



Adhunik Metaliks Limited

ANNUAL REPORT 2014 - 2015





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Shri Sanjay Dey

### STATUTORY AUDITORS

Das & Prasad  
Chartered Accountants

### COST AUDITORS

Saroj K Babu & Co.  
Cost Accountants

### BANKERS

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

### REGISTERED OFFICE

Chadri Hariharpur  
P.O. Kuarmunda  
Sundergarh  
Odisha-770039  
Phone: (0661)3051300  
Facsimile: (0661)3051303

### CORPORATE OFFICE

Lansdowne Towers  
2/1A Sarat Bose Road  
Kolkata - 700 020  
Phone: (033) 30517100 (30 lines)  
Fax: (033) 22890285 / 30517225  
e-mail: info@adhunikgroup.com  
www.adhunikgroup.com

### WEBSITE

www.adhunikgoup.com

### REGISTRAR & TRANSFER AGENT

M/s.Karvy Computershare Pvt. Ltd.  
Karvy House 46, Avenue 4  
Street No. 1, Banjara Hills, Hyderabad-500034  
Phone: 91-40-23312454/23320751  
Facsimile: 91-40-23311968  
e-mail: mailmanager@karvy.com

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



## MANAGEMENT DISCUSSION & ANALYSIS

### ADHUNIK METALIKS - AN OVERVIEW

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

### INDIAN ECONOMY

The Indian economy, supported by lower oil prices, improved FDI inflows and pro-growth economic reforms initiated by new Government saw a moderate improvement in growth momentum during FY 2014-15; some of the key macroeconomic indicators also strengthened over the year.

### SNAPSHOT

The Indian economic growth improved to 7.3% in FY 2014-15 as compared to 6.9% in FY 2013-14. The manufacturing and service sector growth pegged at 7.1% during FY 2014-15. Several policy measures taken by the Reserve Bank of India (RBI) and the Government, supported by lower global crude oil prices, resulted in decline in inflation during the year; consumer price inflation is expected to be between 5.0 - 5.5% range during 2015-16.

The Government had strong focus on fiscal consolidation. As a result, the Gross Fiscal Deficit (GFD) declined to 4.1% in FY 2014-15 and is budgeted to decline further to 3.9% in FY 2015-16. The Government in order to enhance is of doing business and attract new investment, took several policy measures. These include hiking the foreign direct investment limits in defence, Railways and Insurance, labour reforms, transparent and faster environment clearances, transparent auction-based natural resources allocation policy and rationalisation/ simplification of tax regime. The other important reform measures taken by the new Government such as deregulation of diesel and petrol prices, direct transfer of subsidies and initiatives for employment growth ("Make in India, Skill India and Digital India" campaigns) are the steps taken to create a framework for sustainable growth.

### GLOBAL STEEL DEMAND IN 2014

Global steel demand expanded by a mere 0.6% to 1.537 billion tonnes, primarily due to contraction of demand in emerging economies like China, Brazil, Russia and Turkey. Chinese demand fell by 3.3% in the year to 710.8 million tonnes, with the outlook for 2015 and 2016 showing signs of reducing further by 0-5% year-

on-year (yoy). Developed nations like USA, Germany, South Korea and Japan continued to show growth support during the year. The global steel demand for 2015 and 2016 is forecasted to grow by 0.5% and 1.6% respectively to a level of 1.544 and 1.565 billion tonnes.

### STEEL INDUSTRY IN INDIA

In 2014 India retained its position as the 4th largest steel producing country in the world, behind China, Japan and the USA. The crude steel production grew by 2.3% to 83.2 million tonnes, while steel demand grew by 2.2% to 75.3 million tonnes. The Indian GDP growth expanded to 7.2% in 2014 due to improving economic sentiments post the election of a new government. Consequently, steel demand grew at 2.2% in 2014-15 the year, though the domestic steel industry suffered due to the influx of cheap imported products, especially from China. This led to India becoming a net importer of steel in the year, a trend which had been successfully reversed in 2013. During the year, steel exports from India were at 5.3 million tonnes while imports registered at 7.8 million tonnes. Indian GDP is likely to grow at a rate higher than 7.5% in 2015, while steel demand is expected to grow by 6.2% in the year. The automobile sector is on the path to recovery and likely to grow from 3.8% in 2014 to 11.4% in 2015. Meanwhile, the construction sector is expected to grow by 6.9%, compared to a growth rate of 4.1% in 2014.

### OUTLOOK

The Indian economy is on a path of gradual recovery. The government has undertaken several steps to unplug the bottlenecks and to revive the business confidence. The Indian economy stands to benefit from the correction in global crude oil prices, will have positive impact on the macro economy in form of lower inflation, reduced current account deficit, healthier fiscal accounts, increased consumption and a stable INR.

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



## MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

### RISK OPPORTUNITIES AND THREATS

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

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

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Adhunik's performance in the last financial year is a reflection of the challenges faced by the industry in India and in certain other regions internationally. In FY2014-15, the consolidated revenues of the Company were ₹112471.10 Lacs, a decline of 57.52% over the previous year. Decline in revenue lead to the Company incurring operating loss of ₹13177.08 Lacs for the year. Management remained focused on cost optimisation and value enhancement during this period.

### FINANCIAL CONDITION

Your Company monitors its financial position regularly and deploys a robust cash management system. During the year under review, several factors led to the Company requesting its Lenders to restructure the loan liabilities of the Company through a package under Corporate Debt Restructuring Scheme. The CDR package was approved by the Empowered Group of CDR cell and was

implemented in the month of March, 2015. Reliefs provided under the scheme would certainly have a positive impact on financial viability of operations of the Company.

### RAW MATERIAL PRICES

#### IRON ORE

After declaring ban on illegal mining in 2011, the Supreme Court, in April, 2013, permitted re-opening of Category "A" and Category "B" mines. The Apex Court also issued directions for cancellation of leases of 51 Category "C" mines. The Supreme Court further ordered to auction of Category "C" mines to end-users and directed the State Government to prepare and submit a scheme for auction and submit the same for its approval. Following the directive from Supreme Court, the State Government has appointed CRISIL for developing the auction methodology of iron ore mines. Based on the report from CRISIL, State Government has submitted an Affidavit in the Supreme Court about the methodology of auction and is awaiting approval / order on the same. The State Governments has also entrusted work relating to getting details of reserves of 15 iron ore mines with Mineral Exploration Corporation Limited (MECL), who has submitted its report to State Government. At present, only 18 mines from Category 'A' including two mines of NMDC and 9 mines from Category 'B' are operational. Overall, in FY 2014-15, iron ore lumps and fines prices in across the country softened because of global price correction. Decrease in prices of lumpy iron ore depleted profitability of iron ore pellet plant operations across the country. Poor demand, logistics constraints, cumbersome legal compliance lead to closure of medium sized operating mines affecting even flow of raw materials.

#### COKING COAL & COKE

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

#### RAW MATERIALS MANAGEMENT

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

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



## MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

### MINING

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

### ENVIRONMENT

#### WATER & WASTEWATER MANAGEMENT SYSTEM

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

#### AIR POLLUTION CONTROL MEASURES:

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

#### CORPORATE SOCIAL RESPONSIBILITY

As a measure of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) has now allowed the service of documents to all Members through electronic mode. As a measure to support such initiative, the Company would endeavour

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

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

#### HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

In the ever changing business environment where people are key differentiator, Adhunik believes it is essential to have credible, transparent and uniform people management practices. Driven by this belief and to keep ourselves abreast of the changing external scenario, our People Management Practices get continually reviewed and renewed to make them more competitive and employee- friendly. We are proud to have a talent pool with varied qualification and a wide experience in the domains of engineering, management and finance. The rich experience of our Leadership Team combined with the exuberance of our young workforce makes our talent pool even more vibrant.

During the year under review, persistent "go slow" by certain section of employees led to the management declaring "lock out" at its manufacturing plant in Odisha.

#### CAUTION STATEMENT

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





## DIRECTORS' REPORT

To the Members of Adhunik Metaliks Limited

Your Directors are pleased to present the Fourteenth Annual Report and Audited Statement of Accounts for the yearended 30th June, 2015.

(₹ in Lacs)

Particulars	Standalone Results		Consolidated Results	
	2014-15	2013-14	2014-15	2013-14
Revenue from operations (gross)	64,737.09	1,78,133.80	1,21,054.45	2,71,104.62
Less: Excise duty	4,926.15	8,987.46	10,224.54	15,535.53
Revenue from operations (net)	59,810.94	1,69,146.34	1,10,829.91	2,55,569.09
Other income	1,215.73	6,700.58	1,641.19	9,168.65
Revenue from operations (including other income)	61,026.67	1,75,846.92	1,12,471.10	2,64,737.74
Profit before Interest and Depreciation	26,811.62	30,019.14	13,177.08	56,469.32
Less: Interest	24,946.07	21,182.40	45,289.28	37,644.67
Less: Depreciation	9,743.31	9,870.84	14,709.77	14,587.74
Add: Exceptional item	-	-	-	-
Profit/ Loss before Tax	(61,501.00)	(1,034.10)	73,176.13	4,236.91
Taxes	(20,640.74)	(1,064.96)	24,810.13	191.43
Profit/ Loss for the year	(40,860.26)	(30.86)	48,366.00	4,045.48
Net Profit/loss after tax but before minority interest	-	-	7.42	4.97
Profit/ Loss for the year	(40,860.26)	(30.86)	48,358.58	4,040.51

### OPERATIONAL REVIEW

During the year under review, total revenue on standalone basis, declined sharply from ₹175,846.92 Lacs in FY 2013 -2014 to ₹ 61,026.67 Lacs due to suspension of production and low capacity utilisation, driven by poor demand and raw material constraints. Higher raw material costs, increase in working capital cycles, higher holding cost of raw material and finished goods increased operating losses from ₹ 1034.10 Lacs to ₹ 61,501.00 Lacs. Earning Per Share (EPS – Basic & Diluted) stood at ₹ (-) 33.090 as compared to ₹ 0.02.

The Company's consolidated net sales decreased from ₹ 264,737.74 Lacs in FY 2013 -2014 to ₹ 112,471.10 Lacs and operating profit decreased from ₹ 4,236.91 Lacs during the previous year to ₹ (-) 73,176.13 Lacs during the current year.

During the year under review, financial and operational performance of the Company has been adversely affected due to various external factors, non availability of raw materials at viable prices due to mine closures, weak product prices due to over capacity and dumping of Steel mainly by China & Russia, Global Crash in Steel and commodity prices, high interest costs, logistics costs, infrastructure bottlenecks etc. for domestic Steel Companies. The overcapacity and excess production in China resulting in cheap imports in the country and adverse duty structure domestically have further impacted the special steel business. The ferroalloy business has been affected due to frequent stoppage in the supply

of chrome ore and concentrate due to closure of various chrome ore mines.

### FUTURE OUTLOOK

According to the Ministry of Steel, Government of India, the current per capita consumption of finished steel in the country is only around 52 kg against the world average of 203 kg and therefore, there is a huge growth potential in steel consumption in India.

Your Company is committed to its vision to emerge as an efficient producer of high quality value added products including Coke, Ferro Alloy and Special Steel. Going forward, the Company expects the revenues and margins from Metallurgical Coke, Ferro Alloy & Special Steel Businesses to remain challenging in the short term, but is positive on the outlook over the medium to long term.

The world economic growth remained modest at 3.4% in 2014. Mixed trends were noticed across the globe with Europe & US economies showing signs of recovery while large economies like China showed signs of stress and decline. Crude oil prices fell sharply putting the oil economies under massive stress thereby setting in a phase of declining consumption levels. China's softening infrastructure spends and bleak outlook on growth rates, created significant over capacity in steel and metals.

Indian economy sprang a surprise with growth at 7.3% as compared to 6.9% in the previous year, largely fuelled by low crude oil prices,



## DIRECTORS' REPORT (CONTINUED)

growth oriented reforms. With the formation of a new government, it is estimated that within a short span of time, the economy would be reenergised. Further, fluidity in the mining sector would be key to such revival. However, sluggish global steel demand, coupled with large surplus remains a serious threat in the form of surging imports. It calls for an immediate recourse to increase import tariffs as well as enforce trade remedial actions to stall the dumping of steel into India. This is essential to realise the government's 'Make-In-India' steel campaign. It is also necessary to enforce a strong set of technical regulations to ensure the supply of quality products to consumers and prevent the entry of substandard steel into India.

### DIVIDEND

In view of the losses for the year ended June 30, 2015 and accumulated losses, the Board of Directors of your Company is constrained not to recommend any dividend for the year under review.

### TRANSFER TO RESERVES

In view of losses incurred by the Company during the year, no amount has been transferred to the General Reserve for the financial year ended 30th June, 2015.

### CHANGE IN NATURE OF BUSINESS

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

### DEPOSITS

Your Company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under. The Company does not hold any deposits from the public, shareholders and employees as on 30th June, 2015.

### IMPLEMENTATION OF CORPORATE DEBT RESTRUCTURING

During the year under review, Corporate Debt Restructuring was undertaken by the Lenders of the Company to bring about financial viability. Principle reasons which led to financial un-viability are:

**Temporary Closure of Mines:-** Temporary closure of mines (iron ore and manganese ore) led to shortage of raw material and in turn has led to reduced capacity utilization of steel/pellet making facilities.

**Shortage of fuel:** Reduction in quantity of e-auction by Coal India Ltd has led to shortage of coal availability which in turn has aggravated the price rise. Cost of imported coal is higher than the auction price of coal sold by Coal India Ltd. This has also forced the Company to go for importing higher cost coal.

**Impact on Pellet Plant at Jharkhand:-** Due to sudden closure of iron ore mines in Odisha & Jharkhand, production at OMML's pellet plant was impacted. With the crash in commodity prices globally, iron ore lumps supplemented the market of iron ore pellets. Selling price of iron ore pellets fell below cost of production resulting in shrinking of bottom lines.

All the above affecting margins made it difficult for the Company to plan production and forced debt restructuring. Thus, The

Corporate Debt Restructuring Empowered Group approved debt restructuring on 20th March, 2015 and the same was implemented on 30th March, 2015.

### SCHEME OF AMALGAMATION

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

### SHARE CAPITAL

The Company's paid up equity share capital remained at ₹ 1,234,995,360 (Rupees One Hundred Twenty Three Crores Forty Nine Lacs Ninety Five Thousand Three Hundred Sixty only) comprising of 123499536 equity shares of ₹ 10 each. There was no change in the Company's share capital during the year under review.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, subsequent to year end, transferred a sum of ₹ 125,596 to Investor Education and Protection Fund, in compliance with the provisions of Section 124, 125 and other applicable provisions of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956).

The said amount represents dividend for the year 2006 - 07 which remained unclaimed for a period 7 years from its due date of payment.

### SUBSIDIARY

Your company's wholly owned subsidiary namely, Orissa Manganese & Minerals Limited (OMML) operates Ghatkuri Iron ore mines in the state of Jharkhand and Patmunda and Orahuri Manganese Mines in the state of Odisha. OMML operates a iron ore pellet plant at Kandra, Jharkhand and an another wholly owned subsidiary, Global Commodity and Resources Limited based at Hongkong SAR, which was set up to boost the trading activity of the company. During the year under review there was no major activity of the subsidiary.

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

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





## DIRECTORS' REPORT (CONTINUED)

subsidiaries are also available on the website of the Company.

### EXTENSION OF DATE FOR HOLDING ANNUAL GENERAL MEETING OF THE COMPANY

In accordance with provisions of Section 96 read with Section 129 of the Companies Act, 2013, the Annual General Meeting (AGM) of the Company for the financial year ended 30th June 2015, was due to be held on or before 31st December 2015. Since the company is in the process of Amalgamation, it had approached the Registrar of Companies, Orissa to extend time by three months for holding the Annual General Meeting i. e. upto 31st March, 2016. Necessary approval was granted by the Registrar of Companies, Orissa vide their letter dated 24th December, 2015.

### BOARD MEETINGS

The Board met 5 times during the year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

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

### DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms with the Articles of Association of the Company, Mr. Jugal Kishore Agarwal (DIN - 00227460) who retires by rotation and being eligible offers himself for re-appointment. The Board has recommended his re-appointment.

The Company has received declarations from Mr. Nihar Ranjan Hota (DIN 01173440), Mr. Amerendra Prasad Verma (DIN 00236108), Mr. Nandanandan Mishra (DIN 00031342), Mr. Gopal Dikshit (DIN 00090579), Mr. Raghaw Sharan Pandey (DIN 02306586) and Mr. Ramgopal Agarwala (DIN 02054856), Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

Mr. Mahesh Kumar Agarwal (DIN :- 00507690), Director of the company resigned from Directorship of the company on 23rd October, 2015 due to his other business engagements. He was appointed as Additional Director on 12th February, 2016 on the Board of Directors of the Company.

Mr. Manoj Kumar Agarwal (DIN :- 00227871), Managing Director has expressed his desire on 7th September, 2015 to resign from the Board due to health issues. The Board has accordingly accepted his request and he was relieved from the services of the Company from the close of business hours on Saturday, 14th November, 2015.

Mr. Nirmal Kumar Agarwal (DIN: 00605669) has been appointed as the Managing Director of the Company w.e.f 14th November, 2015 for a period of 5 years w.e.f 14th November, 2015. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting.

Brief resume of the above Directors, nature of their expertise in their specific functional areas, details of directorships in other companies and the chairmanship / membership of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Notice for the ensuing Annual General Meeting.

### KEY MANAGERIAL PERSONNEL

The Board appointed Mr. Sanjay Dey as the Company Secretary and Compliance Officer of the company w.e.f 12th February, 2015.

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

Mr. Nirmal Agarwal, Director of the Company, has been appointed as Managing Director of the Company with effect from 14th November, 2015. His employment terms needs approval of the Shareholders of the Company at the ensuing Annual General Meeting. Board of Directors recommends and has approved his terms of employment.

### FINANCIAL YEAR

The financial year of the Company is from 1st July, 2014 to 30th June, 2015. As per requirements of Companies Act, 2013, the next financial year of the company shall be for a period of 9 months concluding on 31st March, 2016.

### DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance



## DIRECTORS' REPORT (CONTINUED)

with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively;
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### BOARD EVALUATION

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

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

### AUDIT COMMITTEE

The Audit committee comprises of 5 (five) members of which 4 (four) members are independent including Chairman Mr. Nandanandan Mishra is the Chairman of the Audit Committee. The members of the Committee possess adequate knowledge of Accounts, Audit and Finance. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and of Clause 49 of the Listing Agreement and is detailed in the Corporate Governance Report forming part of this Annual Report. All recommendations made by the Audit committee were accepted by the Board during FY 2014-15. During the year under review, Audit Committee was reconstituted owing to vacancy created due to resignation of Shri Manoj Kumar Agarwal on 14th November, 2015.

### DISCLOSURE REGARDING RECEIPT OF COMMISSION BY DIRECTOR

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

### AUDITORS & AUDITOR'S REPORT

M/s. Das & Prasad, Chartered Accountants, having registration number FRN 303054E allotted by The Institute of Chartered Accountants of India (ICAI) retires as Auditor of your Company at the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. Pursuant to section 139 of the Companies Act, 2013 and rules framed thereunder, it is proposed to appoint M/s. Das & Prasad, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the 15th AGM to be held for F.Y. 2015-16.

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

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

### INTERNAL AUDITORS

In terms of the provisions of Section 138 of the Act, M/s More Aditya & Associates, Independent Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2014-15. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, interalia, reviews the Internal Audit Report.

### COST AUDITORS

In respect of financial year ended 30th June, 2015, your Company has re-appointed M/s. Saroj K Babu & Co., Cost Accountants, as Cost Auditor of the Company w.e.f 1st July, 2014 to 30th June, 2015 to carry out audit of cost records of the Company in compliance with the requirements of section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. Pramod Kumar Pal, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended 30th June, 2015. The Secretarial Audit Report is annexed (Annexure - C) herewith and forms part of this report.

### CONSOLIDATED FINANCIAL STATEMENT

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



## DIRECTORS' REPORT (CONTINUED)

### CORPORATE GOVERNANCE

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

### DIRECTORS' APPOINTMENT & REMUNERATION POLICY

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

### MANAGEMENT DISCUSSION & ANALYSIS

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

### EXTRACT OF ANNUAL RETURN

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

### EMPLOYEE STOCK OPTION SCHEME (ESOP)

The Company has in place Adhunik Employee Stock Option Plan ('ESOP 2012') for employees of the Company as well as employees of the subsidiaries which continue with the Company's philosophy of encouraging the employees to be partners in the growth of the organization. ESOP Scheme is administered by the Remuneration Committee of the Board of Directors of the Company.

During the year under review, 764,332 Stock Options have vested with the employees of the Company and its subsidiaries and 620,694 Stock Options have been forfeited till 30th June 2015. As on 30th June 2015, none of the Options have been exercised.

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

### RISK MANAGEMENT

The volatility in the global economy and the increasingly complex interplay of factors influencing the business makes Risk Management an inevitable exercise and to cater to the same, your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a robust

policy along with well-defined and dynamic structure and proactive approach to assess, monitor and mitigate risks associated with the business. The risk management framework is aimed at effectively mitigating business risks and operational risks through effective strategic implementation. The Company believes that the risks faced by the Company are within its risk capacity.

### INTERNAL CONTROL SYSTEM

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

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

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

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Deploying of an SAP system which covers most of its operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors, comprising Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards and so on.
- Forming a comprehensive Information Security Policy and continuous up-gradation of IT Systems.

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

### CREDIT RATING

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

### RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2014-15 were



## DIRECTORS' REPORT (CONTINUED)

on arm's length basis and also in the ordinary course of business and provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no materially significant related party transactions during the year under review made by the company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions was placed before the Audit Committee for its approval on a quarterly basis. The statement was supported by a Certificate duly signed by the Managing Director and the Head (Finance & Accounts). The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link [www.adhunikgroup.com](http://www.adhunikgroup.com).

None of the Directors or KMP has any pecuniary relationships or transactions vis-à-vis the Company during FY 2014-15.

### SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS / COURTS ETC.

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

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

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

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

### PARTICULARS OF EMPLOYEES

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

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

### VIGIL MECHANISM

The Company has adopted Vigil Mechanism policy that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Board and make protective disclosures about

the unethical behaviour, actual or suspected fraud. The Vigil Mechanism comprises of whistle blower policy for directors, employees and vendors.

### CORPORATE SOCIAL RESPONSIBILITY POLICY

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

During the year, the CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, are detailed in the Annual Report.

Since your Company's last three financial years average net profit was negative, the requirement of spending 2% for CSR initiative was not needed for 2014-15. But as a responsible corporate, your Company has already initiated various CSR activities in the surrounding villages of its plant at Chadri Hariharpur, Odisha. However, no separate reporting is made in this regard.

### NOMINATION AND REMUNERATION POLICY

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

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has not received any complaint of sexual harassment during the financial year 2014-15.

### APPRECIATION

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

For and on behalf of the Board

Place: Kolkata  
Date: 12.02.2016

Ghanshyam Das Agarwal  
Chairman





## ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

## Annexure "A" to the Directors' Report

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

## A. CONSERVATION OF ENERGY

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

1. Using of Waste bag filter Dust in ABC to increase the steam generation in WHRB.- Job Completed in K#2(Trail Basis)
2. Maximum utilisation of High Grade South African Coal in DRI kilns with high FC and low fines. This has helped in reducing the specific consumption of Coal as well as cost of production. Reduced specific coal Consumption from 1.2 ton to 0.8 ton
3. Ignition furnace and sinter machine Flue gas analysis for O<sub>2</sub> % detection. This is saving the coke consumption in sinter. The coke consumption is being saved in tune of 10 Kgs/mt from existing 85 Kgs to 75 Kgs/Mt.
4. Screening of all IBRM having higher percentage of +10 mm particles. This reduces return sinter & increase the sinterability of the burden reducing coke consumption
5. Installation of Moisture analyser in PMD/SMD of sinter plant. Analyses the optimum moisture in burden which saves the coke consumption during sintering process.
6. EAF is being run in BOF mode in which the Electrical energy replaced with low energy cost of O<sub>2</sub>

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

Use of char in CPP- Modification in Captive power plant to use maximum % return char from DRI plant (Inhouse generated) and purchased char. This has reduced the coal consumption per GCV in power plant.

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

(iii) the capital investment on energy conservation equipment's- Rs. 68 lacs

## B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption;

Higher intensity magnetic separator for the not magnetic separation in CHP plant

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

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

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

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Total foreign exchange used and earned	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
- Foreign exchange earnings	4,439.44	15,272.74
- Foreign exchange outgo	1,295.98	2,405.65

## Annexure 'B' to Director's Report

Statement as at June 30, 2015, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended:

Sl.No.	Particulars	Employee Stock Option Scheme 2012
a.	Total number of Options granted	Options granted during : Financial Year 2014-15 - NIL Financial Year 2013-14 - NIL Financial Year 2012-13 -3,708,643





## ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

b.	The pricing formula	The options are granted at an exercise price equal to prevailing market price per equity shares on the National Stock Exchange, being the Stock Exchange with highest trading volume prior to the date of the meeting of the Compensation Committee in which options have been granted.												
c.	Options vested (as on 30 June 2015)	808,262												
d.	Options exercised during the year	NIL												
e.	The total number of Equity Shares arising as a result of exercise of option	NIL												
f.	Options lapsed/forfeited during the year	931,375												
g.	Variation of terms of options	Not Applicable												
h.	Money realised by exercise of options during the year (in ₹)	NIL												
i.	Total number of options in force	2,156,574												
j.	Employee wise details of options granted													
	I. Key Managerial Personnel during the year;	Nil												
	II. any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year;	Nil												
	III. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil												
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Nil												
l.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The employee compensation cost has been computed based on fair value of the option on the grant date using the Black Scholes formula.												
m.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	<p>Weighted average exercise price of Options whose:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Exercise price equals market price</td> <td style="text-align: right;">₹ 30.15</td> </tr> <tr> <td>Exercise price is greater than market price</td> <td style="text-align: right;">N.A.</td> </tr> <tr> <td>Exercise price is less than market price</td> <td style="text-align: right;">N.A.</td> </tr> </table> <p>Weighted average fair value of Options whose:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Exercise price equals market price</td> <td style="text-align: right;">₹ 9.54</td> </tr> <tr> <td>Exercise price is greater than market price</td> <td style="text-align: right;">N.A.</td> </tr> <tr> <td>Exercise price is less than market price</td> <td style="text-align: right;">N.A.</td> </tr> </table>	Exercise price equals market price	₹ 30.15	Exercise price is greater than market price	N.A.	Exercise price is less than market price	N.A.	Exercise price equals market price	₹ 9.54	Exercise price is greater than market price	N.A.	Exercise price is less than market price	N.A.
Exercise price equals market price	₹ 30.15													
Exercise price is greater than market price	N.A.													
Exercise price is less than market price	N.A.													
Exercise price equals market price	₹ 9.54													
Exercise price is greater than market price	N.A.													
Exercise price is less than market price	N.A.													
n.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Fair Value of Options has been calculated by using Black Schole's Method with the following underlying assumptions:												



ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

o.	risk-free interest rate,	The interest rate applicable for a maturity equal to the expected life of the option based on the zero- coupon yield curve for Government Securities which as on the grant date was approx. 8.21%.
p.	expected life,	The expected life is equal to vesting period plus half of the exercise period of the ESOPs issued which is approx. 3.66 years.
q.	expected volatility,	The expected volatility has been equal to the volatility in the stock price of the Company prior to the grant date which is approx. 39.29%.
r.	expected dividends, and	The estimated dividends of the Company over the estimated life of the option taking into account the company's past dividend policy as well as the mean dividend yield of an appropriate comparable peer group which is approx. 3.08%.
s.	the price of the underlying share in market at the time of option grant	The market price is the latest closing price, prior to the meeting of the Compensation Committee, in which options are granted, on the stock exchange on which the shares of the company are listed. Since the shares of the Company are listed in more than one stock exchange, the stock exchange where there is highest trading volume on the said date has been considered which is approximately ₹ 30.15/-.

