ANNUAL REPORT
2017-18

AXL-EXPLORATION PRIVATE LIMITED

Board of Directors

Mr. Subodh Agarwalla
Mr. Kunal Agarwala
Mr. Shailendra Kumar Shaw
(appointed w.e.f. 3 May 2017)

Auditors
M Choudhury & Co.
Chartered Accountants

Bankers
State Bank of India

Registered Office
Flat No. 001, Plot No. - 109, Bamra Manar,
Unit-7, Near Governer House, Surya Nagar,
Bhubaneswar, Khordha, Orrisa - 751003

Corporate Identification Number
U14292OR1999PTC005643

Contents

DIRECTORS' REPORT

To
The Shareholders of
AXL-Exploration Private Limited

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

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

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

(Amount in ₹)

Particulars	2017-18	2016-17
Total income	Nil	Nil
Total expenses	477,855	3,416,423
Profit/(Loss) before taxes	**477,855**	**3,416,423**
Less: Tax expenses:		
For Current tax	Nil	Nil
For Deferred tax	Nil	Nil
Profit/(Loss)for the year	**(477,855)**	**(3,416,423)**

The Company has made an application to the Government authorities for renewal of its mining lease and necessary approval thereon is awaited. The Company has not undertaken any activity due to the pending of renewal of mining lease.

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

DIVIDEND

Your Directors do not recommend any dividend for the financial year 2017-18.

RESERVES

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Subodh Agarwalla (DIN: 00339855), Director of the Company, retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Shailendra Kumar Shaw (DIN: 07124667) was appointed as an Additional Director (Category: Professional & Non-Executive) by the Board of Directors with effect from 3 May 2017 and subsequently he was appointed as a Director by the Members at the last Annual General Meeting of the Company held on 25 August 2017.

Mr. Kunal Agarwala (DIN: 01205229) continues to be the Director of the Company during the year under review.

Further, details about the director to be re-appointed is given in the Notice convening the ensuing Annual General Meeting.

The provisions of the Companies Act, 2013 relating to the appointment of the Independent Directors and Key Managerial Personnel are not applicable to the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2017-18, 5 (Five) meetings of the Board of Directors were duly convened, held and concluded on 25 April 2017, 3 May 2017, 28 August 2017, 27 November 2017 and 30 January 2018. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

Attendance of each Director at the Board meetings held during the year 2017-18 is as follows:

Name of the Directors	Category	No. of Board Meetings attended
Mr. Subodh Agarwalla	Non-Executive Director	5
Mr. Kunal Agarwala	Non-Executive Director	5
Mr. Shailendra Kumar Shaw*	Non-Executive Director	3

**Appointed as a Director of the Company w.e.f. 3 May 2017.*

The provisions of the Companies Act, 2013 relating to the constitution of the Committee(s) are not applicable to the Company.

RISK MANAGEMENT

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events. Business risk evaluation and management is an ongoing process within the Company. Hence, no separate risk management policy is formulated.

DEPOSITS

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

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

The Company's internal control systems are commensurate with the size and nature of business of the Company. The Management ensures that the accounts of the Company are properly maintained in accordance with the prevailing laws and regulations. During the year under review, no reportable material weakness in the internal operation was observed.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

During the year under review, no Company have become or ceased to be Company's Subsidiary, Associate or Joint Venture. As on 31 March 2018, the Company does not have any Subsidiary, Associate or Joint Venture Companies, hence the Company is not required to prepare any Consolidated Financial Statement.

INDIAN ACCOUNTING STANDARDS (IND AS)

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), Maithan Alloys Limited (the holding company of the Company) is mandatorily required to comply with the provisions of Indian Accounting Standards (Ind AS) for preparing their Financial Statement for the financial year 2017-18 and onwards.

In accordance with the said MCA notification, your Company, being a subsidiary of a listed company namely, Maithan Alloys Limited, is also mandatorily required comply with the provisions of the Ind AS for preparing its financial statements w.e.f. 1 April 2017. Consequently, the Company has adopted Ind AS with effect from 1 April 2017, with the transition date of 1 April 2016 and the financial Statements for the financial year ended 31 March 2018, have been prepared in accordance with Ind AS.

