

Metkore Alloys & Industries Limited

**12th Annual Report
2017-2018**

GENERAL INFORMATION

Board of Directors	Sri S Gajendran	Non-Executive Independent Director
	Sri M V Bhaskara Rao IPS (Retd.)	Non-Executive Independent Director
	Smt. Shakuntala Prakash Bhat	Non Executive Independent Director

Statutory Auditors	M/s NSVR & Associates LLP
	(Formerly known as Nekkanti Srinivasu & Company)
	Chartered Accountants
	604, Kanchanjunga Apts., 'D' Block
	Aditya Enclave, Ameerpet Hyderabad - 500 038

Bankers	State Bank of India
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Registered Office	Plot No.18, Sagar Society, Street No. 1 Road No. 2, Banjara Hills HYDERABAD - 500 034
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Plant	Ravivalasa Village - 532 212 Tekkali Mandal, Srikakulam District, A.P.
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Registrar & Share Transfer Agents	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower 'B' Plot No. 31 & 32, Gachibowli Financial District Nanakram Guda, Hyderabad - 500 032.
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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF METKORE ALLOYS & INDUSTRIES LIMITED WILL BE HELD ON SATURDAY THE SEPTEMBER 29, 2018 AT 10.00 AM AT HOTEL DEVI GRAND, 11-5-152, BHAVANI NAGAR, MOOSAPET 'X' ROADS, HYDERABAD, TELANGANA 500018 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018, the Reports of Board of Directors and Auditors thereon.
2. To appoint Auditors, fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT M/s NSVR & Associates LLP (formerly known as Nekkanti Srinivasu & Company, Chartered Accountants [Firm Registration No. 008801S] be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company”.

SPECIAL BUSINESS:

3. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of the Cost Auditor, Jithendra Kumar & Company, Cost Accountants for the year ending March 31, 2019 be and is hereby determined as recommended by the Audit Committee and approved by the Board of Directors”.

By Order of the Board

Place: Bengaluru

Date: 09.08.2018

S Gajendran

Chairman and the Non-Executive

Independent Director

DIN : 00250136

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as Proxy on behalf of the member not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to items 3 is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from September 27, 2018 to September 29, 2018 for the purpose of Annual General Meeting.
4. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the AGM through electronic mode. Electronic copy of the Annual Report including Notice of the 12th AGM of the Company, inter alia, indicating the Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same. For members who have not registered their email address, physical copies of the annual report are being sent in the permitted mode.
5. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with the DP at the earliest, to enable the Company to use the same for serving documents electronically. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA. The annual Report is available on the Company's website www.metkore.com

E-Voting:

The instructions for and other information relating to e-voting are as under:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management & Administration] Amendment Rules, 2015 and regulations 44 of SEBI [LODR] Regulations 2015, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited [Karvy] on all resolutions set forth in the notice of Annual General Meeting.

In this regard, please find below User ID and Password for e-voting:

EVEN [e voting event number]	
USER ID	XXXX
PASSWORD	XXXX

1. Use the following URL for e voting: <https://evoting.karvy.com>
2. Enter the login credentials i.e. user id and password mentioned below:

User ID for members holding shares in demats form:

- a. For NSDL : 8 character DP ID followed by 8 digits Client ID
- b. For CDSL : 16 digits beneficiary ID

For Members holding shares in Physical form:

- c. Event No. followed by Folio Number registered with the Company. Password as e-mailed. In case of shareholders who have not registered their e-mail addresses, their password has been communicated in the physical ballot form sent to them.

Captcha Enter the verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

1. After entering the details appropriately, click on LOGIN
2. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one number value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
3. You need to login again with the new credentials.
4. On successful login, the system will prompt you to select the EVENT i.e. Metkore Alloys & Industries Limited.
5. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR / AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in 'AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option 'ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
6. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
7. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
8. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at sumitamgmt@gmail.com

9. Once you have cast your vote on a resolution, you will not be allowed to modify it subsequently.
10. The e-voting portal will be open for voting from 26.09.2018 [10.00 AM] to 28.09.2018 [5.00 PM]. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22.09.2018, may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
11. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on 22.09.2018.
12. In case of any queries, you may refer the Frequently Asked Questions [FAQs] for shareholders and e-voting. User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese PA of Karvy Computershare Pvt. Ltd at 040 44655000 or at 1800 345 4001 [toll free].
13. The results of e-voting will be placed by the Company on its website: www.metkore.com within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
14. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
15. Sri B.S. Sudhindra Kumar, Practicing Company Secretary has been appointed as the Scrutinizer to the e-voting process.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

The Board, on recommendation of the Audit Committee, has approved the appointment of Cost Auditor and remuneration of Rs.30, 000 [Thirty Thousand Only] to conduct the audit of the cost records relating to Ferro Chrome for the year 2018-19. In connection with the Cost Audit for the year ended March 31, 2019, Sri Jithendra Kumar, Cost Accountant has conveyed his willingness to act as Cost Auditor of the Company. In accordance with the Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration for the Cost Auditor as recommended by the Audit Committee and approved by the Board is required to be ratified by the shareholders.

Accordingly, consent of the members is sought for passing an Ordinary resolution.

None of the Directors / key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

By Order of the Board

Place: Bengaluru
Date: 09.08.2018

S Gajendran
Chairman and the Non-Executive
Independent Director
DIN : 00250136

DIRECTOR'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Twelfth Annual Report and the Company's audited financial statement for the Financial Year ended March 31, 2018.

Particulars	2017-18	2016-17
Revenue From Operations	891.91	1110.10
Other income	3.16	1.78
Total Revenue	895.07	1111.88
Total Expenses	2810.34	3308.88
Profit/(Loss) Before exception and extraordinary items	(1915.27)	(2196.99)
Exception and Extraordinary items	-	-
PROFIT BEFORE TAX	(1915.27)	(2196.99)
Less: Current tax	-	-
Deferred tax	(21.97)	(8.42)
Profit (Loss) for the year	(1893.30)	(2188.57)

OPERATIONAL REVIEW

During the year the manufacturing activity Of the company was suspended due to unviable operations and lack of sufficient resources. The power subsidy is not continued by the Government of Andhra Pradesh which was extended during the F.y. 2016-17. The representation for continuation of power subsidy for the F.y. 2017-18, 2018-19 is under active consideration of Government of Andhra Pradesh. The power contributes major input cost. The prices and availability of Ferro chrome are also hurdle to continue the operations of the company.

Your company put its efforts to find strategic partner for financial and technical support for reopening of the unit and expecting to reach out in a period to come.

DIVIDEND

The Board of Directors of the Company has not recommended any dividend to its Equity Shares in view of financial health of the Company.

TRANSFER TO RESERVES

During the period, under review, the Company has not transferred any amount to the Reserves.

SUBSIDIARY COMPANIES

The Company has no subsidiary and nothing to disclose.

INTERNAL PROCESS & FINANCIAL CONTROL

The Company has put in place an adequate internal control system along with internal audit system that commensurate with its size and activities. The reports are scrutinized by the management and placed before audit committee for its approval. The shortcomings are rectified and suggestions given for improvement.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not taken up any CSR activities during the Financial under review due to incurring of losses - **Annexure 'A'**.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism and Whistle Blower Policy in line with the new governance requirements. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACES

The Company has zero tolerance for sexual harassment at workplaces and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules, there under.

During the year, no case of sexual harassment was pending at the beginning of the year and no case was received during the year nor did any case remain pending at the close of the year.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Act is attached to this report - **Annexure 'B'**.

ENVIRONMENT, SAFETY, HEALTH AND ENERGY CONSERVATION

Your Company has a vision of being 'Zero' accident plant. This has been achieved through a combination of training and hardware up gradation leveraging core technology concepts and safety standards.

PARTICULARS OF EMPLOYEES

None of the employee is covered for disclosures, as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures with respect to the remuneration of Directors and employees, as required under Section 197 of Companies Act, 2013 and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has been appended as annexure to the report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Board of Directors states the following facts:

- (a) At present 50% representation on the Board and the Chairman of the Board and Audit Committee is headed by an Independent Non executive Director.

Sri N Sankarayya is a Chief Financial Officer.

Mrs. Mahak Roy resigned from the post of Company Secretary in November 2017.

Ms. Deepika Sakhrani was appointed as a Company Secretary w.e.f. August 9, 2018.

The Independent Directors have given the certificate of Independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (LODR) Regulation, 2015.

The details of training and familiarization programmes and annual board evaluation process for Directors have been provided under the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- * In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- * They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- * They have 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;
- * They have prepared the annual accounts on a going concern basis;
- * They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- * They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee constituted by the Board reviews the internal control and financial reporting issues with Internal Auditors.

BOARD EVALUATION

The Board has carried out an annual performance evaluation of its own performance and that of its Committees and individual directors. The manner in which has been carried out has been explained in the Corporate Governance Report.

INDEPENDENT DIRECTOR'S MEETING

During the year, the Independent Directors met on February 14, 2018.

BOARD MEETING

During the year, Five Board Meetings held i.e. May 29, 2017, July 26, 2017, August 02, 2017, November 13, 2017 and February 14, 2018 as against the minimum requirement of four meetings.

EXTRA ORDINARY GENERAL MEETING

During the year, under review, no Extra Ordinary General Meeting held.

RELATED PARTY TRANSACTIONS

In line with requirements of the Companies Act, 2013 and LODR, proper reporting, approval and disclosure process are in place for all transactions between related parties and the Company. All transactions entered were in ordinary course of the business and on arm's length basis. No material related party transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the year. Accordingly, related party transactions, as required under section 134(3)(h) of the Companies Act, 2013, in Form AOC 2 is not applicable.

MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulation, 2015, form part of this report.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulation, 2015, a separate section on Corporate Governance forms part of this report.

AUDITORS

a) Statutory Auditors

M/s NSVR & Associates LLP (formerly known as Nekkanti Srinivasu & Co.) [Firm Registration. No. 008801S] were appointed as Statutory Auditors by the members and hold office till the conclusion of the ensuing AGM and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The report given by the Auditors on the financial statement of the Company is part of the annual report. - **Annexure 'C'**.

Qualification made by Auditor

"Based on our audit procedures and as per the information and explanation given to us by the management, we are of the opinion that during the year the Company has delayed/default in repayment of Loan to State Bank of Travancore."