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

ANNEXURE C

FORM No MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 30th June, 2015 complied with the statutory provisions listed hereunder and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 30th June, 2015 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India- (not notified during the period under audit)
- ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE)

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

- A) No Woman Director has been appointed by the company on the Board as required under applicable provisions of Companies Act, 2013 and SEBI Act, However, the company has appointed a Women Director on the Board on 28th August, 2015 in the capacity of nominee Director.
- B) No Chief Financial Officer has been appointed by the company as required under applicable provisions of Companies Act, 2013 and SEBI Act;
- C) The Annual General Meeting for the FY 2013-14 has been delayed by 15 days from the due date as mentioned under applicable provisions of Companies Act, 2013;

I further report that

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

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

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

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

I further report that during the Audit period the company

- a) Has obtained prior approval from its member under section 180(1)(a) of the Companies Act, 2013 upto a limit of Rs. 5500.00 crores (Rupees Five Thousand Five Hundred Crores Only)
- b) Has obtained prior approval from its member under section 180(1)(c) of the Companies Act, 2013 upto a limit of Rs. 5500.00 crores (Rupees Five Thousand Five Hundred Crores Only)

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

Place: Kolkata  
Date: 12.02.2016

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



ANNEXURE TO THE DIRECTORS' REPORT (CONTINUED)

'Annexure A'  
(To the Secretarial Audit report of M/s. Adhunik Metaliks Limited  
For the financial year ended 30th June, 2015)

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

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

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

Place: Kolkata  
Date: 12.02.2016

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



## 'Annexure D'

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 30.06.2015

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

## I. REGISTRATION &amp; OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Orissa Manganese & Minerals Limited	U13201OR1953PLC017027	Subsidiary	1.00	2(87)(ii)
2	Adhunik Power & Natural Resources Ltd.	U40101WB2005PLC102935	Associate (indirectly)	0.82	2(6)





IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-Jul-2015]				No. of Shares held at the end of the year [As on 30-Jun-2015]				% Change during the year
	Demat	Physical Shares	Total	% of Total	Demat	Physical Shares	Total	% of Total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	11103634		11103634	8.99	11103634		11103634	8.99	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	68809537		68809537	55.72	68809537		68809537	55.72	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	79,913,171		79,913,171	64.71	79,913,171		79,913,171	64.71	-
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>79,913,171</b>		<b>79,913,171</b>	<b>64.71</b>	<b>79,913,171</b>		<b>79,913,171</b>	<b>64.71</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2000000		2000000	1.62	-	-	-	-	-1.62
b) Banks / FI	4663781		4663781	3.78	4642366		4642366	3.76	-0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	6243439		6243439	5.06	5949413		5949413	4.82	-0.24
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	12,907,220		12,907,220	10.45	10,591,779		10,591,779	8.58	-1.88
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	13460565		13,460,565	10.90	13520261		13,520,261	10.94	0.04
ii) Overseas	1000		1000	0.00	1000		1000	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6,793,815	24,049	6,817,864	5.52	8,092,841	24,049	8,116,890	6.57	1.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,591,737	35,000	4,626,737	3.75	5,607,214	35,000	5,642,214	4.57	0.82



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-Jul-2015]				No. of Shares held at the end of the year [As on 30-Jun-2015]				% Change during the year
	Demat	Physical Shares	Total	% of Total	Demat	Physical Shares	Total	% of Total	
c) Others (specify)									
Non Resident Indians	256,500	-	256,500	0.21	308,236	-	308,236	0.25	0.04
Clearing Members	53,299	-	53,299	0.04	30,805	-	30,805	0.02	-0.02
Foreign Bodies - D R	5,463,180	-	5,463,180	4.42	5,375,180	-	5,375,180	4.35	-0.07
Sub-total (B)(2)	30,620,096	59,049	30,679,145	24.84	32,935,537	59,049	32,994,586	26.72	1.88
Total Public (B)	43,527,316	59,049	43,586,365	35.29	43,527,316	59,049	43,586,365	35.29	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	123,440,487	59,049	123,499,536	100.00	123,440,487	59,049	123,499,536	100.00	0.00

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	JUGAL KISHORE AGARWAL	1252032	1.01	-	1252032	1.01	0.00	0.00
2	GHANSHYAM DAS AGARWAL	1085536	0.88	-	1085536	0.88	0.00	0.00
3	NIRMAL KUMAR AGARWAL	1540825	1.25	-	1540825	1.25	0.00	0.00
4	MOHAN LAL AGARWAL	1453763	1.18	-	1453763	1.18	0.00	0.00
5	MAHESH KUMAR AGARWAL	1213846	0.98	-	1213846	0.98	0.00	0.00
6	MANOJ KUMAR AGARWAL	1297256	1.05	-	1297256	1.05	0.00	0.00
7	NAVEEN KUMAR AGARWAL	85606	0.07	-	85606	0.07	0.00	0.00
8	SACHIN KUMAR AGARWAL	85606	0.07	-	85606	0.07	0.00	0.00
9	PERMILA AGARWAL	173463	0.14	-	173463	0.14	0.00	0.00
10	MEENA AGARWAL	740000	0.60	-	740000	0.60	0.00	0.00
11	ANITA AGARWAL	312680	0.25	-	312680	0.25	0.00	0.00
12	RITA AGARWAL	399242	0.32	-	399242	0.32	0.00	0.00
13	CHANDRAKANTA AGARWAL	686212	0.56	-	686212	0.56	0.00	0.00
14	SONIKA AGARWAL	516767	0.42	-	516767	0.42	0.00	0.00
15	EKTA AGARWAL	190000	0.15	-	190000	0.15	0.00	0.00
16	SMITA AGARWAL	70800	0.06	-	70800	0.06	0.00	0.00
17	SUNGROWTH SHARE & STOCKS LIMITED	29813102	24.14	16.07	29813102	24.14	0.00	0.00
18	MAHANANDA SUPPLIERS LIMITED	29993485	24.29	1.62	29993485	24.29	0.00	0.00
19	ADHUNIK INDUSTRIES LIMITED	40000	0.03	-	40000	0.03	0.00	0.00
20	ADHUNIK MEGHALAYA STEELS PVT. LTD.	1600000	1.30	-	1600000	1.30	0.00	0.00
21	ADHUNIK STEELS LIMITED	6103492	4.94	-	6103492	4.94	0.00	0.00
22	FUTURISTIC STEEL LIMITED	1259458	1.02	-	1259458	1.02	0.00	0.00



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

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

## (iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Clearwater Capital Partners Cyprus Ltd.	5463180	4.42	5375180	4.35
2	Linkstar Marketing Private Limited	4645817	3.76	5983464	4.84
3	Clearwater Capital Partners Singapore Fund III Private Limited	3773658	3.06	3773658	3.06
4	Aadi Financial Advisors LLP	3207047	2.60	3207047	2.60
5	LIC of India Profit Plus Growth Fund	2439711	1.98	2439711	1.98
6	SBI Magnum Comma Fund	2000000	1.62	0	0.00
7	Karuna Impex Enterprises Limited	1545015	1.25	0	0.00
8	LIC of India Market Plus Growth Fund	1364038	1.10	1364038	1.10
9	Lata Bhansali	1170000	0.95	0	0.00
10	Landmark Capital Markets Ltd.	1000000	0.81	0	0.00
11	Vallabh Roopchand Bhanshali	0	0.00	1170000	0.95
12	Acacia Institutional Partners, LP	719800	0.58	719800	0.58
13	Acacia Partners, LP	627455	0.51	627455	0.51
14	Aakash Bhanshali	0	0.00	610000	0.49

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each directors and each key managerial personnel	No. of shares held at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	JUGAL KISHORE AGARWAL				
	At the beginning of the year	1252032	1.01		
	Changes during the year	No changes during the year			
	At the end of the year			1252032	1.01
2	GHANSHYAM DAS AGARWAL				
	At the beginning of the year	1085536	0.88		
	Changes during the year	No changes during the year			
	At the end of the year			1085536	0.88
3	NIRMAL KUMAR AGARWAL				
	At the beginning of the year	1540825	1.25		
	Changes during the year	No changes during the year			
	At the end of the year			1540825	1.25
4	MOHAN LAL AGARWAL				
	At the beginning of the year	1453763	1.18		
	Changes during the year	No changes during the year			
	At the end of the year			1453763	1.18



5	MAHESH KUMAR AGARWAL			
	At the beginning of the year	1213846	0.98	
	Changes during the year		No changes during the year	
	At the end of the year		1213846	0.98
6	MANOJ KUMAR AGARWAL			
	At the beginning of the year	1297256	1.05	
	Changes during the year		No changes during the year	
	At the end of the year		1297256	1.05
7	NIHAR RANJAN HOTA			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00
8	NANDANANDAN MISHRA			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00
9	RAMGOPAL AGARWALA			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00
10	RAGHAW SHARAN PANDEY			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00
11	GOPAL DIKSHIT			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00
12	AMRENDRA PRASAD VERMA			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00
13	SANJAY DEY - Company Secretary			
	At the beginning of the year	0	0.00	
	Changes during the year		No changes during the year	
	At the end of the year		0	0.00



## V. INDEBTEDNESS

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

(` in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	88,676.53	-	-	88,676.53
ii) Interest due but not paid	1,812.86	-	-	1,812.86
iii) Interest accrued but not due				
Total (i+ii+iii)	90,489.39	-	-	90,489.39
Change in Indebtedness during the financial year				
* Addition	96,264.13	777	-	97,041
* Reduction	28,757.03	-	-	28,757
Net Change	67,507.10	777	-	68,284
Indebtedness at the end of the financial year				
i) Principal Amount	157,819.43	777	-	158,596.43
ii) Interest due but not paid	177.06	-	-	177.06
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	157,996.49	777	-	158,773.49

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
	Name:	Mr. Manoj Kumar Agarwal	
	Designation:	Managing Director	
1	Gross Salary	12000000	12000000
	(a) Salary as per provisions of contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	12000000	12000000





## (B) Remuneration to other Directors

S.No.	Particulars of Remuneration	Name of Directors					
1	Independent Directors	Mr. Nihar Ranjan Hota	Mr. Nandanandan Mishra	Dr. Ramgopal Agarwala	Mr. Raghav Sharan Pandey	Mr. Gopal Dikshit	Mr. Amrendra Prasad Verma
	Fee for attending board/ committee meetings	120,000	140,000	140,000	120,000	100,000	80,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
2	Other Non-Executive Directors	Mr. Jugal Kishore Agarwal	Mr. Ghanshyam Das Agarwal	Mr. Nirmal Kumar Agarwal	Mr. Mohan Lal Agarwal	Mr. Mahesh Kumar Agarwal	
	Fee for attending board/ committee meetings	100,000	80,000	100,000	80,000	80,000	
	Commission	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	

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

Name:

Designation:

1	Gross Salary	
(a)	Salary as per provisions of contained in section 17(1) of the Income-tax Act, 1961	Nil
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	Nil
(c)	Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	
	- as % of profit	
	- others, specify	
5	Others, please specify	Nil
	Total (A)	Nil

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



## ANNEXURE E

## STATEMENT PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT &amp; REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE FINANCIAL ENDED 30TH JUNE, 2015

Sl. No.	Name	Designation	Remuneration Received (Amount in Rupees)	Nature of Employment & other terms	Nature of Duties	Qualification & Experience (yrs)	Date of Employment	Age	Last Employment & Designation	% of Equity Shares
1	Manoj Agarwal	Managing Director	12000000	Regular	Managerial	BE(Engg.) - 22 years	16.03.2004	45	Nil	1.05
2	Sanjay Pratap	ED - Mines & Govt. Affairs	9000000	Regular	Managerial	BA, LLB	01.11.2009	49	Bhusan Steel & Strips Limited	Nil
3	Sanjeev Kumar *	Group CIO & President - Business	7533337	Regular	Managerial	Master in Computer Management, B.Tech. 29 years	24.05.2010	53	Polygenta Technologies Ltd. - CIO & Team Leader	Nil
4	Sanjay Dey *	Group Head - Company Secretary & Overseas Finance	2688211	Regular	Managerial	B.Com., ACS - 16 years	12.02.2015	42	Jindal Steel & Power (Mauritius) Limited - Business Head	NIL
5	Sudipto Sadhan Paul *	Chief Technical Officer -	4561101	Regular	Managerial	B.E, PGDBM -18 years	02.02.2004	41	Greaves Cotton - Sales	NIL

\* Employed for the part of the Accounting period and hence not comparable

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 &amp; RULE 5 OF THE COMPANIES (APPOINTMENT &amp; REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE FINANCIAL ENDED 30TH JUNE, 2015

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sl. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for the financial year 2014-2015 (Rs. In Crores)	Percentage Increase in Remuneration for the Financial Year 2014-15	Ratio of Remuneration of each Director/KMP to median remuneration of employees	Comparison of Remuneration of the employee with company performance
1	Manoj Agarwal, Managing Director	1.2	Nil		The Company incurred loss during the year
2	Sanjay Dey, Company Secretary & Sr. V.P. - Overseas Finance	0.26	Nil		



## REPORT ON CORPORATE GOVERNANCE

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

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

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

### Board Composition as on 30th June, 2015

Sl. No	Name of Director	DIN	Category of Director	No. or outside Directorship(s) held		Outside Committee Position held	
				Public	Private	Membership	Chairmanship
1	Mr. Jugal Kishore Agarwal	00227460	Non- Executive	9	5	2	0
2	Mr. Ghanshyam Das Agarwal	00507800	Non- Executive	8	3	4	0
3	Mr. Nirmal Kumar Agarwal	00605669	Non- Executive	9	3	2	0
4	Mr. Mohan Lal Agarwal	01047906	Non- Executive	9	1	4	0
5	Mr. Mahesh Kumar Agarwal	00507690	Non- Executive	9	2	2	0
6	Mr. Manoj Kumar Agarwal (Managing Director)	00227871	Executive Director (Managing Director)	8	2	2	0
7	Mr. Nihar Ranjan Hota	01173440	Independent & Non-Executive	0	0	0	0
8	Dr. Ramgopal Agarwala	02054856	Independent & Non-Executive	2	0	2	0
9	Mr. Nandanandan Mishra	00031342	Independent & Non-Executive	5	0	7	4
10	Mr. Amrendra Prasad Verma	00236108	Independent & Non-Executive	4	0	1	0
11	Mr. Raghaw Sharan Pandey	02306586	Independent & Non-Executive	0	1	0	0
12	Mr. Gopal Dikshit	00090579	Independent & Non-Executive	1	0	1	0

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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



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

#### BOARD MEETINGS

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

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

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

#### Details of the Board Meeting and Attendance

Date of the Board Meeting	City	No. of Directors Present
29th August, 2014 (Note 1)	Kolkata	12
20th November, 2014	Kolkata	10
12th February, 2015	Kolkata	11
27th March, 2015	Kolkata	09
14th May, 2015 (Note 2)	Kolkata	12

Note 1:- Adjourned to 30.08.2014

Note 2- Adjourned to 15.05.2015

#### Details of remuneration paid to Board of Directors

##### A. Non Executive Directors

Name of the Director	Sitting Fees	Total Payment paid/ payable in F.Y 2014-15	No. of Board Meetings		Attended Last AGM
			Held	Attended	
Mr. Jugal Kishore Agarwal	100000	100000	5	5	Yes
Mr. Ghanshyam Das Agarwal	80000	80000	5	4	No
Mr. Nirmal Kumar Agarwal	100000	100000	5	5	Yes
Mr. Mohan Lal Agarwal	80000	80000	5	4	No
Mr. Mahesh Kumar Agarwal	80000	80000	5	4	No
Mr. Nihar Ranjan Hota	120000	120000	5	4	No
Dr. Ramgopal Agarwala	140000	140000	5	5	No
Mr. Nandanandan Mishra	140000	140000	5	5	Yes



## Details of remuneration paid to Board of Directors

## A. Non Executive Directors

Name of the Director	Sitting Fees	Total Payment paid/ payable in F.Y 2014-15	No. of Board Meetings		Attended Last AGM
			Held	Attended	
Mr. Amrendra Prasad Verma	80000	80000	5	4	No
Mr. Raghav Sharan Pandey	120000	120000	5	4	No
Mr. Gopal Dikshit	100000	100000	5	5	No

Note:

1. During 2014 - 15, sitting fees were paid @ Rs. 20,000 per Board Meeting and Rs. 10,000 per Committee Meeting, i.e. Audit and Nomination and Remuneration Committees.
2. Annual General Meeting was held on 15th April, 2015.
3. No stock options have been granted during the year to any of the Directors.

## B. Executive Directors

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Business relationship with the Company, if any			
			All elements of remuneration package, i.e. salary, benefits, bonuses etc. (Rs.)	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Manoj Kumar Agarwal	See note (a)	Promoter	1,20,00,000	0	0	0
Mr. Nirmal Kumar Agarwal	See note (c)	Promoter	Appointment to be approved at the ensuing Annual General Meeting of the Company			

- (a) Mr. Manoj Kumar Agarwal and Mr. Nirmal Kumar Agarwal are brothers of Mr. Jugal Kishore Agarwal, Mr. Ghanshyam Das Agarwal, Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal, Directors of the Company.
- (b) Mr. Manoj Kumar Agarwal (DIN :- 00227871), Managing Director has expressed his desire on 7th September, 2015 to resign from the Board due to his health issues. The Board has accordingly accepted his request and he was relieved from the services of the Company from the close of business hours on Saturday, 14th November, 2015.
- (c) Mr. Nirmal Kumar Agarwal (DIN :- 00605669) has been appointed as the Managing Director of the Company w.e.f 14th November, 2015 for a period of 3 years .w.e.f 14th November, 2015. The appointment and remuneration payable to him require the approval of the Members at the ensuing Annual General Meeting.
- (d) During the financial year 2014-15, 5 meetings of the Board of Directors were held. Mr. Manoj Kumar Agarwal was present in all the 5 Board Meetings.

## 3. COMMITTEES OF THE BOARD

The Board has constituted five committees as follows:

## a. AUDIT COMMITTEE

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

The broad terms of reference of the Audit Committee are:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with the management the internal control systems, internal audit functions, observations of the auditors, periodical financial statements before submission to the Board.





3. Recommendation of matters relating to financial management and audit reports.
4. The Committee is authorised to investigate into matters contained in the terms of reference or referred / delegated to it by the Board and for this purpose, has full access to information / records of the Company including seeking external professional support, if necessary.

During the Financial year ended 30th June, 2015, the Audit Committee ('the committee') comprised of the following members:

Chairman : Shri Nandanandan Mishra, Independent Director

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

Secretary : Shri Sanjay Dey acted as the Secretary for meetings w.e.f 12.02.2015

#### AUDIT COMMITTEE MEETINGS

The Committee met 4 (four) times during the period under review on 29th August, 2014 (this meeting Adjourned to 30th August, 2014), November 29, 2014, February 12, 2015 and May 14, 2015 (meeting adjourned to May 15, 2015). The maximum time gap between any two consecutive meetings was not more than four months.

Attendance record of Audit Committee members for F.Y ended 30th June, 2015

Name of Directors	Shri Nandanandan Mishra	Shri Nihar Ranjan Hota	Dr. Ramgopal Agarwala	Shri Raghaw Sharan Pandey	Shri Manoj Kumar Agarwal
No. of Meetings held	4	4	4	4	4
Attendance at Meetings	4	4	4	4	4

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

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

The Audit Committee during their 4 (four) meetings reviewed with the Management and the Auditors (both external and internal) all issues which are required to be reviewed by the Audit Committee pursuant to the Listing Agreement with the Stock Exchanges as also the Companies Act, 2013. The Audit Committee has also reviewed the observations of the Internal and Statutory Auditors in relation to all areas of operations of the Company as also the internal control systems. The Audit Committee has also reviewed the actions taken by the Company on various observations and queries of the Auditors

#### b. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

Secretary : Shri Sanjay Dey acted as the Secretary for meetings w.e.f 12.02.2015.

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

During the Financial year ended 30th June, 2015, no meetings were held

Attendance record of Nomination and Remuneration Committee members

Name of Directors	Shri Nandanandan Mishra	Shri Nihar Ranjan Hota	Dr. Ramgopal Agarwala
No. of meetings held	0	0	0
Attendance at Meetings	0	0	0

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

During the Financial year ended 30th June, 2015, the Stakeholder's Relationship Committee ('the committee') comprised of three Nonexecutive Directors including one Independent Director. They are:

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

Secretary : Shri Sanjay Dey acted as the Secretary for meetings w.e.f 12.02.2015.

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

The Committee met times during the period under review on

**Attendance record of Stakeholders' Relationship Committee**

Name of Directors	Shri Nandanandan Mishra	Shri Nihar Ranjan Hota	Dr. Ramgopal Agarwala
No. of meetings held	2	2	2
Attendance at Meetings	2	2	2

**Details of queries and grievances received and disposed of during F.Y. 2014-15 (As per R & TA records)**

Type of Grievances	Grievances Received	Grievances disposed off
Non-receipt of refund	1	1
Non-receipt of dividend	1	1
Non-receipt of electronic credit	0	0
Duplicate refund order	0	0
Non- receipt of Annual Report	2	2
SEBI/Stock Exchange complaints	0	0
Duplicate dividend warrant*	15	15
Total	19	19

\* Includes duplicate/revalidation/correction of dividend warrant

No complaints were pending as on June 30, 2015.

**d. MANAGEMENT & FINANCE COMMITTEE**

Your Company has a Management & Finance Committee with powers to approve strategies, plans, policies and actions related to corporate finance. The committee comprises of the following Directors as on 30th June, 2015 :-

Shri Jugal Kishore Agarwal, Director

Shri Ghanshyam Das Agarwal, Director

Shri Nirmal Kumar Agarwal, Director

Shri Manoj Kumar Agarwal, Managing Director

The Committee met thirteen (13) times during the period under review on 26th July, 2014, 7th August, 2014, 11th October, 2014, 22th October, 2014, 14th November, 2014, 31st December, 2014, 13th February, 2015, 19th February, 2015, 4th April, 2015, 24th April, 2015, 20th May, 2015, 10th June, 2015 and 23rd June, 2015.

**Attendance record of Management & Finance Committee**

Name of Directors	Shri Jugal Kishore Agarwal, Director	Shri Ghanshyam Das Agarwal, Director	Shri Nirmal Kumar Agarwal, Director	Shri Manoj Kumar Agarwal, Managing Director
Attendance at Meetings	13	13	13	13



#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The Committee comprises of the following Directors as on 30th June, 2015:

Mr. Ramgopal Agarwala - Independent Non-Executive Director

Mr. Ghanshyamdas Agarwal - Non Independent - Non Executive Director

Mr. Manoj Kumar Agarwal - Non Independent - Executive Director

The CSR policy is available on the website of the Company [www.adhunikgroup.com](http://www.adhunikgroup.com) and also forms part of the Board Report. During the financial year 2014-15, no meeting of the Committee was held. The CSR initiatives undertaken by the Company, although not mandatory under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, are detailed in the Annual Report.

#### CODE OF CONDUCT

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

#### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

#### VIGIL MECHANISM

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

#### SUBSIDIARY MONITORING FRAMEWORK

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

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

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

#### IV. RELATED PARTY TRANSACTIONS

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

#### V. DISCLOSURES

##### Related Party transactions

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

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

##### Disclosure of Accounting Treatment

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

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

There has been no instance of any non-compliance.

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

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



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

#### Remuneration of Directors

All details of remuneration to Directors have been disclosed

Shareholding of Directors in the Company as on June 30, 2015

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

\*Mr Manoj Kumar Agarwal and Mr. Raghaw Sharan Pandey has stepped down from the Board during the current financial year.

#### Management

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

#### Code of Conduct

The Board of Directors adopted a Code of Conduct for the members of the Board, Committees and Senior Management of the Company and also for Independent Directors in compliance with the provisions of Revised Clause 49 of the Listing Agreement. In compliance with Clause 49 (II)(E) the Code of Conduct suitably lays down the duties of the Independent Director as laid down in the Companies Act, 2013.

The Code of Conduct applicable to Directors and Senior

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

"I hereby confirm that, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2014-15."