The financial statements for the financial year ended 31 March 2017, have been restated to comply with Ind AS to make them comparable. The effect of the transition from IGAAP to Ind AS has been explained by way of reconciliation in the Financial Statements.

STATUTORY AUDITORS' REPORT

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

The Auditors of the Company have not reported any incident of fraud to the Board of Directors.

STATUTORY AUDITORS

D. K Chhajer & Co. resigned from the office of the Statutory Auditors of the Company w.e.f. 23 November 2017 and consequently, on the recommendation of the Board of Directors, the appointment of M Choudhury & Co., Chartered Accountants (Firm Registration No.: 302186E), as the Statutory Auditors were approved by the Members at the Extra-ordinary General Meeting of the Company held on 23 December 2017 to fill the casual vacancy. They hold the office till the conclusion of the ensuing

Annual General Meeting, in terms with the provisions of the Companies Act, 2013.

Since the tenure of M Choudhury & Co. shall be concluded at the ensuing Annual General Meeting, the Board of Directors recommends to re-appoint them as the Statutory Auditors of the Company for a term of consecutive 5 (five) years, commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2023.

The Company has received a written consent from M Choudhury & Co., expressing their willingness for such appointment and a certificate to the effect that their appointment, if made, shall be in compliance with the provisions of the Sections 139 and 141 of the Companies Act, 2013.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return of the Company as on the financial year ended 31 March 2018 in prescribed Form MGT-9 is annexed herewith as **Annexure – "A"**.

PARTICULARS OF EMPLOYEES

The Company has no employees who are in receipt of remuneration of one crore and two lakh rupees or more during the financial year or eight lakh and fifty thousand rupees per month, if employed for part of the financial year or received remuneration in excess of that drawn by the Managing Director/Whole-time Director/Manager and holds by himself or along with his spouse and dependent children, two percent or more of the equity shares of the Company.

A statement in terms of provisions of the Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

Name of the Employee	Amit Kumar Biswal	Debcharan Behera
Designation of the Employee	Officer	Supervisor
Age	37 years	48 years
Qualification and Experience	M.B.A, 16 years.	Under Graduate, 23 years.
Date of Commencement of Employment	1 April 2002	1 June 2002
Nature of Employment	Regular	Regular
Remuneration received	₹ 252,000/-	₹ 81,900/-
Last Employment held	None	None
Whether such Employee is a relative of any director or manager of the Company and if so, name of such director or manager	No	No
The percentage of the equity shares held by the Employee in the Company within the meaning of clause (iii) of Rule 5(2) of the aforementioned Rule	N.A.	N.A.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not provided Loan to any person or other bodies corporate nor provided any Guarantee or Securities in connection with a loan to any other body corporate or persons, pursuant to the provisions of Section 186 of the Companies Act, 2013, during the financial year 2017-18.

Further, the Company has not acquired by way of purchase or subscription or otherwise any securities during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any transaction with its related party referred to in sub-section (1) of Section 188 of the Companies Act, 2013, during the financial year 2017-18. Thus, disclosure in Form AOC-2 is not required.

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

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014. During the year under review, there was no foreign exchange earnings and expenditure by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

(v) 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.

OTHER DISCLOSURES

Your Directors state that during the year under review:

1. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
2. The Company has not issued any shares including Sweat Equity Shares and Employees Stock Option Scheme to the employees of the Company or under any other scheme.
3. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. No material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.
5. There was no change in the Share Capital of the Company.
6. During the year under review, the Company has complied the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India (including any modification(s) or re-enactment(s) thereof for the time being in force).

Your Directors further states that during the year under review, the Company has not received any complaint, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint is pending at the beginning or end of the financial year 2017-18.