Management's Reply

The Company has approached SBT with rescheduling/OTS proposal and the same has been forwarded to SBI as the SBT has been merged with the SBI. Hence the proposal is in process.

b) Cost Auditor

M/s Jithendra Kumar & Co, Cost Accountants carried out the cost audit during the year. The Board of Directors on recommendation of the Audit Committee has appointed M/s Jithendra Kumar & Co, [Firm Reg. No 103347] Cost Accountants, as the Cost Auditor of the Company for the year 2018-19.

c) Secretarial Auditor

During the year, Secretarial Audit was carried out by Sri Ramaswamy K, Company Secretary in Practice, the Secretarial Auditor of the Company for the financial year 2017-18. There were no qualification, reservation or adverse remarks given by the Secretarial Auditor and the report is appended to this report - **Annexure 'D'**.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9, as required under Section 92(3) and rule 12 of the Companies [Management and Administration] Rules, 2014, is appended to this report - **Annexure 'E'**.

DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME

The Company does not have any Employees Stock Option Scheme.

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management framework in place to identify, assess, monitor and mitigate various risks involved in the Company, which reduces adverse impact and enhance the activities undertaken by the Company. The Committee reviews the process of risk management. Pursuant to the requirement of the Companies Act, 2013, a Committee was constituted comprising S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt Shakuntala Prakash Bhat, all Non Executive Independent Directors as members.

The role and responsibilities of the Risk Management Committee are as prescribed under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time and includes monitoring and review risk management plan and its risk mitigation and reporting same to the board of Directors periodically, as it may deem fit.

The Committee's prime responsibility is to implement and monitor the Risk Management Plan and policy of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY BODIES/COURTS

During the Financial year, under review, no significant orders passed by the Regulatory/Statutory Authorities/Courts or any other Authority which would impact the going concern status of the Company and its future operations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the year, under review, there were no Loans, Guarantees and Investments made by the Company.

DEPOSITS

The Company has not accepted any "Deposits" as defined under the Companies Act, 2013

APPRECIATION AND ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

Your Directors also like to acknowledge the excellent support and co-operation your Company has been receiving from its bankers, suppliers, stakeholders, investors, clients, vendors, Government and Regulatory authorities.

On behalf of the Board of Directors

Place: Bengaluru
Date: 09.08.2018

S Gajendran
Chairman and the Non-Executive
Independent Director
DIN : 00250136

ANNEXURE -A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Under rural development program the Company chosen laying the Roads to connect main roads

2. The composition of the CSR Committee:

Sri S Gajendran - Non Executive Independent Director - Chairman

Sri M V BhaskaraRao IPS [Retd] - Member

Smt Shakuntala Prakash Bhat - Member

Average net profit of the Company for last three financial years - NIL

Prescribed CSR Expenditure [2% of the amount as in item 3 above] - NIL

3. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year - NIL

b. Amount unspent, if any - NIL

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR Project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency@
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

4. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

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

Sd/- Chief Executive Officer or Managing Director	Sd/- Chairman CSR Committee	Sd/- Person specified under clause (d) of sub-section (1) of Section 380 of the Act (wherever applicable)
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ANNEXURE -B

ANNEXURE TO THE DIRECTORS' REPORT

Statement pursuant to Section 134(3) of the Companies Act, 2013, read with and Rule 8(3) of Chapter IX of Companies (Accounts) Rules, 2014.

- a) Conservation of Energy: NIL
- b) Energy Conservation measures taken: NIL
- c) Future Proposals for Energy conservation: NIL
- d) Impact of measures at (a) & (b) for reduction of energy consumption: NIL
- e) Technology Absorption, adaptation & Innovation: NIL
- f) Global Business strategies, if any: NIL
- g) Foreign exchange earning &outgo: NIL

ANNEXURE -C

INDEPENDENT AUDITOR'S REPORT

To the Members of

METKORE ALLOYS & INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of METKORE ALLOYS & INDUSTRIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statements based on our audit.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Loss and its Cash Flow for the year ended on that date.

Emphasis of Matter:

- 1. The National Spot Exchange Limited (NSEL) filed a case against the company Under MPID Act, Mumbai vide Case No. MPID Special case No. 1 of 2014. The Honourable MPID court ordered the EOW, Mumbai to investigate the same. The case is under investigation. The NSEL has made claim against the company for recovery of dues Rs. 8500 lakhs (apprx) which is not acknowledged by the company being matter pending before Honourable courts.**
- 2. PEC files a case against the company u/s 138 of Negotiation for dishonour of cheques and filed a suit in Arbitration court for recovery of dues Rs.1450 lakhs (Approx.) along with interest.**

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid 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 written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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”**.
 - 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.
 - 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 and on behalf of
For NSVR&ASSOCIATES LLP.,
Chartered Accountants
FRN: 008801S/S200060

CA.N.SRINIVASU
Partner
Membership number: 209453

Place : Hyderabad
Date: 30/05/2018

“Annexure A” to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable except the following:

S.No.	Name of the Statute	Amount Rs. in Lacs
01.	Provident Fund	99.87
02.	Income-Tax - TDS	22.57
03.	Professional Tax	1.70
04.	Gratuity	30.00

- b) According to the information and explanation given to us, the dues as at 31st March, 2018 of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, which have not been deposited on account of dispute, are as follows:

S.No.	Name of the Statute	Nature of Dues Amount (Rs. in Lacs)	Period to which the amount relates Forum where dispute is pending
01.	Sales Tax Dept	369.12	Dispute with various authorities
02.	Central Excise Dept	61.44	Dispute with various authorities
03.	APSEB	252.00	Power load Factor demand for the FY 2008-09. The Case pending with H'ble High Court.
04.	APSEB	278.71	Fuel Cost Adjustment Charges for the F.Y.2008-09. The case pending with H'ble Supreme Court.

Income Tax dues:

S.No.	Asst. Year	Amount Rs. in Lacs	Period to which the amount relates Forum where dispute is pending
01.	2010-11	97.13	CIT appeals TRO given notice-matter in appeal
02.	2011-12	926.28	Matter pending at tribunal in view of Merger order.
03.	2012-13	806.53	Matter pending at tribunal in view of Merger order.
04.	2013-14	581.99	Appeal filed with CIT (Appeals)
05.	2014-15	752.81	Appeal filed with CIT (Appeals)

- 8) **Based on our audit procedures and as per the information and explanations give to us by the management, We are of the opinion that during the year the company has defaulted in repayment of loan to State Bank India (formerly known as State bank of Travancore) and bank has issued notice under section 13(2) of the SARFAESI Act for recovery of its dues. The company has not issued any debentures as at the balance sheet date.**
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
For NSVR&ASSOCIATES LLP.,
 Chartered Accountants
 FRN: 008801S/S200060

CA.N.SRINIVASU
 Partner
 Membership number: 209453

Place : Hyderabad
 Date: 30/05/2018

“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of METKORE ALLOYS & INDUSTRIES 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 METKORE ALLOYS & INDUSTRIES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 and on behalf of
For NSVR&ASSOCIATES LLP.,
Chartered Accountants
FRN: 008801S/S200060

CA.N.SRINIVASU
Partner
Membership number: 209453

Place : Hyderabad
Date: 30/05/2018

ANNEXURE-D

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[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,
Metkore Alloys & Industries Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metkore Alloys & Industries 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. However, during the Financial Year ending March 31, 2018, the Company had no operations.

Based on my verification of the Company's 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 March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2018 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made there under;

The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

All statutory returns are being made up to date.

ESI facility is not covered.

There were no related Party transactions during the year.

The provisions of the Securities Contract Regulation Act 1956 and the rules made there under are not applicable to the Company.

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 are captured and recorded as part of the minutes.

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

Place: Bangalore
Date: May 29, 2018

Signature: **RAMASWAMY KALYAN**
ACS No. 10995
C P No.: 14404

ANNEXURE-E

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
of
METKORE ALLOYS & INDUSTRIES LIMITED

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

I REGISTRATION AND OTHER DETAILS			
i	CIN	L27101AP2006PLC049591	
ii	Registration Date	23.03.2006	
iii	Name of the Company	METKORE ALLOYS & INDUSTRIES LIMITED	
iv	Category / Sub-Category of the Company	PUBLIC	
v	Address of the Registered Office and contact details	Plot No.18, Street No.1 Sagar Society Road No.2, Banjara Hills, HYDERABAD 500 034 Tel : 040 2354 0195 Fax : 040 2355 4498	
vi	Whether listed Company	Yes	
vii	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Karvy Computershare Private Limited Karvy Selenium Tower 'B' Plot No. 31 & 32, Gachibowli Financial District, Nanakram Guda, Hyderabad-500 032.	
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
1.	High Carbon Ferro Chrome Alloys	3320	97.63%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NA

S. No.	Nam and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.					
2.					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters and Promoter Group									
(1) Indian									
(a) Individual/HUF	42973483	0	42973483	61.02	40298483	0	40298483	57.22	-3.80
(b) Central Govt/State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
(d) Financial Instit/Banks	0	0	0	0	0	0	0	0.00	0.00
(e) Other....	0	0	0	0	0	0	0	0.00	0.00
Sub-Total(A) (1):-	42973483	0	42973483	61.02	40298483	0	40298483	57.22	-3.80
(2) Foreign Individuals (NRIs/Foreign)									
(a) Individuals	0	0	0	0	0	0	0	0	0
(b) Bodies Corp.	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e) Other....	0	0	0	0	0	0	0	0	0
Sub-Total(A) (2):-	0	0	0	0	0	0	0	0	0
Total A = A(1) + A(2)	42973483	0	42973483	61.02	40298483	0	40298483	57.22	-3.80
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds/UTI	0	2660	2660	0	0	2660	2660	0	0.00
(b) Financial Inst/Banks	1187515	570	1188085	1.69	1187515	570	1188085	1.69	0.00
(c) Central Govt/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) Foreign Institutional Investors/Portfolio Investors	7000	0	7000	0.01	7000	0	7000	0.01	0.00
(g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others(Other Corp. Bodies)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):-	1194515	3230	1197745	1.70	1194515	3230	1197745	1.70	0.00
2. Non-Institutions									
(a) Bodies Corp.	5661769	39025	5700794	8.09	6352935	39025	6391960	9.08	0.98
(b) Individuals									
(i) Individuals holding nominal share capital upto Rs. 1 lakh	8355233	2102115	10457348	14.85	10400176	2076965	12477141	17.72	2.87
(ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	8142023	0	8142023	11.56	7980095	0	7980095	11.33	-0.23
(c) Others									
(i) Clearing Members	40227	0	40227	0.06	145009	0	145009	0.21	0.15
(ii) HUF	493453	0	493453	0.70	473014	0	473014	0.67	-0.03
(iii) Non Resident Indians	1260622	137560	1398182	1.99	1286604	137560	1424164	2.02	0.04
(iv) NRI Non-Repatriation	22460	0	22460	0.03	38104	0	38104	0.05	0.02
(v) Overseas Corporate bodies	0	760	760	0.00	0	760	760	0.00	0.00
(d) Qualified Foreign Investor/ NBFCs Regd. with RBI	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2):-	23975784	2279460	26255244	37.28	26675937	2254310	28930247	41.08	3.80
Total B = B(1) + B(2) :	25170302	2282690	27452992	38.98	27870452	2257540	30127992	42.78	3.80
Total (A + B) :	68143785	2282690	70426475	100.00	68168935	2257540	70426475	100.00	0.00
C. Shares held by Custodians, against which depository Receipts have been issued									
(i) Promoter & Promoter group									
(ii) Public	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	68143785	2282690	70426475	100.00	68168935	2257540	70426475	100.00	0.00