Place: Kolkata  
Date: 30th June, 2015

Manoj Kumar Agarwal  
Managing Director

#### Shareholders

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

#### MEANS OF COMMUNICATION

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

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

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

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



## 20. GENERAL SHAREHOLDERS INFORMATION

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

Year	Date	Time	Venue	Agenda
2013-14	15th April, 2015	11.00 A.M.	Rourkela Chamber of Commerce & Industry, Chamber Bhawan, Chamber Road, Rourkela-769004, Odisha	<ol style="list-style-type: none"> <li>1. Authorize Board of Directors under Section 180(1) (c) of the Companies Act, 2013, for borrowing an amount not exceeding ` 5500 Crores.</li> <li>2. Authorize Board of Directors under Section 180(1)(a) for increasing limit for creation of charge on movable and immovable properties of the Company, both present and future from Rs. 2500 Crores to ` 5500 Crores.</li> <li>3. Re-appointment of Shri Manoj Kumar Agarwal (DIN 00227871) as the Managing Director of the Company for a further period of three years with effect from 16th March, 2014 and ending on 15th March, 2017</li> <li>4. Approval of Related party transactions</li> <li>5. Option to CDR Lenders to convert part of FTL and entire debt into equity of the Company</li> </ol>
2012-13	December, 6, 2013	11.00 A.M.	Rourkela Chamber of Commerce & Industry, Chamber Bhawan, Chamber Road, Rourkela-769004, Odisha	Nil
2011-12	November 09, 2012	11.00 A.M.	Kalakunj, 48, Shakespeare Sarani Kolkata - 700 017	Nil

## Postal Ballot

Whether resolutions were put through postal ballot last year : Yes

The Company has passed special resolution through its postal ballot Notice dated 27.03.2015 and result of the same was declared on 05.05.2015 in regards to the following matters:

Item No. 1:- Option to CDR Lenders for conversion of entire debt into fully paid-up Equity Shares and issue of Equity Shares to CDR Lenders.

Particulars	In terms of no. of shares	Percentage out of valid votes cast
Votes cast in favour of the proposed resolution	79749493	97.58
Votes cast against the proposed resolution	1977526	2.42
<b>TOTAL</b>	<b>81727019</b>	<b>100</b>
<b>DETAILS</b>		
Category	Shares held	Votes casted
Public Institutional Holders	10591779	1977255 (18.6678%)
Promoter & Promoter Group	79913171	79739708 (99.7829%)
Public-Others	32994586	10056 (0.0305%)
		No.of votes (favour)
		No.of votes (Against)
		0
		79739708 (100%)
		9785 (97.3051%)
		271 (2.6949%)



Item No. 2:- To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.

Particulars		In terms of no. of shares	Percentage out of valid votes cast	
Votes cast in favour of the proposed resolution		79749493	97.58	
Votes cast against the proposed resolution		1977526	2.42	
<b>TOTAL</b>		<b>81727019</b>	<b>100</b>	
<b>DETAILS</b>				
Category	Shares held	Votes casted	No.of votes (favour)	No.of votes (Against)
Public Institutional Holders	10591779	1977255 (18.6678%)	0 (100%)	1977255
Promoter & Promoter Group	79913171	79739708 (99.7829%)	79739708 (100%)	0
Public-Others	32994586	10056 (0.0305%)	10055 (99.99%)	1 (0.01%)

Item No. 3:- Authority to create security on assets/ properties, both present and future, of the Company to secure borrowings of the Company.

Particulars		In terms of no. of shares	Percentage out of valid votes cast	
Votes cast in favour of the proposed resolution		79749493	97.58	
Votes cast against the proposed resolution		1977526	2.42	
<b>TOTAL</b>		<b>81727019</b>	<b>100</b>	
<b>DETAILS</b>				
Category	Shares held	Votes casted	No.of votes (favour)	No.of votes (Against)
Public Institutional Holders	10591779	1977255 (18.6678%)	0 (100%)	1977255 (100%)
Promoter & Promoter Group	79913171	79739708 (99.7829%)	79739708 (100%)	0
Public-Others	32994586	10056 (0.0305%)	10055 (99.99%)	1 (0.01%)

Person who conducted the postal ballot exercise

C.S. Deepak Kumar Khaitan, Practising Company Secretary was appointed by the Board as Scrutinizer to receive and scrutinize the completed postal ballot forms/e-votes received from the Members and for conducting the Postal Ballot in a fair and transparent manner.

Procedure of postal Ballot.

During the conduct of the Postal Ballot, the Company had in terms of Clause 35B of the Listing Agreement provided e-voting facility to its shareholders to cast their votes electronically through the Karvy e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by posting ballot were then announced by the Chairman. The voting results were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, a certificate of the Practising Company Secretary that the Company has complied with the conditions of Corporate Governance is annexed to the Report.



## SHAREHOLDERS' INFORMATION

## I. Company Registration Details

CIN - L28110OR2001PLC017271.

## II. Annual General Meeting (AGM) details

a.	Annual General Meeting	31st March, 2016 at 3:00 P.M. at Rourkela Chamber of Commerce & Industry, Chamber Bhawan, Chamber Road, Rourkela - 769004, Odisha
b.	Book closure dates	18th March, 2016 to 31st March, 2016 (both days inclusive)
c.	Dividend	Not Recommended
d.	Financial Year	July to March, 2016
	Financial Calendar (Tentative)	Tentative Schedule
	1. First Quarter Results (Unaudited)	October/November, 2015
	2. Second Quarter Results (Unaudited)	January/February, 2016
	3. Annual Audited Results	End May, 2016
e.	Listing	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
f.	Stock Codes	NSE : ADHUNK BSE : 532727
g.	Listing Fees	Annual listing fee for the year 2015-16 has been paid by the Company to both the above Stock Exchanges.
h.	Depository Fees	Annual Custody/Issuer fee for the year 2015-16 has been paid by the Company to NSDL and CDSL.

## a) MARKET PRICE DATA

Monthly high and low quotes and volume of shares traded on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

Month	Bombay Stock Exchange(BSE)			National Stock Exchange (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
July, 2014	54.20	44.00	1613595	54.30	43.75	2142893
August, 2014	48.90	41.15	354312	48.80	41.50	660638
September, 2014	45.20	35.65	603989	44.95	35.30	1209771
October, 2014	41.00	36.05	214277	41.85	36.30	493883
November, 2014	40.50	28.50	584635	40.85	26.65	1368785
December, 2014	30.35	19.65	525031	29.90	19.75	1510940
January, 2015	24.10	20.50	502477	24.65	20.45	1593289
February, 2015	21.90	19.10	479524	21.90	19.40	1002324
March, 2015	26.00	18.05	3803394	25.95	18.15	11183209
April, 2015	24.90	19.00	554114	24.35	18.55	2118977
May, 2015	20.20	16.70	165645	20.35	16.05	787747
June, 2015	17.90	14.00	352788	17.90	14.05	991707



## a) DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2015

Category (Share)	Shareholders		Share amount	
	Number	% to total	(₹)	% to total
Upto 500	19149	83.29	2642762	2.14
501 - 1000	1864	8.11	1546907	1.25
1001 - 2000	968	4.21	1498883	1.21
2001 - 3000	322	1.40	835242	0.68
3001 - 4000	148	0.64	534889	0.43
4001 - 5000	121	0.53	575740	0.47
5001 - 10000	195	0.85	1444463	1.17
10001 and above	24	0.97	114420650	92.65
Total	22991	100.00	123499536	100.00

## b) CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2015

Sl. No.	Category	Number of holders	Number of shares	% to equity
1	Promoter & promoter groups (Individuals)	16	11103634	8.99
2	Promoter & promoter groups (Bodies Corporates)	13	68809537	55.72
3	Financial Institution/Banks	5	4642366	3.76
4	Foreign Institutional Investors	6	5949413	4.82
5	Bodies Corporates	494	13520261	10.95
6	Resident individuals	22077	13759104	11.14
7	Foreign Bodies	1	5375180	4.35
8	Non Resident Indians	346	308236	0.25
9	Overseas Corporate Bodies	1	1000	0.00
10	Clearing members	32	30805	0.02

## c) DIVIDEND HISTORY

Financial year	Dividend per share (Rs.)	Total dividend (Rs. in lakhs)
2014-15	Nil	Nil
2013-14	Nil	Nil
2012-13	Nil	Nil
2011-12	Nil	Nil
2010-11	1.50	2153
2009-10	1.25	1801
2008-09	1.00	1234
2007-08	1.20	1281
2006-07	1.00	1067
2005-06	0.50	519

## DETAILS OF UNCLAIMED SHARES AS ON 30th June, 2015:

Pursuant to Clause 5A of the Listing Agreement, the details of shares issued pursuant to the initial public issue of the Company which remains unclaimed and are lying in the escrow account as on 30th June 2015 are as follows:

Year	Opening Balance as on 01.06.2014		Cases disposed off during the Financial Year 2014-15		Closing Balance as on 30.06.2015	
	No. of Cases	No. of Shares	No. of Cases	No. of Shares	No. of Cases	No. of Shares
2014-15	4	824	0	0	4	824





#### Dematerialisation of shares

As per SEBI requirement the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE400H01019. The Company has paid annual custody fee for the financial year 2014-15 to NSDL and CDSL, the depositories. As on June 30, 2015, 123440487 shares of the Company constituting 99.95% of the issued and subscribed share capital stood dematerialised.

#### DETAILS OF DEMAT AND PHYSICAL SHARES AS ON JUNE 30, 2015

Description	Number of Holders	Number of shares	% of Equity
CDSL	7584	29208461	19.86
NSDL	15369	94232026	80.09
Physical	38	59049	0.05
Total	22991	123499536	100.00

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

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

#### Global depository receipts

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

#### Registrar & Share Transfer Agents

M/s Karvy Computershare Private Limited

Karvy House 46, Avenue 4, Street No. 1,

Banjara Hills, Hyderabad - 500034

Tel No. 91-40-23312454/23320751

Facsimile No. 91-40-23311968

Email: mailmanager@karvy.com

#### Share transfer system

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

#### Dedicated e-mail id

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

#### Plant location

Vill. - Chadriharipur

P.O. Kuarmunda

Dist. Sundergarh,

Odisha-770039

India



Investor's correspondence

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

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

M/s Karvy Computershare Private Limited  
Unit: Adhunik Metaliks Limited  
Plot No. 17-24, Vittalrao Nagar  
Madhapur, Hyderabad 500 081  
Ph No. 040-44655000  
Fax No. 040-23420814  
E-mail id : einward.ris@karvy.com

For Adhunik Metaliks Limited

Registered Office :

Vill. - Chadrihariharpur  
P.O. Kuarmunda  
Dist. Sundergarh,  
Odisha - 770039  
Place: Kolkata, India  
Date: 12th February, 2016

Ghanshyam Das Agarwal  
Chairman

## DECLARATION BY CEO ON CODE OF CONDUCT

To  
The Members  
M/s. Adhunik Metaliks Limited

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with stock exchanges, in so far as it was applicable to them and there was no non-compliance thereof during the year ended June 30, 2015.

Place : Kolkata  
Date: 28th August, 2015

Monoj Kumar Agarwal  
Managing Director



## CEO CERTIFICATION

I, Manoj Kumar Agarwal Managing Director, responsible for the finance functions certify that:

- a. I have reviewed the financial statements and cash flow statement for the year ended 30th June, 2015 and to the best of our knowledge and belief :-
  - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 30th June, 2015 are fraudulent, illegal or violation of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design

or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

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

Place: Kolkata  
Date: 28th August, 2015

Manoj Kumar Agarwal  
Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE

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

Re:- Certificate regarding compliance of conditions of Corporate Governance

- A. We have conducted an audit of compliance of corporate governance norms and procedures by M/s. Adhunik Metaliks Limited, having its registered office At ChadriHariharpur, P.O. Kuarmunda, Dist. Sundargarh, Orissa - 770 039 (hereinafter called the company) during the Financial Year ended 30th June, 2015 as per the provisions of clause 49 of the Standard Listing Agreement of Stock Exchanges;
- B. That our audit is an independent audit of compliance of corporate governance norms and procedures as mentioned above by the company. That compliance of corporate governance norms and procedures is the responsibility of the Company. That our audit is neither an opinion on financial statements of the Company nor on future viability of the Company or on effective management of the Company.
- C. In our opinion and to the best of our understanding, based on the records, documents, books and other information furnished to us during the aforesaid audit by the Company, its officers and agents, we confirm that the Company has complied with the corporate governance norms and procedures, as applicable to the Company, during the aforesaid period under scrutiny.

Place: Kolkata  
Date: 12.02.2016

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



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADHUNIK METALIKS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ADHUNIK METALIKS LIMITED ("the Company"), which comprise the Balance Sheet as at 30th June, 2015, the Statement of Profit and Loss and, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30th June, 2015, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

- a) We draw attention to the fact that the Company had locked out its plant w.e.f 13th February, 2015 till 15th May, 2015, due to adverse business conditions. In view of such lock out, the company has not made provision for most of the employees' salary at plant and related statutory obligation for the lock out period, the amount of which is not ascertainable.
- b) With reference to Note No 6.2 of the financial statement, the company has recognized Net Deferred Tax Assets amounting to Rs. 13,336.06 lacs up to 30th June, 2015 based on the future profitability projections made by the management. The management is of the view that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

Our Opinion is not modified in respect of above matters

### Other Matters

We did not audit the financial statements of one foreign branch included in the standalone financial statements of the Company whose financial statements reflect total assets (net) of ₹917.62 lacs as at 30th June, 2015 and total revenues of Rs. Nil for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.



## Independent Auditors' Report (Contd.)

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 30th June, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) The matters describes in the 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No. 29 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Das & Prasad  
Chartered Accountants  
Firm Registration No.-303054E

Anil Kumar Agarwal  
Partner  
Membership No.-062368

Place: Kolkata  
Dated: 28th August, 2015

## Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three/reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of Inventory:
  - a. As explained to us inventories were physically verified during the year by the management at reasonable intervals.
  - b. As the Company's inventory of raw material and finished goods mostly include bulk materials which require technical expertise for establishing the quantity thereof, the Company

- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to the information and explanations given to us there is generally an adequate internal



## Annexure to the Independent Auditors' Report Contd.

control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets, sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weakness in the internal controls has been noticed.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of the clause 4 (v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, in our opinion, the Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1)

of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, cess or other material statutory dues have been generally regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanation given to us no undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, cess or other material statutory dues were in arrears as at 30th June, 2015 for a period of more than six months from the date they become payable except in following cases:

Nature of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates
Income Tax Act, 1961	Tax Deducted at Source	377.05	April 2014 to November 2014
Finance Act, 1994	Service Tax on reverse charge mechanism	2.68	October 2014 to November 2014
The Central Excise Act, 1944	Excise duty	266.67	September 2014 to November 2014
Employees' Provident Funds Scheme, 1952	Employees' Share, Employer share and PF on contractors	40.29	November 2014
Employees' State Insurance Act, 1948	Employees' Share and ESI on contractors	5.33	November 2014

- (b) According to the information and explanation given to us, the following dues of sales-tax have not been deposited by the company on account of dispute as at 30th June, 2015:

Nature of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax	Disallowance of Sale against Form-C, Form-H and transfer of stock to branches	179.84	2004-05, 2005-06 & 2007-08	Additional Commissioner of Sales Tax, Orissa Sales Tax Tribunal, Cuttack
	Sales tax has arisen due to pending C/F/H Forms and Supporting document for Deemed Export.	17.30	2011-12 & 2012-13	Additional Commissioner of Sales Tax, Sambalpur
	On assessment for 2005-06 shortfall in Sales tax has arisen due to pending C Forms, H Forms and F Forms. For 2003-04 Demand raised on the basis of discrepancies identified during investigation	14.22	2003-04 & 2005-06	The Joint. Commissioner of Sales Tax, Rourkela
	Disallowance for sale against Form-C	2.30	2009-10	Sr. Jt Commissioner, Chowringhee Circle, Kolkata



Nature of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise and Service Tax	Dispute towards Cenvat Credit on structural steel used for construction of capital goods, input and disallowance of Service Tax on Commission Income	2,121.14	2003-09	C E S T A T (KOLKATA)
	Dispute towards Cenvat Credit on capital goods & input.	763.42	2006-11	Commissioner, Jt. Commissioner, Addl. Commissioner, Commissioner (Appeal) Bhubaneswar
	Dispute towards Cenvat Credit on input.	16.20	2005-11	Dy. Commissioner, Asst. Commissioner, Rourkela
Orissa Entry Tax	Entry Tax on machinery & spares and Capital Goods, Interest & Penalty for late filling of return	121.52	2011-12 & 2012-13	Addl. Commissioner of Sales Tax, Sambalpur
	Entry Tax on machinery & spares & Capital Goods	59.92	2002-05 & 2007-08	Additional Commissioner of Sales Tax, The Orissa Sales Tax Tribunal, Cuttack
Orissa Value Added Tax	Disallowance of Input Tax credit.	123.27	2005-06 & 2006-07	High Court Of Orissa, Cuttack
	Disallowance of Input Tax credit.	430.88	2005-06 & 2011-12	Orissa Sales Tax Tribunal, Additional Commissioner of Sales Tax, Cuttack
	Disallowance of Input Tax credit, Interest & Penalty for late filling of return	3.64	2012-13	Add. Commissioner of Sales Tax, Sambalpur
Orissa Sales Tax	Demand against discrepancies identified during investigation	0.67	2003-04 & 2004-05	Jt. Commissioner of Sales Tax, Dy. Commissioner, Rourkela
	Dispute on gross turnover vis-à-vis taxable turnover	5.98	2003-04	The Orissa Sales Tax Tribunal, Cuttack
West Bengal Value Added Tax	Disallowance of input tax credit, Addition of Turnover	289.89	2007 to 2012	Sr. Joint Commissioner, Chowringhee circle, Kolkata
	Total	4,150.19		

- (c) According to the information and explanation given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the company are more than fifty percent of its networth at the end of the current financial year. The company has incurred cash losses in the current financial year but the company had not incurred cash losses in the immediate preceding financial year.
- (ix) Based on the records examined by us and as per the information and explanations given to us, the Company has during the year defaulted in repayment of dues to the banks and financial institutions. However, the Company's proposal for restructuring of credit facilities has been approved by the Corporate Debt Restructuring- Empowered Group and ₹238.98 lacs were in arrears as on the balance sheet date (refer Note no 5(B) of the financial statement). There were no outstanding debentures as on the balance sheet date.
- (x) According to the information and explanation given to us, the Company has pledged a part of its investments, for the loan taken by its wholly owned subsidiary from bank and financial

institutions, the terms and conditions thereof, in our opinion are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Anil Kumar Agarwal  
Partner

Place: Kolkata  
Dated: 28th August, 2015

Membership No.-062368





## Balance Sheet as at 30th June, 2015

(₹ in lacs)

	Notes	As at 30th June 2015	As at 30th June 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	12,349.95	12,349.95
Reserves and surplus	4	64,988.42	108,214.46
		77,338.37	120,564.41
<b>Non-current liabilities</b>			
Long-term borrowings	5	158,257.60	77,560.88
Deferred tax liabilities (net)	6	—	7,406.92
Other long term Liabilities	7	31,426.20	41,778.26
Long-term provisions	8	570.12	559.77
		190,253.92	127,305.83
<b>Current liabilities</b>			
Short-term borrowings	9	36,691.48	67,654.87
Trade payables	10	27,958.83	66,736.72
Other current liabilities	11	5,641.21	19,830.51
Short-term provisions	8	220.47	75.29
		70,511.99	154,297.39
<b>TOTAL</b>		<b>338,104.28</b>	<b>402,167.63</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets :			
Tangible assets	12.1	178,496.92	153,204.83
Intangible assets	12.1	37,766.09	39,636.69
Capital work-in-progress	12.2	17.45	23,795.58
Non-current investments	13	7,325.21	7,325.31
Deferred tax assets (net)	6	13,336.06	—
Long-term loans and advances	14	16,749.58	29,167.00
Other non-current assets	15	521.96	3,666.19
		254,213.27	256,795.60
<b>Current assets</b>			
Inventories	17	60,705.84	76,612.65
Trade receivables	16	8,322.19	31,303.80
Cash and bank balances	18	456.08	1,244.28
Short-term loans and advances	14	13,475.91	27,018.25
Other current assets	15	930.99	9,193.05
		83,891.01	145,372.03
<b>TOTAL</b>		<b>338,104.28</b>	<b>402,167.63</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal  
Partner  
Membership No.: 062368

Manoj Kumar Agarwal  
(Managing Director)

Ghanshyam Das Agarwal  
(Chairman)

Place: Kolkata  
Date: 28th August, 2015

Sanjay Dey  
(Company Secretary)





## Statement of Profit and Loss for the year ended 30th June 2015

(₹ in lacs)

	Notes	2014-15	2013-14
<b>Income</b>			
Revenue from operations (gross)	19	64,737.09	178,133.80
Less: Excise duty		4,926.15	8,987.46
Revenue from operations (net)		59,810.94	169,146.34
Other income	20	1,215.73	6,700.58
Total revenue (I)		61,026.67	175,846.92
<b>Expenses</b>			
Cost of Raw Materials Consumed/sold	21	43,491.01	83,024.69
Purchase of Stock-in-trade	22	11,667.44	29,699.58
(Increase)/ decrease in Finished Goods, Work-in-Progress, Traded Goods and By-Products	23	10,156.58	2,107.09
Employee benefits expenses	24	4,110.01	5,646.88
Other expenses	25	18,413.25	25,349.54
Total expenses (II)		87,838.29	145,827.78
Earnings before finance costs, exceptional item, tax, depreciation & amortization [III= (I) ~ (II)]		(26,811.62)	30,019.14
Depreciation and amortization expenses	26	9,743.31	9,870.84
Finance costs	27	24,946.07	21,182.40
Profit / (Loss) before exceptional item and tax (IV)		(61,501.00)	(1,034.10)
Exceptional items		—	—
Profit / (Loss) before tax (V)		(61,501.00)	(1,034.10)
<b>Tax expenses :</b>			
Current tax		—	—
Deferred tax credit		(20,626.75)	(1,176.28)
MAT credit entitlement		—	—
Income Tax relating to earlier years		(13.99)	111.32
Total tax expenses (VI)		(20,640.74)	(1,064.96)
Profit / (Loss) for the year [(V) ~ (VI)]		(40,860.26)	30.86
<b>Earnings per equity share [nominal value ` 10 per share ( ` 10 per share) - Basic &amp; Diluted ( ` )]</b>			
Basic ( ` )	28	(33.09)	0.02
Diluted ( ` )		(33.09)	0.02
Summary of significant accounting policies	2		

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

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal  
Partner  
Membership No.: 062368

Manoj Kumar Agarwal  
(Managing Director)

Ghanshyam Das Agarwal  
(Chairman)

Place: Kolkata  
Date: 28th August, 2015

Sanjay Dey  
(Company Secretary)



## Cash Flow Statement for the year ended 30th June 2015

(₹ in lacs)

	2014-15	2013-14
<b>A: Cash Flow From Operating Activities :</b>		
Loss before Tax	(61,501.00)	(1,034.10)
Adjustments for :		
Depreciation and amortisation expense	9,743.31	9,870.84
Loss on Fixed Assets Sold / Discarded (net)	—	(57.64)
Net Unrealised Loss/(Gain) on Exchange Rates/Forward Exchange Contracts	417.90	—
Share of Loss in partnership firm	0.10	0.21
Provision/Reversal of Provision of doubtful debts	3,567.26	186.80
Bad debts/advances written off	42.35	152.98
Employee stock option compensation cost	—	171.43
Write back of Employee stock option compensation cost	(38.83)	—
Liabilities no Longer Required Written Back	(839.27)	(671.06)
Interest Income	(273.92)	(368.41)
Interest & Finance Charges	24,946.07	21,182.40
Operating Profit Before Working Capital Changes	(23,936.03)	29,433.45
Movements in Working Capital :		
Increase / (Decrease) in Trade Payables and Other Liabilities	(32,605.18)	18,202.28
Increase / (Decrease) in Provisions*	155.53	86.01
(Increase) / Decrease in Trade Receivables	22,981.61	17,871.95
(Increase) / Decrease in Loans and Advances and Other Assets*	21,336.61	(30,929.41)
(Increase) / Decrease in Inventories	15,906.81	(5,185.47)
Cash Generated From Operations	3,839.37	29,478.81
Direct taxes paid (Net of refunds)	(56.77)	(129.07)
Net Cash Generated From Operating Activities (A)	3,782.60	29,349.74
<b>B: Cash Flow From Investing Activities :</b>		
Purchase of fixed assets, including capital work in progress and capital advances	(28,453.70)	(30,992.57)
Proceeds from Sale of Fixed Assets	(2.23)	70.29
Sale of non-current Investments	8,675.00	967.19
Investment in/(maturity of) fixed Deposit (Net) [Receipt pledged with various bank as security]	3,144.23	401.26
Interest Received	420.18	644.60
Net Cash Used In Investing Activities (B)	(16,216.50)	(28,909.23)

**Cash Flow Statement** for the year ended 30th June 2015

(₹ in lacs)

	2014-15	2013-14
<b>C: Cash Flow From Financing Activities :</b>		
Proceeds from long-term borrowings	70,589.14	51,195.59
Repayment of long-term borrowings	(1,446.24)	(35,854.05)
Proceeds from unsecured loan from Body Corporate	777.00	—
(Repayment)/ Proceeds from working capital loan (Net)	(30,963.41)	5,170.47
Interest & Finance charges paid	(27,310.79)	(20,403.49)
Net Cash Used In Financing Activities (C)	11,645.70	108.52
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(788.20)	549.03
Cash & Cash Equivalents at the beginning of the year	1,244.28	695.25
Cash & Cash Equivalents at the end of the year	456.08	1,244.28

\* Includes both current and non-current items

Notes :-

**Components of Cash and Cash Equivalents**

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Cash on hand	11.58	66.23
Balances with Banks in :		
- Current Accounts	436.07	1,169.23
- Unpaid dividend accounts	7.43	8.82
- Cheques/ drafts on hand	1.00	—
Total Cash & Cash Equivalents (Note No. 18)	456.08	1,244.28
Summary of Significant Accounting Policies	2	

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal  
Partner  
Membership No.: 062368

Manoj Kumar Agarwal  
(Managing Director)

Ghanshyam Das Agarwal  
(Chairman)

Place: Kolkata  
Date: 28th August, 2015

Sanjay Dey  
(Company Secretary)



## Notes to Financial Statements as at and for the year ended 30th June, 2015

### 1. CORPORATE INFORMATION

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Preparation

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

#### Change in accounting policy

##### Depreciation on fixed assets:

Till the year ended June 30, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

##### (a) Useful life/ depreciation rates

Till the year ended June 30, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful life for fixed assets which, in many cases, are different from life prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful life and residual values if such useful life and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful life and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful life and residual values of fixed assets, though these rates in certain cases are different from life prescribed under Schedule II.