ACKNOWLEDGMENT

Your Directors wish to place on record their deep sense of appreciation for the assistance and co-operation received from all statutory bodies and banks, during the year under review.

For and on behalf of the Board of Directors

	Subodh Agarwalla	**Kunal Agarwala**
Place: Kolkata	Director	Director
Date : 25 April 2018	(DIN: 00339855)	(DIN: 01205229)

ANNEXURE TO THE DIRECTORS' REPORT - "A"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31 March 2018
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

i)	CIN	U14292OR1999PTC005643
ii)	Registration Date	2 February 1999
iii)	Name of the Company	AXL- Exploration Private Limited
iv)	Category/Sub-category of the Company	Company Limited by Shares/ Non-Government Company
v)	Address of the Registered office & contact details	Flat No. 001, Plot No. -109, Bamra Manar, Unit-7, Near Governer House, Surya Nagar, Bhubaneswar, Khordha, Orrisa- 751003 Ph. No.: 033-6450-2228; email: office@maithanalloys.com
vi)	Whether listed company	No
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	None

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Not Applicable			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**Maithan Alloys Limited** Registered Office address: 4th Floor, 9, AJC Bose Road, Kolkata- 700017	L27101WB1985PLC039503	Holding Company	75.00%	2(46)

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 01 April 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2,42,625	2,42,625	75.00%	-	2,42,625	2,42,625	75.00%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	**-**	**2,42,625**	**2,42,625**	**75.00%**	**-**	**2,42,625**	**2,42,625**	**75.00%**	**0.00%**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 April 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**2,42,625**	**2,42,625**	**75.00%**	**-**	**2,42,625**	**2,42,625**	**75.00%**	**0.00%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	16,175	16,175	5.00%	-	16,175	16,175	5.00%	0.00%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	64,700	64,700	20.00%	-	64,700	64,700	20.00%	0.00%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**-**	**80,875**	**80,875**	**25.00%**	**-**	**80,875**	**80,875**	**25.00%**	**0.00%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**80,875**	**80,875**	**25.00%**	**-**	**80,875**	**80,875**	**25.00%**	**0.00%**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**-**	**3,23,500**	**3,23,500**	**100.00%**	**-**	**3,23,500**	**3,23,500**	**100.00%**	**0.00%**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [as on 01 April 2017]			Shareholding at the end of the year [as on 31 March 2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Maithan Alloys Limited	2,42,625	75.00%	-	2,42,625	75.00%	-	-
	Total	**2,42,625**	**75.00%**	**-**	**2,42,625**	**75.00%**	**-**	**-**

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

During the financial year 2017-18 there has been no change in the Promoter's Shareholding.

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

Sl. No.	Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**ORDE Management Pvt. Ltd.**						
	At the beginning of the year	01 April 2017		16,175	5.00%	16,175	5.00%
	Increase/Decrease during the year			-	-	16,175	5.00%
	At the end of the year	31 March 2018				16,175	5.00%
2	**Murli Manohar Sharma**						
	At the beginning of the year	01 April 2017		16,175	5.00%	16,175	5.00%
	Increase/Decrease during the year			-	-	16,175	5.00%
	At the end of the year	31 March 2018				16,175	5.00%
3	**Kishore Kumar Mahanta**						
	At the beginning of the year	01 April 2017		16,175	5.00%	16,175	5.00%
	Increase/Decrease during the year			-	-	16,175	5.00%
	At the end of the year	31 March 2018				16,175	5.00%
4	**Ghanshyam Sharma**						
	At the beginning of the year	01 April 2017		16,175	5.00%	16,175	5.00%
	Increase/Decrease during the year			-	-	16,175	5.00%
	At the end of the year	31 March 2018				16,175	5.00%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Subodh Agarwalla**						
	Director						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase/Decrease during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-
2	**Kunal Agarwala**						
	Director						
	At the beginning of the year	01 April 2017		16,175	5.00%	16,175	5.00%
	Increase/Decrease during the year			-	-	16,175	5.00%
	At the end of the year	31 March 2018				16,175	5.00%
3	**Shailendra Kumar Shaw***						
	Director						
	At the beginning of the year	01 April 2017		-	-	-	-
	Increase/Decrease during the year			-	-	-	-
	At the end of the year	31 March 2018				-	-

**Appointed as the Director with effect from 3 May 2017*

V. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2017-18.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Company do not have any Managing Director, Whole-time Director and/or Manager.