(i) Category-wise Share Holding

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 31-03-2017			No. of Shares held at the end of the year 31-03-2018			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1	Cronimet Mercon Invest Limited	0	0	0	0	0	0	0
2	Sarita Boorugu	3000000	4.26	0	3000000	4.26	0	0
3	Prashant Boorugu	39973483	56.76	6.22	37298483	52.96	0	0
4	Mynah Industries Limited	0	0	0	0	0	0	0
	TOTAL	42973483	61.02	6.22	40298483	57.22	0	0

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

Sl. No.		Shareholding at the beginning of the year 31-03-2017		Shareholding at the end of the year 31-03-2018																																									
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company																																								
1	At the beginning of the year	4297343	61.02	40298483	3.80																																								
2	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>Prashant Boorugu: (Dpid: 14400)</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Acquired</th> <th>Disposed</th> <th>Cumulative Holdings</th> </tr> </thead> <tbody> <tr> <td>31.03.2017</td> <td>0</td> <td>0</td> <td>2675000</td> </tr> <tr> <td>25.08.2017</td> <td>0</td> <td>2675000</td> <td>0</td> </tr> <tr> <td>31.03.2018</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Prashant Boorugu: (Dpid: IN300394)</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Acquired</th> <th>Disposed</th> <th>Cumulative Holdings</th> </tr> </thead> <tbody> <tr> <td>31.03.2017</td> <td>0</td> <td>0</td> <td>37298483</td> </tr> <tr> <td>31.03.2018</td> <td>0</td> <td>0</td> <td>37298483</td> </tr> </tbody> </table> <p>Sarita Boorugu: (Dpid: IIN301926)</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Acquired</th> <th>Disposed</th> <th>Cumulative Holdings</th> </tr> </thead> <tbody> <tr> <td>31.03.2017</td> <td>0</td> <td>0</td> <td>3000000</td> </tr> <tr> <td>31.03.2018</td> <td>0</td> <td>0</td> <td>3000000</td> </tr> </tbody> </table>				Date	Acquired	Disposed	Cumulative Holdings	31.03.2017	0	0	2675000	25.08.2017	0	2675000	0	31.03.2018	0	0	0	Date	Acquired	Disposed	Cumulative Holdings	31.03.2017	0	0	37298483	31.03.2018	0	0	37298483	Date	Acquired	Disposed	Cumulative Holdings	31.03.2017	0	0	3000000	31.03.2018	0	0	3000000
Date	Acquired	Disposed	Cumulative Holdings																																										
31.03.2017	0	0	2675000																																										
25.08.2017	0	2675000	0																																										
31.03.2018	0	0	0																																										
Date	Acquired	Disposed	Cumulative Holdings																																										
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31.03.2017	0	0	3000000																																										
31.03.2018	0	0	3000000																																										
	At the end of the year	42973483	61.02	40298483	3.80																																								

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

S. No.	Top to Shareholders	Shareholding at the beginning of the year 31-03-2017		Shareholding at the end of the year 31-03-2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Rammohan Rao	2568226	3.65	1530245	-1.47
2	Ashish Nanda	966855	0	966855	0
3	Rose Gems Private Limited	867800	1.23	0	-1.23
4	United India Insurance Company Limited	807515	1.15	807515	0
5	Shyamala Ramchandran	632500	0.90	632500	0
6	Manasa Strategic Consultants Private Limited	388730	0.55	49980	-0.48
7	General Insurance Corporation of India	380000	0.54	380000	0
8	Sunil Bodaram Luthria	407932	0.58	0	-0.58
9	Pentacle Infrastructures and Towers Pvt. Ltd.	2213070	0.13	2215695	0
10	Atluri Hari Leela	313470	0	313470	0

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 31-03-2017		Cumulative Shareholding during the year 31-03-2018	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

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

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4760.00	100.00	-	4860.00
ii) Interest due but not paid	179.59	0.69	-	180.28
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4939.59	100.69		5040.28
Change in Indebtedness during the financial year				
• Addition	0	33.00		33.00
• Reduction	0	100.69	NIL	100.00
Net Change	0	100.00	0	100.00
Indebtedness at the end accrued but not due	0	4.58	0	4.58
Total of the financial year				
i) Principal Amount	4760.00	33.00	0	4793.00
ii) Interest due but not paid	179.59	4.58	0	184.17
iii) Interest				
Total (i+ii+iii)	4939.59	37.58	0	4977.17

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

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

B. REMUNERATION TO OTHER DIRECTORS:**in Rs.**

Sl. No.	Particulars of Remuneration	Name of Directors / Shri			Total Amount (Rs.)
		S Gajendran	M V Bhaskara Rao	Shakuntala Prakash Bhat	
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	50,000	30,000	50,000	1,30,000
	Total (1)				
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify				
	Total (2)				
	Total (B)=(1+2)	50,000	30,000	50,000	1,30,000
	Total Managerial Remuneration	50,000	30,000	50,000	1,30,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD**In. Rs.**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,80,000	3,60,000	6,40,000
		0	3,16,800	3,16,800
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify			
	Total	2,80,000	6,76,800	9,56,800

VII. PENALTIES FOR PUNISHMENT / COMPOUNDING OFFENCES :**In. Rs.**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority RD/NCLT/Court	Appeal Made, if any (give details)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment					
Compounding					

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted Code of Conduct for its employees including the Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

Both these Codes are available on the Company's website, www.metkore.com.

I confirm that the Company has in respect of the financial year ended March 31, 2018, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For **Metkore Alloys & Industries limited**

Place: Bengaluru
Date: 30.05.2018

S Gajendran
Chairman of the Meeting and Non
Executive Independent Director
DIN: 00250136

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE TO THE MEMBERS OF METKORE ALLOYS & INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Metkore Alloys & Industries Limited ("the Company"), for the year ended on March 31, 2018, as stipulated in:
 - * Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the year ended on March 31, 2018
 - * Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended on March 31, 2018
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to are view of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated regulation 17 to 27 and clauses(b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2018.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

For NSVR & ASSOCIATES.

Chartered Accountants

Firm's Registration Number: 008801S

CA.N.SRINIVASU

Partner

Membership number: 209453

Place: Hyderabad

Date: 30/05/2018

MANAGEMENT DISCUSSIONS AND ANALYSIS

a. Industry structure and developments

The company falls under Iron & Steel Industry and in Particular Ferro Alloys Products. Every fortune of Ferro alloys industry depends on the fortunes of Iron & steel industry. Presently there is stable market for Iron & steel and Ferro alloys products domestic and international. Ferro alloy industry witnessed growth in recent days.

b. Opportunities and Threats

The end user of Ferro chrome is mainly stainless steel. The growth of Ferro chrome is predominately driven by growth in its end user segments. In India per capita consumption of steel is lower compared with other countries. There is every opportunity due to new technology, cost reduction and Governments priority to Housing sector and home for every family.

c. Segment-wise or product-wise performance

The company dealt with only one segment of Iron & steel the total performance relates to Ferro chrome products. As the company stopped the production activity the performance becomes NIL.

d. Outlook

The company still expects there is bright future for alloy products, due to Government priority to rapid industrial growth and identification new markets, technology, priority to aviation industry and housing sector, infrastructure facilities etc .

e. Risks and concerns

The global economic situation continues to be concern. Availability of products at cheaper price due to high production and low consumption is always risk factor for every industry.

f. Internal control systems and their adequacy

The company has in place adequate internal control and audit system commensurate with its size and operation. During the year such controls were tested and no reportable material weakness in the operations was observed.

g. Discussion financial performance with respect to operational performance

There is no production during the financial year. The turnover of the company is very marginal which is not comparable to gauge for performance of the company.

h. Material development in Human Resources /Industrial front, including number of people employed

Effective Human resources management plays a key role in company's performance. There is no major material development and human resources of the company as the operations are suspended. Your company always believes in the importance of human resources who are key to success of any organization.

i. Research and Development

The company believes in Research & Development which will make the company to stand in competitive and challenging environment.

j. Technology Absorption

The company updates its technology by training the skilled/semiskilled workmen for adopting latest technology which results cost reduction and quality product production.

k. Environment, Safety, Health and Energy Conservation

The company always believes the principle of SAFETY FIRST by conducting seminars, training the staff to meet emergency contingencies if any. Taking care of health tests, Swatch awareness among workmen and employees.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2017-18

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

The Company believes that sound Corporate Governance is critical and of paramount importance to enhance and retain investors trust. The philosophy of the Company is founded upon the basic tenets of transparency, integrity, honesty, accountability, upholding its values and beliefs which will reverberate in every action in line with the spirit of the principles of Governance. We recognize that Governance is a conscious and continuous process across the Organization, which enables the Company to adopt best practices to retain and enhance the trust of all our stakeholders

2. BOARD OF DIRECTORS:

The Board consists of 3 members and all are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. There is no inter se relationship between the Directors.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

Four Board Meetings held on May 29, 2017, July 26, 2017, August 02, 2017, November 13, 2017 and February 14, 2018 during the year, as against the minimum requirement of four meetings.