Had the company continued its earlier policy of charging depreciation based on earlier useful life / life determined by Schedule XIV of the Companies Act, 1956 rates as the case may be, loss for the current year would have been higher by ₹ 1,206.03 lacs.

##### b) Depreciation on assets costing less than ₹ 5,000/-:

Till year ended June 30, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase.

However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciation of assets costing less than ₹ 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after July 1, 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the company for the current year.

#### B) Use of Estimates

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



## Notes to Financial Statements as at and for the year ended 30th June, 2015

### C) Tangible Fixed Assets

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

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

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

Expenditure directly relating to construction activity are capitalized. Indirect expenditure incurred during construction period are capitalized as part of the indirect construction cost to the extent to which the expenditure are related to construction activity or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

### D) Intangibles

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

### E) Depreciation

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

### F) Foreign Currency Transactions

#### i) Initial Recognition

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

#### ii) Conversion

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

#### iii) Exchange Differences

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



## Notes to Financial Statements as at and for the year ended 30th June, 2015

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

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

### G) Investments

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

### H) Inventories

(i) Raw materials, stores and spares and trading goods are valued at lower of cost computed on moving weighted average basis and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Finished goods, work in progress and by products are valued at the lower of cost computed on weighted average basis and net realizable value. Cost includes direct materials and labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

(iii) The Closing stock of materials inter-transferred from one unit to another is valued at cost of the transferor unit or net realizable value, whichever is lower.

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

### I) Borrowing Costs

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

### J) Excise Duty and Custom Duty

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

### K) Earnings Per Share

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

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

### L) Revenue Recognition

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

#### Sale of Goods

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

#### Sale of Services

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



## Notes to Financial Statements as at and for the year ended 30th June, 2015

### Interest Income

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

### Dividends

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

### M) Retirement and other Employee Benefits

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

### N) Stock Compensation Expenses

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

### O) Taxation

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

### P) Segment Reporting

#### Identification of Segments

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment. The Company's secondary geographical segments have been identified based on the location of customers and then demarcated into Indian and overseas revenue earnings.





## Notes to Financial Statements as at and for the year ended 30th June, 2015

### Q) Leases

#### (i) Finance Lease

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

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

#### (ii) Operating Lease

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

### R) Cash and Cash Equivalents

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

### S) Impairment of Assets

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

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

### T) Derivative instruments

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

### U) Provision

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

### V) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### W) Measurement of EBITDA

As permitted by the Guidance Note on Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/ (loss) for the year excluding depreciation & amortisation expenses, finance cost and tax expenses.



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 3. SHARE CAPITAL

(₹ in lacs)

	As at 30th June 2015		As at 30th June 2014	
	Nos.	in lacs	Nos.	in lacs
Authorized shares				
Equity Shares of ₹ 10 each				
At the beginning of the year	145,180,000	14,518.00	145,180,000	14,518.00
Add: Addition during the year	—	—	—	—
TOTAL	145,180,000	14,518.00	145,180,000	14,518.00
Preference Shares of ₹ 100 each				
At the beginning of the year	2,000	2.00	2,000	2.00
Add: Addition during the year	—	—	—	—
TOTAL	2,000	2.00	2,000	2.00
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹10 each fully paid up	123,499,536	12,349.95	123,499,536	12,349.95
TOTAL	123,499,536	12,349.95	123,499,536	12,349.95

## (a) Terms/Rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the year ended 30th June, 2015 the amount of dividend per share recognized as distribution to equity shareholders is ₹ Nil per share (₹ Nil per share).

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

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

Name of the Shareholder	As at 30th June 2015		As at 30th June 2014	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10 each fully paid				
Mahananda Suppliers Limited	29,993,485	24.29%	29,993,485	24.29%
Sungrowth Share & Stocks Limited	29,813,102	24.14%	29,813,102	24.14%

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

## (d) Employee Stock Options Scheme

For details related to shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note 33).



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 4. RESERVES AND SURPLUS

(₹ in lacs)

		As at 30th June 2015	As at 30th June 2014
Capital Reserve (as per the last financial statements)	(A)	588.78	588.78
Securities Premium Account (as per the last financial statements)	(B)	28,255.86	28,255.86
General Reserve (as per the last financial statements)	(C)	1,732.78	1,732.78
Employee Stock Options Outstanding (Refer Note 33)			
Employee Stock Options Outstanding		210.07	294.29
Less: Deferred Employee Compensation Cost Outstanding		27.79	73.18
Closing Balance	(D)	182.28	221.11
Revaluation Reserve			
Balance as per the last financial statements		52,348.38	54,315.99
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation		2,084.94	1,967.61
Closing Balance	(E)	50,263.44	52,348.38
Surplus in the Statement of Profit and Loss			
Balance as per the last financial statements		25,067.55	25,036.69
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferred Tax ₹ 116.23 Lacs)		242.01	—
Profit/(Loss) for the year		(40,860.26)	30.86
Net surplus in the statement of profit and loss	(F)	(16,034.72)	25,067.55
Total reserves and surplus	(A to F)	64,988.42	108,214.46

4.01 Effective from July 1, 2014, the Company have charged depreciation based on the revised remaining useful life of the assets as per requirement of Schedule II of the Companies Act, 2013. Further, as per transitional provision provided in note 7(b) of Schedule II, an amount of ₹ 242.01 lacs (net of deferred tax of ₹ 116.23 lacs) has been adjusted with General Reserve for the assets in respect of which the remaining useful life is Nil as on July 1, 2014.

## 5. LONG-TERM BORROWINGS

(₹ in lacs)

		Non Current Portion		Current Maturities	
		As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
A) Secured					
Term Loans from :					
Banks		144,570.93	69,315.26	—	10,067.41
Financial Institutions		12,453.07	7,902.00	217.38	829.50
	(A)	157,024.00	77,217.26	217.38	10,896.91
Deferred Payment Liabilities					
Vehicle/Equipment/Housing Loans	(B)	456.60	343.62	121.45	218.74
B) Unsecured					
Loans from Body Corporates	(C)	777.00	—	—	—
Total	(A+B+C)	158,257.60	77,560.88	338.83	11,115.65
Amount disclosed under the head "other current liabilities" (Note No. 11)				(338.83)	(11,115.65)
		158,257.60	77,560.88	—	—



## Notes to Financial Statements as at and for the year ended 30th June, 2015

### (A) Secured Term Loans

The Board of Directors of the Company had accorded its approval for restructure of the debts of the Company under Corporate Debt Restructuring (CDR). CDR Empowered Group (CDR EG) in its meeting held on March 18, 2015 has approved the CDR scheme and issued letter of approval on March 20, 2015. As on June 30, 2015 CDR Master Restructuring Agreement (MRA) have been executed. On restructuring the following loans have been recorded in the books of the Company under long term borrowings as on June 30, 2015:

#### Restructured Term Loan :

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

#### Working Capital Term Loan (WCTL):

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

#### Funded Interest Term Loan (FITL):

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

- Interest on restructure term loans for a period of 24 months from the cut-off date i.e. from August 01, 2014 to July 31, 2016;
  - Interest on WCTL-I & on WCTL-II for a period of 24 months from the cut-Off date i.e. from August 01, 2014 to July 31, 2016;
  - Interest on regular cash credit limit for a period of 8 months from the cut-Off date i.e. August 01, 2014 to March 31, 2015;
- Till June 30, 2015 ₹ 11,485.80 lacs interest on above loans have been funded from FITL.

#### Priority Term Loan :

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

#### Capex Term Loan :

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

### (1) Nature of security -

- i) The rupee term loan from CDR lenders (Banks and IFCI) amounting to ₹155,478.95 lacs (₹ Nil) are secured by charge over the entire assets of the Company and over all the assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited (except assets exclusively charged to ICICI Bank) and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges in favor of other existing CDR lenders (including working capital lenders) under obligor and co-obligor structure.
- ii) The term loans from Non-CDR lender (SREI) amounting to ₹ 1,762.43 lacs (₹1,831.50 lacs) are secured by first charge over all the fixed assets of the Company and over all the fixed assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited, and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges created / to be created in favor of other existing and proposed banks and financial institutions and second pari-passu charge on all the current assets of the Company, Orissa Manganese & Minerals Limited and Zion Steel Limited under obligor co-obligor structure.
- iii) The term loans from banks and financial institutions amounting to ₹ Nil (₹ 13,206.87 lacs) are secured by first charge over all the fixed assets of the Company, both present and future, ranking pari passu with the charges created / to be created in favour of other existing and proposed banks and financial institutions and second pari-passu charge on all the current assets of the Company.
- iv) 8,302,264 equity shares of promoters and promoters group in the Company has been pledged as security to CDR lenders.
- v) The rupee term loans from ICICI Banks amounting to ₹ 18,841.71 lacs (₹ 9,764.42 lacs) are further secured by exclusive charged on the fixed assets of the mining division of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited and pledge of 30% shares of the pre merged entity, i.e. Orissa Manganese & Minerals Limited. However, post-merger (Refer Note No. 39), proportionate shares would continue to be pledged with ICICI Bank as per the scheme of merger.
- vi) The rupee Term Loans of ₹ 157,241.38 lacs (₹ 88,114.17 lacs) from banks and financial institutions are further secured by the personal guarantee of one or more promoter directors of the Company.
- vii) Finance against equipments/vehicles/housing are secured by hypothecation of the respective equipments/vehicles/housing.



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## (2) Terms of repayment of rupee loans from banks and financial institutions and rate of interest charged -

## Terms of repayment of rupees term loan

- i) The restructured term loan, working capital term loan, priority term loan and capex term loan are to be repaid over a period of 8 years by way of 32 structured quarterly installments commencing from September 30, 2016 upto June 30, 2024 as per the repayment Schedule given below:

Financial Year	Quarter	Repayment per Quarter %	Percentage of Term Loan due for Repayment (%)
2015-16	0	0.00%	0.00%
2016-17	3	1.67%	5.00%
2017-18	4	1.88%	7.50%
2018-19	4	2.50%	10.00%
2019-20	4	2.50%	10.00%
2020-21	4	3.13%	12.50%
2021-22	4	3.75%	15.00%
2022-23	4	3.75%	15.00%
2023-24	4	3.75%	15.00%
2024-25	1	10.00%	10.00%

- ii) The Funded Interest Term Loan (FITL) for 12 months shall be converted into Equity subject to the overall holding of the lenders post conversion of FITL into equity should not go beyond 49% share capital of the Company and balance shall remain as FITL which are to be repaid over a period of 6 years by way of 24 structured quarterly installments commencing from September 30, 2016 upto June 30, 2022 as per the repayment Schedule given below:

Financial Year	Quarter	Repayment per Quarter %	Percentage of Term Loan due for Repayment (%)
2015-16	0	0.00%	0.00%
2016-17	3	1.67%	5.00%
2017-18	4	1.88%	7.50%
2018-19	4	3.13%	12.50%
2019-20	4	4.38%	17.50%
2020-21	4	5.63%	22.50%
2021-22	4	5.63%	22.50%
2022-23	1	12.50%	12.50%

- iii) The Rupee Term Loan from Non-CDR lender (SREL) is repayable as per Schedule given below.

Financial Year	Quarter	Repayment per Quarter %	Percentage of Term Loan due for Repayment (%)
2015-16	3	2.00%	6.00%
2016-17	4	2.50%	10.00%
2017-18	4	2.75%	11.00%
2018-19	4	3.00%	12.00%
2019-20	4	3.25%	13.00%
2020-21	4	3.50%	14.00%
2021-22	4	3.75%	15.00%
2022-23	3	3.67%	11.00%

## Rate of Interest charged

- i) The Restructured Rupee Term Loan from CDR lenders amounting to ₹ 78,294.40 lacs shall carry floating interest rate of 11% p.a. w.e.f. the cut-off date till March 31, 2017, 11.50% p.a. for next three years and 12% p.a. for the balance years and shall be linked to individual bank base rate.
- ii) The Working Capital Term Loan (WCTL-I & WCTL-II) amounting to ₹ 63,596.55 lacs and FITL amounting to ₹ 11,485.80 lacs from CDR lenders carry floating interest rate, linked to individual bank base rate, of 11% p.a.
- iii) The Priority Term Loan from CDR lenders amounting to ₹ 2,102.50 lacs carry floating interest rate, linked to individual bank base rate, of 11.25% p.a.



## Notes to Financial Statements as at and for the year ended 30th June, 2015

- iv) The Capex Term Loan from CDR lenders amounting to ₹ Nil as on June 30, 2015 shall carry floating interest rate, linked to individual bank base rate, of 11.25% p.a.
- v) The Term Loan from Non-CDR lender (SREI) amounting to ₹ 1,762.43 lacs shall carry floating interest rate of 13.30% p.a.
- (B) The installment and interest on Rupee Term Loan from Non-CDR lender (SREI) amounting to ₹ 61.92 lacs and ₹ 94.86 lacs respectively due for payment on or before June 30, 2015 have not been paid. The Company is in discussion with SREI for joining the CDR Scheme and once SREI join the CDR Scheme the default will cease to exist.
- The interest on FITL and PTL from CDR lender amounting to ₹ 0.27 lacs due for payment on April 30, 2015, ₹ 4.13 lacs due for payment on May 31, 2015 and ₹ 77.80 lacs due for payment on June 30, 2015 were outstanding as on 30th June 2015. But the same have been subsequently paid.
- (C) Unsecured  
Unsecured Loans from body corporate ₹ 777.00 lac (₹ Nil) are to be converted into Equity by March 31, 2016 as per CDR package.
- (D) Vehicle/Equipment/Housing loans carry interest ranging between 8.46% to 12.00% per annum and are secured by the respective fixed assets purchased there against. Following is the repayment schedule of such loans:

Deferred Payment Liabilities				
Payment Terms	As at 30th June 2015		As at 30th June 2014	
Installments due	No. of Installments	Amount (₹ in lacs)	No. of Installments	Amount (₹ in lacs)
Within one year	103	121.45	160	218.74
After one but not more than three year	119	160.15	154	36.98
After three but not more than five year	12	13.00	48	16.30
More than five year	172	283.45	184	290.34
<b>TOTAL</b>	<b>406</b>	<b>578.05</b>	<b>546</b>	<b>562.36</b>

## 6. DEFERRED TAX LIABILITIES (NET)

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Balance as per last financial statements	7,406.92	8,583.20
Less: Deferred Tax Asset on Depreciation adjusted with retain earning	(116.23)	—
Less: Deferred Tax Asset recognised for the year	(20,626.75)	(1,176.28)
	<b>(13,336.06)</b>	<b>7,406.92</b>

## 6.1 COMPONENTS OF NET DEFERRED TAX LIABILITIES AS ON THE BALANCE SHEET DATE ARE AS FOLLOWS:

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Deferred tax liabilities on		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	20,655.94	18,929.04
	<b>(A)</b>	<b>20,655.94</b>
Deferred tax assets on		
Unabsorbed Depreciation	17,133.52	11,154.56
Unabsorbed Business Losses	15,283.06	—
Other timing differences	1,575.42	367.56
	<b>(B)</b>	<b>33,992.00</b>
Net deferred tax liabilities	<b>(A-B)</b>	<b>7,406.92</b>

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



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 7. OTHER LONG TERM LIABILITIES

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Other payable	31,426.20	39,017.72
Payable towards fixed assets	—	2,760.54
	31,426.20	41,778.26

## 8. PROVISIONS

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Provision for employee benefits*:				
Gratuity (Refer Note No. 32)	387.94	372.36	162.34	56.21
Leave benefits	182.18	187.41	58.13	19.08
	570.12	559.77	220.47	75.29

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

## 9. SHORT-TERM BORROWINGS (SECURED)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Cash credits from banks	36,691.48	65,486.94
Export Packing credit loan (in foreign currency)	—	2,167.93
Total	36,691.48	67,654.87

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

(b) Cash credit from banks of ₹ 36,691.48 lacs are further secured by the personal guarantee of one or more promoter directors of the Company.

## 10. TRADE PAYABLES

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Acceptances	3,352.43	23,098.78
Trade Payables (Refer Note No. 37)	24,606.40	43,637.94
	27,958.83	66,736.72





## Notes to Financial Statements as at and for the year ended 30th June, 2015

### 11. OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Current Maturities of Long-term borrowings (Refer Note No. 5)	338.83	11,115.65
Interest accrued and due on borrowings	177.06	1,812.86
Advance from customers	158.41	569.08
Book Overdraft	84.64	213.75
Investor Education and Protection Fund:		
Unpaid Dividend (not due)	7.43	8.82
Employee related liabilities	1,220.05	1,877.79
Statutory Liabilities	3,654.79	4,232.56
	5,641.21	19,830.51



Notes to Financial Statements as at and for the year ended 30th June 2015  
12.1 FIXED ASSETS

(₹ in lacs)

	Tangible Assets										Intangible Assets			
	Freehold Land including Site Development Expenses	Leasehold Land	Buildings	Plant and Machinery	Vehicles	Computers	Furniture & Fixtures	Office Equipments	Railway Wagons	Railway Siding	Total	Mining Rights	Computer Software	Total
Gross Block (At Cost):														
As at 1st July, 2013	7,235.01	6,173.86	14,573.31	139,512.36	1,319.22	434.07	409.76	396.59	2,550.35	9,007.96	181,612.49	43,164.48	179.21	43,343.69
Additions	1,074.63	—	1,020.36	21,890.08	1,808.96	13.50	21.70	19.81	—	—	25,849.04	—	58.74	58.74
Disposals/Discard	—	—	—	22.36	88.32	1.98	—	—	—	—	112.66	—	—	—
As at 30th June 2014	8,309.64	6,173.86	15,593.67	161,380.08	3,039.86	445.59	431.46	416.40	2,550.35	9,007.96	207,348.87	43,164.48	237.95	43,402.43
Additions	1,379.64	—	17.93	34,189.38	9.31	3.60	0.19	2.93	—	5.00	35,607.98	—	—	—
Disposals/Discard	—	—	—	—	—	—	—	—	—	—	—	—	—	—
As at 30th June 2015	9,689.28	6,173.86	15,611.60	195,569.46	3,049.17	449.19	431.65	419.33	2,550.35	9,012.96	242,956.85	43,164.48	237.95	43,402.43
Accumulated Depreciation/Amortisation:														
As at 1st July, 2013	—	100.91	1,690.79	38,292.37	882.25	313.16	166.70	115.08	1,405.60	1,266.87	44,233.73	1,828.56	106.83	1,935.39
Charge for the year	—	74.04	465.31	8,549.17	149.78	36.62	25.09	18.29	255.04	434.76	10,008.10	1,797.08	33.27	1,830.35
Disposals/Discard	—	—	—	11.48	86.31	—	—	—	—	—	97.79	—	—	—
As at 30th June 2014	—	174.95	2,156.10	46,830.06	945.72	349.78	191.79	133.37	1,660.64	1,701.63	54,144.04	3,625.64	140.10	3,765.74
Charge for the year	—	74.04	1,065.56	7,446.32	342.45	31.74	40.59	113.81	104.12	739.02	9,957.65	1,824.97	45.63	1,870.60
Adjusted with Profit / Loss (Refer note 4)	—	—	131.92	30.14	14.57	40.44	22.41	118.76	—	—	358.24	—	—	—
Disposals/Discard	—	—	—	—	—	—	—	—	—	—	—	—	—	—
As at 30th June 2015	—	248.99	3,353.58	54,306.52	1,302.74	421.96	254.79	365.94	1,764.76	2,440.65	64,459.93	5,450.61	185.73	5,636.34
Net Block														
As at 30th June 2014	8,309.64	5,998.91	13,437.57	114,550.02	2,094.14	95.81	239.67	283.03	889.71	7,306.33	153,204.83	39,538.84	97.85	39,636.69
As at 30th June 2015	9,689.28	5,924.87	12,258.02	141,262.94	1,746.43	27.23	176.86	53.39	785.59	6,572.31	178,496.92	37,713.87	52.22	37,766.09

(A) Land, Railway Sidings and Mining rights (at Kulum Orissa), aggregating to ₹ 8,924.62 lacs (Gross block) as on 30th June 2012 were revalued by an external independent valuer on Net Replacement Cost/Fair Value basis and net increase of ₹ 56,283.66 lacs were transferred to Revaluation Reserve. In accordance with the guidance note on accounting for the depreciation in companies, the company recoups such additional depreciation out of revaluation reserve.

(B) Additions to plant and machinery includes borrowing costs of ₹ 6,910.91 lacs (₹ 5,970.84 lacs) transferred from capital work-in-progress / pre-operative expenditure (pending allocation).



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 12.2. CAPITAL WORK IN PROGRESS

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Civil Construction and Structural Works	2,487.10	3,687.78
Plant and Equipments	16,270.12	25,640.90
	18,757.22	29,328.68
Less: Transfer to Fixed Assets	18,739.77	16,965.24
	17.45	12,363.44
Add: Pre-operative Expenditure (Pending Allocation) (Refer details below)	—	11,432.14
	17.45	23,795.58

## Details of Pre-operative Expenditure (Pending Allocation)

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Opening Balance Brought Forward	11,432.14	9,608.19
<b>EXPENDITURE</b>		
Power & Fuel	1,204.37	1,446.35
Consumption of Stores and Consumable	—	82.72
Salaries and Bonus etc.	689.09	929.71
Staff Welfare	—	231.13
Professional and Consultancy Charges	36.84	131.27
Interest on Term Loans	3,439.35	7,291.89
Other borrowing costs	—	454.09
Miscellaneous Expenses	51.41	59.60
Sub-Total	16,853.20	20,234.95
Less: Transfer to Fixed Assets	16,853.20	8,802.81
	—	11,432.14

## 13. NON-CURRENT INVESTMENTS (LONG - TERM)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiaries/step down subsidiaries		
20,000,000 (20,000,000) Equity Shares of ₹ 10 each fully paid-up in Orissa Manganese & Minerals Limited (Refer Note No. 30 (b))	6,309.60	6,309.60
Investment in Associate Company		
4,200,000 (4,200,000) Equity Shares of ₹ 10 each fully paid-up in Adhunik Power & Natural Resources Limited	1,000.02	1,000.02
Investment in Other Company		
76,500 (76,500) Equity Shares of ₹ 10 each fully paid-up in Adhunik Meghalaya Steels Private Limited	7.65	7.65
Investment in Capital of Partnership Firm (Joint Venture)		
United Minerals (Refer Note No. 36)	7.94	8.04
	7,325.21	7,325.31



## Notes to Financial Statements as at and for the year ended 30th June, 2015

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

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Capital advances (A)	568.52	1,822.55	—	—
Advances recoverable in cash or kind				
Considered good - To Related Parties	11,474.16	21,460.97	—	2.71
Considered good - To Others	—	—	12,187.78	24,767.47
Doubtful - To Others	3,682.26	115.00	—	—
	15,156.42	21,575.97	12,187.78	24,770.18
Provision for doubtful advances	3,682.26	115.00	—	—
	(B) 11,474.16	21,460.97	12,187.78	24,770.18
Loans to Employees (C)	—	—	62.40	92.85
Security Deposits (D)	862.82	2,005.07	—	1,039.00
Others				
Balances with statutory / Government authorities	304.65	409.74	1,111.38	808.34
Prepaid expenses	—	—	114.35	307.88
Advance income-tax	455.83	385.07	—	—
MAT credit entitlement	3,083.60	3,083.60	—	—
	(E) 3,844.08	3,878.41	1,225.73	1,116.22
Total (A to E)	16,749.58	29,167.00	13,475.91	27,018.25

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

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Non-current bank balances (Refer Note No 18)	521.96	3,666.19	—	—
Others				
Interest Receivable on				
Bank Deposits	—	—	6.57	5.17
Other Advances	—	—	728.92	147.66
Receivable towards sale of non current investment (Refer Note No. 38)	—	—	—	8,674.79
Export Benefits Receivable	—	—	195.50	365.43
Total	521.96	3,666.19	930.99	9,193.05



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 16. TRADE RECEIVABLES (UNSECURED)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	7,080.62	3,475.65
Doubtful	382.82	382.82
	7,463.44	3,858.47
Less: Provision for doubtful receivables	382.82	382.82
	(A) 7,080.62	3,475.65
Other trade receivables (considered good)	(B) 1,241.57	27,828.15
Total	(A+B) 8,322.19	31,303.80

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Raw Materials [includes in transit ₹ 110.99 lacs (₹ 626.21 lacs)]	20,290.82	25,183.70
Finished Goods [includes in transit ₹ 6.25 lacs (₹ 953.29 lacs)]	18,821.40	23,381.22
Work-in-progress	901.85	2,577.29
By Products	11,057.63	14,116.67
	51,071.70	65,258.88
Stock-in-trade	20.02	1,377.92
Stores & Spares [includes in transit ₹ Nil (₹ Nil)]	9,614.12	9,975.85
	60,705.84	76,612.65

## DETAILS OF STOCK OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Sponge Iron	6,067.80	6,695.38
Billets	5,047.58	6,505.20
Rolled Products	3,677.15	5,714.10
Pig Iron	2,198.57	2,989.77
Coke	768.92	2,160.98
Others	1,963.23	1,893.08
	19,723.25	25,958.51
Stock-in-trade- Iron & Steel product	20.02	1,377.92
	20.02	1,377.92



Notes to Financial Statements as at and for the year ended 30th June, 2015

18. CASH AND BANK BALANCES

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Cash and cash equivalents				
Balances with banks:				
On current accounts			436.07	1,169.23
On unpaid dividend account			7.43	8.82
Cheques/Drafts on Hand			1.00	—
Cash on hand			11.58	66.23
			456.08	1,244.28
Other bank balances				
Deposits with original maturity for more than 12 months #	15.06	13.31	—	—
Margin money deposit #	506.90	3,652.88	—	—
	521.96	3,666.19	—	—
Amount disclosed under non-current assets (Refer Note No 15)	(521.96)	(3,666.19)		
	—	—	456.08	1,244.28

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

19. REVENUE FROM OPERATIONS

(₹ in lacs)