B. Remuneration to other Directors:

No Remuneration is being paid to any other Directors of the Company.

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

The provisions of the Companies Act, 2013 relating to appointment of Key Managerial Personnel is not applicable to the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

	Subodh Agarwalla	**Kunal Agarwala**
Place: Kolkata	Director	Director
Date : 25 April 2018	(DIN: 00339855)	(DIN: 01205229)

INDEPENDENT AUDITOR'S REPORT

To the Members of AXL-EXPLORATION PRIVATE LIMITED

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **AXL-EXPLORATION PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss including other comprehensive income, the statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Ind AS financial statements").

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

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

Other Matters

9. The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the

INDEPENDENT AUDITOR'S REPORT

predecessor auditor D.K. Chhajer & Co. whose report for the year ended 31 March 2017 and 31 March 2016 dated 3 May 2017 and 6 May 2016 respectively expressed an unmodified opinion on those Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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

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

    (a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

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

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

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

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

        i. The Company does not have any pending litigations which would impact its financial position;

        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 M Choudhury & Co.
Chartered Accountants
Firm Regd. No. 302186E

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date : 25 April 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of AXL-EXPLORATION PRIVATE LIMITED on the Ind AS financial statements for the year ended 31 March 2018.

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

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

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

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

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

iv. The Company has neither granted any loan, guarantee, security, nor purchased any investments so the provisions of Clause 3(iv) of the Order is not applicable to the Company.

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

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) The Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, Goods and Service tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2018 for a period of more than six months from the date of becoming payable.

(b) There are no dues of income-tax, Goods and Service tax, cess, etc. as at 31 March 2018 which have not been deposited on account of any dispute.

viii. As the Company does not have any borrowings from any financial institution or bank or Government nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

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

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

xi. No managerial remuneration has been paid/provided. Accordingly, the provisions of clause 3(xi) of the Order is not applicable.

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

xiii. The provisions of Section 177 are not applicable to the Company and all the transactions with related parties entered into by the Company are in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

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

xv. The Company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, the provisions of clause 3(xv) of the Order is not applicable.

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

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

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date :25 April 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF AXL-EXPLORATION PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

D Choudhury
Partner
Membership No. 052066

Place: Kolkata
Date :25 April 2018

Balance Sheet as at 31 March 2018

(Amount in ₹)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4	27,315	27,315	27,315
(b) Financial assets				
(i) Other financial assets	5	16,000	16,000	25,000
(c) Other non-current assets	6	31,386,181	31,386,181	2,021,201
Total non-current assets		**31,429,496**	**31,429,496**	**2,073,516**
(2) Current assets				
(a) Inventories	7	100	100	2,448,491
(b) Financial assets				
(i) Cash and cash equivalents	8	257,106	355,870	502,996
(ii) Other financial assets	9	13,663	13,663	29,438,643
(c) Current tax assets (Net)	10	4,386	4,386	4,386
Total current assets		**275,255**	**374,019**	**32,394,516**
Total assets		**31,704,751**	**31,803,515**	**34,468,032**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	32,350,000	32,350,000	32,350,000
(b) Other equity		(10,167,715)	(9,689,860)	(6,273,437)
Total equity		**22,182,285**	**22,660,140**	**26,076,563**
Liabilities				
(1) Current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	12	9,513,923	9,136,082	8,383,426
(b) Other current liabilities	13	8,543	7,293	8,043
Total current liabilities		**9,522,466**	**9,143,375**	**8,391,469**
Total liabilities		**9,522,466**	**9,143,375**	**8,391,469**
Total equity and liabilities		**31,704,751**	**31,803,515**	**34,468,032**