The details of Board meetings, AGM and its attendance are given below::

Name of the Director and DIN S/Shri/Smt	Category	Attendance at meeting during 2017-18		No of Directorship (s) as on 31.03.2018	No of Membership(s) / Chairmanship(s) of Committee in other Companies as on 31.03.2018	No of Shares and Convertible Instruments held by Directors
		Board	AGM			
S Gajendran 00250136	Non Executive Independent Director	5	Yes	1	1	0
M V Bhaskara Rao 01526381	Non Executive Independent Director	3	Yes	1	1	0
Shakuntala Prakash Bhata 07245416	Non Executive Independent Director	5	Yes	0	-	0
Mr. Sahindra Bhawale**	Non Executive Director	1	Yes	-	0	0
Ms Arati Bhawale**	Non Executive Director	1	Yes	-	0	0

** During the 11th Annual General Meeting of the Company which was held on September 6, 2017, Mr Sahindra Bhawale, Ms Arati Bhawale and Ms Nikshita Bhawale was proposed to be regularize as an Non Executive Additional Director of the Company by passing the Ordinary Resolution but upon the absence of requisite majority the above mentioned resolution was not passed. Therefore they attended the one meeting of the Board of Directors which was held prior to the AGM i.e. August 02, 2017.

Familiarization programmes for Independent Directors

The Company has laid down the detail policy/ program for familiarization of Independent Directors. The program aims to provide insight into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company shall through its MD/Whole-time Director / KMP conduct programs / presentation periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Such Programs / presentation provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, operations, markets, organization structure, finance, human resources, and risk management.

1. BOARD COMMITTEES

The Company has constituted following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

3.1. Audit Committee:

The Company had constituted an Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015. The broad terms of reference of the Audit Committee were:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the Company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

The scope of the Audit Committee has been in compliance with the provisions of SEBI (LODR) Regulations, 2015. 4 meetings held during the year viz., May 29, 2017, August 02, 2017, November 13, 2017 and February 14, 2018. The attendance of the Committee Members is as follows:

Sr. No.	Name of the Member	Status	No. of meetings	
			Held	Attended
1.	Sri. S Gajendran	Chairman	4	4
2.	Sri. M V Bhaskara Rao IPS [Retd]	Member	4	2
3.	Smt. Shakuntala Prakash Bhat#	Member	4	4

3.1. NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted the 'Nomination and Remuneration Committee' with the scope as prescribed under the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015

The broad terms of reference of the Remuneration Committee are inter-alia to periodically reviewing the size and composition of the Board, formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, establishing and reviewing Board and senior executive succession plans, evaluation of Board Performance, reviewing and making recommendations to the Board on the remuneration of the Managing Director, Executive Director and KMPs, the total level of remuneration of Non-Executive Directors and for individual remuneration of the Non-Executive Directors and the Chairman. The Committee also undertakes the functions as specified in the SEBI (LODR) Regulations, 2015.

During the year, one Meeting of Nomination and Remuneration Committee was held on July 26, 2017.

Remuneration to Directors

All the Directors are Independent Non Executive Directors and have received sitting fees only.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in compliance with the requirement of SEBI, LODR, 2015, the Board has carried out annual performance evaluation of its own performance, Directors individually as well evaluation of the working of its committees. Structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its committees, board culture, execution and performance of specific duties / obligation and governance.

3.2. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of S/Shri S Gajendran, Chairman, M V BhaskaraRao IPS [Retd.] and Smt. Shakuntala Prakash Bhat as members of the Committee.

The functions of the Committee include (i) dealing with the investors complaints viz., delay in transfer of shares, non-receipt of annual report, dividends / share certificates, dematerialization of shares, replacement of lost / stolen / mutilated shares certificate etc., (ii) investigating into investor complaints and taking necessary steps for redressal thereof.

The Committee met on May 29, 2017, August 02, 2017, November 13, 2017 and February 14, 2018.

Name of the Member Smt./Shri	No. of meetings	
	Held	Attended
S Gajendran	4	4
M V Bhaskara Rao IPS [Retd]	4	2
Shakuntala Prakash Bhat#	4	4

Report on number of shareholder complaints received and resolved by the Company during the year ended March 31, 2018:

No. of complaints pending as on April 1, 2017	0
No. of complained identified and reported during FY 2017-18	17
No. of complaints disposed of during the year ended March 31, 2018	17
No. of pending complaints as at March 31, 2018	0

3.1. Corporate Social Responsibility Committee

Corporate Social Responsibility Committee of the Company was constituted on 13.11.2014 consisting of S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt. Shakuntala Prakash Bhat as members. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013. The Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of its policy.

The terms of reference of the committee includes formulation and recommendation to the Board, a Corporate Social Responsibility [CSR] Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under, recommending the amount of expenditure to be incurred on CSR activities and monitoring the implementation of its policy from time to time.

3.2. Risk Management Committee

Risk Management Committee was constituted on 13.02.2015 pursuant to the requirement of the Companies Act, 2013 and the Committee comprises of Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.] and Smt. Shakuntala Prakash Bhat as members.

The Committee has also invited CFO, Sri N Sankarayya to the meeting.

The roles and responsibilities of the risk management committee are as prescribed under Regulation 21 of LODR, include monitoring and review risk management plan and its risk mitigation and reporting same to the board of Directors periodically, as it may deem fit.

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company.

Subsidiary Companies

The Company has no subsidiary and nothing to disclose.

GENERAL BODY MEETINGS:

Details of Annual General Meetings held during last three years are as follows:

Year	Location	Date	Time
2014-15	Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad 500049	30.09.2015	10.00 AM
2315-16	Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad 500049	30.09.2016	10.00 AM
2316-17	Hotel Sreekrishna Grand, Miyapur X Road, Hyderabad 500049	06.09.2017	10.00 AM

- No Extra Ordinary General Meeting was held during the year
- No special resolution was passed in the previous three annual general meetings
- No special resolution passed last year through postal ballot
- The Company is not proposing any special resolution to be conducted through postal ballot

4. MEANS OF COMMUNICATION:

The quarterly/Annual Financial results of the Company are published in "Business Standard/ MINT", [National Daily], Andhra Prabha/Hyderabad Mirror [regional daily] and also posted on the Company's website www.metkore.com.

Besides, the Company also submits interalia to the stock exchanges, the Annual report, quarterly/half yearly/ yearly/unaudited/audited financial results, review reports of Auditors, Shareholding pattern, secretarial Audit Report, disclosure as per SEBI (SAST) Regulations and SEBI [Prohibition of Insider Trading] Regulations, details of appointment/resignation of director and Company Secretary and such other reports as may be specified.

5. GENERAL SHAREHOLDER INFORMATION:

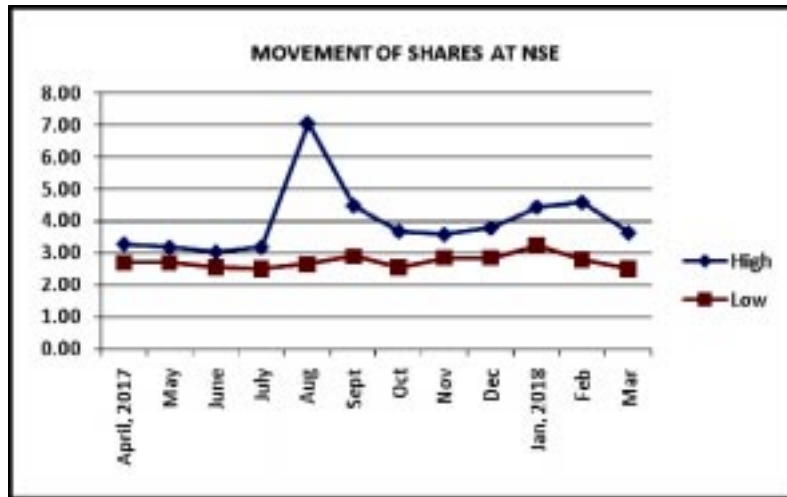
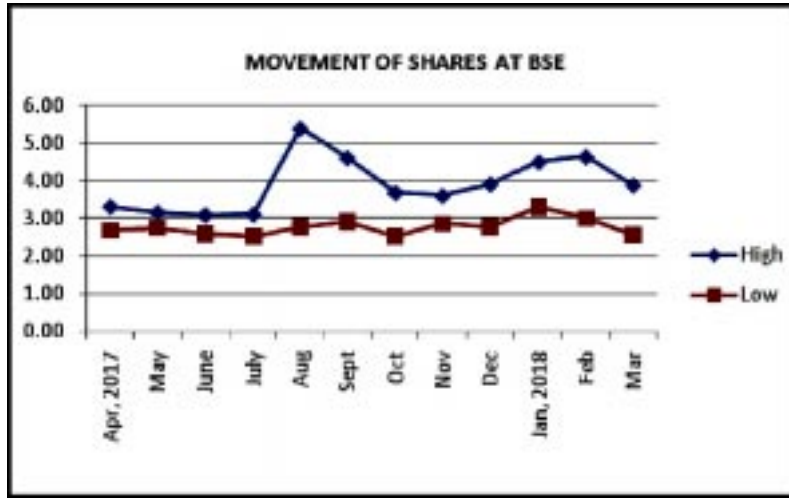
Sr. No	Particulars	
a.	12th Annual General Meeting - date, time and venue;	Day/Date : Saturday, September 29, 2018, Time:10.00 AM Venue :Hotel Devi Grand, 11-5-152, Bhavani Nagar, Moosapet 'X' Roads, Hyderabad, Telangana 500018.
b.	Financial year	2017-18 (April to March)
c.	Dividend payment date	No dividend has been declared during this year
d.	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s);	1. BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400051 2. National Stock Exchange of India Limited Exchange Plaza (5th Floor) Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051
e.	Stock Code; ISIN Code BSE Code NSE Scrip Code	INE592101011 532990 METKORE
f.	Date of Book Closure	27.09.2017 to 29.09.2017 (both days inclusive)
g.	in case the securities are suspended from trading, the directors report shall explain the reason thereof	N.A
h.	Commodity price risk or foreign exchange risk and hedging activities	N.A
i.	Plant locations	Ravivalasa Village 532 212, Tekkali Mandal, Srikakulam District, Andhra Pradesh
j.	Address for correspondence	Metkore Alloys & Industries Limited Plot No.18, Street No.1, Sagar Society, Road No.2, Banjara Hills, HYDERABAD 500 034. Phone : (040) 23540195 Email id: secretarial@metkore.com

This is to confirm that the Company has made the payment of Listing Fee till the year 2017-18 to both the Stock Exchanges i.e. BSE & NSE.

k. Market price data- high, low during each month in last financial year;

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2017	3.30	2.68	3.30	2.70
May	3.14	2.75	3.20	2.70
June	3.07	2.60	3.05	2.55
July	3.09	2.53	3.20	2.50
August	5.39	2.77	7.05	2.65
September	4.60	2.92	4.50	2.90
October	3.67	2.52	3.70	2.55
November	3.59	2.86	3.60	2.85
December	3.90	2.77	3.80	2.85
January, 2018	4.49	3.30	4.45	3.25
February	4.63	3.00	4.60	2.80
March	3.87	2.55	3.65	2.50

I. Stock Performance



k. Registrar to an issue and Share Transfer Agents

Karvy Computershare Private Limited
 Unit: Metkore Alloys & Industries Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Hyderabad 500 032
 Phone : (040) 67161500
 Fax : (040) 23001153
 Email id: einward.ris@karvy.com

l. Share Transfer System

96.76% of the shares of the Company are in electronic form. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Share Transfer Agents i.e. Karvy Computershare Private Limited or at the Registered Office of the Company and the same is/are processed within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company obtain half yearly certificate from a Company Secretary in practice regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Regulation 40 of SEBI (LODR) Regulation, 2015.