	2014-15	2013-14
Revenue from operations		
Sale of products		
Finished goods	45,767.00	111,949.27
Traded goods	13,580.80	31,168.03
Sale of Services	3,340.93	4,557.92
Other operating revenue		
Sale of By-Products	1,468.14	674.93
Sale of Raw Materials	457.67	29,507.94
Export Benefits	122.55	275.71
Revenue from operations (gross)	64,737.09	178,133.80
Less: Excise duty	4,926.15	8,987.46
Revenue from operations (net)	59,810.94	169,146.34

(₹ in lacs)

	2014-15	2013-14
Finished goods		
Billet	18,411.68	55,812.05
Rolled Product	18,903.17	33,811.11
Pig Iron	2,558.96	4,833.48
Silicon and Ferro Alloys	1,268.93	5,558.25
Sponge Iron	4,039.52	574.86
Sinter Feed	—	11,359.52
Others	584.74	—
	45,767.00	111,949.27



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 19. REVENUE FROM OPERATIONS (CONTINUED)

(₹ in lacs)

	2014-15	2013-14
By Product		
Granulated Slag	213.72	587.36
Scrap	1,180.86	57.09
Others	73.56	30.48
	1,468.14	674.93
Raw Material		
Coal	457.67	19,821.98
Scrap	—	9,427.80
Others	—	258.16
	457.67	29,507.94
Stock-in-trade - Iron & Steel product	13,580.80	31,168.03
	13,580.80	31,168.03

## 20. OTHER INCOME

(₹ in lacs)

	2014-15	2013-14
Interest income on		
Bank deposits	131.94	348.99
Deposits	141.98	19.43
Unspent liabilities and provisions no longer required written back	839.27	671.06
Write back of Employee stock option compensation cost	38.83	—
Surplus on tangible assets sold (net)	—	57.64
Prior Period Items (net) (Refer Note 25.02)	—	227.82
Insurance & Other Claims	0.52	4,258.80
Miscellaneous Income	63.19	1,116.84
	1,215.73	6,700.58

## 21. COST OF RAW MATERIALS CONSUMED

(₹ in lacs)

	2014-15	2013-14
Opening stock of raw materials	25,183.70	25,419.20
Add: Purchases	38,598.13	82,789.19
	63,781.83	108,208.39
Less: Closing Stock	20,290.82	25,183.70
Cost of raw materials consumed	43,491.01	83,024.69





## Notes to Financial Statements as at and for the year ended 30th June, 2015

## DETAILS OF RAW MATERIALS CONSUMED

(₹ in lacs)

	2014-15	2013-14
Iron Ore	7,905.43	11,885.59
Coal	9,322.81	28,317.12
Sponge Iron	4,684.84	1,842.68
Pellet	1,884.33	5,068.93
Others	19,693.60	35,910.37
	43,491.01	83,024.69

## 22. PURCHASE OF STOCK-IN-TRADE

(₹ in lacs)

	2014-15	2013-14
Iron & Steel product	11,667.44	29,699.58
	11,667.44	29,699.58

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

(₹ in lacs)

	2014-15	2013-14	(Increase)/ Decrease
Inventories at the end of the year:			
Finished Goods	18,821.40	23,381.22	4,559.82
Work in Progress	901.85	2,577.29	1,675.44
Stock-in-trade	20.02	1,377.92	1,357.90
By Products	11,057.63	14,116.67	3,059.04
(A)	30,800.90	41,453.10	10,652.20
Inventories at the beginning of the year:			
Finished Goods	23,381.21	30,752.73	7,371.52
Work in Progress	2,577.29	4,058.46	1,481.17
Stock-in-trade	1,377.92	8.48	(1,369.44)
By Products	14,116.66	9,732.52	(4,384.14)
(B)	41,453.08	44,552.19	3,099.11
(B-A)	10,652.18	3,099.09	
Excise duty on (Increase)/decrease in finished good	(495.60)	(992.00)	
	10,156.58	2,107.09	

## 24. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

	2014-15	2013-14
Salaries, wages and bonus	3,769.69	4,751.22
Contribution to provident fund	143.77	152.20
Gratuity expense (Refer Note No. 32)	126.26	79.54
Employee stock option compensation cost (Refer Note No. 33)	—	171.43
Workmen and Staff Welfare Expenses	70.29	492.49
	4,110.01	5,646.88

**Notes to Financial Statements** as at and for the year ended 30th June, 2015

24.1 Managerial remuneration amounting to ₹ 120.00 lacs (₹ 120.00 lacs) have been expensed off in the Statement of Profit and Loss during the current year, which is in excess of limit specified under the Companies Act, 2013. The above remuneration has been approved by the Remuneration Committee and Shareholders of the Company but approval of the Ministry of Corporate Affairs (MCA) is awaited.

**25. OTHER EXPENSES**

(₹ in lacs)

	2014-15	2013-14
Consumption of Stores and Spares	3,378.73	7,719.62
Power and Fuel	3,336.70	4,983.14
Conversion Charges	662.35	976.89
Operation and Maintenance Charges (Refer Note No 25.1)	1,654.33	2,871.63
Freight and Forwarding Charges	1,310.32	2,328.41
Rent	303.66	552.91
Rates and Taxes	161.35	196.19
Legal and Professional Charges	304.07	559.86
Insurance	71.83	74.81
Repairs to and Maintenance of :		
Buildings	11.44	23.66
Machinery	794.37	938.89
Others	403.38	129.72
Travelling and Conveyance Expenses	74.82	146.62
Directors' Travelling & Conveyance Expenses	8.03	8.03
Communication Costs	167.29	236.29
Director's Sitting fees	11.40	10.00
Payment to Auditors:		
Audit Fees	20.00	20.00
Limited Review Fees	15.00	15.00
In other capacity		
Tax Audit Fees	—	3.00
For Certificates and Other services	11.25	4.87
Reimbursement of Expenses	—	1.36
Prior Period items (net) (Refer Note No 25.2)	12.70	—
Exchange Differences (net)	619.61	296.44
Provision for doubtful debts and advances	3,567.26	186.80
Bad debts/advances written off	42.35	152.98
Rebate, discounts and other selling expenses	628.77	1,578.99
Motor Vehicle Expenses	236.79	384.12
Cost of raising, drilling and excavation	96.00	334.52
Share of Loss in Partnership Firm (Refer Note No.36)	0.10	0.21
Miscellaneous Expenses	509.35	614.58
	18,413.25	25,349.54

**Notes to Financial Statements** as at and for the year ended 30th June, 2015

## 25.1 OPERATION &amp; MAINTENANCE CHARGES CONSIST OF THE FOLLOWING EXPENSES

(₹ in lacs)

	2014-15	2013-14
Contract Payments	484.86	641.90
Testing and Inspection Charges	65.51	211.09
Refractory Management Charges	444.69	946.04
Labour Charges	306.14	504.80
Plant and Equipment Hire Charges	291.56	480.17
Packing & Forwarding Charges	9.25	17.82
Miscellaneous	52.32	69.81
	1,654.33	2,871.63

## 25.2 PRIOR PERIOD EXPENSES/(INCOME) CONSIST OF THE FOLLOWING EXPENSES

(₹ in lacs)

	2014-15	2013-14
Income		
Miscellaneous Income	—	227.82
Total (A)	—	227.82
Expenses		
Miscellaneous Expenses	12.70	—
Total (B)	12.70	—
Total (B-A)	12.70	(227.82)

## 26. DEPRECIATION &amp; AMORTIZATION EXPENSE

(₹ in lacs)

	2014-15	2013-14
Depreciation of tangible assets	9,957.65	10,008.10
Amortization of intangible assets	1,870.60	1,830.35
Less: Adjusted against revaluation reserve	(2,084.94)	(1,967.61)
	9,743.31	9,870.84

## 27. FINANCE COSTS

(₹ in lacs)

	2014-15	2013-14
Interest:		
On Term Loans	11,358.46	4,307.97
On Cash Credit, Letters of Credit and Others	12,666.30	15,450.70
Other borrowing costs	921.31	1,423.73
	24,946.07	21,182.40

**Notes to Financial Statements** as at and for the year ended 30th June 2015**28. EARNINGS PER SHARE (EPS)**

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

	2014-15	2013-14
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (₹ in lacs)	(40,860.26)	30.86
Weighted average number of equity shares in calculating basic EPS	123,499,536	123,499,536
Add: Effect of stock options	—	2,125,772
Weighted average number of equity shares in calculating diluted EPS	123,499,536	125,625,308
Nominal Value of equity shares	₹ 10	₹ 10
Basic Earnings Per Share	₹ (-) 33.09	₹ 0.02
Diluted Earnings Per Share	₹ (-) 33.09	₹ 0.02

**29. CONTINGENT LIABILITIES**

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Claims & Government demands against the Company not acknowledged as debt:		
i) Excise/Service tax demand under dispute/ appeal	2,936.83	3,064.96
ii) Sales Tax matters (under dispute/appeal)	1,473.52	1,161.19
iii) Others	292.40	322.02
iv) Bills discounted and Bank Guarantees outstanding	523.52	12,577.03
	5,226.27	17,125.20

- v) The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/ to be made by CDR Lenders under obligor co-obligor structure (Refer Note No 5(1)(i)) as per the CDR package is approximately ₹173,022.00 lacs.

**30. Capital and other commitments**

- a) As at 30th June 2015, the Company has commitments of ₹ 450.31 lacs (₹ 7,196.28 lacs) net of advances ₹ 568.52 lacs (₹ 1,822.55 lacs) relating to estimated amount of contracts to be executed on capital account and not provided for.
- b) The Company has given undertaking to the lenders not to dispose off its 51% shareholding in Orissa Manganese and Minerals Limited (OMM), a wholly owned subsidiary, till the loan taken by OMM is paid in full. Further, the Company has also pledged 6,000,000 equity shares of OMM as a security against the above loan.

**31. Leases :****Operating lease**

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

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Within one year	180.00	180.00
After one year but not more than five years	555.00	735.00
	735.00	915.00



## Notes to Financial Statements as at and for the year ended 30th June 2015

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

(₹ in lacs)

	2014-15	2013-14
Lease payments made for the year	303.66	552.91
	303.66	552.91

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

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

## Statement of Profit and Loss

- (a) Net employee benefit expense recognized in the employee cost

(₹ in lacs)

	2014-15	2013-14
Current service cost	82.09	212.65
Interest cost on benefit obligation	36.71	36.30
Net actuarial (gain)/loss	7.46	(169.41)
Net benefit expense	126.26	79.54

## Balance Sheet

- (b) Benefit asset/liability

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Present value of defined benefit obligation	550.28	428.57
Fair value of plan assets	—	—
Less: Unrecognised past service cost	—	—
Net asset/(liability)	(550.28)	(428.57)

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Opening defined benefit obligation	428.57	376.07
Current service cost	82.09	212.65
Interest cost	36.71	36.30
Benefits paid	(4.55)	(27.04)
Actuarial (gains)/losses on obligation	7.46	(169.41)
Closing defined benefit obligation	550.28	428.57



## Notes to Financial Statements as at and for the year ended 30th June 2015

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

	(₹ in lacs)	
	2014-15	2013-14
Discount rate	7.50%	9.00%
Salary increase	7.00%	7.00%
Mortality table	LIC (2006-2008) ultimate table	LIC (2006-2008) ultimate table

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

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

	(₹ in lacs)				
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2013	As at 31st Mar 2012	As at 31st Mar 2011
Gratuity					
Defined benefit obligation	550.28	428.57	376.07	312.96	290.39
Plan assets	—	—	—	—	—
Surplus/(deficit)	(550.28)	(428.57)	(376.07)	312.96	290.39
Experience adjustments on plan liabilities (gains)/losses	7.46	(169.41)	(140.01)	(185.66)	27.54

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

	(₹ in lacs)	
	2014-15	2013-14
Defined Contribution plans:		
Amount recognised in the Statement of Profit and Loss		
Contribution to Provident Fund	143.77	152.20

### 33. EMPLOYEE STOCK OPTION PLANS (EQUITY SETTLED)

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

During the earlier years, the Company had granted 3,087,949 number of options convertible into equity shares of ₹ 10 each. These options carry a vesting period ranging from one to four years and at an exercise price of ₹ 30.15 as determined in accordance with applicable SEBI Guidelines as at the date of grant. All the options granted have an exercise period of two years from the date of vesting.

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

	(₹ in lacs)	
Particulars	As at 30th June 2015	As at 30th June 2014
Total accounting value of options outstanding (A)	210.07	294.29
Deferred Compensation Cost	210.07	294.29
Less: Cost Amortised	(182.28)	(221.11)
Net Deferred Compensation Cost (B)	(27.79)	(73.18)
Employee Stock Options outstanding (Net of deferred compensation cost) (A-B)	182.28	221.11

**Notes to Financial Statements** as at and for the year ended 30th June 2015

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

Particulars	30th June 2015			30th June 2014		
	No. of Options	Amount (₹ in lacs)	Weighted average Exercise Price (₹)	No. of Options	Amount (₹ in lacs)	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	3,087,949	294.29	30.15	3,708,643	353.85	30.15
Granted during the year	—	—	—	—	—	—
Forfeited during the year	931,375	84.22	30.15	620,694	59.56	30.15
Exercised during the year	—	—	—	—	—	—
Outstanding at the end of the year	2,156,574	210.07	30.15	3,087,949	294.29	30.15
Exercisable at the end of the year	808,262	—	—	764,332	—	—
Weighted average remaining contractual life (in years)	2.00			3.02		

The weighted average market price of the Company's shares during the year ended June 30, 2015 was ₹ 29.09 (₹ 33.05) per shares. The fair value of the options granted during the previous year was calculated by applying the Black - Scholes - Merton formula. The following are assumptions and result.

Particulars	Assumption Used
Average risk free interest rate	8.21%
Weighted average expected life of options granted (in years)	3.66
Expected dividend yield	3.08%
Volatility (annualised)*	39.29%
Weighted average market price (₹)	29.09
Exercise Price (₹)	30.15
Weighted average fair value of the options (₹)	9.54
* Based on historical market price of the Company's shares.	

**34. SEGMENT INFORMATION**

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

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

Information for Secondary Geographical Segments:

	(₹ in lacs)	
	2014-15	2013-14
Domestic Revenues	60,175.10	116,520.74
Export Revenues (Including Export Benefits)	4,561.99	61,613.06
Total	64,737.09	178,133.80

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Domestic Trade Receivables	7,325.03	13,117.76
Export Trade Receivables	997.16	18,186.04
Total	8,322.19	31,303.80



**Notes to Financial Statements** as at and for the year ended 30th June, 2015

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

**35. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE****(a) Forward Contract**

For minimizing the risk of currency exposure, the Forward cover contracts are of Nil (USD 3,150,000) for trade receivables.

**(b) Particulars of unhedged foreign currency exposure as at the balance sheet date**

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Trade Receivables	—	893.75
Trade Payables	—	200.63
Foreign Currency Loans	—	2,167.93
	—	3,262.31

(c) The company has outstanding derivative transaction of full currency swap from ₹ to \$ for notional amount of ₹ 1,000.00 lacs (notional \$ 1,790,189.76) receiving net interest benefit of 8.7450% for a period starting from 7-Sept-2012 and ending at 31-Aug-2017 and ₹ 2,100.00 lacs (notional \$ 3,493,013.97) receiving net interest benefit of 8.5500% for a period starting from 14-July-2014 and ending at 30-Jun-2020. The purpose of this transaction is to transform the payments under the long term ` borrowing into \$ liability and thereby reducing effective interest rate.

**36. INTEREST IN PARTNERSHIP FIRM**

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Total Capital of the Partnership Firm	15.88	16.08

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Adhunik Metaliks Limited	50%	50%
Adhunik Alloys & Power Limited	50%	50%

The Company's share of the assets, liabilities, income and expenses of the Partnership firm (jointly controlled entity) as per the audited accounts as at and for the year ended 30th June 2015 are as follows:

(₹ in lacs)

	2014-15	2013-14
Assets	27.63	27.71
Liabilities	16.24	16.22
Capital Reserves	3.44	3.44
Revenue	—	—
Other Income	0.25	0.23
Depreciation	0.34	0.42
Others Expenses	0.01	0.02
Profit / (Loss) after tax	(0.10)	(0.21)



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## 37. TRADE PAYABLES INCLUDES AMOUNT DUE TO MICRO AND SMALL ENTERPRISES IN TERMS OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT) AS UNDER:

	As at 30th June 2015	As at 30th June 2014
	(₹ in lacs)	
a) Principal Amount remaining unpaid at the end of accounting year.	46.00	79.75
Interest due on above	2.83	9.52
	48.83	89.27
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
c) The amount of interest adjusted during the period.	—	—
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	—	71.70
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.83	81.22
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	—	—

## 38. RELATED PARTY DISCLOSURES

## a) Name of related parties and related party relationship

Related parties where control exists:

Subsidiary Company

Orissa Manganese &amp; Minerals Limited

Associate Company

Adhunik Power &amp; Natural Resources Limited

Related parties with whom transactions have taken place during the year:

Partnership Firm (Joint Venture)

United Minerals

Key Management Personnel

Mr. Manoj Kumar Agarwal (Managing Director)

Mr. Ghanshyam Das Agarwal (Chairman)

Mr. Jugal Kishore Agarwal (Director)

Mr. Nirmal Kumar Agarwal (Director)

Mr. Mohan Lal Agarwal (Director)

Mr. Mahesh Kumar Agarwal (Director)

Mr. Sanjay Dey (Company Secretary)

Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence

Adhunik Alloys &amp; Power Limited

Adhunik Infotech Limited

Adhunik Industries Limited

Adhunik Corporation Limited

Adhunik Meghalaya Steels Private Limited

Adhunik Steels Limited

Amuel Engineering Private Limited

Futuristic Steels Limited

Mahananda Suppliers Limited

Neepaz B.C. Dagara Steels Private Limited

Swarnarekha Steel Industries Limited

Zion Steel Limited



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## (b) Related party transactions

(₹ in lacs)

Nature of Transactions	Subsidiary/ Step down Subsidiary Companies	Associate Company	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel / Share Holders /Relatives have significant influence	Joint Venture (Partnership Firm)	Total
<b>1. In relation to Statement of Profit and Loss</b>						
<b>Purchase of goods / services</b>						
Orissa Manganese & Minerals Limited		2,592.03 (7,781.29)				2,592.03 (7,781.29)
Adhunik Alloys & Power Limited				1,006.62 (696.16)		1,006.62 (696.16)
Adhunik Industries Limited				21.52 (27.49)		21.52 (27.49)
Amuel Engineering Private Limited				227.99 —		227.99 —
Swarnarekha Steel Industries				— (11.46)		— (11.46)
Zion Steel Limited				3,140.36 (582.76)		3,140.36 (582.76)
<b>Revenue from Operations</b>						
Adhunik Power & Natural Resources Limited			23.58 (0.63)			23.58 (0.63)
Futuristic Steel Limited				36.26 (28.80)		36.26 (28.80)
Orissa Manganese & Minerals Limited	90.99 (44.35)					90.99 (44.35)
Adhunik Corporation Limited				50.29 (60.24)		50.29 (60.24)
Adhunik Alloys & Power Limited				812.62 (1,050.99)		812.62 (1,050.99)
<b>Accounts maintenance charges, Rent &amp; Electricity</b>						
Adhunik InfoTech Limited				181.55 (180.07)		181.55 (180.07)
<b>Conversion Charges</b>						
Zion Steel Ltd.				178.82 (499.80)		178.82 (499.80)
<b>Electricity charges received</b>						
Zion Steel Limited				98.73 (118.21)		98.73 (118.21)
<b>Remuneration To Key Management Personnel</b>						
Manoj Kumar Agarwal			120.00 (120.00)			120.00 (120.00)
Sanjay Dey			26.88 (—)			26.88 (—)
<b>2. In relation to Balance Sheet Items</b>						
<b>Purchase of Fixed Assets</b>						
Amuel Engineering Private Limited				— (2,605.21)		— (2,605.21)
<b>Balance outstanding as at the year end ñ Debit</b>						
Adhunik Power & Natural Resources Limited		4.63 (—)				4.63 (—)
Mahananda Suppliers Limited				— (8,674.79)		— (8,674.79)
Adhunik Alloys & Power Limited				2,324.31 (1,363.41)		2,324.31 (1,363.41)



## Notes to Financial Statements as at and for the year ended 30th June, 2015

## (b) Related party transactions

(₹ in lacs)

Nature of Transactions	Subsidiary/ Step down Subsidiary Companies	Associate Company	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel / Share Holders /Relatives have significant influence	Joint Venture (Partnership Firm)	Total
Adhunik Corporation Limited				11.18 (—)		11.18 (—)
Zion Steel Limited				11,538.10 (21,460.97)		11,538.10 (21,460.97)
United Minerals					2.71 (2.71)	2.71 (2.71)
Balance outstanding as at the year end ~ Credit						
Orissa Manganese & Minerals Limited	32,393.60 (41,457.95)					32,393.60 (41,457.95)
Manoj Kumar Agarwal			147.17 (240.12)			147.17 (240.12)
Sanjay Dey			26.88 (—)			26.88 (—)
Adhunik Industries Limited				23.09 (—)		23.09 (—)
Adhunik InfoTech Limited				99.62 (—)		99.62 (—)
Amuel Engineering Private Limited				153.04 (1,534.53)		153.04 (1,534.53)
Neepaz B.C. Dagara Steels Private Limited					70.71 (70.71)	70.71 (70.71)

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

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

**Notes to Financial Statements** as at and for the year ended 30th June, 2015**40. CIF VALUE OF IMPORTS (INCLUDING THROUGH CANALIZING AGENCY) DURING THE YEAR:**

	(₹ in lacs)	
	2014-15	2013-14
Raw materials	909.59	1,983.43
Components and Spare Parts	156.44	258.31
Capital Goods	68.05	101.69
	<b>1,134.08</b>	<b>2,343.43</b>

**41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS):**

	(₹ in lacs)	
	2014-15	2013-14
Professional and Consultancy charges	7.31	20.33
Interest, Finance & Commitment Charges	24.59	18.09
Others	130.00	23.81
	<b>161.90</b>	<b>62.23</b>

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

	(₹ in lacs)			
	% of total consumption 2014-15	Value (` in lacs) 2014-15	% of total consumption 2013-14	Value (` in lacs) 2013-14
<b>Raw Materials #</b>				
Imported	0%	7.37	0%	101.84
Indigenously	100%	43,031.78	100%	37,860.06
	100%	43,039.15	100%	37,961.90
<b>Stores and Spares ##</b>				
Imported	0%	18.82	6%	449.32
Indigenously	100%	3,860.36	94%	7,270.30
	100%	3,879.18	100%	7,719.62

# Net of cost of raw material sold ₹ 451.86 lacs (₹ 45,062.79 lacs).

## Including Stores and Spares included under Repairs and Maintenance.

**43. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS):**

	(₹ in lacs)	
	2014-15	2013-14
FOB Value of Exports	4,439.44	15,272.74

44. The Company is in process of appointing Chief Financial Officer to comply with the provisions of The Companies Act, 2013.

45. Previous year figures including those given in brackets have been rearranged where ever necessary to conform with the current year classification.

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal  
Partner  
Membership No.: 062368

Manoj Kumar Agarwal  
(Managing Director)

Ghanshyam Das Agarwal  
(Chairman)

Place: Kolkata  
Date: 28th August, 2015

Sanjay Dey  
(Company Secretary)



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADHUNIK METALIKS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ADHUNIK METALIKS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 30th June, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and the Jointly control entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial

statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, an associate (as referred to below in the Other Matter Paragraph) and jointly controlled entities as at 30th June, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

- a) We draw attention to the fact that the Company had locked out its plant w.e.f 13th February, 2015 till 15th May, 2015, due to adverse business conditions. In view of such lock out, the Group has not made provision for most of the employees' salary at plant and related statutory obligation for the lock out period, the amount of which is not ascertainable.
- b) With reference to Note No 6.2 of the consolidated financial statement, the Group has recognized Net Deferred Tax Assets amounting to ₹ 8,252.25 lacs up to 30th June, 2015 based on the future profitability projections made by the management. The management is of the view that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.
- c) We draw attention to Note no 42 of the consolidated financial statement regarding non consideration of effects of 'The Mines and Minerals (Development and Regulations) Amendment Act, 2015 in the books of accounts as on 30th June, 2015 in absence of notification of rules by the Central or State government under the said act.

Our Opinion is not modified in respect of above matters





## Independent Auditors' Report (Contd.)

### Other Matters

- a) We did not audit the financial statements of three subsidiaries and two jointly controlled entities, whose financial statements reflect the Group's share of total assets (net) of ₹ 1,033.24 lacs as at 30th June, 2015, and the Group's share of total revenues of ₹ 39.75 lacs and net cash outflows amounting to Rs. 65.43 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.
- b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.
- c) We did not audit the financial statements of one foreign branch included in the consolidated financial statements of the Company whose financial statements reflect total assets (net) of ₹ 917.62 lacs as at 30th June, 2015 and total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. The financial statements of this branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.
- d) Further reference is drawn to Note No2(B)(vii) of Consolidated financial statement in respect of non consolidation of financial statements of an Associates namely Adhunik Power & Natural Resources Limited due to non availability of audited accounts for the year ended 30th June, 2015.

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In the paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 30th June, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on 30th June, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The matters describes in the 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group and jointly control entities has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No. 29 to the financial statements.
  - ii. The Group and jointly control entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and jointly control company incorporated in India.

For Das & Prasad  
Chartered Accountants  
Firm Registration No.-303054E

Anil Kumar Agarwal  
Partner

Place: Kolkata  
Dated: 28th August, 2015

Membership No.-062368





## Annexure to the Independent Auditors' Report on Consolidated Financial Statements

Our reporting on the Order includes a subsidiary company and a jointly controlled company, to which the order is applicable, which have been audited by other auditors and our report in respect of this entities is based solely on the report of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and a jointly controlled company incorporated in India:
  - a. The respective companies have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b. The Holding Company, subsidiary companies, and a jointly controlled company incorporated in India have a program of verification of fixed assets to cover all the items in a phased manner over a period of three years/reasonable intervals which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and a jointly controlled company incorporated in India:
  - a. As explained to us and the other auditors, the inventories were physically verified during the year by the management of the respective companies at reasonable intervals.
  - b. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditors, as the Group's inventory of raw material and finished goods mostly include bulk materials which require technical expertise for establishing the quantity thereof, the respective companies have hired independent agencies for physical verification of such stocks. Relying on the above verification by independent expert agencies and according to information and explanation furnished to us, the procedures of physical verification of inventory followed by the respective companies are reasonable and adequate in relation to the size of the Group and jointly controlled company and the nature of its business.
  - c. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective companies have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies and jointly controlled company incorporated in India has not granted

any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective companies. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company and hence, not commented upon.

- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is generally an adequate internal control procedure in the Holding Company, subsidiary companies and a jointly controlled company incorporated in India, commensurate with the size of the respective companies and the nature of their business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal controls has been noticed.
- (v) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and a jointly controlled company incorporated in India have not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of the clause 4 (v) of the Order are not applicable to the Holding Company, subsidiary companies and a jointly controlled company incorporated in India.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and a jointly controlled company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and other auditors, in respect of statutory dues of the Holding Company, subsidiary companies and a jointly controlled company incorporated in India, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, cess or other material statutory dues have been generally regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us and other auditors, in respect of statutory dues of the Holding Company, subsidiary companies and a jointly controlled company incorporated in India, no undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, cess or other material statutory dues were in arrears as at 30th June, 2015 for a period of more than six months from the date they become payable except in following cases:



Nature of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates
Income Tax Act, 1961	Tax Deducted at Source	442.88	April 2014 to November 2014
Finance Act, 1994	Service Tax on reverse charge mechanism	63.58	April 2014 to November 2014
The Central Excise Act, 1944	Excise duty	266.67	September 2014 to November 2014
Employees' Provident Funds Scheme, 1952	Employees' Share, Employer share and PF on contractors	40.29	November 2014
Employees' State Insurance Act, 1948	Employees' Share and ESI on contractors	5.33	November 2014
Welfare Cess Act, 1996	Welfare Cess Payable	1.49	July 2014 to November 2014

(b) Details of dues of Income-tax, Sales Tax, Service Tax, Provident Fund, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 30th June, 2015 on account of disputes by the aforesaid entities are given below:

Nature of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax	Disallowance of Sale against Form-C, Form-H and transfer of stock to branches	179.84	2004-05, 2005-06 & 2007-08	Additional Commissioner of Sales Tax, Orissa Sales Tax Tribunal, Cuttack
	Sales tax has arisen due to pending C/F/H Forms and Supporting document for Deemed Export.	17.30	2011-12 & 2012-13	Additional Commissioner of Sales Tax, Sambalpur
	On assessment for 2005-06 shortfall in Sales tax has arisen due to pending C Forms, H Forms and F Forms. For 2003-04 Demand raised on the basis of discrepancies identified during investigation	14.22	2003-04 & 2005 -06	The Joint. Commissioner of Sales Tax, Rourkela
	Disallowance for sale against Form-C	2.30	2009-10	Sr. Jt Commissioner, Chowringhee Circle, Kolkata
Central Excise and Service Tax	Dispute towards Cenvat Credit on structural steel used for construction of capital goods, input and disallowance of Service Tax on Commission Income	4,401.14	2003-09	C E S T A T ( K O L K A T A )
	Dispute towards Cenvat Credit on capital goods & input.	763.42	2006-11	Commissioner, Jt. Commissioner, Addl. Commissioner, Commissioner (Appeal) Bhubaneswar
	Dispute towards Cenvat Credit on input.	16.20	2005-11	Dy. Commissioner, Asst. Commissioner, Rourkela
Orissa Entry Tax	Entry Tax on machinery & spares and Capital Goods, Interest & Penalty for late filling of return	121.52	2011-12 & 2012-13	Addl. Commissioner of Sales Tax, Sambalpur
	Entry Tax on machinery & spares & Capital Goods	59.92	2002-05 & 2007-08	Additional Commissioner of Sales Tax, The Orissa Sales Tax Tribunal, Cuttack



Nature of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Orissa Value Added Tax	Disallowance of Input Tax credit.	123.27	2005-06 & 2006-07	High Court Of Orissa, Cuttack
	Disallowance of Input Tax credit.	430.88	2005-06 & 2011-12	Orissa Sales Tax Tribunal, Additional Commissioner of Sales Tax, Cuttack
	Disallowance of Input Tax credit, Interest & Penalty for late filling of return	3.64	2012-13	Add. Commissioner of Sales Tax, Sambalpur
Orissa Sales Tax	Demand against discrepancies identified during investigation	0.67	2003-04 & 2004-05	Jt. Commissioner of Sales Tax, Dy. Commissioner, Rourkela
	Dispute on gross turnover vis-à-vis taxable turnover	5.98	2003-04	The Orissa Sales Tax Tribunal, Cuttack
West Bengal Value Added Tax	Disallowance of input tax credit, Addition of Turnover	289.89	2007 to 2012	Sr. Joint Commissioner, Chowringhee circle, Kolkata
Employee's Provident Fund	Panel Damages u/s 14 B & Panel Interest u/s 7Q of the said act	33.99	March 1989 to October 2007	High Court of State of Orissa
Total		6,464.18		

- (c) According to the information and explanation given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective companies.
- (viii) The Group and jointly controlled entity do not have accumulated losses at the end of the financial year. The Group has incurred cash losses on a consolidated basis during the financial year covered by our audit but it has not incurred cash losses in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the Holding Company, the subsidiary companies and a jointly controlled company incorporated in India, has the Company has during the year defaulted in repayment of dues to the banks and financial institutions. However, the Company's proposal for restructuring of credit facilities has been approved by the Corporate Debt Restructuring- Empowered Group and Rs. 469.37 lacs were in arrears as on the balance sheet date (refer Note no 5(B) of the financial statement) . There were no outstanding debentures as on the balance sheet date.
- (x) In our opinion and the opinion of the other auditors and

according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company and the subsidiary company incorporated in India for loans taken by others outside of the Group company from banks and financial institutions are prima facie, prejudicial to the interests of the Group company.

- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditor, the term loans have been applied by the Holding company, subsidiary companies and a jointly controlled company incorporated in India during the year for the purposes of which they were obtained, other than temporary deployment pending allocation.

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

Place: Kolkata  
Dated: 28th August, 2015

Anil Kumar Agarwal  
Partner  
Membership No.-062368



## Consolidated Balance Sheet as at 30th June, 2015

(₹ in lacs)

	Notes	As at 30th June 2015	As at 30th June 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	12,349.95	12,349.95
Reserves and surplus	4	94,580.20	145,348.87
		106,930.15	157,698.82
Minority Interest		12.50	19.92
<b>Non-current liabilities</b>			
Long-term borrowings	5	366,031.19	190,920.07
Deferred tax liabilities (net)	6	-	16,414.56
Other long-term liabilities	7	1,695.28	4,202.17
Long-term provisions	8	808.87	842.48
		368,535.34	212,379.28
<b>Current liabilities</b>			
Short-term borrowings	9	51,180.41	86,143.96
Trade payables	10	40,107.09	102,975.25
Other current liabilities	11	14,483.09	41,584.03
Short-term provisions	8	257.18	1,150.78
		106,027.77	231,854.02
<b>TOTAL</b>		<b>581,505.76</b>	<b>601,952.04</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets :</b>			
Tangible assets	12.1	258,326.06	205,812.82
Intangible assets	12.1	43,378.55	45,399.36
Capital work-in-progress	12.2	410.77	41,714.91
Goodwill on Consolidation		5,971.94	5,971.94
Deferred tax assets (net)	6	8,252.25	-
Non-current investments	13	43,761.77	34,120.33
Long-term loans and advances	14	42,250.18	37,877.79
Other non-current assets	15	1,424.32	5,845.28
		403,775.84	376,742.43
<b>Current assets</b>			
Inventories	16	83,799.25	95,764.51
Trade receivables	17	27,336.80	57,052.72
Cash and bank balances	18	2,349.03	2,902.96
Short-term loans and advances	14	60,634.26	60,246.21
Other current assets	15	3,610.58	9,243.21
		177,729.92	225,209.61
<b>TOTAL</b>		<b>581,505.76</b>	<b>601,952.04</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

Anil Kumar Agarwal  
Partner  
Membership No.: 062368  
Place: Kolkata  
Date: 28th August, 2015

For and on behalf of the Board of Directors

Manoj Kumar Agarwal  
(Managing Director)  
  
Sanjay Dey  
(Company Secretary)

Ghanshyam Das Agarwal  
(Director)



## Consolidated Statement of profit and loss for the year ended 30th June, 2015

(₹ in lacs)

	Notes	2014-15	2013-14
<b>Income</b>			
Revenue from operations (gross)	19	121,054.45	271,104.62
Less: Excise duty		10,224.54	15,535.53
Revenue from operations (net)		110,829.91	255,569.09
Other income	20	1,641.19	9,168.65
<b>Total revenue (I)</b>		<b>112,471.10</b>	<b>264,737.74</b>
<b>Expenses</b>			
Cost of Raw Materials Consumed	21	58,616.59	120,159.46
Purchase of Stock-in-trade	22	11,667.44	29,701.06
(Increase)/ decrease in inventories of Finished Goods, Work-in-Progress, Stock-in-trade and By-Products	23	10,792.49	695.55
Employee benefits expenses	24	6,722.84	9,397.12
Other expenses	25	37,848.82	48,315.23
<b>Total (II)</b>		<b>125,648.18</b>	<b>208,268.42</b>
<b>Earnings before finance costs, tax, depreciation &amp; amortization (III) = (I) - (II)</b>		<b>(13,177.08)</b>	<b>56,469.32</b>
Depreciation & amortization expenses	26	14,709.77	14,587.74
Finance costs	27	45,289.28	37,644.67
<b>Profit before tax (IV)</b>		<b>(73,176.13)</b>	<b>4,236.91</b>
<b>Tax expenses :</b>			
Current tax		-	1,300.13
Income Tax relating to Earlier Years		(284.19)	(936.90)
Deferred tax charge	6	(24,525.94)	(171.80)
MAT Credit Entitlement		-	-
<b>Total tax expenses (V)</b>		<b>(24,810.13)</b>	<b>191.43</b>
<b>Net Profit after tax but before minority interest [(VI) = (IV) - (V)]</b>		<b>(48,366.00)</b>	<b>4,045.48</b>
Share of profit / (loss) of Minority Interest		(7.42)	4.97
<b>Profit for the year</b>		<b>(48,358.58)</b>	<b>4,040.51</b>
<b>Earnings per equity share [nominal value ₹ 10 per share (₹ 10 per share)]</b>	28		
Basic (₹)		(39.16)	3.27
Diluted (₹)		(39.16)	3.22
Summary of significant accounting policies	2		

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

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal  
Partner  
Membership No.: 062368  
Place: Kolkata  
Date: 28th August, 2015

Manoj Kumar Agarwal  
(Managing Director)

Ghanshyam Das Agarwal  
(Director)

Sanjay Dey  
(Company Secretary)



## Consolidated Cash Flow Statement for the year ended 30th June, 2015

(₹ in lacs)

	2014-15	2013-14
<b>A: Cash Flow From Operating Activities :</b>		
Profit / (Loss) before Tax	(73,176.13)	4,236.91
Adjustments for :		
Depreciation and amortisation	14,709.78	14,587.74
(Profit) on Fixed Assets Sold / Discarded (net)	-	(66.24)
Net Unrealised Loss/(Gain) on Exchange Rates/Forward Exchange Contracts	584.53	-
Employee stock option compensation cost	(38.84)	171.42
Provision/ Reversal of Provision for doubtful debts	4,566.52	186.06
Bad debts/advances written off	1,492.62	152.98
Liabilities no Longer Required Written Back	(941.99)	(1,069.02)
Interest Income	(406.92)	(2,332.22)
Interest and Finance Charges	45,289.27	37,644.67
Operating Profit Before Working Capital Changes	(7,921.16)	53,512.30
Movements in Working Capital :		
Increase / (Decrease) in Trade Payables and Other Liabilities	(47,426.05)	42,498.49
Increase / (Decrease) in Provisions*	119.97	124.93
(Increase) / Decrease in Trade Receivables	26,773.06	(6,478.72)
(Increase) / Decrease in Loans and Advances and Other Assets*	2,057.18	(51,378.43)
(Increase) / Decrease in Inventories	11,965.28	(8,594.63)
Cash Generated From Operations	(14,431.72)	29,683.94
Direct taxes paid (Net of refunds)	(818.21)	(2,721.58)
Net Cash Generated From Operating Activities (A)	(15,249.93)	26,962.36
<b>B: Cash Flow From Investing Activities :</b>		
Purchase of fixed assets, including capital work in progress and capital advances	(61,619.08)	(45,461.88)
Proceeds from Sale of Fixed Assets	(2.23)	100.34
Purchase of non-current investments	(8,674.04)	(6,513.44)
Proceeds from sale of subsidiary	8,674.58	967.19
Investment in/(Maturity of) Fixed Deposits (Net) [Receipts Pledged with various banks as security]	4,420.96	(484.53)
Interest Received	(177.47)	2,599.55
Net Cash Used In Investing Activities (B)	(57,377.28)	(48,792.77)



## Consolidated Cash Flow Statement for the year ended 30th June 2015

(₹ in lacs)

	2014-15	2013-14
<b>C: Cash Flow From Financing Activities :</b>		
Proceeds from long-term borrowings	100,895.47	116,670.73
Repayment of long-term borrowings	41,228.46	(71,527.00)
Proceeds from working capital loan (Net)	(34,963.55)	12,648.19
Proceeds from unsecured loan from Body Corporate	14,258.00	-
Interest & Finance charges paid	(49,345.10)	(34,475.66)
Net Cash Used In Financing Activities (C)	72,073.28	23,316.26
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(553.93)	1,485.85
Cash & Cash Equivalents at the beginning of the year	2,902.96	2,458.78
Effect of translation on Closing Cash and Cash Equivalent	-	0.07
Cash and Cash Equivalent related to company ceased to be a subsidiary [Refer Note No. 2(B)(iii)]	-	(1,041.74)
Cash & Cash Equivalents at the end of the year	2,349.03	2,902.96

\* Includes both current and non-current items

Notes :-

## 1. Components of Cash and Cash Equivalents

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Cash on hand	16.50	81.90
Balances with Banks in :		
- Current Accounts	517.90	2,812.12
- Deposits with original maturity of less than three months	1,806.20	-
- Unpaid dividend accounts	7.43	8.82
- Cheques/drafts on hand	1.00	-
Total Cash & Cash Equivalents (Note No. 18)	2,349.03	2,902.96
Summary of Significant Accounting Policies	2	

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

Anil Kumar Agarwal  
Partner  
Membership No.: 062368  
Place: Kolkata  
Date: 28th August, 2015

For and on behalf of the Board of Directors

Manoj Kumar Agarwal  
(Managing Director)

Sanjay Dey  
(Company Secretary)

Ghanshyam Das Agarwal  
(Director)





## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

### 1. CORPORATE INFORMATION

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Preparation

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

#### Change in accounting policy

##### Depreciation on fixed assets:

Till the year ended June 30, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

#### (a) Useful life/ depreciation rates

Till the year ended June 30, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful life for fixed assets which, in many cases, are different from life prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful life and residual values if such useful life and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful life and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful life and residual values of fixed assets, though these rates in certain cases are different from life prescribed under Schedule II.

Had the company continued its earlier policy of charging depreciation based on earlier useful life / lives determined by Schedule XIV of the Companies Act, 1956 rates as the case may be, loss for the current year would have been higher by ₹ 2,159.28 lacs.

#### b) Depreciation on assets costing less than ₹ 5,000/-

Till year ended June 30, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase.

However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after July 1, 2014

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the company for the current year.

#### B) Principles of Consolidation of Financial Statements

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

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



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

(iii) The Subsidiary companies considered in the consolidated financial statements are as follows:

Name of the Subsidiary	Country of Incorporation	Proportion of ownership / interest as at	
		30th June 2015	30th June 2014
Orissa Manganese & Minerals Limited	India	100.00%	100.00%
Orchid Global Resources Pte. Limited	Singapore	100.00%	100.00%
Vasundhra Resources Limited	India	58.82%	58.82%
Global Commodity & Resources Limited	Hong Kong	100.00%	100.00%

(iv) Minorities' interest in net profit/loss of consolidated Subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately.

(v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(vi) Investment in Associate is accounted in accordance with AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements", under "Equity Method". Unrealised Profit/Loss are eliminated. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

(vii) The Associate company considered in the consolidated financial statements are as follows:

Name of the Associate	Country of Incorporation	Proportion of ownership Interest as at	
		30th June 2015	30th June 2014
Adhunik Power & Natural Resources Limited #	India	46.93%	34.44%

# In absence of the financial statements of Adhunik Power & Natural Resources Limited, the Associate Company, for the year ended 30th June 2015, the results of the same could not be accounted as per Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements.

(viii) In terms of Accounting Standard 27 - 'Financial Reporting of Interests in Joint Ventures', the Company has prepared these Consolidated Financial Statements by including the Company's proportionate interest in the Joint Venture's assets, liabilities, income, expenses etc. in the consolidated financial statements. Intra group balances, transactions and unrealized profits/losses have been eliminated to the extent of the Company's proportionate share.

(ix) The Joint Venture companies considered in the consolidated financial statements as jointly controlled entity are as follows:

Name of the Joint Venture	Country of Incorporation	Proportion of ownership / interest as at	
		30th June 2015	30th June 2014
United Minerals (Partnership firm)	India	50%	50%
Neepaz B.C. Dagara Steels Private Limited (Jointly controlled entity) ***	India	50%	50%

\*\*\* Equity shares held by a wholly owned subsidiary Company, Orissa Manganese & Minerals Limited.

(x) The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and events in similar circumstances and necessary adjustments required for deviation in accounting policies, if any, and to the extent possible, are made in the Consolidated Financial Statements and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

(xi) The financial statements of all the subsidiaries have been prepared for the year ended 30th June 2015 and used for the purpose of consolidation.

#### C) Use of Estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

### D) Tangible Fixed Assets :

- (i) Tangible Fixed Assets are stated at cost (or revalued amount, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises of purchase price inclusive of duties (net of CENVAT / VAT), taxes, incidental expenses, erection/commissioning expenses/trial run expenses and borrowing cost, etc. up to the date the asset are ready for intended use. In case of revaluation of tangible fixed assets, the cost as assessed by the approved valuers is considered in the accounts and the differential amount is credited to revaluation reserve.
- (ii) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.
- (iii) Expenditure on new projects and substantial expansion:  
Expenditure directly relating to construction activity are capitalized. Indirect expenditure incurred during construction period are capitalized as part of the indirect construction cost to the extent to which the expenditure are related to construction activity or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.

### E) Depreciation :

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

### F) Intangibles

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

### G) Foreign Currency Transactions :

- (i) Initial Recognition  
Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Conversion  
Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rate at the date when such value was determined.
- (iii) Exchange Differences  
Exchange differences arising on the settlement of monetary items or on reporting of such monetary items at rates different from those at which they were initially recorded during the year or reported in previous consolidated financial statements are recognized as income or as expenses in the year in which they arise.
- (iv) Forward Exchange Contracts not intended for trading or speculation purposes:  
The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the consolidated statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.
- (v) Translation of Non Integral Foreign Operation  
The financial statements of foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.  
In translating the financial statement of a non-integral foreign operation for incorporating in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at exchange rates at the



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

date of the transaction; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net Investments.

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

### H) Investments

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

### I) Inventories

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

### J) Borrowing Costs

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

### K) Excise Duty, Custom Duty and Royalty

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

### L) Earnings Per Share

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

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

### M) Revenue Recognition

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

#### Sale of Goods

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

#### Interest Income

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

#### Dividends

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



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

### N) Retirement and other Employee Benefits

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

### O) Stock Compensation Expenses

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

### P) Taxation

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

### Q) Segment Reporting

#### (i) Identification of Segments:

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

#### (ii) Inter-segment transfers:

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

#### (iii) Allocation of Common Costs:

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

#### (iv) Unallocated items:

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



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

(v) Segment accounting policies:

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

R) Leases

(i) Finance Lease :

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

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

(ii) Operating Lease:

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

S) Cash and Cash Equivalents

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

T) Impairment of Assets

(i) Tangible Fixed Assets

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

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

(ii) Goodwill

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

U) Derivative instruments

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

V) Provision

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

W) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

X) Measurement of EBITDA

As permitted by the Guidance Note on Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss.





## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 3. SHARE CAPITAL

(₹ in lacs)

	As at 30th June 2015		As at 30th June 2014	
	Nos.	₹ in lacs	Nos.	₹ in lacs
Authorized shares				
Equity Shares of ₹ 10 each				
At the beginning of the year	145,180,000	14,518.00	145,180,000	14,518.00
Add: Addition during the year	-	-	-	-
	145,180,000	14,518.00	145,180,000	14,518.00
Preference Shares of ₹ 100 each				
At the beginning of the year	2,000	2.00	2,000	2.00
Add: Addition during the year	-	-	-	-
	2,000	2.00	2,000	2.00
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	123,499,536	12,349.95	123,499,536	12,349.95
	123,499,536	12,349.95	123,499,536	12,349.95

## (a) Terms/rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the period ended 30th June, 2015 the amount of per share dividend recognized as distribution to equity shareholders is ₹ Nil per share (₹ Nil per share).

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

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

Name of the Shareholder	As at 30th June 2015		As at 30th June 2014	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10 each fully paid				
Mahananda Suppliers Limited	29,993,485	24.29%	29,993,485	24.29%
Sungrowth Share & Stocks Limited	29,813,102	24.14%	29,813,102	24.14%

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

## (d) Employee Stock Options Scheme

For details related to shares reserved for issue under Employee Stock Option (ESOP) plan of the Company (Refer Note No. 33).

## 4. RESERVES AND SURPLUS

(₹ in lacs)

		As at 30th June 2015	As at 30th June 2014
Capital Reserve (as per the last financial statements)	(A)	2,392.22	2,392.22
Securities Premium Account			
Balance as per the last consolidated financial statements		28,255.85	28,324.99
Less: Adjustment related to company ceased to be subsidiary [Refer Note No. 2(B)(iii)]		-	69.15
Closing Balance	(B)	28,255.84	28,255.84





## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 4. RESERVES AND SURPLUS

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
General Reserve		
General Reserve (as per the last financial statements)	3,184.10	3,184.10
Closing Balance (C)	3,184.10	3,184.10
Employee Stock Options Outstanding (Refer Note No. 33)		
Employee Stock Options Outstanding	210.07	294.29
Less: Deferred Employee Compensation Cost Outstanding	(27.79)	(73.18)
Closing Balance (D)	182.28	221.11
Revaluation Reserve		
Balance as per last financial statement	52,348.38	54,315.99
Less : Amount transferred to the Statement of Profit and Loss as reduction from depreciation	(2,084.94)	(1,967.61)
Closing Balance (E)	50,263.44	52,348.38
Surplus in the Consolidated Statements of Profit & Loss		
Balance as per the last consolidated financial statements	58,932.92	54,892.41
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferre Tax ₹140.87 lacs)	293.23	-
Add: Profit/(Loss) for the year	(48,358.58)	4,040.51
Net surplus in the consolidated statement of profit and loss (F)	10,281.11	58,932.92
Foreign Exchange Translation Reserve		
Balance as per the last consolidated financial statements	14.30	13.14
Add : Addition during the year	6.90	1.16
Closing Balance (G)	21.20	14.30
Total reserves and surplus (A to G)	94,580.20	1,45,348.87

4.01 Effective from July 1, 2014, the Company have charged depreciation based on the revised remaining useful life of the assets as per requirement of Schedule II of the Companies Act, 2013. Further, as pr transitional provision provided in note 7(b) of Schedule II, an amount of ₹ 293.23 lacs (net of deferred tax of ₹ 140.87 lacs) has been adjusted with General Reserve for the assets in respect of which the remaining useful life is Nil as on July 1, 2014.

## 5. LONG-TERM BORROWINGS (SECURED)

(₹ in lacs)

	Non Current Portion		Current Maturities	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
A) Secured				
Term Loans from :				
Banks	319,923.71	169,500.14	-	16,392.25
Financial Institutions	30,968.72	20,486.09	238.60	2,041.48
(A)	350,892.43	189,986.23	238.60	18,433.73
Deferred payment liabilities				
Vehicle, Equipment & Housing Loans (B)	880.76	933.84	670.03	1,073.25
B) Unsecured				
Rupee loan from body Corporates (C)	14,258.00	-	-	-
Total (A+B+C)	366,031.19	190,920.07	908.63	19,506.98
Amount disclosed under the head "other current liabilities" (Note No. 11)	-	-	(908.63)	(19,506.98)
	366,031.19	190,920.07	-	-



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

### (A) Secured Term Loans

The Board of Directors of the Company had accorded its approval for restructure of the debts of the Company under Corporate Debt Restructuring (CDR). CDR Empowered Group (CDR EG) in its meeting held on March 18, 2015 has approved the CDR scheme and issued letter of approval on March 20, 2015. As on June 30, 2015 CDR Master Restructuring Agreement (MRA) have been executed.

On restructuring the following loans have been recorded in the books of the Company under Long Term Borrowings as on June 30, 2015:

#### Restructured Term Loan :

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

#### Working Capital Term Loan (WCTL):

In terms of the CDR Package, the overdrawn portion of the Cash Credit Accounts of the Company amounting to ₹ 41,509.59 lacs has been carved out into separate working capital term loans (WCTL-I) and LC/BG devolved amounting to ₹ 57,824.00 lacs from cut-off date till March 31, 2015 has been carved out as working capital term loan - II (WCTL- II).

#### Funded Interest Term Loan (FITL):

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

- Interest on restructure term loans for a period of 24 months from the cut-off date i.e. from August 01, 2014 to July 31, 2016;
- Interest on WCTL-I & on WCTL-II for a period of 24 months from the cut-Off date i.e. from August 01, 2014 to July 31, 2016;
- Interest on regular cash credit limit for a period of 8 months from the cut-Off date i.e. August 01, 2014 to March 31, 2015.

Till June 30, 2015 ₹ 31,265.57 lacs interest on above loans have been funded from FITL.