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

In terms of our report attached

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

For and on behalf of the Board of Directors

D Choudhury
Partner
Membership No.: 052066

Subodh Agarwalla
Director
DIN: 00339855

Kunal Agarwala
Director
DIN: 01205229

Place: Kolkata
Date: 25 April 2018

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

(Amount in ₹)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income		-	-
Expenses			
Employee benefits expenses	14	436,271	381,756
Other expenses	15	41,584	3,034,667
Total expenses		**477,855**	**3,416,423**
Loss before tax		**(477,855)**	**(3,416,423)**
Tax expenses			
(a) Current tax		-	-
(b) Deferred tax		-	-
Loss for the year		**(477,855)**	**(3,416,423)**
Total Comprehensive Income for the year		**(477,855)**	**(3,416,423)**
Earnings per share			
(1) Basic (in ₹)	16	(1.48)	(10.56)
(2) Diluted (in ₹)	16	(1.48)	(10.56)

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

In terms of our report attached

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

For and on behalf of the Board of Directors

D Choudhury
Partner
Membership No.: 052066

Subodh Agarwalla
Director
DIN: 00339855

Kunal Agarwala
Director
DIN: 01205229

Place: Kolkata
Date: 25 April 2018

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

(Amount in ₹)

a. Equity Share Capital

Particulars	Note	Amount
Equity shares of ₹ 100 each issued, subscribed and fully paid	11	
At 1 April 2016		**32,350,000**
Issue of share capital		-
At 31 March 2017		**32,350,000**
Issue of share capital		-
At 31 March 2018		**32,350,000**

b. Other equity

Particulars	Retained Earnings	Total
As at 1 April 2016	**(6,273,437)**	**(6,273,437)**
Profit for the year	(3,416,423)	(3,416,423)
As at 31 March 2017	**(9,689,860)**	**(9,689,860)**
Profit for the year	(477,855)	(477,855)
At 31 March 2018	**(10,167,715)**	**(10,167,715)**

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

In terms of our report attached

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

For and on behalf of the Board of Directors

D Choudhury
Partner
Membership No.: 052066

Subodh Agarwalla
Director
DIN: 00339855

Kunal Agarwala
Director
DIN: 01205229

Place: Kolkata
Date: 25 April 2018

Cash Flow Statement for the year ended 31 March 2018

(Amount in ₹)

Particulars	31 March 2018	31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**(477,855)**	**(3,416,423)**
Adjustments for :		
- Provision for inventory loss	-	2,448,391
	-	2,448,391
Operating profit before working capital changes	**(477,855)**	**(968,032)**
Adjusted for :		
Other receivables	-	69,000
Trade and other payables	379,091	751,906
	379,091	820,906
NET CASH FROM OPERATING ACTIVITIES (A)	**(98,764)**	**(147,126)**
B. CASH FLOW FROM INVESTING ACTIVITIES (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES (C)	-	-
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**(98,764)**	**(147,126)**
Cash and cash equivalents at the beginning of the year	355,870	502,996
Cash and cash equivalents at the end of the year	**257,106**	**355,870**

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

In terms of our report attached

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

For and on behalf of the Board of Directors

D Choudhury
Partner
Membership No.: 052066

Subodh Agarwalla
Director
DIN: 00339855

Kunal Agarwala
Director
DIN: 01205229

Place: Kolkata
Date: 25 April 2018

Notes to financial statements for the year ended 31 March 2018

1. Corporate Information

AXL-Exploration Private Limited (the 'Company') is engaged in export, import, produce, process, sell, buy, distribute and deal in metal and/or minerals.

2. Basis of preparation of Financial Statements

a. Statement of compliance

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

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

These financial statements for the year ended 31 March 2018 are the first financial statement with comparatives, prepared under Ind AS. The date of transition to Ind AS is 1 April 2016. Previous period figures have been restated to Ind AS in accordance with Ind AS 101 *'First Time Adoption of Indian Accounting Standard*' and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is given in Note 22.

b. Basis of measurement

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

These financial statements have been prepared on accrual basis under historical cost convention. The accounting policies are consistently followed by the Company.

