and tax		**(25,181,400)**	**4,831,277**
Exceptional items		31,219,704	-
Extraordinary items		-	-
Profit before tax		**6,038,304**	**4,831,277**
Tax expenses	31		
- Current tax		537,626	985,167
Less: MAT credit entitlement		(537,626)	(985,167)
- Net current tax		-	-
- Deferred tax		5,881,342	1,576,091
- Short Provision of I. Tax W/off			22,159
Total tax expenses		**5,881,342**	**1,598,250**
Profit from continuing operations		**156,962**	**3,233,027**
Discontinuing Operations			
(Loss) for the period from discontinued operations		(3,855,556)	
Tax expense of discontinued operations		-	-
Profit from discontinuied operations		**(3,855,556)**	-
Profit for the year		**(3,698,594)**	**3,233,027**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations		128,297	(34,407)
Deferred tax on above		-	-
Other comprehensive income for the year (net of tax)		**128,297**	**(34,407)**
Total comprehensive income for the year		**(3,570,297)**	**3,198,620**
Earnings per equity share (face value of Rs.10 each)	32		
Basic earning per share (in Rs.)		(0.53)	0.47
Diluted earning per share (in Rs.)		(0.53)	0.47
Significant accounting policies	1 & 2		

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

As per our report of the even date.

For A.K. Saraf & Company
Firm Registration No.: 325864E
Chartered Accountants

CA. A.K. Saraf
Partner M.No. : 055428
Place : Kolkata
Dated the 4th day of July, 2018.

For and on behalf of Board of Directors

Suyash Khaitan
Chief Financial Officer

Ashok Khaitan
Managing Director
DIN:00293871

Anand Agarwal
Company Secretary

Ayush Agarwalla
Director
DIN:03051060

A. K. SARAF & CO. Chartered Accountants

ANUP MALLEABLES LIMITED
Regd. Office: 46B Rafi Ahmed Kidwai Road, 2nd Floor ,Kolkata -700016
Statement of Changes in Equity for the year ended 31 March,2018

A. Equity share capital *(in Rs.)*

Particulars	Amount
As at 1 April, 2016	67,916,670
Changes in equity share capital	-
As at 31 March, 2017	**67,916,670**
Changes in equity share capital	-
As at 31 March, 2018	**67,916,670**

B. Other equity **(in Rs.)**

Particulars	Reserve and surplus				Total other equity
	Securities Premium	Investment allowance reserve	General reserve	Retained Earnings	
Balance as at 1 April, 2016	83,333,340	3,139,805	-	15,162,402	101,635,546
Profit for the year (a)	-	-	-	3,233,027	3,233,027.38
Other comprehensive income /(loss) (net of tax) (b)	-	-	-	(34,407)	(34,407.00)
Total comprehensive income for the year (a + b)	-	-	-	**3,198,620**	**3,198,620**
Balance as at 31 March, 2017	**83,333,340**	**3,139,805**	-	**18,361,022**	**104,834,167**

Particulars	Reserve and surplus				Total other equity
	Securities Premium	Investment allowance reserve	General reserve	Retained Earnings	
Balance as at 01 April, 2017	83,333,340	3,139,805	-	18,361,022	104,834,167
Less : Transfer to General Reserve & surplus (a)	-	(3,139,805)	3,139,805	-	-
Profit for the year (b)	-	-	-	(3,698,595)	(3,698,595.17)
Other comprehensive income /(loss) (net of tax) (c)	-	-	-	128,297	128,297.00
Total comprehensive income for the year (a + b + C)	-	**(3,139,805)**	**3,139,805**	**(3,570,298)**	**(3,570,298)**
Balance as at 31 March, 2018	**83,333,340**	-	**3,139,805**	**14,790,724**	**101,263,868**

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

As per our report of the even date

For and on behalf of Board of Directors

For A.K. Saraf & Company
Firm Registration No.: 325864E
Chartered Accountants

CA. A.K. Saraf
Partner M.No. : 055428
Place : Kolkata
Dated the 4th day of July, 2018.

Suyash Khaitan
Suyash Khaitan
Chief Financial Officer

Anand Kumar Agarwal
Anand Agarwal
Company Secretary

Ashok Khaitan
Managing Director
DIN:00293871

Ayush Agarwalla
Ayush Agarwalla
Director
DIN:03051060

A. K. SARAF & CO. Chartered Accountants

ANUP MALLEABLES LIMITED
Regd. Office: 46B Rafi Ahmed Kidwai Road, 2nd Floor ,Kolkata -700016
Cash Flow Statement for the year ended 31 March,2018

(in Rs.)

	Particulars	31-Mar-18	31-Mar-17
A	**Cash flow from operating activities**		
	Net Profit/(Loss) before Tax	6,038,303	4,831,277
	Adjustments for :		
	Depreciation	17,127,882	14,817,130
	(Loss) from discontinued operation	(3,855,556)	-
	(Profit)/ Loss on Sale of Property ,Plant and Equipment	(31,219,704)	-
	Interest Income	(5,806,798)	(660,415)
	Finance Costs	19,165,288	21,007,012
	Operating Profit before working Capital changes	**1,449,415.64**	**39,995,005**
	Adjustments for :		
	(Increase)/Decrease in Trade receivables	(47,153,306)	37,158,044
	(Increase)/Decrease in Inventories	(1,192,803)	(3,539,010)
	(Increase)/Decrease in Loans	1,588,187	(1,682,545)
	(Increase)/Decrease in Other assets	(9,224,301)	1,213,352
	Increase /(Decrease) in trade and other payables	2,385,821	(6,803,931)
	Increase /(Decrease) in Other Liabilities and Provisions	(19,541,981)	1,502,527
	Cash Generated from Operations	(71,688,967)	67,843,441.79
	Direct Taxes Paid	330,838	522,233
	Net Cash flow from Operating Activities	**(71,358,129)**	**68,365,674.79**
B	**Cash flow from Investing Activities**		
	(Purchase)/sale of Property ,Plant and Equipment (including WIP)	37,578,069	(24,074,206)
	Fixed Deposits/Margin Money given/(repaid)	511,394	(151,270)
	Interest Received	5,806,798	660,415
	Net Cash used in Investing Activities	**43,896,261**	**(23,565,061)**
C	**Cash Flow from Financing Activities**		
	Interest paid	(19,165,288)	(20,691,556)
	Proceeds from /(Repayment of) Long Term Borrowings / Liabilities	5,278,066	(5,308,314)
	Proceeds from /(Repayment of) Short Term Borrowings	41,376,981	(20,634,527)
	Net Cash used in Financing Activities	**27,489,759**	**(46,634,397)**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**27,891**	**(1,833,783)**
	Cash and Cash Equivalents		
	Opening Balance	**1,638,162**	**3,471,945**
	Closing Balance	**1,666,053**	**1,638,162**

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

As per our report of even date

For and on behalf of Board of Directors

For A.K. Saraf & Company
Firm Registration No.: 325864E
Chartered Accountants

Suyash Khaitan
Chief Financial Offic

Ashok Khaitan
Managing Director
DIN:00293871

CA. A.K. Saraf
Partner M.No. : 055428
Place : Kolkata
Dated the 4th day of July, 2018.