#### Priority Term Loan :

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

#### Capex Term Loan :

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

#### (1) Nature of security:

##### i) In case of Adhunik Metaliks Limited:

- i) The rupee term loan from CDR lenders (Banks and IFCI) amounting to ₹ 347,193.74 lacs (₹ Nil) are secured by charge over the entire assets of the Company and over all the assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited (except assets exclusively charged to ICICI Bank) and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges in favor of other existing CDR lenders (including working capital lenders) under obligor and co-obligor structure.
- ii) The term loans from Non-CDR lender (SREI) amounting to ₹ 3,937.59 lacs (₹ 4,147.50 lacs) are secured by first charge over all the fixed assets of the Company and over all the fixed assets of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited, and Zion Steel Limited, the enterprises over which Key Management Personnel have significant influence, both present and future, ranking pari passu with the charges created / to be created in favor of other existing and proposed banks and financial institutions and second pari-passu charge on all the current assets of the Company, Orissa Manganese & Minerals Limited and Zion Steel Limited under obligor co-obligor structure.
- iii) The term loans from banks and financial institutions amounting to ₹ Nil (₹ 13,206.87 lacs) are secured by first charge over all the fixed assets of the Company, both present and future, ranking pari passu with the charges created / to be created in favour of other existing and proposed banks and financial institutions and second pari-passu charge on all the current assets of the Company.
- iv) 8,302,264 shareholdings of promoters and promoter group in the Company has been pledged as security to CDR lenders.
- v) The rupee term loans from ICICI Banks amounting to ₹ 50,937.01 lacs (₹ 36,014.42 lacs) are further secured by exclusive charged on the fixed assets of the mining division of the wholly owned subsidiary Company, Orissa Manganese & Minerals Limited and pledge of 30% shares of the pre merged entity, i.e. Orissa Manganese & Minerals Limited. However, post-



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

merger (Refer Note No. 40), proportionate shares would continue to be pledged with ICICI Bank as per the scheme of merger.

- v) The rupee term loans of ₹ 351,131.03 lacs (₹ 208,419.97 lacs) from banks and financial institutions are further secured by the personal guarantee of one or more promoter directors of the Company.

(2) Terms of repayment of rupee loans from banks and financial institutions and rate of interest charged -

Terms of repayment of rupees term loan

- i) The restructured term loan, working capital term loan, priority term loan and capex term loan are to be repaid over a period of 8 years by way of 32 structured quarterly installments commencing from September 30, 2016 upto June 30, 2024 as per the repayment Schedule given below:

Financial Year	Quarter	Repayment per Quarter %	Percentage of Term Loan due for Repayment (%)
2015-16	0	0.00%	0.00%
2016-17	3	1.67%	5.00%
2017-18	4	1.88%	7.50%
2018-19	4	2.50%	10.00%
2019-20	4	2.50%	10.00%
2020-21	4	3.13%	12.50%
2021-22	4	3.75%	15.00%
2022-23	4	3.75%	15.00%
2023-24	4	3.75%	15.00%
2024-25	1	10.00%	10.00%

- ii) The funded interest term loan (FITL) for 12 months shall be converted into Equity subject to the overall holding of the lenders post conversion of FITL into equity should not go beyond 49% share capital of the Company and balance shall remain as FITL which are to be repaid over a period of 6 years by way of 24 structured quarterly installments commencing from September 30, 2016 upto June 30, 2022 as per the repayment Schedule given below:

Financial Year	Quarter	Repayment per Quarter %	Percentage of Term Loan due for Repayment (%)
2015-16	0	0.00%	0.00%
2016-17	3	1.67%	5.00%
2017-18	4	1.88%	7.50%
2018-19	4	3.13%	12.50%
2019-20	4	4.38%	17.50%
2020-21	4	5.63%	22.50%
2021-22	4	5.63%	22.50%
2022-23	1	12.50%	12.50%

- iii) The Rupee Term Loan from Non-CDR lender (SREI) is repayable as per Schedule given below.

Financial Year	Quarter	Repayment per Quarter %	Percentage of Term Loan due for Repayment (%)
2015-16	3	2.00%	6.00%
2016-17	4	2.50%	10.00%
2017-18	4	2.75%	11.00%
2018-19	4	3.00%	12.00%
2019-20	4	3.25%	13.00%
2020-21	4	3.50%	14.00%
2021-22	4	3.75%	15.00%
2022-23	3	3.67%	11.00%



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## Rate of Interest charged

- i) The restructured rupee term loan from CDR lenders amounting to ₹ 210,835.69 lacs shall carry floating interest rate of 11% p.a. w.e.f. the cut-off date till March 31, 2017, 11.50% p.a. for next three years and 12% p.a. for the balance years and shall be linked to individual bank base rate.
- ii) The working capital term loan (WCTL-I & WCTL-II) amounting to ₹ 99,333.59 lacs and FITL amounting to ₹ 31,265.57 lacs from CDR lenders carry floating interest rate, linked to individual bank base rate, of 11% p.a.
- iii) The priority term loan from CDR lenders amounting to ₹ 5,758.89 lacs carry floating interest rate, linked to individual bank base rate of 11.25% p.a.
- iv) The capex term loan from CDR lenders amounting to ₹ Nil as on June 30, 2015 shall carry floating interest rate, linked to individual bank base rate of 11.25% p.a.
- v) The term loan from Non-CDR lender (SREI) amounting to ₹ 3,937.79 lacs shall carry floating interest rate of 13.30% p.a.
- (B) The installment and interest on Rupee Term Loan from Non-CDR lender (SREI) amounting to ₹ 108.20 lacs and ₹ 96.20 lacs respectively due for payment on or before June 30, 2015 have not been paid. The Company is in discussion with SREI for joining the CDR Scheme and once SREI join the CDR Scheme the default will cease to exist.

The interest on FITL and PTL from CDR lender amounting to ₹ 0.27 lacs due for payment on April 30, 2015, ₹ 6.73 lacs due for payment on May 31, 2015 and ₹ 257.97 lacs due for payment on June 30, 2015 were outstanding as on 30th June 2015. But the same have been subsequently paid.

## (C) Unsecured

Unsecured Loans from body corporate ₹ 14,258.00 (₹ Nil) are to be converted into Equity by March 31, 2016 as per CDR package.

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

Deferred Payment Liabilities				
Installments due	As at 30th June 2015		As at 30th June 2014	
	No. of Installments	Amount (₹ in lacs)	No. of Installments	Amount (₹ in lacs)
Within one year (Refer Note No. 11)	259	670.03	257	1,073.25
After one but not more than three year	325	495.10	228	460.07
After three but not more than five year	36	102.21	72	139.70
More than five year	172	283.45	195	334.07
<b>TOTAL</b>	<b>792</b>	<b>1,550.79</b>	<b>752</b>	<b>2,007.09</b>

## 6. DEFERRED TAX (ASSETS)/LIABILITIES (NET)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Balance as per last consolidated financial statements	16,414.56	16,586.36
Less: Deferred Tax Asset on Depreciation adjusted with retain earning	(140.87)	-
Less: Deferred Tax Asset recognised for the year	(24,525.94)	(171.80)
	<b>(8,252.25)</b>	<b>16,414.56</b>

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Deferred tax liabilities on		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	30,627.03	28,043.97
	<b>(A) 30,627.03</b>	<b>28,043.97</b>



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Deferred tax assets on		
Unabsorbed Depreciation	21,694.97	11,154.58
Unabsorbed Business Losses	15,283.06	-
Other timing differences	1,901.25	474.83
	(B)	11,629.41
Net deferred tax (assets)/liabilities	(A-B)	16,414.56
	(8,252.25)	

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

## 7. OTHER LONG TERM LIABILITIES

	As at 30th June 2015	As at 30th June 2014
Payable towards fixed assets	1,695.28	4,202.17
TOTAL	1,695.28	4,202.17

## 8. PROVISIONS

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Provision for employee benefits*:				
Gratuity (Refer Note No. 32)	524.30	536.02	182.29	73.91
Leave benefits	258.32	280.21	74.55	29.35
TOTAL	782.62	816.23	256.84	103.26
Other provisions -				
Mines Restoration Charges	26.25	26.25	-	-
Taxation [net of advance income taxes/Tax deducted at source]	-	-	0.34	1,047.52
	26.25	26.25	0.34	1,047.52
TOTAL	808.87	842.48	257.18	1,150.78

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

## Provision for mines restoration charges:

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
At the beginning of the year	26.25	26.25
Arising during the year	-	-
Utilized during the year	-	-
At the end of the year	26.25	26.25



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 9. SHORT-TERM BORROWINGS (SECURED)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Cash credits from banks	51,180.41	83,976.03
Export Packing credit loan (in foreign currency)	-	2,167.93
<b>TOTAL</b>	<b>51,180.41</b>	<b>86,143.96</b>

## (i) In case of Adhunik Metaliks Limited

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

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

Cash Credit from banks of ₹ 14,488.93 lacs (₹ 18,489.08 lacs) which is repayable on demand, are secured by first charge by way of hypothecation of the current assets and second charge over the fixed assets of Iron ore beneficiation and pelletisation plant at Kandra, Jamshedpur. Cash credit from banks carry interest rate ranging between bank base rate plus premium 0.50% to 1.00% per annum.

## 10. TRADE PAYABLES

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Acceptances	14,378.11	38,138.06
Trade Payables	25,728.98	64,837.19
<b>TOTAL</b>	<b>40,107.09</b>	<b>102,975.25</b>

## 11. OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Current Maturities of Long-term borrowings (Refer Note No. 5)	908.63	19,506.96
Interest accrued and due on borrowings	361.17	4,209.31
Interest accrued and not due on borrowings	-	207.69
Advance from customers	764.13	5,002.18
Book Overdraft	260.34	572.21
Employee related liabilities	1,898.60	2,667.49
Security Deposit	26.69	26.69
Investor Education and Protection Fund:		
Unpaid Dividend (not due)	7.43	8.82
Amount Payable towards purchase of Investments	967.40	-
Retention Money	124.15	98.70
Statutory Dues	9,164.55	9,283.98
<b>TOTAL</b>	<b>14,483.09</b>	<b>41,584.03</b>



Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

12.1 FIXED ASSETS

(₹ in lacs)

	Tangible Assets										Intangible Assets					
	Freehold Land including Site Development Expenses	Leasehold Land	Buildings	Plant and Machinery	Vehicles	Computers	Furniture & Fixtures	Office Equip-ments	Railway Wagons	Railway Siding	Total	Mining Rights	Goodwill	Computer Software	Total	
Gross Block :																
As at 1st July, 2013	16,430.14	10,439.68	59,240.90	4,64,762.96	4,119.74	1,009.75	1,100.33	735.43	2,550.35	9,007.98	5,69,397.26	52,151.55	183.82	528.29	52,863.66	
Additions	1,101.67	-	1,238.97	22,635.04	1,891.23	1,998	151.30	51.09	-	-	27,089.28	79.74	-	58.85	138.59	
Disposals/Discard	7,454.95	1,848.63	40,344.46	2,73,365.31	331.68	390.84	392.63	122.22	-	-	3,24,250.72	-	183.82	158.12	341.94	
As at 30th June 2014	10,076.86	8,591.05	20,135.41	2,14,032.69	5,679.29	638.89	859.00	664.30	2,550.35	9,007.98	2,72,235.82	52,231.29	-	429.02	52,660.31	
Additions	1,379.64	33.89	17.93	65,565.48	29.92	6.20	42.26	5.49	-	5.00	67,085.81	655.86	-	9.79	665.65	
Disposals/Discard	30.20	-	-	-	-	-	-	-	-	-	30.20	-	-	-	-	
As at 30th June 2015	11,426.30	8,624.94	20,153.34	2,79,598.17	5,709.21	645.09	901.26	669.79	2,550.35	9,012.98	3,39,291.43	52,887.15	-	438.81	53,325.96	
Accumulated Depreciation/ Amortisation:																
As at 1st July, 2013	-	796.17	2,780.01	48,878.62	1,988.50	586.27	399.24	178.02	1,405.60	1,266.88	58,279.31	4,323.36	156.21	427.75	4,907.32	
Charge for the year	-	315.66	695.95	11,672.25	395.40	68.23	45.92	29.02	255.04	434.76	13,912.23	2,606.52	-	36.60	2,643.12	
Disposals/Discard	-	64.19	569.67	4,215.88	558.80	189.90	146.75	23.35	-	-	5,768.54	-	156.21	133.28	289.49	
As at 30th June 2014	-	1,047.64	2,906.29	56,334.99	1,825.10	464.60	298.41	183.69	1,660.64	1,701.64	66,423.00	6,929.88	-	331.07	7,260.95	
Charge for the period	-	315.88	1,401.60	10,465.61	735.33	69.16	90.98	186.56	104.12	739.02	14,108.26	2,638.08	-	48.38	2,686.46	
Adjusted with Profit / Loss (Refer note 4)	-	-	142.41	30.13	14.57	69.36	22.41	155.23	-	-	434.11	-	-	-	-	
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 30th June 2015	-	1,363.52	4,450.30	66,830.73	2,575.00	603.12	411.80	525.48	1,764.76	2,440.66	80,965.37	9,567.96	-	379.45	9,947.41	
Net Block																
As at 30th June 2014	10,076.86	7,543.41	17,229.12	1,57,697.70	3,854.19	174.29	560.59	480.61	889.71	7,306.34	2,05,812.82	45,301.41	-	97.95	45,399.36	
As at 30th June 2015	11,426.30	7,261.42	15,703.04	2,12,767.44	3,134.21	41.97	489.46	144.31	785.59	6,572.32	2,58,326.06	43,319.19	-	59.36	43,378.55	

(A) Land, Railway Sidings and Mining rights (at Kulum Orissa), aggregating to ₹ 8,924.62 lacs (Gross block) as on 30th June 2012 were revalued by an external independent valuer on Net Replacement Cost/Fair Value basis and net increase of ₹ 56,283.66 lacs were transferred to Revaluation Reserve. In accordance with the option given in the guidance note on accounting for the depreciation in companies, the company recoups such additional depreciation out of revaluation reserve.

(B) Additions to plant and machinery includes borrowing costs of ₹ 12,848.88 lacs (₹ 5,970.84 lacs) transferred from capital work-in-progress / pre-operative expenditure (pending allocation).





## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 12.2. CAPITAL WORK IN PROGRESS

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Civil Construction and Structural Works	2,663.81	3,857.69
Plant and Equipments	31,107.05	35,824.25
Capital Goods in Stock	5,300.84	1,750.96
	39,071.70	41,432.90
Less: Transfer to Fixed Assets	38,865.10	16,965.24
	206.60	24,467.66
Add: Pre-operative and trial run expenditure (pending allocation) (Refer details below)	204.17	17,247.25
	410.77	41,714.91

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

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Opening Balance Brought Forward	17,247.25	10,067.01
Less: Adjustment related to company ceased to be subsidiary	-	(219.52)
Opening Balance Brought Forward related to continued operation	17,247.25	9,847.49
Expenditure		
Raw Materials Consumed	5,462.40	2,176.94
Power & Fuel	1,695.55	2,256.41
Consumption of Stores & Consumable	-	82.72
Salaries, wages and bonus	785.71	1,311.22
Operation & Maintenance Charges	567.47	-
Legal and Professional Charges	287.36	529.15
Interest On:		
Term Loans	6,237.41	10,431.91
Cash Credit, Letters of Credit and Others	-	454.09
Miscellaneous Expenses	51.49	255.65
SUB TOTAL (A)	32,334.64	27,345.58
Increase / (Decrease) in Stock		
Closing Stock		
Finished goods [transferred to (Increase)/ Decrease in inventories - (Note No. 23)]	4,034.98	1,295.52
SUB TOTAL (B)	4,034.98	1,295.52
TOTAL (A-B)	28,299.66	26,050.06
Less: Transferred to Fixed Assets	28,095.49	8,802.81
TOTAL	204.17	17,247.25



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 13. NON-CURRENT INVESTMENTS (LONG - TERM)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Trade investments - Unquoted (At cost)		
Equity Shares		
257,921,461 (217,425,068) Equity Shares of ₹ 10 each fully paid up of Adhunik Power & Natural Resources Limited	39,070.12	29,427.93
76,500 (76,500) Equity Shares of ₹ 10 each fully paid-up in Adhunik Meghalaya Steels Private Limited	7.65	7.65
Preference Shares		
468,400 (468,400) Preference shares of ₹ 1000 each fully paid up of Adhunik Power & Natural Resources Limited	4,684.00	4,684.00
Share Application Money		
Share application money in McCluskie Coal & Power Limited	-	0.75
	43,761.77	34,120.33

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

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Capital Advances (A)	19,144.95	4,048.14	-	-
Advances recoverable in cash or in kind				
Considered good - Related Parties	11,474.16	21,460.97	27,060.50	27,211.43
Considered good - Others	8.75	-	30,880.92	29,814.23
Doubtful - To Others	4,687.26	120.00	-	-
	16,170.17	21,580.97	57,941.42	57,025.66
Provision for doubtful advances	4,687.26	120.00	-	-
	(B) 11,482.91	21,460.97	57,941.42	57,025.66
Loans to Employees (C)	-	-	137.58	189.24
Security Deposits (D)	6,245.16	6,980.33	-	1,039.00
Others				
Balances with statutory/Government Authorities	375.31	452.80	2,433.68	1,440.52
Prepaid expenses	6.55	6.55	120.83	551.79
Advance income-tax (net of provision for taxation)	457.79	391.49	-	-
MAT Credit Entitlement	4537.51	4,537.51	-	-
Others	-	-	0.75	-
	(E) 5,377.16	5,388.35	2,555.26	1,992.31
TOTAL (A to E)	42,250.18	37,877.79	60,634.26	60,246.21

## Notes:

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



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

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

The Company has also entered into another contract with Mr. B.C. Dagara to act as the reising contractor for the said mines, and a sum of ₹ 5,135.27 lacs (₹ 4,801.65 lacs) has been paid as security deposit to him during the pendency of this service contract.

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

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Non-current bank balances (Refer Note No. 18)	1,424.32	5,845.28	-	-
Others				
Interest Receivable on				
Bank Deposits			15.60	18.31
Other Advances			728.92	147.66
Unbilled Revenue			2,670.56	37.02
Receivable towards sale of non-current investments (Refer Note No. 36)			-	8,674.79
Export Benefits Receivable			195.50	365.43
Total	1,424.32	5,845.28	3,610.58	9,243.21

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Raw Materials [includes in transit ₹ 110.99lacs (₹ 626.21 lacs)]	22,750.09	26,798.46
Finished Goods [includes in transit ₹ 6.25lacs (₹ 953.29 lacs)]	28,256.99	31,068.30
Work-in-Progress	11,663.15	11,696.79
By Products	11,057.64	14,116.66
	73,727.87	83,680.21
Stock-in-trade	21.51	1,379.41
Stores & Spares [includes in transit ₹ Nil (₹ 96.48 lacs)]	10,049.87	10,704.89
Total	83,799.25	95,764.51

## 17. TRADE RECEIVABLES (UNSECURED)

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	11,612.52	7,549.02
Doubtful	382.82	382.82
	11,995.34	7,931.84
Less: Provision for doubtful receivables	382.82	382.82
	(A) 11,612.52	7,549.02
Other trade receivables (considered good)	(B) 15,724.28	49,503.70
Total	(A+B) 27,336.80	57,052.72



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 18. CASH AND BANK BALANCES

(₹ in lacs)

	Non Current		Current	
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2015	As at 30th June 2014
Cash and cash equivalents				
Balances with banks:				
On current accounts			517.90	2,812.24
Deposit with original maturity of less than three months			1,806.20	-
On unpaid dividend account			7.43	8.82
Cheque/Draft on hand			1.00	-
Cash on hand			16.50	81.90
			2,349.03	2,902.96
Other bank balances				
Deposits with original maturity for more than 12 months #	92.52	10.68	-	-
Margin money deposit #	1,331.80	5,834.60	-	-
	1,424.32	5,845.28	-	-
Amount disclosed under non-current assets (Refer Note No. 15)	(1,424.32)	(5,845.28)	-	-
	-	-	2,349.03	2,902.96

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

## 19. REVENUE FROM OPERATIONS

(₹ in lacs)

	2014-15	2013-14
Revenue from operations		
Sale of products / Services		
Finished goods	90,297.24	198,739.51
Stock-in-trade	13,580.80	31,168.03
Sale of Services	15,128.05	11,008.30
Other operating revenue		
Sale of By-Products	1,468.14	405.13
Sale of Raw Materials	457.67	29,507.94
Export Benefits	122.55	275.71
Revenue from operations (gross)	121,054.45	271,104.62
Less: Excise duty	10,224.54	15,535.53
Revenue from operations (net)	110,829.91	255,569.09



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 20. OTHER INCOME

(₹ in lacs)

	2014-15	2013-14
Interest income on :		
Bank deposits	264.94	544.31
Loan, advances and deposits	141.98	1,787.91
Unspent liabilities and provisions no longer required written back	941.99	1,069.02
Profit on Sale of Fixed Assets	-	66.24
Gain on foreign exchange fluctuation / forward exchange contracts (Net)	38.84	-
Prior Period items (net) (Refer Note No. 25.2)	-	260.43
Insurance & Other Claims	0.52	4,258.80
Rent & Hire Charges	31.38	53.50
Commission Income	-	1,112.11
Other non-operating income	221.54	16.33
	1,641.19	9,168.65

## 21. COST OF RAW MATERIALS CONSUMED

(₹ in lacs)

	2014-15	2013-14
Opening Stock of Raw Materials	26,798.46	42,545.13
Less: Adjustment related to company ceased to be subsidiary [Refer Note No. 21.1]	-	(15,896.17)
Opening Stock of Raw Materials related to continued operation	26,798.46	26,648.96
Add: Purchases	60,030.62	122,485.90
	86,829.08	149,134.86
Less: Closing Stock	22,750.09	26,798.46
Less: Raw Materials Consumed in Trial Run	5,462.40	2,176.94
Cost of raw materials consumed	58,616.59	120,159.46

21.1 Cost of raw materials consumed is computed after excluding inventory of Adhunik Power and Natural Resources Limited which ceases to a subsidiary [Refer Note No. 2(B)(iii)].

## 22. PURCHASE OF STOCK-IN-TRADE

(₹ in lacs)

	2014-15	2013-14
Iron & Steel product	11,667.44	29,701.06
	11,667.44	29,701.06



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

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

(₹ in lacs)

	2014-15	2013-14	(Increase)/ Decrease
Inventories at the end of the year:			
Finished Goods	28,256.99	31,068.30	2,811.31
Work in Progress	11,663.15	11,696.79	33.64
Stock-in-trade	21.51	1,379.41	1,357.90
By Products	11,057.63	14,116.66	3,059.03
(A)	50,999.28	58,261.16	7,261.88
Inventories at the beginning of the year:			
Finished Goods	31,068.30	37,138.47	6,070.17
Work in Progress	11,696.79	11,600.16	(96.63)
Stock-in-trade	1,379.41	8.48	(1,370.93)
By Products	14,116.66	9,732.52	(4,384.14)
(B)	58,261.16	58,479.63	218.47
(B-A)	7,261.88	218.47	
Add : Stock Transferred on commencement of commercial production			
Finished Goods (Refer Note No. 12.2)	4,034.98	1,295.52	
	11,296.86	1,513.99	
Less: Transferred to Fixed Assets	-	-	
Excise duty on (Increase)/decrease of finished goods	(504.37)	(818.44)	
	10,792.49	695.55	

## 24. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

	2014-15	2013-14
Salaries, wages and bonus	6,225.73	7,761.72
Contribution to provident fund	224.00	222.52
Gratuity expense (Refer Note No. 32)	139.89	125.36
Employee stock option compensation cost (Refer Note No. 33)	-	171.42
Workmen and Staff Welfare Expenses	133.22	1,116.10
	6,722.84	9,397.12

24.1 Managerial remuneration amounting to ₹ 120.00 lacs (₹ 120.00 lacs) have been expensed off in the Statement of Profit and Loss during the current year, which is in excess of limit specified under the Companies Act, 2013. The above remuneration has been approved by the Remuneration Committee and Shareholders of the Company but approval of the Ministry of Corporate Affairs (MCA) is awaited.