The financial statements have been prepared on historical cost convention and on an accrual method of accounting.

c. Use of Estimates and Judgments

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

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

d. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

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

3. Significant Accounting Policies

a. Property, Plant and Equipments

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) less accumulated depreciation, amortisation and impairment

Notes to financial statements for the year ended 31 March 2018

losses, if any, except freehold land which is carried at cost. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment measured as per the previous GAAP as at 1 April 2016.

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

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

b. Depreciation

Depreciation including amortization on fixed assets is provided under Written Down Value (WDV) method in accordance with Schedule II to the Companies Act, 2013.

c. Financial Instruments

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

(i) Financial Assets -

➢ *Recognition And Initial Measurement*

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

➢ *Classification and Subsequent Measurement*

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

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

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

➢ *Derecognition*

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

➢ *Impairment of Financial Assets*

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

Notes to financial statements for the year ended 31 March 2018

(ii) Financial Liabilities

➢ *Recognition And Initial Measurement*

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

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

➢ *Subsequent Measurement*

Financial liabilities are measured subsequently at amortized cost or FVTPL.

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

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

➢ *Derecognition*

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

➢ *Offsetting financial instruments*

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

d. Inventories

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

e. Revenue Recognition

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

a) Interest income is recognized proportionately on time proportion basis using the effective interest rate method.

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

f. Employee Benefits

a) *Short-term benefits*

Notes to financial statements for the year ended 31 March 2018

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

b) *Defined contribution plans*

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

g. Tax Expense

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

a) Current Tax

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

b) Deferred Tax

Deferred tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements except when the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profits or loss at the time of transaction. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

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

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

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

h. Cash and Cash Equivalents

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

i. Cash Flow Statement

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

j. Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent Liability

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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent Liabilities are not recognized but disclosed in the financial statements when the possibility of an outflow of resources embodying economic benefits is more.

Contingent Asset

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

k. Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its equity shares.

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

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

l. Critical accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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

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

(i) *Useful economic lives and impairment of other assets*

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

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

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

(ii) *Contingencies and commitments*

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against

Notes to financial statements for the year ended 31 March 2018

the Company. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

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

(iii) *Recognition of deferred tax assets for carried forward tax losses and unused tax credit*

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

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

(i) *Ind AS 115: Revenue from contracts with customers*

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

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

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

(4) Property, plant and equipment

Particulars	Equipment	Vehicle	Total
Gross Carrying Value			
As at 1 April 2016 (Deemed cost)	2,275	25,040	27,315
As at 31 March 2017	2,275	25,040	27,315
As at 31 March 2018	**2,275**	**25,040**	**27,315**
Accumulated Depreciation			
As at 1 April 2016	-	-	-
As at 31 March 2017	-	-	-
As at 31 March 2018	**-**	**-**	**-**
Net Book Value			
As at 31 March 2018	**2,275**	**25,040**	**27,315**
As at 31 March 2017	2,275	25,040	27,315
As at 1 April 2016	2,275	25,040	27,315

(4) (i): For Property, plant and equipment and intangible assets existing as on 1 April 2016, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost (refer note 22 (A.a) Ind AS Exemption applied.

(4) (ii): The value of Property, Plant & equipment has came down to residual value therefore no more depreciation is being charged.