Anand Agarwal
Company Secretar

Ayush Agarwalla
Director
DIN:03051060

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Corporate Information

Anup Malleables Limited is one of the leading and most modern Engineering Complex duly accredited with ISO:9001-2000 certification situated in the Jharkhand State at Dhanbad. The company was set up with an objective of manufacturing high quality ferrous castings, Heavy fabrication and to provide machining assistance to their valued customers using the latest State-of-art technology available in the country. Company is managed by highly technical and professional people and is dedicated in the service of Indian Railways, Defense, SAIL, Coal India Ltd., Power Sector etc. since its inception in the year of 1982.

SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation of financial statements :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the company under Ind AS. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

(B) i) Tangible Assets are stated at cost of acquisition less accumulated depreciation and impairment loss (if any). Cost of acquisition includes the purchase price, duties (net of Cenvat), taxes, incidental expenses and erection / commissioning expenses which are directly attributable in bringing the asset to its working condition for the intended use.

ii) Intangible Assets are stated at cost of acquisition.

(C) Depreciation

Depreciation on tangible assets is provided on Straight line method on the basis of useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013.

(D) Impairment of Assets

An asset is treated as impaired when carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

(E) Investments:

(i) Long Term Investments are carried at cost after deducting provisions, where the fall in market value has been considered as other than temporary in nature.

(ii) Current Investments are valued at lower of cost or market value.

(F) Valuation of Inventories:

Raw materials, stores & spares, WIP and finished goods are valued at cost or net realizable value, whichever is lower. Cost is determined on FIFO Basis.

(F) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

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(G) Sales

Sales are net off sales tax, Excise Duty, Service Tax & GST. Revenue from sales is recognized at the point of receipt by the customers when the risk and reward stands transferred to the customers.

(H) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to the accounts. Contingent Asset is neither recognized nor disclosed in the financial statements.

(I) Taxes on Income

Current Tax is determined as the tax payable in respect of taxable income for the year.

Provision is made for Deferred tax for all timing differences arising between taxable incomes and accounting income at currently enacted or substantively enacted tax rate.

Deferred Tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(J) Employee Benefits

Effective from financial year 2007-08, the company adopted Accounting Standard (AS) 15 (Revised 2005) dealing with Employee Benefits, issued by the Institute of Chartered Accountants of India. The Company has defined benefit plans for gratuity to eligible employees. The Company dose not have policy of carry forward of the compensated absence to the employees.

(K) Foreign Currency Translations

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place. Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss, except to the extent it relates to Long Term monetary items, is recognized in the Statement of Profit and Loss for the year. Gain or loss relating to Long Term foreign currency monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such asset and depreciated over its remaining useful life.

(L) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for the events, such as bonus share, other than conversion of potential equity share, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 is adjusted for the effects of all dilutive potential equity shares.

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ANUP MALLEABLES LIMITED

Notes to financial statements [Contd.]

3 Property, plant and equipment

(in Rs.)

Particulars	Land	Shed and Building	Plant & Machinery	Electric Installation	Furniture & Fixtures	Vehicles	Total
Gross Carrying Value							
At 1 April ,2016 (Deemed Cost)	1,709,100	14,928,058	151,067,482	-	1,352,611	1,274,607	170,331,858
Additions	-	-	43,724,838	11,784,332	120,500	-	55,629,670
Disposals/deductions/adjustments	-	-	402,076	-	-	-	402,076
At 31March ,2017	**1,709,100**	**14,928,058**	**194,390,244**	**11,784,332**	**1,473,111**	**1,274,607**	**225,559,452**
Additions	-	-	2,519,123	-	78,814	-	2,597,937
Disposals/deductions/adjustments	15,500	673,919	5,650,468	846,771	-	-	7,186,658
At 31 March ,2018	**1,693,600**	**14,254,139**	**191,258,899**	**10,937,561**	**1,551,925**	**1,274,607**	**220,970,731**
Accumulated Deprecation							
At 1 April ,2016	-	-	-	-	-	-	-
Charge for the year	-	708,317	13,235,782	952,524	323,025	190,376	15,410,024
Disposals/deductions/adjustments	-	9,444	583,450	-		-	592,894
At 31 March ,2017	**-**	**698,873**	**12,652,332**	**952,524**	**323,025**	**190,376**	**14,817,130**
Charge for the year	-	645,848	15,320,863	1,178,082	153,642	190,376	17,488,811
Disposals/deductions/adjustments	-	427,472	588,378		15,147	-	1,030,997
At 31 March ,2018	**-**	**917,249**	**27,384,817**	**2,130,606**	**461,520**	**380,752**	**31,274,944**
Net Carrying Value							-
At 1 April ,2016	1,709,100	14,928,058	151,067,482	-	1,352,611	1,274,607	170,331,858
At 31 March ,2017	1,709,100	14,229,185	181,737,912	10,831,808	1,150,086	1,084,231	210,742,322
At 31 March ,2018	**1,693,600**	**13,336,890**	**163,874,082**	**8,806,955**	**1,090,405**	**893,855**	**189,695,787**

a. For Property, plant and equipment existing as on 1 April 2016, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost (refer note no 40 (A.1.1) IND AS exemption applied.

b. For Intangible assets as on 1 April 2016, i.e. date of transition to Ind AS, the company has fair valued and fair valued amount considered as deemed cost.

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(in Rs.)

Note: 4 - Investments - non-current	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Non - Trade, Investment in NSC (Unquoted)			
12 Years National Saving Certificates	1,500	1,500	1,500
(Deposited with Central Excise Department as Security Deposit)			
	1,500	**1,500**	**1,500**

Note: 5 - Loans	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Unsecured, considered good			
Security deposits	1,711,338	1,621,564	1,400,297
	1,711,338	**1,621,564**	**1,400,297**

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]

(in Rs.)