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 25. OTHER EXPENSES

(₹ in lacs)

	2014-15	2013-14
Consumption of Stores and Spares	4,095.88	8,214.97
Power and Fuel	9,878.51	14,242.65
Conversion Charges	662.35	976.89
Operation and Maintenance Charges (Refer Note No. 25.1)	2,937.94	5,026.40
Freight and Forwarding Charges	2,330.21	4,384.01
Rent	609.86	991.65
Cost of raising, drilling and excavation	3,464.54	2,621.75
Royalty	728.52	1,613.99
Rates and Taxes	181.68	234.80
Legal and Professional Charges	1,057.20	1,393.38
Insurance	96.19	106.46
Repairs to and Maintenance of :		
Buildings	12.61	29.72
Machinery	1,128.27	1,373.11
Others	517.10	208.28
Travelling and Conveyance Expenses	514.06	894.40
Directors' Travelling & Conveyance Expenses	8.03	8.03
Communication Costs	182.13	264.75
Director's Sitting fees	12.37	10.54
Payment to Auditors:		
As Auditors		
Audit fee	41.37	40.26
Limited Review Fees	15.00	15.00
In other capacity		
Tax Audit Fees	3.00	3.00
Certificates and Other services	8.25	4.87
Reimbursement of Expenses	-	1.36
Provision for doubtful debts and advances	4,567.26	186.06
Bad debts/advances written off	1,492.62	152.98
Commission on sales	2.79	47.02
Rebate, discounts and other selling expenses	838.42	1,776.11
Motor Vehicle Expenses	400.56	602.69
Security Charges	207.92	277.96
Peripheral Development expenses	42.83	174.38
Prior Period items (net) (Refer details below)	12.73	-
Exchange Differences (net)	760.46	374.05
Charity and Donations	34.00	143.24
Miscellaneous Expenses	1,004.16	1,920.47
	37,848.82	48,315.23





## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 25.1 OPERATION &amp; MAINTENANCE CHARGES CONSIST OF THE FOLLOWING EXPENSES

(₹ in lacs)

	2014-15	2013-14
Contract Payments	1,074.22	1,979.97
Testing and Inspection Charges	65.51	241.30
Refractory Management Charges	503.77	946.04
Labour Charges	546.01	646.68
Plant and Equipment Hire Charges	627.73	939.29
Water Charges	39.80	65.76
Mines Supervision Charges	-	32.12
Packing & Forwarding Charges	9.25	17.82
Miscellaneous	71.65	157.40
	2,937.94	5,026.40

## 25.2 PRIOR PERIOD EXPENSES/(INCOME) CONSIST OF THE FOLLOWING EXPENSES

(₹ in lacs)

	2014-15	2013-14
Income		
Miscellaneous Income	-	260.43
Sub Total (A)	-	260.43
Expenses		
Miscellaneous Expenses	12.73	-
Sub Total (B)	12.73	-
Total (B-A)	12.73	(260.43)

## 26. DEPRECIATION &amp; AMORTIZATION EXPENSE

(₹ in lacs)

	2014-15	2013-14
Depreciation of tangible assets	14,108.26	13,912.23
Amortization of intangible assets	2,686.45	2,643.12
Less: Adjusted against revaluation reserve	(2,084.94)	(1,967.61)
	14,709.77	14,587.74

## 27. FINANCE COSTS

(₹ in lacs)

	2014-15	2013-14
Interest on:		
Term Loans	25,961.61	16,672.26
Cash Credit, Letters of Credit and Others	17,563.57	19,546.30
Income tax	-	-
Other borrowing costs	1,764.10	1,426.11
	45,289.28	37,644.67

**Notes to Consolidated Financial Statements** as at and for the year ended 30th June, 2015**28. EARNINGS PER SHARE (EPS)**

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

	2014-15	2013-14
Net Profit after tax for calculation of basic and diluted EPS (₹ in lacs)	(48,358.58)	4,040.51
Weighted average number of equity shares in calculating basic EPS	12,34,99,536	12,34,99,536
Add: Effect of stock options	-	21,25,772
Weighted average number of equity shares in calculating diluted EPS	12,34,99,536	12,56,25,308
Nominal Value of equity shares	₹ 10	₹ 10
Basic Earnings Per Share	₹ (39.16)	₹ 3.27
Diluted Earnings Per Share	₹ (39.16)	₹ 3.22

**29. CONTINGENT LIABILITIES**

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Claims & Government demands against the Company not acknowledged as debt:		
Excise demands under dispute/ appeal	5,216.83	5,344.96
Sales Tax matters (under dispute/appeal)	1,473.52	1,161.19
Others	353.40	383.02
Bills discounted and Bank Guarantees outstanding	2,819.60	29,075.12
Custom Duty on Import of equipments and spare parts under EPCG Scheme	771.07	771.07
	10,634.42	36,735.36

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

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

(ii) The CDR Package is well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made / to be made by CDR Lenders under obligor co-obligor structure (Refer Note No 5(1)(l) as per the CDR package is approximately ₹ 173,022,00 lacs,

**30. CAPITAL AND OTHER COMMITMENTS**

- (a) As at 30th June 2015, the Company has commitments of ₹ 2,197.46 lacs (₹ 12,797.03 lacs) net of advances ₹ 2,129.76 lacs (₹ 18,948.53 lacs) relating to estimated amount of contracts to be executed on capital account and not provided for.
- (b) The Company has given undertaking to the lenders not to dispose of its 51% shareholding in Orissa Manganese & Minerals Limited (OMM), a wholly owned subsidiary, till the loan taken by OMM is paid in full. Further, the company has also pledged 6,000,000 equity shares of OMM as a security against the above loan.

**31. LEASES****Operating lease**

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

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
Within one year	180.00	180.00
After one year but not more than five years	555.00	735.00
	735.00	915.00



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

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

	(₹ in lacs)	
	2014-15	2013-14
Lease payments made for the year	303.66	552.91
	303.66	552.91

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

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

## Consolidated Statement of Profit and Loss

- (a) Net employee benefit expense recognized in the employee cost

	(₹ in lacs)	
	2014-15	2013-14
Current service cost	116.45	266.74
Interest cost on benefit obligation	49.37	50.89
Net actuarial (gain)/loss	(25.93)	(192.27)
Net benefit expense	139.89	125.36

## Balance Sheet

- (b) Benefit asset/liability

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Present value of defined benefit obligation	706.59	609.93
Fair value of plan assets	-	-
Less: Unrecognised past service cost	-	-
Net asset/(liability)	(706.59)	(609.93)

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

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Opening defined benefit	609.93	646.35
Current service cost	116.45	266.74
Interest cost	49.37	50.89
Benefits paid	(43.23)	(34.35)
Actuarial (gains)/losses on	(25.93)	(192.27)
Adjustment related to company ceases to be a subsidiary [Refer Note No. 2(B)(iii)]		(127.43)
Closing defined benefit	706.59	609.93

**Notes to Consolidated Financial Statements** as at and for the year ended 30th June, 2015

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

	(₹ in lacs)	
	2014-15	2013-14
Discount rate	7.50%	9.00%
Salary increase	7.00%	7.00%
Mortality table	LIC (2006-2008) ultimate table	LIC (2006-2008) ultimate table

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

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

	(₹ in lacs)				
	As at 30th June 2015	As at 30th June 2014	As at 30th June 2013	As at 31st Mar 2012	As at 31st Mar 2011
Gratuity					
Defined benefit obligation	706.59	609.93	646.35	507.22	443.51
Plan assets	-	-	-	-	-
Surplus/(deficit)	(706.59)	(609.93)	(646.35)	(507.22)	(443.51)
Experience adjustments on plan liabilities (gains)/losses	(25.93)	(192.27)	(236.21)	(278.41)	64.99
Experience adjustments on plan assets	NA	NA	NA	NA	NA

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

	(₹ in lacs)	
	2014-15	2013-14
Defined Contribution plans:		
Amount recognised in the Consolidated Statement of Profit and Loss		
Contribution to Provident Fund	224.00	222.52

**33. EMPLOYEE STOCK OPTION PLANS (EQUITY SETTLED)**

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

During the previous year, the Company had granted 3,087,949 number of options convertible into equity shares of ₹ 10 each. These options carry a vesting period ranging from one to four years and at an exercise price of ₹ 30.15 as determined in accordance with applicable SEBI Guidelines as at the date of grant. All the options granted have an exercise period of two years from the date of vesting.

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

	(₹ in lacs)	
Particulars	As at 30th June 2015	As at 30th June 2014
Total accounting value of options outstanding (A)	210.07	294.29
Deferred Compensation Cost	210.07	294.29
Less: Cost Amortised during the year	(182.28)	(221.11)
Net Deferred Compensation Cost (B)	(27.79)	(73.18)
Employee Stock Options outstanding (Net of deferred compensation cost) (A-B)	182.28	221.11

**Notes to Consolidated Financial Statements** as at and for the year ended 30th June, 2015

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

Particulars	30th June 2015			30th June 2014		
	No. of Options	Amount (₹ in lacs)	Weighted average Exercise Price (₹)	No. of Options	Amount (₹ in lacs)	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	3,087,949	294.29	30.15	3,708,643	353.85	30.15
Granted during the year	-	-	-	-	-	-
Forfeited during the year	931,375	84.23	30.15	620,694	59.56	30.15
Exercised during the year	-	-	-	-	-	-
Outstanding at the end of the year	2,156,574	210.06	30.15	3,087,949	294.29	30.15
Exercisable at the end of the year	808,262	-	-	764,332	-	-
Weighted average remaining contractual life (in years)	2.00			3.02		

The weighted average market price of the Company's shares during the year ended June 30, 2015 was ₹ 29.09 (₹ 33.05) per shares.

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

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

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

**34. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE****(a) Forward Contract**

For minimizing the risk of currency exposure, the Forward Cover Contracts are of USD Nil (USD 3,150,000) for trade receivables.

**(b) Particulars of unhedged foreign currency exposure as at the balance sheet date**

	(₹ in lacs)	
	As at 30th June 2015	As at 30th June 2014
Trade Receivables	73.01	1,061.16
Trade Payables	313.18	202.23
Foreign Currency Loans	44.66	2,167.93

(c) The company has outstanding derivative transaction of full currency swap from ₹ to \$ for notional amount of ₹ 1,000.00 lacs (notional \$ 1,790,189.76) receiving net interest benefit of 8.7450% for a period starting from 7-Sept-2012 and ending at 31-Aug-2017 and ₹ 2,100.00 lacs (notional \$ 3,493,013.97) receiving net interest benefit of 8.5550% for a period starting from 14-Jul-2014 and ending at 30-Jun-2020. The purpose of this transaction is to transform the payments under the long term ₹ borrowing into \$ liability and thereby reducing effective interest rate.



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 35. TRADE PAYABLE INCLUDES AMOUNT DUE TO MICRO &amp; SMALL ENTERPRISES IN TERMS OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT) AS UNDER:

(₹ in lacs)

	As at 30th June 2015	As at 30th June 2014
a) Principal Amount remaining unpaid at the end of accounting year.	46.00	79.75
Interest due on above	2.83	9.52
	48.83	89.27
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest adjusted during the period.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	71.70
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.83	81.22
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

## 36. INTEREST IN JOINT VENTURE ENTITIES

The Company's share of the assets, liabilities, income and expenses in the jointly venture entities as per the audited accounts as at and for the year ended 30th June 2015 is as follows:

(₹ in lacs)

	As at 30th June, 2015	As at 30th June, 2014
Tangible Assets	2.05	2.72
Intangible Assets	10.68	10.34
Non current assets		
Other non-current assets	-	2.63
Current assets		
Inventories	4.46	4.46
Trade receivables	0.09	0.09
Cash and bank balances	2.71	0.09
Short-term loans and advances	6.54	7.40
Other current assets	0.99	0.30
Current liabilities		
Trade Payables	3.38	16.19

(₹ in lacs)

	2014-15	2013-14
Income / Expense		
Other Income	0.23	0.23
Depreciation	0.35	0.42
Other Expenses	(0.02)	0.02
Profit / (Loss) after tax	0.10	(0.21)



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 37. RELATED PARTY DISCLOSURES

## (a) Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year:

Associate	Adhunik Power & Natural Resources Limited
Joint Venture	United Minerals (partnership firm) Neepaz B C Dagara Steels Private Limited
Key Management Personnel	Mr. Manoj Kumar Agarwal (Managing Director) Mr. Ghanshyam Das Agarwal (Chairman) Mr. Jugal Kishore Agarwal (Director) Mr. Nirmal Kumar Agarwal (Director) Mr. Mohan Lal Agarwal (Director) Mr. Mahesh Kumar Agarwal (Director) Mr. Sanjay dey (Company Secretary) Mr. Alok Samanta, Company Secretary (cease to exist from 1st January, 2015 of subsidiary company)
Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Adhunik Alloys & Power Limited Adhunik Corporation Limited Adhunik Infotech Limited Adhunik Industries Limited Adhunik Steels Limited Amuel Engineering Private Limited Futuristic Steel Limited Mahananda Suppliers Limited Swarnarekha Steel Industries Zion Steel Limited

## (b) Related party transactions

(₹ in lacs)

Nature of Transactions	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Associate	Joint Venture	Total
<b>1. In relation to Statement of Profit and Loss</b>					
<b>Purchase of goods / services</b>					
Adhunik Alloys & Power Limited		2,774.54 (1,261.61)			2,774.54 (1,261.61)
Adhunik Steels Limited		128.52 (2082.59)			128.52 (2082.59)
Adhunik Power & Natural Resources Limited			- (697.14)		- (697.14)
Adhunik Industries Limited		21.52 (27.49)			21.52 (27.49)
Amuel Engineering Private Limited		227.99 (-)			227.99 (-)
Swarnarekha Steel Industries		- (11.46)			- (11.46)
Zion Steel Limited		3,140.36 (1,082.56)			3,140.36 (1,082.56)
<b>Revenue from Operations</b>					
Adhunik Alloys & Power Limited		7,846.56 (9,392.05)			7,846.56 (9,392.05)
Futuristic Steel Limited		36.26 (28.80)			36.26 (28.80)
Adhunik Power & Natural Resources Limited			23.58 (0.63)		23.58 (0.63)
Adhunik Corporation Limited		2,288.56 (7752.30)			2,288.56 (7752.30)





## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## (b) Related party transactions (Contd.)

(₹ in lacs)

Nature of Transactions	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Associate	Joint Venture	Total
<b>Hire &amp; Other charges</b>					
Adhunik Alloys & Power Limited		33.38 (5,266.65)			33.38 (5,266.65)
<b>Accounting &amp; Maintenance charges and Rent</b>					
Adhunik Alloys & Power Limited		3,246.70 (2,963.85)			3,246.70 (2,963.85)
Adhunik InfoTech Limited		257.19 (259.63)			257.19 (259.63)
<b>Electricity charges received</b>					
Zion Steel Limited		98.73 (118.21)			98.73 (118.21)
<b>Conversion Charges</b>					
Zion Steel Limited		178.82 (-)			178.82 (-)
<b>Purchase of Fixed Asset</b>					
Adhunik Alloys & Power Limited		- (47.43)			- (47.43)
Adhunik Power & Natural Resources Limited			- (12.24)		- (12.24)
<b>Interest Income</b>					
Adhunik Corporation Limited		- (21.83)			- (21.83)
Adhunik Steels Limited		- (1,641.19)			- (1,641.19)
<b>Remuneration to Key Management Personnel</b>					
Manoj Kumar Agarwal	120.00 (120.00)				120.00 (120.00)
Sanjay Dey	26.88 (-)				26.88 (-)
Alok Samanta	5.75 (9.98)				5.75 (9.98)
<b>Subscription towards Equity Shares</b>					
Adhunik Power & Natural Resources Limited		9,642.19 (6,512.69)			9,642.19 (6,512.69)
<b>2. In relation to Balance Sheet Items</b>					
<b>Balance outstanding as at the year end – Debit</b>					
Adhunik Alloys & Power Limited		6,066.94 (-)			6,066.94 (-)
Adhunik Steels Limited		26,529.50 (26,910.08)			26,529.50 (26,910.08)
Adhunik Corporation Limited		5,534.86 (1,161.55)			5,534.86 (1,161.55)
Adhunik InfoTech Limited		- (7.62)			- (7.62)
Adhunik Power & Natural Resources Limited			5.33 (19.52)		5.33 (19.52)
Mahananda Suppliers Limited		- (8,674.79)			- (8,674.79)
Zion Steel Limited		11,538.10 (21,460.97)			11,538.10 (21,460.97)
United Minerals				2.71 (2.71)	2.71 (2.71)



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

### (b) Related party transactions (Contd.)

(₹ in lacs)

Nature of Transactions	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Associate	Joint Venture	Total
Balance outstanding as at the year end – Credit					
Futuristic Steels Limited		227.63 (227.63)			227.63 (227.63)
Mahananda Suppliers Limited		967.40 (-)			967.40 (-)
Manoj Kumar Agarwal	147.17 (240.12)				147.17 (240.12)
Sanjay Dey	26.88 (-)				26.88 (-)
Alok Samanta	- (2.13)				- (2.13)
Adhunik InfoTech Limited		111.43 (-)			111.43 (-)
Amuel Engineering Private Limited		153.04 (1,534.53)			153.04 (1,534.53)
Adhunik Industries Limited		22.44 (-)			22.44 (-)
Adhunik Alloys & Power Limited		(-) (1,521.92)			(-) (1,521.92)
Neepaz B.C. Dagara Steels Private Limited				43.38 (43.38)	43.38 (43.38)

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

### 38. SEGMENT INFORMATION

(i) Business Segment: The Group is primarily engaged in the business of manufacturing and sale of iron and steel products. However, besides Iron and Steel, the Company has also identified Mining and Power as reportable segment, in terms of Accounting Standard 17 on 'Segment Reporting'.

(₹ in lacs)

Particulars	Iron & steel	Mining	Total
(A) Revenue			
External	101,680.61 (237,435.91)	10,451.93 (21,296.78)	112,132.54 (258,732.69)
Inter Segment sales	- (-)	1,302.63 (3,163.60)	1,302.63 (3,163.60)
Total Revenue from operations (Net of Excise)	101,680.61 (237,435.91)	9,149.30 (18,133.18)	110,829.91 (255,569.09)
(B) Results			
Segment results Profit/(Loss)	(27,766.86) (24,991.43)	(471.04) (9,242.30)	(28,237.90) (34,233.73)
Interest Income			406.92 (2332.22)
Unallocated Expenses			56.39 (55.28)
Unallocated Income			0.52 (5,370.91)



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## 38. SEGMENT INFORMATION (Contd.)

(₹ in lacs)			
Particulars	Iron & steel	Mining	Total
Operating Profit			(27,886.85)
			(41,881.58)
Finance Costs			45,289.28
			(37,644.67)
Tax expenses			(24,810.13)
			(191.43)
Minority Interest			(7.42)
			(4.97)
Net Profit / (Loss) for the year			(48,358.58)
			(4,040.51)
(C) Total Assets			
Segment assets	513,921.48	620.60	514,542.08
	(449,451.33)	(65,865.50)	(515,316.83)
Unallocated assets			66,963.68
			(86,635.21)
Total assets			581,505.76
			(601,952.04)
(D) Total Liabilities			
Segment liabilities	55,481.90	592.30	56,074.19
	(114,028.48)	(11,757.02)	(125,785.50)
Unallocated liabilities			418,501.42
			(318,447.78)
Total liabilities			474,575.61
			(444,233.28)
(E) Other Segment Information			
Capital expenditures			
Tangible	25,781.80	-	25,781.80
	(31,341.42)	(518.69)	(31,860.11)
Intangible	-	665.64	665.64
	(58.74)	(79.85)	(138.59)
Depreciation and amortisation (excluding amount transferred to capital work in progress/ amount adjusted against revaluation reserve)	14,108.26	2,686.45	16,794.71
	(13,912.23)	(2,643.12)	(16,555.35)
Non cash expenses other than depreciation	6,059.14	-	6,059.14
	(339.04)	(-)	(339.04)

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



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

## Information for Secondary Geographical Segments:

## (A) Revenue

	(₹ in lacs)	
	2014-15	2013-14
Domestic Revenues	107,692.05	176,017.02
Export Revenues (Including Export Benefits)	3,137.86	79,552.07
Total	110,829.91	255,569.09

## (B) Total Assets

	(₹ in lacs)	
	As at 30th June, 2015	As at 30th June, 2014
Within India	580,195.42	566,024.17
Outside India	1,310.34	35,927.87
Total	581,505.76	601,952.04

## (C) Capital Expenditure

	(₹ in lacs)	
	2014-15	2013-14
Within India	26,447.44	31,998.70
Outside India	-	-
Total	26,447.44	31,998.70

(iii) The Company's production/dispatches at mines were temporarily suspended /discontinued for a part of the year.

## 39. Statement of Net Assets and Profit or Loss attributable to owners and minority Interest

Name of Entity	Reporting Currency	As % of consolidated net Assets	Net Assets, i.e. total assets minus total liabilities	As % of consolidated profit or loss	Share in profit or (loss)
<b>(A) Parent Company</b>					
Adhunik Metaliks Ltd	INR	66.36	77,338.37	79.42	(38,406.19)
<b>(B) Subsidiaries</b>					
<b>Indian</b>					
Orissa Manganese & Minerals Ltd	INR	33.72	39,298.32	19.95	(9,645.96)
Vasundhra Resources Limited	INR	0.03	30.47	0.02	(10.60)
<b>Foreign</b>					
Orchid Global Resources Pte Ltd	INR	(0.13)	(152.78)	0.62	(297.49)
Global Commodity & Resources Limited	INR	0.02	20.20	(0.00)	2.02
<b>Joint Ventures</b>					
Neepaz B C Dagara Steels Private Limited	INR	(0.02)	(21.46)	0.00	(0.14)
United Minerals	INR	0.02	22.75	0.00	(0.14)
<b>TOTAL</b>		<b>100.00</b>	<b>116,535.88</b>	<b>100.00</b>	<b>(48,358.49)</b>
<b>(A) Adjustment due to consolidation</b>					
(B) Minority Interests in subsidiaries			(9,593.13)		
<b>Indian</b>					
Vasundhra Resources Limited	INR		(12.50)		



## Notes to Consolidated Financial Statements as at and for the year ended 30th June, 2015

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

41. In case of Orissa Manganese & Minerals Limited (OMM), a wholly owned subsidiary company, the Mining Leases pertaining to the various mines have already expired and the Company's applications for renewal thereof are pending with the concerned authorities. The Company had filed applications for renewal of these leases at least 12 months before the expiry of the respective lease period. Accordingly, as per the provisions under MCR (Mineral Concession Rules), 1960, Rule 24A (1) & Rule 24A (5), the periods of said leases are deemed to have been extended by a further period till the State Government passes an order thereon. In view of above, these accounts have been prepared on a Going Concern Basis.

42. In the absence of notification of rule by Central/State Governments the effect of the provisions of The Mines and Minerals (Development and Regulation) Amendment Act 2015, has not been considered in accounts.

43. The Company is in process of appointing Chief Financial Officer to comply with the provisions of The Companies Act, 2013.

44. Previous year figures including those given in brackets have been rearranged where ever neccessary to conform with the current year classification.

As per our report of even date

For Das & Prasad  
Firm registration number: 303054E  
Chartered Accountants

For and on behalf of the Board of Directors

Anil Kumar Agarwal  
Partner  
Membership No.: 062368

Manoj Kumar Agarwal  
(Managing Director)

Ghanshyam Das Agarwal  
(Director)

Place: Kolkata  
Date: 28th August, 2015

Sanjay Dey  
(Company Secretary)



## **Adhunik Metaliks Limited**

### **Registered Office**

Chadri Hariharpur, P.O.- Kuarmunda, Sundergarh, Odisha - 770 039  
Tel.: 0661 305 1300 / 1598, Fax: 0661 305 1303


### **Corporate Office**

Lansdowne Towers, 2/1A Sarat Bose Road, Kolkata - 700 020  
Tel: 033-3051 7100 (30 lines), Fax: 033 2289 0285 / 3051 7225, Email: [info@adhunikgroup.com](mailto:info@adhunikgroup.com)  
[www.adhunikgroup.com](http://www.adhunikgroup.com)

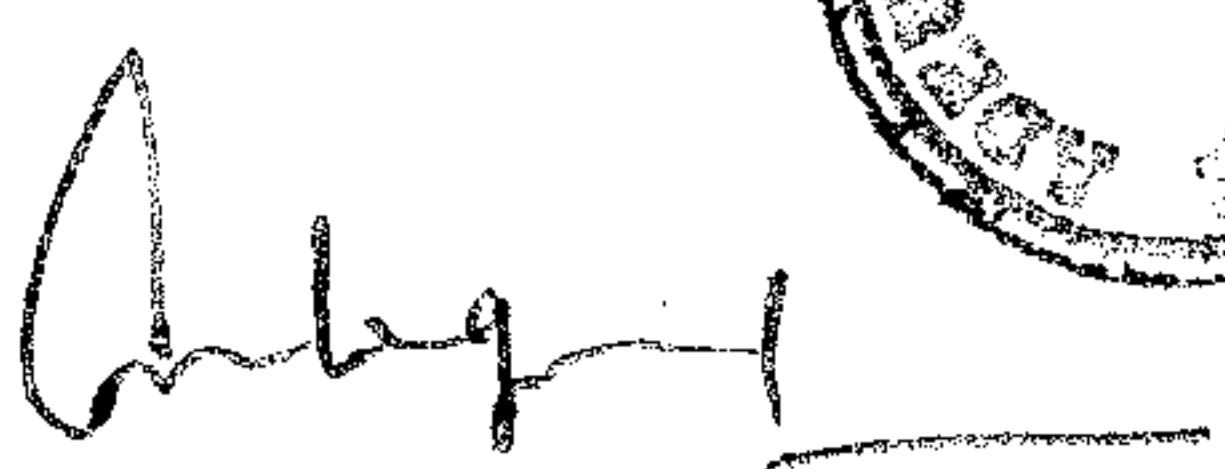
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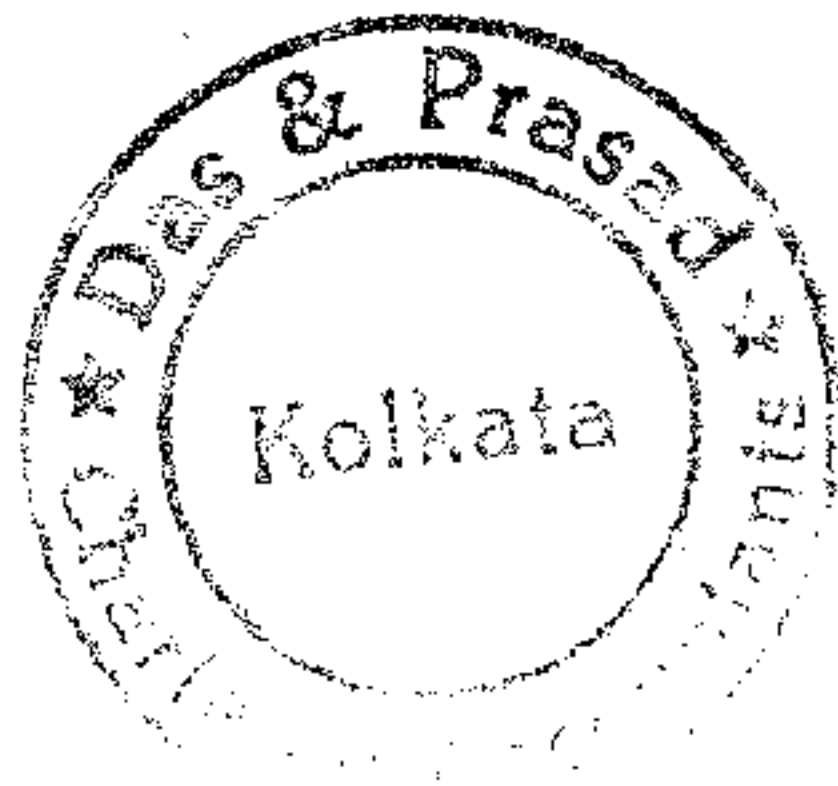
Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	ADHUNIK METALIKS LIMITED CHADRI HARIHARPUR P.O. KUARMUNDA SUNDARGARH ODISHA-770039
2.	Annual consolidated financial statements for the financial/accounting year ended	30 <sup>th</sup> June, 2015
3.	Type of audit observation	Matter of emphasis:
4.	Frequency of observation	One observation since June 2014 and other observations for the first time.

  
CEO/Managing Director  
(Manoj Kumar Agarwal)



  
Auditors of the Company  
(Das & Prasad, Chartered Accountants)  
(Firm Registration No 303054E  
(Anil Kumar Agarwal)  
Membership No 062368



  
Audit Committee Chairman  
(Nandanandan Mishra)