(5) Other non- current financial assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Unsecured, Considered Good			
Security deposits	16,000	16,000	25,000
	16,000	**16,000**	**25,000**

(6) Other non- current assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Prepaid lease rentals	31,386,181	31,386,181	2,021,201
	31,386,181	**31,386,181**	**2,021,201**

(7) Inventories	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Finished goods	100	100	2,448,491
	100	**100**	**2,448,491**

(8) Cash and cash equivalents	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Cash on hand	84,876	143,015	214,984
Balance with banks			
- In current accounts	172,230	212,855	288,012
	257,106	**355,870**	**502,996**

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

(9) Other current financial assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	-	-	29,424,980
Others*	13,663	13,663	13,663
	13,663	**13,663**	**29,438,643**

(10) Current tax asset	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax (Net of Provision)	4,386	4,386	4,386
	4,386	**4,386**	**4,386**

(11) Share Capital

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
Authorised Share Capital						
Equity shares of ₹ 100/- each	325,000	32,500,000	325,000	32,500,000	325,000	32,500,000
Issued, subscribed & paid up Share Capital						
Equity shares of ₹ 100/- each	323,500	32,350,000	323,500	32,350,000	323,500	32,350,000

a) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a face value of ₹ 100/- per share with one vote per equity share.

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

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

Name of shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Maithan Alloys Ltd. (Holding Company)	242,625	75.00%	242,625	75.00%	242,625	75.00%

c) Shares held by holding Company and subsidiary of holding company

Name of shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Maithan Alloys Ltd. (Holding Company)	242,625	75.00%	242,625	75.00%	242,625	75.00%

(12) Other current financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance from holding company	9,386,553	9,046,022	8,331,686
Other liabilities			
-Others	127,370	90,060	51,740
	9,513,923	**9,136,082**	**8,383,426**

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

(13) Other current liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other liabilities			
- Statutory dues	8,543	7,293	8,043
	8,543	**7,293**	**8,043**

(14) Employee benefits expense	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	333,900	333,900
Contribution to provident and other funds	102,371	47,856
	436,271	**381,756**

(15) Other expenses	Year ended 31 March 2018	Year ended 31 March 2017
Bank commission and charges	648	3,014
Inventories written off	-	2,448,391
Pollution control expenses	-	60,000
Professional charges	7,016	3,677
Rates & taxes	5,400	486,285
Rent	-	9,000
Auditors remuneration		
- As Audit fees	14,520	13,800
Miscellaneous expenses	14,000	10,500
	41,584	**3,034,667**

	(16) Earnings Per Share (EPS)	Year ended 31 March 2018	Year ended 31 March 2017
i)	Loss for the year	(477,855)	(3,416,423)
ii)	Weighted average number of equity shares (for Basic EPS)	323,500	323,500
iii)	Weighted average potential equity shares	-	-
iv)	Weighted average number of equity shares(for Diluted EPS)	323,500	323,500
v)	Basic Earnings per Shares (₹)	(1.48)	(10.56)
vi)	Diluted Earnings per Share (₹)	(1.48)	(10.56)
vii)	Face value per equity share (₹)	100	100

(17) Deferred Tax

Deferred tax assets amounting to ₹ 1,24,242 (for year ended 31 March 2017 ₹ 8,88,270) have not been recognised in respect of unabsorbed losses as its recovery is not considered probable in the foreseable future.

(18) Financial Risk Management

The Company has a system-based approach to risk management, anchored to policies & procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

The Company's financial liabilities includes other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Cash & cash equivalents and Other financial assets.

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Financial liabilities that are settled by delivering cash or other financial asset	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities

The Board of Directors reviewed policies for managing each of these risks which are summarised below:-

(a) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with credit worthy counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

(b) Liquidity Risk

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

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

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

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the financial position. The maturity profile of the Company's financial liabilities based on the remaining period from the date of Balance Sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Total
As at 31 March 2018					
Other financial liabilities	9,513,923	-	-	-	9,513,923
Total	**9,513,923**	**-**	**-**	**-**	**9,513,923**
As at 31 March 2017					
Other financial liabilities	9,136,082	-	-	-	9,136,082
Total	**9,136,082**	**-**	**-**	**-**	**9,136,082**
As at 1 April 2016					
Other financial liabilities	8,383,426	-	-	-	8,383,426
Total	**8,383,426**	**-**	**-**	**-**	**8,383,426**

(19) Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Company is not subject to any externally imposed capital requirements. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(20) Disclosures on Financial Instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of Financial Instruments