Note: 6 - Other non-current assets	31-Mar-18	31-Mar-17	01-Apr-16
Capital advances			
Unsecured, considered good	180,416	180,416	1,621,195
	180,416	**180,416**	**1,621,195**

Note: 7 - Inventories	31-Mar-18	31-Mar-17	01-Apr-16
Raw materials	56,534,069	70,023,437	46,981,957
Work - in - progress	14,560,240	12,423,940	24,645,295
Finished goods	223,235	223,235	604,859
Manufacturing Components	23,381,541	8,072,425	14,592,867
Stores & spares parts	3,771,636	6,534,881	6,913,930
	98,470,721	**97,277,918**	**93,738,908**

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(in Rs.)

Note: 8 - Trade receivables	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured Considered Good			
Over Six months	-	7,274,283	19,645,378
Other debts	76,224,932	21,797,342	46,584,291
	76,224,932	**29,071,625**	**66,229,669**

Note: 9 - Cash and cash equivalents	31-Mar-18	31-Mar-17	01-Apr-16
Cash in hand	120,086	79,104.00	1,907,440
Balance with Banks			
- In current accounts	1,545,967	1,559,058.00	1,564,505
	1,666,053	**1,638,162**	**3,471,945**

Note: 10 - Other - Bank balances (other than Note 9 above)	31-Mar-18	31-Mar-17	01-Apr-16
Balance with banks held as margin money deposits	4,681,456	5,192,850	5,041,580
	4,681,456	**5,192,850**	**5,041,580**

14.1 The bank balance disclosed above represents margin money against bank gurantee and are therefore not available for general use by the Company.

Note: 11 - Loans	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
Security deposits	4,824,957	6,502,918	5,041,641
	4,824,957	**6,502,918**	**5,041,641**

Note: 12 - Other current financial assets	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
Interest receivable on fixed deposits	1,238,934	1,501,929	1,205,393
	1,238,934	**1,501,929**	**1,205,393**

Note: 13 - Non current tax assets (net)	31-Mar-18	31-Mar-17	01-Apr-16
Advance Tax (net of provision for income tax as at 31 March 2018 Rs. 31,19,020, Rs.25,54,602 as at 31 March 2017)	4,450,706	4,093,076	3,593,002
	4,450,706	**4,093,076**	**3,593,002**

Note: 14 - Other current assets	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
-Advances to suppliers	11,539,073	4,322,173	6,660,819.24
-Advances to employees	50,000	34,500	63,384.00
-Balances with statutory/government authorities	7,196,429	5,535,645	3,918,754
-Advances for land	765,000	765,000	765,000.00
-Prepaid expenses	1,477,429	1,571,785	1,912,562
	21,027,931	**12,229,103**	**13,320,519**

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(in Rs.)

Note: 15 - Equity share capital	31-Mar-18	31-Mar-17	01-Apr-16
Authorized capital 75,00,000 (75,00,000 as at 31 March 2017 ,75,00,000 as at 1 April 2016) Equity Shares of Re.10/- each fully paid)	75,000,000	75,000,000	75,000,000
Issued, subscribed & fully paid -up shares 67,91,667 (67,91,667 as at 31 March 2017, 67,91,667 as at 1 April 2016) Equity Shares of Re.10/- each fully paid)	67,916,670	67,916,670	67,916,670
	67,916,670	**67,916,670**	**67,916,670**

a Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of Re. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	No. of Shares	No. of Shares	No. of Shares
At the beginning of the year	6,791,667	6,791,667	6,791,667
Issued during the year	-	-	-
Outstanding at the end of the year	**6,791,667**	**6,791,667**	**6,791,667**

c Details of shareholders holding more than 5% of equity share capital

Name of the shareholders	No. of Shares % of holding	No. of Shares % of holding	No. of Shares % of holding
Alok Agarwalla (HUF)	611,538 9.00%	611,538 9.00%	611,538 9.00%
Gaja Nand Khaitan (HUF)	632,312 9.31%	632,312 9.31%	632,312 9.31%
Manoj Agarwalla (HUF)	650,000 9.57%	650,000 9.57%	650,000 9.57%
Ayush Agarwalla	747,083 11.00%	747,083 11.00%	747,083 11.00%
Suyash Khaitan	421,075 6.20%	421,075 6.20%	421,075 6.20%
Dhansar Engg. Co. Private Ltd	1,691,125 24.90%	1,691,125 24.90%	1,691,125 24.90%

d 1,875,000 shares out of the issued, subscribed and paid up share capital were alloted as bonus shares in the last five years by capitalization of opening balance of profit and loss account on 30th Novenmber 2012.

Note: 16 - Other equity

Reserve and surplus	31-Mar-18	31-Mar-17
Investment Allowance Reserve		
Opening Balance	3,139,805	3,139,805
Less Transfer to General Reserve & surplus	(3,139,805)	-
	-	**3,139,805**
Securites Premium		
Opening Balance	83,333,340	83,333,340
Addition/(Deduction) during the year	-	-
	83,333,340	**83,333,340**
General Reserve		
Opening Balance	-	-
Addition/(Deduction) during the year	3,139,805	-
	3,139,805	-
Retained earnings		
Opening Balance	18,395,430	15,162,401
Profit /(loss) for the year	(3,698,595)	3,233,027
Other comprehensive income		-
Opening Balance	(34,407)	
Remeasurement of post-employment benefit obligations (net of tax)	128,297	(34,407)
	14,790,724	**18,361,022**
Total reserves and surplus	**101,263,869**	**104,834,167**

Nature and purpose of reserves

Investment Allowance Reserve

The reserve was created a result of purchase of plant & machinery in the erstwhile partnership firm and has been taken by the company at the time of conversion of partnership firm in company. Same has been transferred during the financial year in General Reserve after keeping the same in this category of more than 8 years.

Securites Premium

It is the difference between the issue price and face value of equity shares. It will be utilised in future for any purpose permitted by Companies Act, 2013.

General Reserve

Amount transfered from Investment allowance reserve after keeting the same in the erstwhile category of more than 8 years.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve. It will be utilised in future for any purpose permitted by Companies Act, 2013.

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]

(in Rs.)

Note: 17 - Borrowings	31-Mar-18	31-Mar-17	01-Apr-16
Term loans (secured)			
From banks *[Refer note (a) below]*	7,178,628	57,910,628	62,615,692
Loans from related party (unsecured)			
- From a body corporate	66,995,111	27,322,993	15,000,000
- From directors	28,997,793	20,646,562	40,921,768
Other loans (unsecured)			
- From a body corporate	-	9,000,100	-
	103,171,532	**114,880,283**	**118,537,460**
Less: Current maturities of long term borrowings	-	(16,986,818)	(15,651,138)
	103,171,532	**97,893,465**	**102,886,323**

Notes-

(a) Term loan of Rs. 7,178,628 (31 March 2017: Rs.57,910,628 ; 01 April 2016: Rs.62,615,692) from a bank is repayable in 66 equal montly instalments commencing from June 2017. On March'18 Company has paid prepayment EMI of loan and thus in next one year no payment of EMI is scheduled.