Distribution of shareholding of equity shares as at March 31, 2018

Sl. No.	Category (Shares)	Number of			% to Equity
		Shareholders	% to holders	Shares	
1	1-5000	16418	96.85	7795201	11.07
2	5001-10000	244	1.44	1890967	2.69
3	10001-20000	139	0.82	2000492	2.84
4	20001-30000	48	0.28	1192174	1.69
5	30001-40000	22	0.13	774606	1.10
6	40001-50000	17	0.10	798209	1.13
7	50001-100000	33	0.19	2382270	3.38
8	100001 and above	31	0.18	53592556	76.10
	TOTAL:	16952	100.00	70426475	100.00

Category of Shareholders as at March 31, 2018

Sl. No.	Category	Number of		% to Total Shares
		Shareholders	Shares	
1	Promoters -			
	i. Bodies Corporate	0	0	0.00
	ii. Individuals	2	40298483	57.22
2	Financial Institutions / Banks	3	1188085	1.69
3	Clearing Members	18	145009	0.21
4	HUF	190	473014	0.67
5	Bodies Corporate	225	6391960	9.08
6	Non Resident Indians	137	1462268	2.08
7	Overseas Bodies Corporate	1	760	0.00
8	Individuals	16372	20457236	29.05
9	FIS	1	7000	0.01
10	Mutual Funds/UTI	3	2660	0.00
11	NBFC	0	0	0.0
	TOTAL	16952	70426475	100.00

o. Dematerialization of Shares

The Company has registered with NSDL and CDSL and the ISIN is: INE592I01011
The mode of holding of Company's shares as at March 31, 2018 is as under

Sl. No.	Description	Number of		% Equity
		Shareholders	Shares	
1	PHYSICAL	7003	2257540	3.21
2	NSDL	6376	56772745	80.61
3	CDSL	3573	11396190	16.18
	TOTAL	16952	70426475	100.00

k. Outstanding GDRs or ADRs or Warrants or Convertible Instruments

The Company has not issued any GDRs / ADRs / Warrants / Convertible Instruments during the year.

1. OTHER DISCLOSURES

- (a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

There were no such transactions which may have potential conflict with the interests of the Company.

- (b) Details of non compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There was no non-compliance of any provisions applicable to the Company.

- (c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

The Company has adequate vigil mechanism in place. The Company has a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all applicable mandatory requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (e) Web link where policy for determining 'material' subsidiaries is disclosed

The Company does not have any material subsidiaries.

- (f) Web link where policy on dealing with Related Party transactions

Related details will be posted, as and when arise, on www.metkore.com

- (g) Disclosure on commodity price risks and commodity hedging activities Not applicable

2. Non-compliance of any requirement of corporate governance report of sub-para mentioned above with reasons thereof shall be disclosed

There was no non-compliance of any of the provisions applicable to the Company.

3. The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company has adopted following discretionary requirements as specified in Part E of Schedule II:

The Company has moved towards a regime of financial statements with unmodified audit opinion.

The Company has separate posts of chairperson and Managing Director

the internal auditor is free to report directly to the audit committee.

4. The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause(b) to clause (i) of sub-regulation (2) of regulation 46 shall be made in the section of corporate governance of the annual report

Complied wherever applicable.

5. Disclosure by key managerial personnel about related party transactions:

During the year under review, there were no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The Company has laid down a policy for dealing with Related Party Transactions. This policy is displayed on the website of the Company, viz., and www.metkore.com

6. Disclosure of Accounting Treatment

The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and notified by the Central Government under Companies (Accounting Standards) Rules, 2006 as amended from time to time, have been followed in preparation of the financial statements of the Company.

7. Board Disclosures Risk Management

The procedures for risk assessment and minimization have been disclosed elsewhere in the annexure to the Directors' Report.

8. Proceeds from public issues, rights issues, preferential issues etc:

The Company has not made any capital issues during the financial year.

9. Matters related to Capital Markets:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter relating to capital markets, during the last three years.

10. CEO/CFO Certification

Chief Financial Officer of the Company has given a certificate to the Board of Directors as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, for the year ended 31st March, 2018.

11. Share Capital Reconciliation Audit

A qualified practicing Company Secretary carried out Share Capital Reconciliation audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in electronic mode with NSDL and CDSL.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the members of Metkore Alloys & Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by Metkore Alloys & Industries Limited for the year ended March 31, 2018 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule - V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as applicable).
2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
4. We, further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore
Date: 30.05.2018

Signature: **KALYAN RAMASWAMY**
ACS No. 10995
C P No.: 1440

STATEMENT OF ASSETS & LIABILITIES AS AT 31ST MARCH 2018

Sl. No.	Particulars	Note No.	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.	As at 1st April 2016 Rs.
I.	Assets				
	1. Non-Current Assets				
	Property, Plant and Equipment	2.1	167,282,591	178,747,103	154,892,597
	Capital Work in Progress	2.1	-	-	16,525,096
	Financial Assets	2.2	104,039,400	104,039,400	211,539,400
	Other non-current assets	2.3	211,000	211,000	211,000
	Total Non Current Assets		271,532,991	282,997,503	383,168,093
	Current assets				
	Inventories	2.4	152,869,924	317,786,377	362,315,815
	Financial Assets				
	(i) Investments				
	(ii) Trade receivables	2.5	440,753,630	435,952,096	425,958,653
	(iii) Cash and cash equivalents	2.6	1,371,625	1,806,792	1,784,701
	(iv) Bank balances other than (iii) above	2.7	4,844,802	4,836,553	2,831,825
	(v) Short Term Loans & Advances	2.8	183,120,763	194,073,186	220,111,449
	Other current assets	2.9	15,549,717	15,771,683	19,616,244
	Total Current Assets		798,510,462	970,226,688	1,032,618,687
	Total Assets		1,070,043,453	1,253,224,191	1,415,786,780
II.	EQUITY AND LIABILITIES				
	Equity				
	Equity Share Capital	2.10	140,852,950	140,852,950	140,852,950
	Other Equity				
	Reserves & surpluses	2.11	(83,557,969)	105,772,326	324,630,242
	Total Equity		57,294,981	246,625,276	465,483,192
	LIABILITIES				
	Non-current liabilities				
	Financial Liabilities				
	(i) Long term Borrowings	2.12	86,511,700	87,079,184	87,887,193
	(ii) Other financial liabilities	-	-	-	-
	Deferred tax liabilities (Net)	2.13	27,107,520	29,304,871	30,146,760
	Other non-current liabilities	-	-	-	-
	Total Non -Current Liabilities				
	Current liabilities				
	Financial Liabilities				
	(i) Short Term Borrowings	2.14	498,400,999	494,975,929	494,975,928
	(ii) Trade payables	2.15	192,831,294	181,686,826	195,387,743
	(iii) Other financial liabilities	-	-	-	-
	Other current liabilities	2.16	107,050,827	113,578,329	47,877,480
	Provisions	2.17	100,846,134	99,973,776	94,028,485
	Total Liabilities		1,012,748,474	1,006,598,915	950,303,589
	Total Equity and Liabilities		1,070,043,453	1,253,224,191	1,415,786,780

As per our report of even date attached

For NSVR & ASSOCIATES LLP

Chartered Accountants

Firm Regn. No.008801S/S200060

For and on behalf of the Board

CA N Srinivasu

PARTNER

M.No. 209453

Shakuntala Prakash Bhat

Non-Executive Independent Director

DIN:07245416

S. Gajendran

Non-Executive Independent Director

DIN:00250136

Place : Bengaluru

Date : 30th May, 2018

N. Sankaraya

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	Year Ended 31.03.2018 Rs.	Year Ended 31.03.2017 Rs.
Revenue from Operations	2.18	89,191,110	111,010,076
Other Income	2.19	316,214	178,084
Total Revenue (I+II)		89,507,324	111,188,160
Expenses:			
Cost of Materials Consumed	2.20	1,479,861	3,132,004
Purchases of Traded Goods	2.21	7,765,969	2,766,476
(Increase)/Decrease in Inventories	2.22	163,689,874	45,852,834
Employee benefit expenses	2.23	19,783,975	26,891,875
Finance costs	2.24	276,214	315,460
Depreciation and amortisation expenses	2.1	13,661,507	10,170,590
Other expenses	2.25	74,377,572	241,758,726
Total Expenses		281,034,971	330,887,965
Profit / (Loss) before tax		(191,527,646)	(219,699,805)
Tax Expenses:			
Current Income Tax		-	-
Deferred income Tax		(2,197,351)	(841,889)
Total		(2,197,351)	(841,889)
Net Profit for the period		(189,330,294)	(218,857,916)
Other Comprehensive Income (OCI)			
(a) (i) items that will not be reclassified to Profit or loss account	-	-	-
(ii) tax on items that will not be reclassified to Profit or loss account	-	-	-
(b) (i) items that will be reclassified to Profit or loss account	-	-	-
(ii) tax on items that will be reclassified to Profit or loss account	-	-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		(189,330,294)	(218,857,916)
Earning Per Equity Share			
(1) Basic		(2.69)	(3.11)
(2) Diluted		(2.69)	(3.11)

As per our report of even date attached

For NSVR & ASSOCIATES LLP

Chartered Accountants

Firm Regn. No.008801S/S200060

For and on behalf of the Board

CA N Srinivasu

PARTNER

M.No. 209453

Shakuntala Prakash Bhat

Non-Executive Independent Director

DIN:07245416

S. Gajendran

Non-Executive Independent Director

DIN:00250136

Place : Bengaluru

Date : 30th May, 2018

N. Sankarayya

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs.)