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and cash equivalents	8	257,106	355,870	502,996
ii) Other financial assets	5 & 9	29,663	29,663	29,463,643
Total Financial Assets		**286,769**	**385,533**	**29,966,639**
Financial Liabilities				
a) Measured at Amortised Cost				
i) Other financial liabilities	12	9,513,923	9,136,082	8,383,426
Total Financial Liabilities		**9,513,923**	**9,136,082**	**8,383,426**

(i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of all assets and liabilities
- the fair value of the financial instruments is determined using discounted cash flow analysis.

The carrying amounts of all financial assets and financial liabilities are considered to be the same as their fair values (under Level 3), due to their short-term nature.

(iii) Significant estimates

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

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

(21) Related party Disclosures

a) Name of the related parties and description of relationship:

I Holding Company

1 Maithan Alloys Ltd

II Fellow Subsidiary Companies

1 Anjaney Minerals Ltd

2 Salanpur Sinters (P) Ltd

III Key Managerial Personnel

1	Subodh Agarwalla	Director
2	Kunal Agarwala	Director
3	Shailendra Kumar Shaw	Director

IV Key Managerial Personnel of Holding Company

1	Mr. S. C. Agarwalla	Chairman and Managing Director
2	Mr. Subodh Agarwalla	Whole-time Director and Chief Executive Officer
3	Mr. Parasanta Chattpodyay	Non-Executive Director

V Relatives of Key Managerial Personnel of Holding Company

1 Mr. Sudhanshu Agarwalla

VI Enterprises over which Key Managerial Personnel (of Holding Company) are able to exercise significant influence

1 Maithan Smelters (P) Ltd.

2 BMA Foundation

b) Transactions during the year with related parties :

Sl. No.	Types of Transactions	Transaction		Balance	
		2017-18	2016-17	2017-18	2016-17
1	**Loan / Advance Received** *Holding Company* Maithan Alloys Ltd.	340,531	714,336	9,386,553	9,046,022

(22) First time adoption of Ind AS

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

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1 April 2017, with a transition date of 1 April 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31 March 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

a) Deemed cost- Property, plant and equipment

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments as recognised in the financial statements as deemed cost as at the date of transition to Ind AS.

B. Applicable Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Notes to financial statements for the year ended 31 March 2018

(Amount in ₹)

(b) Classification of financial assets

As required under Ind AS 101 the company has assessed the classification of financial assets on the basis of the facts that exist at the date of transition to Ind AS.

(c) De-recognition of financial assets and liabilities

Ind AS 109 requires entity to derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset as and the transfer qualifies for derecognition. Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from transition of previous GAAP to Ind AS as required under Ind AS 101.

I. Reconciliation of total equity as reported in previous GAAP and Ind AS (31 March 2017)

Particulars	Amount
Total equity under previous GAAP	**22,660,140**
Ind AS adjustments	-
Total equity under Ind AS	**22,660,140**

II. Reconciliation of total equity as reported in previous GAAP and Ind AS (1 April 2016)

Particulars	Amount
Total equity under previous GAAP	**26,076,563**
Ind AS adjustments	-
Total equity under Ind AS	**26,076,563**

III. Reconciliation of total comprehensive income as at 31 March 2017

Particulars	Amount
Profit after tax as per previous GAAP	**(3,416,423)**
Ind AS adjustments	-
Loss after tax as per Ind AS	**(3,416,423)**
Other comprehensive (net of tax)	-
Total comprehensive income as per Ind AS	**(3,416,423)**

IV. The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2017 as compared with the previous GAAP.

(23) The previous year figures are reclassified where considered necessary to confirm to this year's classification.

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

In terms of our report attached

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

For and on behalf of the Board of Directors

D Choudhury
Partner
Membership No.: 052066

Subodh Agarwalla
Director
DIN: 00339855

Kunal Agarwala
Director
DIN: 01205229

Place: Kolkata
Date: 25 April 2018