(b) Term Loans is secured by following :-
1. Hypothecation of stock
2. Hypothecation of book debts upto 180 days
3. Hypothecation of Plant and Machinery
4. EQM of land & Building/Plant in the name of M/S Anup Malleables Ltd.
5. 1st charge on block of assets of the company
6. Guarantee of directors

(c) Terms of loan from director is long term in nature which is repayable in 3 Years

(d) Terms of loan from body corporate is long term in nature which is repayable in 2 Years

Note: 18 - Deferred tax assets (Net)	31-Mar-18	31-Mar-17	01-Apr-16
Deferred tax liability			
Property, plant and equipment	30,070,258	24,188,916	19,215,142
	30,070,258	**24,188,916**	**19,215,142**
Deferred tax Assets			
MAT credit entitlement	3,092,228	2,554,602	1,569,435
Unabsorbed depreciation	13,829,692	13,829,692	10,432,008.0
	16,921,920	**16,384,294**	**12,001,443**
Net deferred tax assets/(liability)	(13,148,338)	**(7,804,622)**	**(7,213,699)**

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]

(in Rs.)

Note: 19 - Borrowings	31-Mar-18	31-Mar-17	01-Apr-16
Secured			
Working capital facilities from banks *[Refer note (a) below]*			
- Cash credit	91,451,858	50,074,877	70,709,404
	91,451,858	**50,074,877**	**70,709,404**

Notes-
(a) Secured by hypothecation of stock and book debts and first mortgage charge

Note: 20 - Other financial liabilities	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long term borrowings	-	16,986,818	15,651,138
Interest accrued but not due on borrowings	7,214,687	8,135,735	2,808,799
Other payables			
-Creditors for capital goods	345,000	2,464,763	1,073,402
-Creditors	4,681,950	3,377,625	3,664,207
	12,241,637	**30,964,941**	**23,197,546**

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]

(in Rs.)

Note: 21 - Employee benefit obligation	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits			
-Gratuity	3,469,540	2,443,364	1,671,284
	3,469,540.00	**2,443,364**	**1,671,284.00**

Note: 22 - Other current liabilities	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long term borrowings	-	-	-
Interest accrued but not paid	-	-	-
Other payables			
-Statutory liabilities	800,059	774,153	1,238,161
-Creditors	-	-	-
-Creditors for capital goods	-	-	-
Advances from customer	1,281,028	2,742,458	8,273,664
	2,081,087	**3,516,611**	**9,511,825**

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Notes to financial statements [Contd.]

(in Rs.)

Note: 23 - Revenue from operations	**31-Mar-18**	**31-Mar-17**
Sale of products		
Domestic	192,307,043	320,597,849
	192,307,043	**320,597,849**
Other operating income		
Trading Sales	-	132,120
Others (Job Work)	516,000	9,696,290
	192,823,043	**330,426,259**

Note: 24 - Other income	**31-Mar-18**	**31-Mar-17**
Interest income on:		
Bank deposits	387,296	439,147
Others	5,329,728	-
Amortisation of deferred income	89,774	221,268
Miscellaneous income	2,477,647	2,859,719
	8,284,445	**3,520,134**

Note: 25 - Cost of materials consumed	**31-Mar-18**	**31-Mar-17**
Inventory at the beginning of the year	68,039,584	1,729.64
Add: Purchases	68,709,059	40,920.05
	136,748,643	**42,649.68**
Less : Inventory at the end of the year	56,534,069	799.82
	80,214,574	**41,849.87**

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]

(in Rs.)

Note: 26 - (Increase)/decrease in inventories	31-Mar-18	31-Mar-17
Work in progress		
Opening stock	12,418,440	24,645,295.00
Closing stock	14,560,240	12,423,940.00
	(2,141,800)	12,221,355.00
Finished goods		
Opening stock	223,235	604,859.00
Closing stock	223,235	223,235.00
	-	381,624.00
(Increase) /decrease	**(2,141,800)**	**12,602,979**

Note: 27 - Employee benefit expenses	31-Mar-18	31-Mar-17
Salaries & wages	19,353,961	19,230,345
Contribution to provident and other funds	2,188,688	2,190,831
Gratuity	1,154,473	737,673
Welfare expenses	81,297	3,076
	22,778,419	**22,161,925**

Note: 28 - Finance costs	31-Mar-18	31-Mar-17
Interest expense		
-On loans measured at amortised cost	19,165,288	21,007,012
	19,165,288.46	**21,007,012**

Note: 29 - Depreciation and amortisation expenses	31-Mar-18	31-Mar-17
Depreciation on Property,plant and equipment	17,127,882	14,817,130
	17,127,882	**14,817,130**

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ANUP MALLEABLES LIMITED

Notes to financial statements [Contd.]

(in Rs.)

Note: 30 - Other expenses	31-Mar-18	31-Mar-17
Consumption of stores & spares	27,475,164	28,424,061
Manufacturing Components Consumed	31,816,349	36,238,209
Power & fuel	5,896,337	12,732,832
Repairs & maintenance		
- Building	55,049	711,762
- Plant & machinery	1,160,613	2,784,766
- Others	78,210	75,642
Payments to Auditor	117,500	100,000
Fabrication, Fettling & Assembly Charges	1,031,746	1,094,508
Amortization of prepaid Security Expenses	238,737	279,065
Travelling & Conveyance Expenses	732,253	538,881
Insurance	121,616	130,960
Rent, rates & taxes	306,651	429,218
Vehicle Running & Maintenance Expenses	453,518	675,978
Bank Charges	751,314	686,920
Miscellaneous expenses	4,223,574	4,173,267
Loss on Sales of Fixed Assets	-	222,076
Freight, Transportation & Forwarding	4,750,096	1,686,440
Assessed Tax CST	-	93,813
Deduction	4,910,675	14,160,180
Sales expenses	120,750	-
	84,240,152	**105,238,578**

Note 30.1

Details of payment to Auditor

Particulars	31-Mar-18	31-Mar-17
As Auditor		
-Statutory Audit Fees	90,000	75,000
-Tax Audit Fees	5,000	5,000
In Other Capacity		
Certification Fees and other services	22,500	20,000
Total	**117,500**	**100,000**

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]
Note: 31 - Tax expenses

(in Rs.)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Current tax		
Current tax on profits for the year	537,626	985,167
Total current tax expense	**537,626**	**985,167**
(b) Deferred tax		
Deferred tax	5,881,342	1,576,091
MAT Credit (taken)/utilised	(537,626)	(985,167)
Total deferred income tax expense	**5,343,716**	**590,924**
Tax in respect of earlier years		22,159
Tax expenses	**5,881,342**	**1,598,250**

31.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before tax	6,038,304	4,831,277
Tax at the Indian tax rate of 19.055% (31 March 2017 - 19.055%)	**1,150,599**	**920,600**
Item not deductible / taxable under tax Additional deductions under various provision of tax (net)	4,730,743	677,650
Tax expenses	**5,881,342**	**1,598,250**

The Tax Rate used for the year 2016-17 and 2017-18 reconcilation above is the Corporate tax rate of 19.055% (18.5% + education cess @3%) payable on taxable profits as per provision Minimum Alternative Tax (MAT) under the Income Tax Act, 1961.