	Year Ended 31.03.2018	Year Ended 31.03.2017
A. Net Profit Before Tax	(191,527,641)	(219,699,805)
Adjustments for:		
Depreciation	13,661,507	10,170,590
Interest and Financial charges	276,214	315,460
Capital Work in Progress measured at fair value	16,525,095	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(177,589,921)	(192,688,660)
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(4,801,534)	(9,993,443)
(Increase)/Decrease in Other Current Assets	221,966	3,844,561
(Increase)/Decrease in Loans & Advances	10,952,423	26,038,263
(Increase)/Decrease in Inventories	164,916,453	44,529,438
Increase/(Decrease) in Trade and other Payables	11,144,468	(13,700,917)
Increase/(Decrease) in Other Current Liabilities	(6,527,502)	65,700,849
Increase/(Decrease) in Provisions	7,651,953	5,945,291
Cash generated from operations	5,968,305	(70,324,618)
Direct Taxes paid	(6,779,595)	1
Net Cash from Operation Activities	(811,290)	(70,324,618)
B. Cash flow from investing activities		
Purchase of Fixed assets including Capital Work in Progress/Long term advances	(2,197,000)	(34,025,095)
(Purchase)/Sale of Investments	-	107,500,000
(Increase) / Decrease in Financial Assets (long term)	(2,197,000)	73,474,905
C. Cash flow from financing activities		
Increase/(Decrease) in Short Term Borrowings	3,425,069	-
Increase/(Decrease) in Long Term Borrowings	(567,484)	(808,009)
Interest Paid	(276,214)	(315,460)
	2,581,371	(1,123,469)
D. Net increase in cash & cash equivalents (A+B+C)	(426,919)	2,026,818
Cash & Cash equivalents (Opening Balance)	(487,690,738)	(489,717,556)
Cash & Cash equivalents (Closing Balance)	(488,117,657)	(487,690,738)

As per our report of even date attached

For NSVR & ASSOCIATES LLP

Chartered Accountants

Firm Regn. No.008801S/S200060

For and on behalf of the Board

CA N Srinivasu

PARTNER

M.No. 209453

Shakuntala Prakash Bhat

Non-Executive Independent Director

DIN:07245416

S. Gajendran

Non-Executive Independent Director

DIN:00250136

Place : Bengaluru

Date : 30th May, 2018

N. Sankarayya

Chief Financial Officer

Note 2.1 Property, Plant Equipment

Sl. No.	Description	Rate of Dep %	GROSS BLOCK				ACCUMULATED DEPRECIATION / IMPAIRMENT					NET BLOCK	
			As At 01.04.17	Additions	Deletions	Total as at 31.03.18	As At 01.04.17	For the Year	Impairment For the Period	Disposals for the Period	Upto 31.03.18	As at 31.03.18	As at 31.03.17
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND		41,469,733	-	-	41,469,733	-	-	-	-	-	41,469,733	41,469,733
			41,469,733	-	-	41,469,733	-	-	-	-	-	41,469,733	41,469,733
2	BUILDINGS (FACTORY)	3.34	35,426,136	-	-	35,426,136	2,504,278	2,799,977	-	-	5,304,255	30,121,881	32,921,859
	BUILDINGS (NON FACTORY)	1.63	3,331,921	-	-	3,331,921	68,006	69,619	-	-	137,625	3,194,296	3,263,915
			38,758,057	-	-	38,758,057	2,572,284	2,869,596	-	-	5,441,880	33,316,177	36,185,774
3	PLANT AND MACHINERY												
	PLANT AND MACHINERY	5.28	17,830,175	2,197,000	-	20,027,175	1,594,590	3,551,784	-	-	5,146,374	14,880,801	16,235,585
	ELECTRICAL EQUIPMENT	5.28	17,345,658	-	-	17,345,658	858,373	927,641	-	-	1,786,014	15,559,644	16,487,285
	MATERIAL HANDLING EQUIPMENT	5.28	22,835,647	-	-	22,835,647	1,726,184	2,357,014	-	-	4,083,198	18,752,449	21,109,463
	POLLUTION CONTROL EQUIPMENT	5.28	31,548,473	-	-	31,548,473	1,348,783	1,420,150	-	-	2,768,933	28,779,540	30,199,690
	WORKSHOP EQUIPMENT	5.28	8,607	-	-	8,607	999	1,278	-	-	2,277	6,330	7,608
	LAB EQUIPMENT	5.28	2,207,326	-	-	2,207,326	101,151	106,354	-	-	207,505	1,999,821	2,106,176
	WEIGHING SCALE EQUIPMENT	5.28	431,135	-	-	431,135	28,136	31,426	-	-	59,562	371,573	402,999
	FIRE FIGHT EQUIPMENT	5.28	46,236	-	-	46,236	2,278	3,444	-	-	5,722	40,514	43,958
	132 KV SUB STATION	5.28	2,695,790	-	-	2,695,790	69,196	92,430	-	-	161,626	2,534,164	2,626,594
			94,949,047	2,197,000	-	97,146,047	5,729,690	8,491,521	-	-	14,221,211	82,924,836	89,219,358
4	FURNITURE AND FIXTURES & OFFICE EQUIPMENTS	6.33	533,128	-	-	533,128	55,181	69,025	-	-	124,206	408,922	477,946
	COMPUTER EQUIPMENT	16.21	37,020	-	-	37,020	7,546	8,074	-	-	15,620	21,400	29,478
			570,148	-	-	570,148	62,727	77,099	-	-	139,826	430,322	507,425
5	VEHICLES	9.50	13,170,703	-	-	13,170,703	1,805,890	2,223,290	-	-	4,029,180	9,141,523	11,364,813
			13,170,703	-	-	13,170,703	1,805,890	2,223,290	-	-	4,029,180	9,141,523	11,364,813
	GROSS BLOCK		188,917,688	2,197,000	-	191,114,688	10,170,591	13,661,507	-	-	23,832,098	167,282,591	178,747,103
6	CAPITAL WORKS-IN-PROGRESS	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL		188,917,688	2,197,000	-	191,114,688	10,170,591	13,661,507	-	-	23,832,098	167,282,591	178,747,103

Property, Plant Equipment

Sl. No.	Description	Rate of Dep	GROSS BLOCK			ACCUMULATED DEPRECIATION / IMPAIRMENT				NET BLOCK		
			As At 01.04.16	Additions	Deletions	Total as at 31.03.17	As At 01.04.16	For the Year	Impairment For the Period	Disposals for the Period	Upto 31.03.17	As at 31.03.17
		%	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND		7,444,642	34,025,091	-	41,469,733	-	-	-	-	41,469,733	7,444,642
	BUILDINGS (FACTORY)	3.34	7,444,642	34,025,091	-	41,469,733	-	-	-	-	41,469,733	7,444,642
	BUILDINGS (NON FACTORY)	1.63	35,426,136	-	-	35,426,136	2,504,278	-	-	2,504,278	32,921,858	35,426,136
			3,331,921	-	-	3,331,921	68,006	-	-	68,006	3,263,915	3,331,921
			38,758,057	-	-	38,758,057	2,572,284	-	-	2,572,284	36,185,773	38,758,057
	PLANT AND MACHINERY											
	PLANT AND MACHINERY	5.28	17,830,175	-	-	17,830,175	1,594,590	-	-	1,594,590	16,235,585	17,830,175
	ELECTRICAL EQUIPMENT	5.28	17,345,658	-	-	17,345,658	858,373	-	-	858,373	16,487,285	17,345,658
	MATERIAL HANDLING EQUIPMENT	5.28	22,835,647	-	-	22,835,647	1,726,184	-	-	1,726,184	21,109,463	22,835,647
	POLLUTION CONTROL EQUIPMENT	5.28	31,548,473	-	-	31,548,473	1,348,783	-	-	1,348,783	30,199,690	31,548,473
	WORKSHOP EQUIPMENT	5.28	8,607	-	-	8,607	999	-	-	999	7,608	8,607
	LAB EQUIPMENT	5.28	2,207,326	-	-	2,207,326	101,151	-	-	101,151	2,106,175	2,207,326
	WEIGHING SCALE EQUIPMENT	5.28	431,135	-	-	431,135	28,136	-	-	28,136	402,999	431,135
	FIRE FIGHT EQUIPMENT	5.28	46,236	-	-	46,236	2,278	-	-	2,278	43,958	46,236
	132 KV SUB STATION	5.28	2,695,790	-	-	2,695,790	69,196	-	-	69,196	2,626,594	2,695,790
			94,949,047	-	-	94,949,047	5,729,690	-	-	5,729,690	89,219,357	94,949,047
	FURNITURE AND FIXTURES & OFFICE EQUIPMENTS	6.33	533,128	-	-	533,128	55,181	-	-	55,181	477,947	533,128
	COMPUTER EQUIPMENT	16.21	37,020	-	-	37,020	7,546	-	-	7,546	29,474	37,020
	VEHICLES	9.50	570,148	-	-	570,148	62,727	-	-	62,727	507,421	570,148
			13,170,703	-	-	13,170,703	1,805,890	-	-	1,805,890	11,364,813	13,170,703
			13,170,703	-	-	13,170,703	1,805,890	-	-	1,805,890	11,364,813	13,170,703
	GROSS BLOCK		154,892,597	34,025,091	-	188,917,688	10,170,590	-	-	10,170,590	178,747,103	154,892,597
	CAPITAL WORKS-IN-PROGRESS		16,525,096	-	16,525,096	-	-	-	-	-	-	16,525,096
			16,525,096	-	16,525,096	-	-	-	-	-	-	16,525,096
	TOTAL		171,417,693	34,025,091	16,525,096	188,917,688	10,170,590	-	-	10,170,590	178,747,103	154,892,597

Statement of changes in equity

Name of the company : Metkore Alloys & Industries Limited

Statement of changes in equity for the period ended 31.03.2018

PARTICULARS	EQUITY SHARE CAPITAL	RETAINED EARNINGS	SECURITIES PREMIUM	CAPITAL RESERVE	TOTAL EQUITY
Balance as at 1/4/2017	140,852,950	(305,466,395)	162,000,000	249,238,720	246,625,275
Profit for the year	-	(189,330,294)	-	-	(189,330,294)
Balance as at 31/03/2018	140,852,950	(494,796,689)	162,000,000	249,238,720	57,294,981

PARTICULARS	EQUITY SHARE CAPITAL	RETAINED EARNINGS	SECURITIES PREMIUM	CAPITAL RESERVE	TOTAL EQUITY
Balance as at 1/4/2016	140,852,950	(86,608,479)	162,000,000	249,238,720	465,483,191
Profit for the year	-	(218,857,916)	-	-	(218,857,916)
Balance as at 31/03/2017	140,852,950	(305,466,395)	162,000,000	249,238,720	246,625,275