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ANUP MALLEABLES LIMITED

Notes to financial statements [Contd.]

Note: 32 - Earnings per share

(in Rs.)

(a) Basic earnings per share

Particulars	31-Mar-18	31-Mar-17
Basic earnings per share attributable to the equity holders of the Company	(0.53)	0.47

(b) Diluted earnings per share

Particulars	31-Mar-18	31-Mar-17
Diluted earnings per share attributable to the equity holders of the Company	(0.53)	0.47

(c) Reconciliations of earnings used in calculating earnings per share

Particulars	31-Mar-18	31-Mar-17
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	(3,570,297)	3,198,620
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	(3,570,297)	3,198,620

(d) Weighted average number of equity shares used as the denominator

Particulars	31-Mar-18	31-Mar-17
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	6,791,667	6,791,667
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	6,791,667	6,791,667

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Star Cement Limited (Formerly known as Cement Manufacturing Company Limited)
Notes to financial statements [Contd.]
Note : 33 - Employees benefit obligations

Post-employment obligations
i) Gratuity
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972.

The amounts recognised in the Balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation
1 April 2016	1,671,284
Current service cost	652,188
Interest expense/(income)	154,299
Total amount recognised in profit or loss	**806,487**
Remeasurements	
Actuarial (gain)/loss from change in financial assumptions	117,203
Actuarial (gain)/loss from unexpected experience	(151,610)
Total amount recognised in other comprehensive income	**(34,407)**
Employer contributions/ premium paid	-
Benefit paid	-
31 March 2017	**2,443,364**

Particulars	Present value of obligation
1 April 2017	2,443,364
Current service cost	708,518
Interest expense/(income)	189,361
Total amount recognised in profit or loss	**897,879**
Remeasurements	
Actuarial (gain)/loss from change in financial assumptions	(62,243)
Actuarial (gain)/loss from unexpected experience	190,540
Total amount recognised in other comprehensive income	**128,297**
Employer contributions/ premium paid	-
Benefit paid	-
31 March 2018	**3,469,540**

(ii) Significant estimates: actuarial assumptions
The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Discount rate	7.75%	7.50%	7.50%
Salary growth rate	6.00%	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table	IALM (2006-08) Table

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Notes to financial statements [Contd.]
Note : 34 - Financial instruments by category

(in Rs.)

Particulars	31-Mar-18			31-Mar-17			01-Apr-16		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investment in equity instruments	1,500	-	-	1,500	-	-	1,500	-	-
Security deposits	-	-	6,536,295	-	-	8,124,482	-	-	6,441,938
Trade receivables	-	-	76,224,932	-	-	29,071,625	-	-	66,229,669
Cash and cash equivalent	-	-	1,666,053	-	-	1,638,162	-	-	3,471,945
Balance with banks	-	-	4,681,456	-	-	5,192,850	-	-	5,041,580
Interest receivable on fixed deposits	-	-	1,238,934	-	-	1,501,929	-	-	1,205,393
	1,500	-	**90,347,670**	**1,500**	-	**45,529,048**	**1,500**	-	**82,390,525**
Financial liabilities									
Borrowing	-	-	194,623,390	-	-	164,955,160	-	-	189,246,864
Trade payable	-	-	9,430,200	-	-	7,044,379	-	-	13,848,310
Creditors for capital goods	-	-	345,000	-	-	2,464,763	-	-	1,073,402
Interest accrued but not due on borrowings	-	-	7,214,687	-	-	8,135,735	-	-	2,808,799
Other liabilities	-	-	4,681,950	-	-	3,377,625	-	-	3,664,207
	-	-	**216,295,227**	-	-	**185,977,662**	-	-	**210,641,582**

(i) Fair value hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
- the fair value of all assets and liabilities
- the fair value of the financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	31-Mar-18			31-Mar-17			01-Apr-16		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Investment in equity instruments	-	-	1,500	-	-	1,500	-	-	1,500
Total financial assets	-	-	**1,500**	-	-	**1,500**	-	-	**1,500**

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security deposit	3,622,586	1,711,338	3,622,586	1,621,564	3,622,586	1,400,297
Total financial assets	**3,622,586**	**1,711,338**	**3,622,586**	**1,621,564**	**3,622,586**	**1,400,297**
Financial liabilities						
Borrowings	7,232,648	7,178,628	58,208,530	57,910,628	63,229,050	62,615,692
Total financial liabilities	**7,232,648**	**7,178,628**	**58,208,530**	**57,910,628**	**63,229,050**	**62,615,692**

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

Significant estimates
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

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Notes to financial statements [Contd.]

Note : 35 - Capital management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares .

The amount mentioned under total equity in balance sheet is considered as Capital.

(b) Dividends paid and proposed

(in Rs.)

Particulars	31 March, 2018	31 March, 2017
(i) Equity shares		
Final dividend for the year ended 31 March, 2017 of NIL (1 April ,2016 – NIL) per fully paid share	-	-

Note : 36 - Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

(A) 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) including deposits with banks and financial institutions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored.The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(in Rs.)

Particulars	Not past due	Less than 6 Months	More than 6 Months and upto 1 years	More than 1 years	Expected credit losses	Net carrying amount of trade receivables
Trade receivable as on 31 March. 2018	72.391.799	1.349.201	2.483.932	-	-	76.224.932
Trade receivable as on 31 March. 2017	18.817.826	4.290.244	5.963.555	-	-	29.071.625
Trade receivable as on 1 April, 2016	46,967,505	5,216,653	14,045,512	-	-	66,229,669

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy. Counterparty credit limits are reviewed by the Companies' Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying amounts as illustrated in Note 34.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(in Rs.)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Expiring within one year (bank overdraft and other facilities)	8,548,142	9,925,123	-
	8,548,142	9,925,123	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities - 31 March, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	91,451,858	66,995,111	36,176,421	-	194,623,390
Interest on borrowing	7,214,687	-	-	-	7,214,687
Trade payables	9,430,200	-	-	-	9,430,200
Other payables	5,026,950	-	-	-	5,026,950
Total financial liabilities	**113,123,695**	**66,995,111**	**36,176,421**	**-**	**216,295,227**

Contractual maturities of financial liabilities - 31 March, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	67,061,695	44,952,538	52,940,927	-	164,955,160
Interest on borrowing	8,135,735	-	-	-	8,135,735
Trade payables	7,044,379	-	-	-	7,044,379
Other payables	5,842,388	-	-	-	5,842,388
Total financial liabilities	**88,084,197**	**44,952,538**	**52,940,927**	**-**	**185,977,662**

Contractual maturities of financial liabilities - 1 April, 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowing	86,360,542	29,902,273	72,984,050	-	189,246,864
Interest on borrowing	2,808,799	-	-	-	2,808,799
Trade payables	13,848,310	-	-	-	13,848,310
Other payables	4,737,609	-	-	-	4,737,609
Total financial liabilities	**107,755,260**	**29,902,273**	**72,984,050**	**-**	**210,641,582**

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Notes to financial statements [Contd.]

Note : 37 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(in Rs.)

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Current			
Financial assets			
First charge			
Trade receivables	76,224,932	29,071,625	66,229,669
Inventory	98,470,721	97,277,918	93,738,908
Cash and cash equivalents	1,666,053	1,638,162	3,471,945
Bank balances	4,681,456	5,192,850	5,041,580
Security Deposit	4,824,957	6,502,918	5,041,641
Other current assets	26,717,571	17,824,108	18,118,914
Total current assets pledged/hypothecated as security	**212,585,690**	**157,507,581**	**191,642,657**
Non Current			
First charge			
Property, plant and equipment	189,695,787	213,182,034	203,924,958
Total non-currents assets pledged/mortgaged as security	**189,695,787**	**213,182,034**	**203,924,958**
Total assets pledged/hypothecated as security	**402,281,477**	**370,689,615**	**395,567,615**

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Notes to financial statements [Contd.]

(C) Market 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's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest

rate risk. During 31 March 2018, 31 March 2017 and 1 April 2016, the Company's borrowings at variable rate were denominated in INR.
The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:
The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Variable rate borrowings	98,630,486	107,985,505	133,325,096
Fixed rate borrowings	95,992,904	56,969,655	55,921,768
Total borrowings	**194,623,390**	**164,955,160**	**189,246,864**

(b) Sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31 March 2018	**31 March 2017**
Interest expense rates – increase by 50 basis points (2017: 50 bps)*	(493,152)	(539,928)
Interest expense rates – decrease by 50 basis points (2017: 50 bps)*	493,152	539,928

** Holding all other variables constant*

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Notes to financial statements [Contd.]

Note : 38 - Related party disclosures

A. Names of the related parties where control exists	**Nature of relationship**
B. Others related parties	
I. Names of other related parties	**Nature of relationship**
Black Diamond Explosive (P) Ltd.	Enterprises influenced by KMP
Hilltop Hirise (P) Ltd	Enterprises influenced by KMP
II. Key Management Personnel	
Names of other related parties	**Nature of relationship**
Shri Ashok Khaitan	Chairman & Managing Director
Shri Ayush Agarwalla	Director
Shri Suyash Khaitan	Director

Details of transactions between the Company and related parties and the status of outstanding balance as at 31 March 2018 and 31 March 2017

(in Rs.)

Types of Transactions	**Associates**		**Enterprises influenced by KMP**		**Key Management Personnel / relatives**	
	2017-18	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
1. Loan & advances repaid						
Shri Suyash Khaitan	-	-	-	-	8,992,158	6,581,736
2. Receipt towards Loans/Advance						
Shri Suyash Khaitan	-	-	-	-	3,275,446	10,764,871
Shri Ayush Agarwalla	-	-	-	-	-	20,504,555
3. Sale Transaction						
Black Diamond Explosive (P) Ltd.	-	-	15,297,345	27,544,027	-	-
4. Sale of Capital Goods						
Black Diamond Explosive Pvt.Ltd.	-	-	6,015,000	-	-	-
5. Balance Outstanding						
Loan /Advance Received						
Shri Ashok Khaitan	-	-	-	-	202,964	-

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ANUP MALLEABLES LIMITED
Notes to financial statements [Contd.]
Note : 39 - Other notes

(a) Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

(in Rs.)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	-	-	-
(ii) Interest due on above	-	-	-
Total of (i) & (ii)	-	-	-
(i) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	-	-	-
(ii) Amount paid to the suppliers beyond the respective appointed date.	-	-	-
(iii) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-	-
(iv) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-	-

(b) Contingent Liability & Commitments

i) Performance Bank guarantee outstanding Rs.1,31,56,265/-(Previous Year 2,09,11,204/-) & against which fixed deposits Rs.46,81,456/- (Previous year 58,61,277/-) are lying with Bank.

ii) Income Tax demand under appeal Rs. 73,66,210/- (Previous Year Rs. 73,66,210/-)

(c) Segment information

(i) Business Segments: The business segments have been identified on the basis of the products of the Company. Operating segment of the Company in consistent with reporting made to Chief Operating Decision Maker (CODM) i.e. Board of Directors. Accordingly, the Company has identified follwing business segments.

Steel Segment : Which includes Manufacturing , Fabrication & Job Work of Railway Parts.
Chemical Segment : Which includes Manufacturing of 'Sorbitan Mono Oleate' (SMO).

Company has disposed off the Plant and Machinery and other assets of the Chemical Segment on 31.08.2017 and the operations have been suspended seen then.

Three customers of the entity accounts for approximately 65.93% of the revenue for the year ended 31 March 2018 (two customers as on 31 March 2017 : 63.25%)

Sl.No.	Particulars	31-Mar-18	31-Mar-17
1	**Segment Revenue**		
	(a) Steel	195,400,488	289,256,393
	(b) Chemical	5,707,000	44,496,000
	(c) Unallocated	-	194,000.00
	Net Revenue from Operations	**201,107,488**	**333,946,393**
2	**Segment Results**		
	(a) Steel	25,331,889	26,800,882
	(b) Chemical	(3,855,556)	464,000
	(c) Unallocated	-	(1,461,000)
	Total Segment Profit/(Loss) before interest and tax	21,476,333	25,803,882
	Less : Finance Costs	19,165,288	21,007,012
	Total Profit/(Loss) before tax	2,311,045	4,796,870
	Provision for tax	5,881,342	1,598,250
	Total Profit/(Loss) after Tax	**(3,570,297)**	**3,198,620**
3	**Segment Assets**		
	(a) Steel	404,174,731	365,648,096
	(b) Chemical	-	6,845,000
	(c) Unallocated	-	-
	Total	**404,174,731**	**372,493,096**
4	**Segment Liabilities**		
	(a) Steel	234,994,192	199,742,259
	(b) Chemical	-	-
	(c) Unallocated	-	-
	Total	**234,994,192**	**199,742,259**
5	**Capital Employed**		
	(a) Steel	169,180,539	165,905,837
	(b) Chemical	-	6,845,000
	(c) Unallocated	-	-
	Total	**169,180,539**	**172,750,837**

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Notes to financial statements [Contd.]
Note : 40 - First-time adoption of Ind AS

I - Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exits at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

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Notes to financial statements [Contd.]
II - Reconciliation

Reconciliation of equity as at 31 March 2017

(in Rs.)