Refer Note No..... First time Adoption Reconciliation of Equity and Other Comprehensive Income

PARTICULARS	EQUITY SHARE CAPITAL	RETAINED EARNINGS	SECURITIES PREMIUM	CAPITAL RESERVE	TOTAL EQUITY
Balance as at 1/4/2015	140852950	586868872	162000000	249238720	1138960542
Profit for the year	-	(116343743)	-	-	(116343743)
Impact on account of measuring non current asset at fair value	-	(65888026)	-	-	(65888026)
Impact on Fair Value Measurement of CWIP	-	(101701022)	-	-	(101701022)
Impairment of trade receivables due to expected credit loss model and probability of default	-	(69342106)	-	-	(69342106)
Impact of measuring Inventory at Net realisable value	-	(320202454)	-	-	(320202454)
Balance as at 31/03/2016	140852950	(86608479)	162000000	249238720	465483191

Note 2.2 Financial Assets

Particulars	2018	2017	As on 01.04.2016
Security Deposits	104,039,400	104,039,400	194,039,400
Capital Advances			83,388,026
Less: Impact on measurement of non current asset at fair value			(65,888,026)
Total	104,039,400	104,039,400	211,539,400

Note 2.3 Non Current Assets

Particulars	2018	2017	As on 01.04.2016
Investment in Govt Securities (Unquoted) 6 Year National Savings Certificates	211,000	211,000	211,000
Total	211,000	211,000	211,000

Note 2.4 Inventories

(As valued and certified by the management)

Particulars	2018	2017	As on 01.04.2016
Raw Materials	38,445,237	39,925,098	42,273,776
Work-in-Progress	750,000	6,374,910	38,190,000
Finished Goods	104,262,125	582,529,543	596,567,287
Stores & Spares	9,412,563	9,159,279	5,487,206
Impact of measuring Inventory at Net realisable value	-	(320,202,454)	(320,202,454)
Total	152,869,924	317,786,377	362,315,815

Note 2.5 Trade Receivables (Unsecured considered good)

Particulars	2018	2017	As on 01.04.2016
Debts outstanding for a period exceeding six months	514,902,872	177,938,579	141,837,961
Impact of impairment of Trade receivable	(70,968,946)	-	-
Others	839,733	328,982,463	353,462,798
Less : Provision for impairment of receivable	(4,020,029)	(70,968,946)	(69,342,106)
Total	440,753,630	435,952,096	425,958,653

NOTE 2.6 Cash and Bank Balances

Particulars	2018	2017	As on 01.04.2016
i) Cash and Cash equivalents			
a) balance with banks			
in Unpaid Dividend account	375,455	375,455	375,454
b) cash on hand	151,171	36,329	14,238
ii) Other Bank Balances			
Balances with banks to the extent held as margin money in deposit account	845,000	1,395,009	1,395,009
Total	1,371,625	1,806,792	1,784,701

NOTE 2.7 Bank Balances

ii) in current account	4,844,802	4,836,553	2,831,825
Total	4,844,802	4,836,553	2,831,825

Cash & Cash equivalents for cash flow purpose:

Particulars	2018	2017	As on 01.04.2016
Cash & Cash equivalents as per Financials	6,216,427	6,643,346	4,616,526
Less: Short Term Borrowings	(493,958,630)	(493,958,629)	(493,958,628)
Less: Bank balance of Unpaid dividend Account	(375,455)	(375,455)	(375,454)
Cash & Cash equivalents for cash flow purpose	(488,117,657)	(487,690,738)	(489,717,556)

**NOTE 2.8 Short Term Loans and Advances
(Unsecured considered good)**

Particulars	2018	2017	As on 01.04.2016
Advance recoverable in cash or kind or for value to be received	183,120,763	194,073,187	220,111,449
Total	183,120,763	194,073,186	220,111,449

NOTE 2.9 Other Current Assets

Particulars	2018	2017	As on 01.04.2016
Income accrued on deposits etc	2,600,942	2,543,234	2,969,470
Income tax receivable/adjustment	-	6,779,595	6,497,013
balance with customs & central excise authorities	8,265,297	1,403,417	9,165,234
Staff Advances	4,683,478	5,045,437	984,527
Total	15,549,717	15,771,683	19,616,244

Note 2.11 Reserves & Surplus

Particulars	2018	2017	As on 01.04.2016
Reserves & Surplus			
Capital Reserve	249,238,721	249,238,721	249,238,721
share premium a/c	162,000,000	162,000,000	162,000,000
Profit & Loss A/c	(305,466,395)	(86,608,479)	586,868,872
Add Net Profit after tax transferred from Statement of Profit & Loss	(189,330,291)	(218,857,916)	(116,343,743)
Total Reserves & Surplus	(83,557,965)	105,772,326	881,763,850
Less IND AS adjustments			
Impact on Fair Value Measurement of non current asset	-	-	(65,888,026)
Impact on Fair Value Measurement of CWIP	-	-	(101,701,022)
Impact of Impairment on trade receivables	-	-	(69,342,106)
Impact on Measurement of inventories at Net Realisable Value	-	-	(320,202,454)
Total	-	-	(557,133,608)
Net Profit	(83,557,965)	105,772,326	324,630,242

Note 2.12 Financial Liabilities

Particulars	2018	2017	As on 01.04.2016
Preferential share capital	86,511,700	86,511,700	86,511,700
Secured Loan from Financial Institutions	-	567,484	1,375,493
Total	86,511,700	87,079,184	87,887,193

**Hire Purchase Loan from HDFC Bank secured against hypothecation of Vehicles and Repayable within 3 Years
Details of Cumulative Redeemable Preference Shares**

Nature	Amount	Date of Issue	Date of Redemption
8% Cumulative Redeemable Pref Shares of Rs. 11/- each shares 7468700	86,511,700	7/30/2007	8/13/2018
Total	86,511,700		

Entire Preferential shares are held by Pentacle Infrastructure & Towers pvt ltd

Note 2.13 Deferred Tax

Particulars	2018	2017	As on 01.04.2016
Opening Balance	29,304,871	30,146,760	27,185,028
Recognised in Profit and loss account	(2,197,351)	(841,889)	2,961,732
Total	27,107,521	29,304,871	30,146,760

Note 2.14 Borrowings

Particulars	2018	2017	As on 01.04.2016
Secured			
Cash Credit from State Bank of Travancore	493,958,630	493,958,629	493,958,628
Current maturities of Long Term Debt	684,701	1,017,300	1,017,300
Unsecured			
Loan from others	3,757,668	-	-
Total	498,400,999	494,975,929	494,975,928

Working Capital Loans from Banks are secured by First charge on the entire current assets and first charge on entire fixed assets of the Company and personal guarantee of then Managing Director.

Note 2.15 Trade Payables

Particulars	2018	2017	As on 01.04.2016
(a) Due to Micro and Small Enterprises	17,108,036	17,639,746	18,771,724
(b) Due to other than Micro and Small Enterprises	175,723,258	164,047,080	176,616,019
Total	192,831,294	181,686,826	195,387,743

Note 2.16 Other Current Liabilities

Particulars	2018	2017	As on 01.04.2016
Unclaimed Dividend	373,951	373,951	373,951
Other Payables	106,676,876	113,204,378	47,503,529
Total	107,050,827	113,578,329	47,877,480

Note 2.17 Short Term Provisions

Particulars	2018	2017	As on 01.04.2016
Provision for Employee Benefits	39,760,386	32,108,433	26,163,142
Provision for Income Tax	61,085,748	67,865,343	67,865,343
Total	100,846,134	99,973,776	94,028,485

NOTE 2.18 Revenue from Operations

(Rs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
a. Sales of Finished Products	87,080,024	109,356,038
b. Sale of Traded Goods	0	1,649,027
c. Sale of Scrap, Slag	2,111,086	5,011
	89,191,110	111,010,076

NOTE 2.19 Other Income

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Miscellaneous income	316,214	178,084
	316,214	178,084

NOTE 2.20 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Inventory at the beginning of the year	39,925,098	42,273,776
Add : Purchases	0	783,326
	39,925,098	43,057,102
Less : Inventory at the end of the Year	38,445,237	39,925,098
Cost of Materials Consumed	1,479,861	3,132,004

NOTE 2.21 Purchases of Stock in Trade

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Purchases	7,765,969	2,766,476
Purchases of Stock in Trade	7,765,969	2,766,476

NOTE 2.22 (Increase) / Decrease in inventories

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Opening Stock		
work-in -process	6,374,910	38,190,000
Finished Goods	165,546,298	179,584,042
Finished Goods (Trading)	96,780,791	96,780,791
	268,701,999	314,554,833
Closing Stock		
work-in -process	750,000	6,374,910
Finished Goods	104,262,125	165,546,298
Finished Goods (Trading)	0	96,780,791
	105,012,125	268,701,999
	163,689,874	45,852,834

NOTE 2.23 Employee Benefit Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries, Wages and Bonus	19,782,723	23,025,110
Contribution to Provident and Other Funds	0	3,800,000
Staff Welfare Expenses	1,252	66,765
	19,783,975	26,891,875

NOTE 2.24 Finance Cost

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest - Others	248,208	(278,041)
Bank Charges	28,006	593,501
	276,214	315,460

NOTE 2.25 Other Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Material Handling / job work Expenses	8,273,276	37,828,277
Power and Fuel	12,338,172	24,035,642
Stores and Spares	4,335	73,807
Repairs and Maintenance	1,157,097	617,744
Annual Maintenance Charges	0	12,000
Vehicle Maintenance	85,576	143,407
Travelling and Conveyance	523,607	995,661
Communication Expenses	122,434	178,428
Other Administrative Expenses	2,436,730	2,864,258
Consultancy and Other Professional Charges	883,500	3,483,814
Printing & Stationary	7,006	126,101
License & Fee	486,010	1,040,887
Insurance	0	9,151
Distribution Expenses	834,334	2,756,997
Godown Rent	10,200,000	0
Duties and Taxes	4,674,749	1,791,884
Auditor's Remuneration		
Statutory Audit	130,000	130,000
Tax Audit	20,000	20,000
Excise duty on sales	7,780,717	9,756,350
Provision for impairment of book debts	4,020,029	1,626,840
Prior Period Expense	20,400,000	154,267,480
	74,377,572	241,758,726

2.26 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first set of financial statements the Company has prepared in accordance with Indian Accounting Standards (Ind ASs). For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2018.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company adopted not to measure any item of property, plant and equipment at its fair value at the Transition Date. Accordingly, on the transition date, the net carrying value of the property, plant and equipment and intangible assets shall be considered as deemed cost for Ind AS purposes and CWIP at fair value.

Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2016.

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Impairment of financial assets based on expected credit loss model ("ECL model")

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS (Rs. in Lakhs)

Particulars	Equity as at 31.03.2017	Equity as at 01.04.2016
Equity as per previous GAAP	8053.86	1,0226.17
Impact on Fair Value Measurement of noncurrent asset	(658.88)	(658.88)
Impact on Fair Value Measurement of CWIP	(1017.01)	(1017.01)
Impact on measuring of inventory at NRV	(3202.02)	(3202.02)
Impact of Impairment on trade receivables	(709.69)	(693.42)
Equity as per IND AS	2466.25	4654.83

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended March 31, 2017 (Rs. in Lakhs)

Particulars	As on 31st March, 2017
Net Profit as per GAAP as on 31.03.2017	6645.33
Impact on Fair Value Measurement of noncurrent asset	(658.88)
Impact on Fair Value Measurement of CWIP	(1017.01)
Impact on measuring of inventory at NRV	(709.69)
Impact of Impairment on trade receivables	(3202.02)
Equity as per IND AS as on 31.03.2017	1057.72

Proposed dividend

Under Indian GAAP, proposed dividends including dividend distribution tax are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Trade receivables

Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivable by Rs.693.42 Lakhs on April 1,2016 which has been eliminated against retained earnings. The company impaired its trade receivable by Rs.709.69 Lakhs on March 31,2017, such increase in impairment has been recognised in the profit the loss account for the year ended March 31, 2017.

Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss. Thus sale of goods under Ind AS for the year ended March 31, 2017 has increased by Rs. 97.56 lakhs with a corresponding increase in other expenses.

Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan are recognized.

2.27 Auditors Remuneration

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Audit fees	1.30	1.30
b) Other charges		
Taxation matters	0.20	0.20
Certification fee	0	0
c) Reimbursement of out of pocket expenses	0	0
TOTAL	1.50	1.50

2.28 Earnings per Share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Earnings		
Profit attributable to equity holders (Rs. in Lacks)	1893.30	2188.57
Shares		
Number of shares at the beginning of the year	70426475	70426475
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	70426475	70426475
Weighted average number of equity shares outstanding during the year Basic	70426475	70426475
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year Diluted	70426475	70426475
Earnings per share of par value Rs.2/- Basic (`)	(2.69)	(3.11)
Earnings per share of par value Rs.2/- Diluted (`)	(2.69)	(3.11)

2.29 Related Parties

List of Subsidiaries:

There are no subsidiary companies .

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

- Mr. S.Gajendran , Non-executive Independent Director
- Mr. M V Bhaskara Rao, Non-executive Independent Director
- Mrs. Shakuntala Prakash Bhat, Non-executive Independent Director
- Mr. N.Sankarayya, Chief Financial Officer
- Mrs. Mahak S Roy, Company Secretary

The following is a summary of significant related party transactions:

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Key managerial personnel Remuneration & Commission		
Mr.N.Sankarayya	6.76	9.77
Mrs .Mahak S.Roy	2.80	4.20
b) Non-whole time Directors Sitting Fee		
Mr. S.Gajendran		0.50
Mr.M V Bhaskara Rao		0.30
Mrs. Shakuntala Prakash Bhat		0.50
TOTAL		15.27

2.30 Earnings/expenditure in foreign currency: NIL

2.31 Segment Reporting:

The Company concluded that there is only one operating segment i.e, Ferro Alloys Products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

2.32 Employee benefits:

Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The liability is based on the respective employee's last drawn salary and the years of employment with the Company as arrived by Life Insurance Corporation of India (LIC) and payment to LIC is due and classified under Provision for Employee Benefits under Current Liabilities.

Leave Encashment

The Company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The Company records expenditure on payment basis.

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The outstanding amount due stands as on 31.3.2018 Rs 99.87 lakhs

Contribution to Superannuation schemes

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Life Insurance Corporation of India. The Company makes annual contributions based on a specified

percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

2.33 Income Taxes:

a. Deferred tax assets & Liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below: **(Rs. in Lakhs)**

Particulars	For the Year Ended 31 March	
	2018	2017
Deferred tax assets/(liabilities):		
Property, plant and equipment	(271.08)	(293.05)
Others		
Net deferred tax assets/(liabilities)	(271.08)	(293.05)

b. Movement in deferred tax assets and liabilities during the year ended 31st March 2018 & 2017: **(Rs. in Lakhs)**

Particulars	As at 1 April 2016	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2017
Deferred tax assets/(liabilities)				
Property, plant and equipment	(301.47)	8.42	-	(293.05)
Net deferred tax assets/(liabilities)	(301.47)	8.42	-	(293.05)

[Continued from above table, first column(s) repeated]

Particulars	As at 1 April 2017	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2018
Deferred tax assets/(liabilities)				
Property, plant and equipment	(293.05)	21.97	-	(271.08)
Others				
Net deferred tax assets/(liabilities)	(293.05)	21.97	-	(271.08)

2.34 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade Receivables- The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended March 31, 2018 and March 31, 2017 are as follows: **(Rs. in Lakhs)**

Particulars	For the Year Ended 31 March	
	2018	2017
Balance at the beginning of the year	4359.52	5069.21
Impairment of Trade receivables	(749.89)	(709.69)
Balance at the end of the year	4407.53	4359.52

Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of March 31, 2018 and 2017, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of March 31, 2018, the Company had working capital (current assets less current liabilities) of Rs (2.14) Lakhs including cash and cash equivalents of Rs 13.72 Lakhs . As of March 31, 2017, the Company had working capital of Rs. (364.00) Lakhs, including cash and cash equivalents of Rs.18.07 Lakhs.

Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Ferro alloy industry is dependent on directly on stainless steel demand and international markets.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

2.35 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

(Rs. in Lakhs)

Particulars	2018	2017
Total Debt	10127.48	10065.99
Total Equity	572.95	2466.25
Debt Equity Ratio	17.67	4.08

2.36 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

(Rs. in Lakhs)

Particulars	2018	2017
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts		
Power dues and NSEL claim	8698.81	285.81
b) Guarantees		
Bank Guarantees	8.07	8.07
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0	0

1. NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Metkore Alloys & Industries Limited (the company) is engaged in the Business of Ferro Alloys and Steel Products . The Company is a public limited company incorporated and domiciled in India and has its registered office at Plot No.18 , Sagar Society, Banjara hills Hyderabad, Telangana. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange Ltd. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation and presentation of Financial Statements

The financial statements of Metkore Alloys & Industries Limited ("Metkore" or "the Company") have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These are the company's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 'First Time Adoption of Indian Accounting Standards'. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note number 2.26 to 2.36 First Time Adoption.

Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

B. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may 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. In particular, the areas involving critical estimates or Judgments are:

i) Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

ii) Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

iii) Fair valuation

Fair value is the market based measurement of observable market transaction or available market information.

C. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupees.

D. Current and noncurrent classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

Significant Accounting Policies

1) Property Plant & Equipment

Transition to Ind AS

The Company has elected to continue with the net carrying value of all its property, plant and equipment recognized as of April 1, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost and CWIP is measured at fair value.

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on prorata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Equipment, Plant & Machinery	25
Furniture & Fixtures	10
Buildings Non factory	60
Buildings factory	30
Vehicles	10
Office Equipment	10
Computer equipment	3

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. Such advances are measured at fair value on transition date.

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.

Financial assets

Initial recognition and 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets at fair value through profit or loss (FVTPL)
- Impairment of financial assets

Financial Assets at amortised cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial Assets at FVTOCI

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI is reported as interest income using the EIR method.

Financial Assets at FVTPL

FVTPL is a residual category for Financial Assets. Any asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. These include surplus funds invested in mutual funds.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual

cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration deviation of receivables turnover ratio from normal credit period.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

1) Inventories

Inventories consist of goods and are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3) Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

4) Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

5) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

6) Revenue Recognition

Sale of goods

Revenue is recognized on dispatch of the products from the company for delivery to the customers. Revenue from product sale is shown at Gross (Inclusive of all taxes).

Other Income

Interest Income mainly comprises of sale of by scrap and miscellaneous products.

7) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

8) Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

9) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

10) Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

11) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

a. Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b. Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

c. Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

METKORE ALLOYS & INDUSTRIES LIMITED

Plot No. 18, Sagar Society, Street No. 1, Road No. 2, Banjara Hills, HYDERABAD - 500 034.

ATTENDANCE SLIP

Name & Address of the Shareholder

.....

FOLIO NO.

DP/ID*

CLIENT ID*

*Applicable to investors holding shares in electronic form

I/We hereby record my/our presence at the **12th Annual General Meeting of the Company** to be held on **Saturday the September 29, 2018 at 10.00 AM at Hotel Devi Grand, 11-5-152, Bhavani Nagar, Moosapet 'X' Roads, Hyderabad, Telangana 500018.**

Signature of the Member or Proxy

Shares Held

Shareholders/Proxy holders are requested to bring the attendance slip with them duly completed and hand them over at the entrance.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : _____
 Registered address : _____
 E-mail Id : _____
 Folio No/Client Id : _____
 DP ID : _____

I/We, being the member(s) of..... shares of the above named company, hereby appoint:

1. Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him:
2. Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him:
3. Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him:

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the **12th Annual General Meeting of the Company** to be held on **Saturday the September 29, 2018 at 10.00 AM at Hotel Devi Grand, 11-5-152, Bhavani Nagar, Moosapet 'X' Roads, Hyderabad, Telangana 500018.** and at any adjournment thereof in respect of such resolutions as are indicated below.

Sl.No.	Resolutions
Ordinary Business	
1.	Adoption of Accounts for the year ended March 31, 2018 and the reports of Board of Directors and the statutory Auditors
2.	Appointment of NSVR & Associates LLP (formerly nown as Nekkanti Srinivasu & CO) as Auditors and fix their remuneration
Special Business	
3.	Approve the remuneuation of Jithrendra Kumar & Company as cost auditors.

Signed this..... day of

Signature of shareholder..... Signature of proxy holder(s).....

Affix 1/-
Revenue
Stamp &
Sign

Notes :

- ◆ This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours the commencement of the Meeting.
- ◆ A person can act as proxy on behalf of Members upto and not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

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BOOK-POST**

If Undelivered, Please return to :

METKORE ALLOYS & INDUSTRIES LIMITED

Regd. Office : Plot No. 18, Sagar Society
Street No. 1, Road No. 2, Banjara Hills,
Hyderabad - 500 034.