Particulars	Note	Amount
Total equity (shareholder's fund) as per previous GAAP		**173,748,218**
Adjustments:		
Amortisation of deferred Notiaonal income of Security Deposit	1	221,268
Interest expense recognised as per effective interest rate	2	(315,456)
Transaction cost on borrowing recognised as per EIR approach	2	613,358
Goodwill	3	(755,000)
Security Deposit recognised as per EIR approach	1	(482,486)
Prepaid expense recognised as per effective interest rate	1	(279,065)
Total adjustments		**(997,381)**
Balance of Equity as on March 31, 2017 under Ind AS		**172,750,837**

Reconciliation of equity as at 1 April 2016

Particulars	Note	Amount
Total equity (shareholder's fund) as per previous GAAP		**170,176,344**
Transaction cost on borrowing recognised as per EIR approach	2	613,358
Security Deposit recognised as per EIR approach	1	(482,486)
Goodwill	3	(755,000)
Total adjustments		**(624,128)**
Balance of Equity as on 1 April 2016 under Ind AS		**169,552,216**

Reconciliation of total comprehensive income as at 31 March 2017

Particulars	Note	Amount
Balance of 31 March 2017 as per previous GAAP		**3,571,874**
Amortisation of deferred Notiaonal income of Security Deposit	1	221,268
Interest expense recognised as per effective interest rate	2	(315,456)
Prepaid expense recognised as per effective interest rate	1	(279,065)
Remeasurement of post employee benefit obligations	4	34,407
Profit after tax as per Ind AS		3,233,027
Other comprehensive		**(34,407)**
Total comprehensive income as per Ind AS		**3,198,620**

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Notes to financial statements [Contd.]
C: Notes to first-time adoption:

Note 1 : Security deposit

Under the previous GAAP, interest free security deposits are recorded at the transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Note 2 : Borrowings at effective interest rate

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Hence the Company has measured its borrowing as per the above requirement of Ind AS 109 by adjusting the transaction cost with borrowing and interest expense has been recognised as per effective interest rate.

Note 3 : Goodwill

Property, plant and equipment were carried in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.
Further, the Company had revalued intangible assets based on professional valuation as at 31st March, 2016 and had a balance of NIL at the date of transition. On transition, such differntial amount has been adjusted in retained earnings.

Note 4 : Employee benefit obligation

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to profit and loss under the previous GAAP.

Note 5 : Deferred tax

The various transitional adjustments lead to different temporary differences. According to the accounting policies in Note 1, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note 6 : Retained earnings

Retained earnings as at 1 April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 7 : Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

A. K. SARAF & CO.
Chartered Accountants

ANUP MALLEABLES LIMITED

Notes to financial statements [Contd.]

Note : 41

Previous year's figures have been regrouped and/or rearranged wherever necessary, to confirm to current year.

Note : 42

The financial statements are approved by the audit committee at its meeting held on 28th June,2018 and by the Board of Directors on the same date.

For A.K. Saraf & Company
Firm Registration No.: 325864E
Chartered Accountants

CA. A.K. Saraf
Partner M.No. : 055428
Place : Kolkata
Dated the 4th day of July, 2018

Suyash Khaitan
Chief Financial Officer

Ashok Khaitan
Managing Director
DIN:00293871

Anand Agarwal
Company Secretary

Ayush Agarwalla
Director
DIN:03051060

A. K. SARAF & CO. Chartered Accountants

Directors' Report

To the Members,

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

1. FINANCIAL SUMMARY

(Amount in `)

Particulars	As at the end of current reporting period	As at the end of previous reporting period
Total Revenue	20,12,35,785	33,39,11,986
Total Expenses	22,62,88,888	32,91,15,116
Profit or Loss before Exceptional and Extraordinary items and Tax	**(2,50,53,103)**	**47,96,870**
Less: Exceptional Items	3,12,19,704	--
Less: Extraordinary Items	--	--
Profit or Loss before Tax	**61,66,601**	**47,96,870**
Less: Current Tax	5,37,626	9,85,167
MAT Credit	(5,37,626)	(9,85,167)
Deferred Tax	58,81,342	15,76,091
Previous Year Taxes	--	22,159
Profit or Loss After Tax	**2,85,259**	**31,98,620**
Loss on Discontinuing Operation	38,55,556	--
Profit/(Loss) for the year	**(35,70,297)**	**31,98,620**
Add: Balance as per last Balance Sheet	1,69,85,150	1,37,86,530
Balance Transferred to Balance Sheet	**1,34,14,853**	**1,69,85,150**

2. COMPANY'S OPERATIONAL PERFORMANCE

Total Revenue
Total income of the Company for the financial year 2017-2018 comprises of Net Sales, work contract receipt and other income amounts to Rs.2012.39 Lac which is decrease of 60.27% over last year's figure.

Profit before Tax
Profit before tax for the year under review is Rs 61.67 Lacs, an increase of 1.29 % over the last year's figure.

Profit after Tax
Profit after tax for the year under review is profit of Rs.2.85 Lacs, an decrease of 8.92.% over the last year's figure.

Earnings per Share
Earnings per share for the year under review are Rs (0.53) as compared to Rs 0.47 for the last year.

Net worth
Net worth of the Company for the financial year 2017-18 is Rs.1622.75 Lac as against Rs 1266.68 Lac of the last year.

3. Dividend

Your Directors do not recommend any dividend for the year because of requirement of funds for future expansion. No Dividend was declared for the current financial year.

4. Transfer to General Reserve

No amount was transferred to reserves during the financial year ended 31st March, 2018.

5. Corporate Governance

A Report on the compliance of Corporate Governance Code along with certificate from Secretarial Auditor thereon as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed to this Report.

6. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

7. Review of Business Operations and Future Prospects

Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year. There was no change in the nature of business of company.

During the last Financial Year your Company had invested huge amount to procure automatic machines and lot of Jigs, Fixtures & Dies for development of extra large fabricated items such as Bogie Frame Assembly, Side Wall Assembly, Roof Assembly, Complete Under frame Assembly etc. of different Diesel & Electric Locomotives and Coaches. Your company had assured to develop all the pending products by the end of the year 2018-2019 and we have great pleasure to inform you that sincere efforts of management and workers we achive the target of 80 bogies manufacture per month till date and following products sucessfully developed till date –

1. Bogie Frame for LHB Coaches
2. Bogie Bolster for LHB Coaches
3. Bogie Bolster for LHB Air spring Coaches
4. Air Jig Machine for Allminerals Asia Pvt Ltd
5. Front part for Railway Coaches

Currently company got development order of front Part, Roof assembly, Under frame for LHB Coaches. Company has started business with Railways Coach manufacturing division i.e. Modern Coach Factory, Rail Coach Factory and Integeral Coach factory to manufacture extra large fabrication items of LHB Coaches, to maintain its current dominance in the domestic market and to meet the future challenges, your Company is working on a long term strategic plan, which will steer the Company towards a target of manufacture all the prodcut of LHB Coches for Indian Railways, thereby meeting the strategic objectives of achieving leadership in market.

8. Opportunities & Threats

There is a huge demand for machined castings and fabricated items in Domestic as well as International Market. However, threats from small firms as well as Wagon manufacturers are still continuing. As their prices are very low, developed and established firms are not able to match their prices. In line with the aspirations of ongoing growth in the fiscal year 2017-18, company is integrating its resources and investing in new technologies to achieve greater performance and long term growth. Now Company got electrical power from DVC and to re-start its Foundry Division by end of this Financial Year. Once Steel Foundry Division gets started, your company is bound to take a quantum jump from its existing position.

9. Material Changes and Commitment If any Affecting the Financial Position of The Company Occurred Between The End of The Financial Year To Which This Financial Statements Relate And The Date of The Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

10. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And outgo

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company as far as Conservation of Energy or Technology Absorption are concerned.

Foreign Exchange Outgo:

(Amount in `)

Nature of Expense	2017-18	2016-17
Purchase of Stores & Spares	Nil	11,28,675.00

11. Statement Concerning Development And Implementation of Risk Management Policy of The Company

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

12. Details of Policy Developed and Implemented by The Company on Its Corporate Social Responsibility Initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable

13. Particulars of Loans, Guarantees or Investments Made Under Section 186 of The Companies Act, 2013

Details of loans, guarantee and investment covered under the provisions of 186 of the Companies Act, 2013 are given in the notes to Finanacial Statements.

14. Particulars of Contracts or Arrangements Made With Related Parties

All related party transactions that were entered into during the financial year ended 31st March, 2018 were on an arm's length basis and were in the ordinary course of business and that the provisions of section 188 of Companies Act,2013 and rules made thereunder are not attracted. However, disclosure in Annexure I in form AOC-2 is enclosed. Further, there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All RPTs are placed before the Audit Committee for approval. Prior omnibus approval of Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval.None of the Directors has any pecuniary relationships or transactions vis--vis the Company.

15. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

16. Company's Policy Relating To Directors Appointment, Payment of Remuneration And Discharge of Their Duties

Your Company was in compliance of composition of Nomination and Remuneration Committee.

17. Particulars of Employees

There is no employee in the Company drawing monthly remuneration of Rs.5,00,000/- per month or Rs.60,00,000/- per annum. Hence the Company is not required to disclose any information as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

18. Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure II and is attached to this Report.

19. Number of Board Meetings Conducted During The Year Under Review

The Company has conducted 15 (fifteen) Board Meetings during the financial year under review. The intervening gap between any two meetings was within the period prescribe by Companies Act, 2013

20. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

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

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

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

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

21. Subsidiaries, Joint Ventures And Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

22. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

23. Directors And Key Managerial Personnel

The Board consisit of optimum number of Executive and Non- Executive Director including Independent director who have vide and varied experience in the field of business, finance. Education, Persuant to provision of Section 152(6)(d) of Companies Act, 2013, Mrs. Nikeeta Agarwalla and Mr.Sanjeev Choudhary retires by rotation and being eligible offers himself for reappointment.

24. Declaration of Independent Directors

Company received declaration from each independent directors under the provisions of Section 149(7) of Company Act 2013 that he/she meets

25. **Adequacy of Internal Financial Controls With Reference To Financial Statements**

The company has adequate Internal Control System commensurate with the size and nature of the business. The system has been designed to ensure that, all assets are acquired economically, used efficiently and protected against loss, destruction or unauthorized use. All resources are used efficiently and effectively. Accounting, Financial and other operational information are accurate, reliable and provided timely and all applicable laws and internal policies are complied with true spirit.

26. Statutory Auditor

M/s Tulsyan N K & Company, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 5 years in the Annual General Meeting held in the year 2018 and are eligible for reappointment, subject to ratification of members at ensuing Annual General Meeting of the company.

27. Secretarial Auditor

During the year, the Company has appointed Mr.Nisha Saraf, Practicing Company Secretary as Secretarial Auditor of the Company. The Secretarial Audit Report for the Financial year 2018-19 is annexed hererwith to this report, The Secretarial Audit Report does not contain any reservation, qualification or adverse comment.

28. Disclosure of Composition of Audit Committee And Providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 regarding the Audit Committee and Vigil Mechanism are formed and works as per the porision of act.

29. Auditors' Report And Secretarial Auditors' Report

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report.

30. Audit committee

The composition and terms of reference of the Audit Committee are in accordance with the requirements mandated under section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of SEBI (LODR) Regulations, 2015 has been furnished in the Corporate Governance report forming a part of this Annual report.

31. Nomination And Remuneration Committee

The composition and terms of reference of the Audit Committee are in accordance with the requirements mandated under section 178(1) of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, 2015 has been furnished in the Corporate Governance report forming a part of this Annual report.

32. Stakeholder Relationship Committee

The composition and terms of reference of the Audit Committee are in accordance with the requirements mandated under section 178(5) of the Companies Act, 2013 read with the rules made thereunder and Regulation 20 of SEBI (LODR) Regulations, 2015 has been furnished in the Corporate Governance report forming a part of this Annual report.

33. **Details Of Significant And Material Orders Passed By The Regulators, Courts And Tribunals**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

34. Listing Agreement

The Securities and Exchange Board of India(SEBI) on September 02, 2015 issued SEBI(Listing Obligationand Disclosure Requirements, 2015 with the aim to consolidate and streamline the provisions of Listing Agreements

35. Listing With Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to BSE and CSE where the Company's Shares are listed.

36. Acknowledgement

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Ashok Khaitan	Suyash Khaitan
Managing Director	Director
DIN: 00293871	DIN: 03349969

Place: Kolkata
Date: