



**SKP**  
GROUP

**Rohit Ferro-Tech Ltd.**

CIN No. : L27104WB2000PLC091629

Corporate & Communication Office :

SKP HOUSE

132A, S.P. Mukherjee Road, Kolkata - 700 026

Telephone : +91-33-4016 8000/8100, Fax : +91-33-4016 8107

E-mail : enquiry@rohitferrotech.com, Web : www.rohitferrotech.com

Works :

(Unit - I) : WBIDC Road, P.O. Dwarika P.S. Bishnupur, Dist. Bankura (W.B.) Pin - 722 122

(Unit - II) : Kallanganagar Industrial Complex, Duburi, Dist. Jajpur, Orissa - 755026

(Unit - III) : Bhunia Raichak, Joynagar, P.S. Durga Chak, Dist. East Medinipur, Haldia, West Bengal

### ANNEXURE I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Turnover/ total Income	1,49,513.94	1,49,513.94
	2	Total Expenditure	1,98,660.70	2,17,434.42
	3	Net Profit/(Loss)	(49,146.76)	(67,920.48)
	4	Earnings Per Share	(42.94)	(59.70)
	5	Total Assets	3,04,284.37	2,85,510.65
	6	Total Liabilities	3,04,284.37	2,85,510.65
	7	Net Worth	(25,966.15)	(44,739.87)
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL





**Rohit Ferro-Tech Ltd.**

CIN No. : L27104WB2000PLC091629

Corporate & Communication Office :

SKP HOUSE

132A, S.P. Mukherjee Road, Kolkata - 700 026

Telephone : +91-33-4016 8000/8100, Fax : +91-33-4016 8107

E-mail : enquiry@rohitferrotech.com, Web : www.rohitferrotech.com

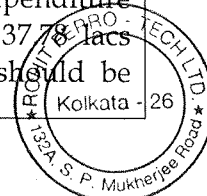
Works :

(Unit - I) : WBIDC Road, P.O. Dwarika P.S. Bishnupur, Dist. Bankura (W.B.) Pin - 722 122

(Unit - II) : Kalinganagar Industrial Complex, Duburi, Dist. Jajpur, Orissa - 755026

(Unit - III) : Bhunia Raichak, Joynagar, P.S. Durga Chak, Dist. East Medinipur, Haldia, West Bengal

<p><b>II</b></p>	<p><u><b>Audit Qualification (each audit qualification separately):</b></u>  <b>a. Details of audit Qualification:</b></p>	<p>In the case of the Company's subsidiary, SKP Overseas Pte Ltd., the auditor includes the following observation:</p> <p>(a) They have not sited any audit evidence relating to the investments in PT Pacific Samudra Perkasa amounting to USD 60.00 lacs (INR 3979.97 lacs) and they are not in a position to determine whether the company needs to provide for any possible impairment loss relating to the investments.</p> <p>(b) They are not in a position to determine whether any provision is required for doubtful debts for other receivable amounting to USD 126.24 lacs (INR 8373.85 lacs)</p> <p>(c) The company has not provided for impairment loss on investment in the subsidiary amounting to USD 59 lacs (INR 3913.64 lacs), due to loss in the subsidiary resulting in negative net worth.</p> <p>(d) They are of opinion that the deferred expenditure amounting to USD 37.78 lacs (INR 2506.26 lacs) should be</p>
------------------	--	---





**Rohit Ferro-Tech Ltd.**

CIN No. : L27104WB2000PLC091629

Corporate & Communication Office :

SKP HOUSE

132A, S.P. Mukherjee Road, Kolkata - 700 026

Telephone : +91-33-4016 8000/8100, Fax : +91-33-4016 8107

E-mail : enquiry@rohitferrotech.com, Web : www.rohitferrotech.com

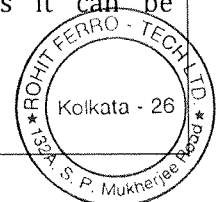
Works :

(Unit - I) : WBIDC Road, P.O. Dwarika P.S. Bishnupur, Dist. Bankura (W.B.) Pin - 722 122

(Unit - II) : Kalinganagar Industrial Complex, Duburi, Dist.Jajpur, Orissa - 755026

(Unit - III) : Bhunia Raichak, Joynagar, P.S. Durga Chak, Dist. East Medinipur, Haldia, West Bengal

<p>b. Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion</p> <p>c. Frequency of Qualification: Whether appeared first time/ Repetitive/ Since how long continuing</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's views:</p> <p>e. For Audit Qualification(s) where the impact is</p>	<p>(c) The company has not provided for impairment loss on investment in the subsidiary amounting to USD 59 lacs (INR 3913.64 lacs), due to loss in the subsidiary resulting in negative net worth.</p> <p>(d) They are of opinion that the deferred expenditure amounting to USD 37.78 lacs (INR 2506.26 lacs) should be written off as the director are unable to provide audit evidence to confirm the reasonableness of the amount stated in the financial statement.</p> <p>Disclaimer of Opinion</p> <p>First Time</p> <p>The Board of Directors comments are</p> <p>(i) Investments are secured by way of pledge of the Bonds of the Investee for acquiring economic interest in a coal mine to the extent of investment made by the Company, (ii) Appropriate steps have been taken for recovery of the doubtful debtors,(iii) The value of mine in possession of the Subsidiary (not reflected in books) is quite sufficient and impairment is not required,(iv) The amount stated as deferred expenditure is actual and reasonableness and once the production commences it can be recovered .</p> <p>Not Applicable</p>
--	--





Rohit Ferro-Tech Ltd.

CIN No. : L27104WB2000PLC091629

Corporate & Communication Office :

SKP HOUSE

132A, S.P. Mukherjee Road, Kolkata - 700 026

Telephone : +91-33-4016 8000/8100, Fax : +91-33-4016 8107


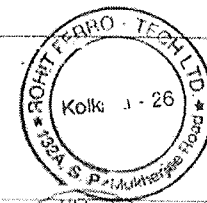

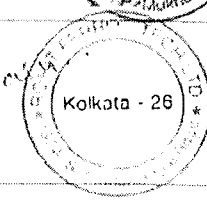

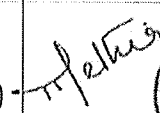

E-mail : enquiry@rohitferrotech.com, Web : www.rohitferrotech.com

Works :

(Unit - I) : WBIDC Road, P.O. Dwarika P.S. Bishnupur, Dist. Bankura (W.B.) Pin - 722 122

(Unit - II) : Kalinganagar Industrial Complex, Duburi, Dist. Jajpur, Orissa - 755026

(Unit - III) : Bhunia Raichak, Joynagar, P.S. Durga Chak, Dist. East Medinipur, Haldia, West Bengal

	not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditor's Comments on (i) or (ii) above:	
III	<b>Signatories:</b>  Managing Director- Mr. Ankit Patni	 
	CFO- Mr. Vipul Jain	 
	Audit Committee Chairman- Mr. Rohit Jain	
	Statutory Auditor- M/s. R. Kothari & Company Chartered Accountants Manoj Kumar Sethia (Partner)	 

Place: Kolkata

Date: 29th August, 2016



Rohit Ferro-Tech Limited



# Annual Report

2015-16

# Contents

---

Notice	01
Directors' Report	10
Management Discussion and Analysis	38
Corporate Governance Report	40
Standalone Financial Statements	57
Consolidated Financial Statements	100

# NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the members of the Company will be held on Thursday, the 29th day of September, 2016 at 10.00 A.M. At "AIKATAN", Eastern Zonal Cultural Conference (EZCC), IA-290, Sector-III, Salt Lake City, Kolkata - 700 097 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2016, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors' thereon.
2. To appoint a Director in place of Mr. Suresh Kumar Patni (DIN:00032674), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT**, in accordance with the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, or any amendment thereto or modification thereof, the appointment of M/s. R. Kothari & Company, Chartered Accountants, Kolkata (Firm Registration No. 307069E) as approved by Members at the Fifteenth Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Nineteenth Annual General Meeting be and is hereby ratified and Board of Directors be and is hereby authorised to fix their remuneration for the financial year ending 31st March, 2017 based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

## SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or enactment thereof for the time being Mr. Ankit Patni (DIN:00034907) who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 30, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company under the provisions of Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a non-executive and non-Independent Director of the Company liable to retire by rotation."

5. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force and in terms with the enabling provisions of the Articles of Association of the Company and subject to such consents, approvals or permissions as may be required, the consent of the Company be and is hereby accorded for the appointment of Mr. Ankit Patni (DIN: 00034907) as the Managing Director of the Company for a period of 3 (Three) years w.e.f. 29th August, 2016, on the term and conditions as enumerated in the Explanatory Statement to this Notice and the Agreement dated 29th August, 2016 as placed before the meeting, initialed by the Chairman of the meeting for the purposes of identification, which agreement is hereby specifically approved.

**RESOLVED FURTHER THAT** the office of Managing Director shall be liable to retire by rotation, provided that if he vacates office by retirement by rotation under the provisions of the Companies Act, 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Managing Director.

**RESOLVED FURTHER THAT** subject to such approvals, consents and permission as may be required, in the event of loss or inadequacy of net profits in any financial year, the remuneration payable to Mr. Ankit Patni shall be restricted to the ceiling provided in Section II of Part II of Schedule V of the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration as may be agreed between the Board of Directors and Mr. Ankit Patni and/or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act for the time being in force, subject to the same not exceeding the limits specified in Schedule V of the Companies Act, 2013.

# NOTICE

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to Mr. S. B. & Associates, Cost Accountant (FRN No. 00109), Kolkata, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, amounting to Rs. 35,000/- (Rupees Thirty five Thousand only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

By Order of the Board  
For **Rohit Ferro-Tech Limited**

**Anil Prasad Shaw**  
Company Secretary

Place: Kolkata

Date: 29th August, 2016

## NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
2. The Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, and Clause 1.2.5 of SS2 on General Meeting relating to Special Business to be transacted at the Meeting, is annexed hereto.
3. The relevant details, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; of person seeking appointment/re-appointment as Director under Item No. 2, 4 and 5 is annexed hereto.
4. The Register of Members and Share Transfer Books shall remain closed from Thursday, the 22nd September, 2016 to Thursday, 29th September, 2016 (both days inclusive).
5. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred unpaid/unclaimed Dividend for the financial year 2007-2008 to Investor Education and Protection Fund (IEPF) established by the Central Government.
6. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed dividend amounts lying with Companies) Rules, 2012, the Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.rohitferrotech.com](http://www.rohitferrotech.com)) and also on the website of the Ministry of Corporate Affairs.
7. Members who have so far not claimed the dividend declared as aforesaid are requested to forward their claims to the Company's Registrar and Share Transfer Agents immediately as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.
8. Information in respect of such unclaimed Dividends and due dates for transfer to the Investor Education and Protection Fund of Government of India are given below:



# NOTICE

Financial Year	Date of Declaration	Due date of transfer to IEPF
2008-09	22.09.2009	22.10.2016
2009-10	27.09.2010	28.10.2017
2010-11	15.09.2011	19.10.2018
2011-12	25.09.2012	26.10.2019

9. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 and to their respective DPs in respect of Equity Shares held in dematerialized form.
10. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
11. Members/Proxies are requested to bring their Attendance Slip for attending the Meeting.
12. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
14. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.
15. All documents referred to in the Notice will be available for inspection at the Company's Corporate Office during all the working days except Saturday between 11.00 a.m. and 1.00 p.m. upto the date of AGM.
16. Electronic copy of the Annual Report for 2016 is being sent to all the Members whose e-mail ids are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their e-mail address, physical copies of the Annual Report for 2016 is being sent in the permitted mode. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity at least once in a financial year, to the Member to register his e-mail address and any changes therein. In compliance with the same, we request the Members who do not have their e-mail id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any in their e-mail address. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website i.e. [www.rohitferrotech.com](http://www.rohitferrotech.com).
17. Electronic copy of the Notice of the 16th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their e-mail address, physical copies of the Notice of the 16th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
18. In compliance with provisions of Section 108 of the Companies Act, 2013, Reg. 44 of SEBI (LODR) Regulation 2015 and 8.6 of SS2 on General Meeting and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are informed that the Company is pleased to offer e-voting facility to cast their vote electronically. The Company has made necessary arrangement with the Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com) vide the EVSN **160823022**.

# NOTICE

The e-voting facility will be available during the following voting period :

<b>Commencement of e-voting</b>	From : 10.01 a.m. of 26th September, 2016
<b>End of e-voting</b>	Upto : 5.00 p.m. of 28th September, 2016

E-voting shall not be allowed beyond 5.00 p.m. of 28th September, 2016.

The detailed procedure is mentioned below. For the aforesaid purpose, the Company has appointed CS Abhijeet Jain of M/s A J & Associates, Practicing Company Secretaries for scrutinizing the e-voting process in a true and transparent manner.

## 19. E-voting Procedure

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26th September, 2016 at 10:01 a.m. and ends on 28th September, 2016 at 5:00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 22nd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in physical form should enter folio number registered with the Company.
- (vi) Next enter the image verification as displayed and Click on 'Login'.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <ROHIT FERRO-TECH LTD.> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select

# NOTICE

the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## DISTRIBUTION OF GIFTS

Attention of the Members is drawn that in conformity with recent regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the Annual General Meeting(AGM) or in connection therewith.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND CLAUSE 1.2.5 OF SS2 ON GENERAL MEETING.

### Item No. 4

Mr. Ankit Patni (DIN : 00034907) was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th September, 2015 pursuant to Section 161 of the Companies Act, 2013 and holds office as such upto the date of this Annual General Meeting.

In view of the extensive and rich experience of Mr. Ankit Patni, and considering the best interests of the Company, it is proposed to appoint him from the date of 16th AGM of the Company as a Non-Executive and Non-Independent Director of the Company liable to retire by rotation. The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Ankit Patni for the office of Director subject to retirement by rotation.

The Board of Directors is of the opinion that the professional expertise and vast experience of Mr. Ankit Patni will be of significant value to the Company.

Mr. Ankit Patni being promoter director and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

The Board recommends the resolution set out at Item No. 4 of the notice for approval by the Shareholders.

# NOTICE

## Item No. 5

Mr. Ankit Patni was appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 by the Board of Directors of the Company at their Meeting held on 30th September, 2015. Subject to the Approval of Shareholders, the Board of Directors of the Company at its meeting held on 29th August, 2016, based on the recommendation of the Nomination & Remuneration Committee, has appointed Mr. Ankit Patni as the Managing Director of the Company for a period of 3 (Three) years w.e.f. 29th August, 2016 on the terms and conditions as set out in the Agreement dated 29th August, 2016 executed between the Company and Mr. Ankit Patni. Mr. Ankit Patni shall be paid the following remuneration for the services rendered by him:

- (a) Basic Salary: Rs. 1,00,000 (Rupees One Lac Only) per month.
- (b) Perquisites/Allowances: He shall be entitled to the following Perquisites/Allowances:-
  - House Rent Allowance: Rs. 50,000 per month.
  - Transport Allowance: Rs. 10,000 per month.
  - Medical Allowance: Rs. 10,000 per month.
  - Special Allowance: Rs. 30,000 per month.
  - Bonus: As may be decided by the Board.
  - Leave Encashment: As per applicable rules of the Company.
  - Gratuity: As may be decided by the Board, provided that it shall not exceed the ceiling limit envisaged under the Payment of Gratuity Act, 1972.

Leave encashment and Gratuity shall not be included in the computation of ceiling on remuneration.

- (c) Leave: Managing Director will be entitled to leave as per applicable rule of the Company.

The Company has defaulted in making re-payments of loans and also payment of interest on loans during the previous year ended 31.03.2016 and as such requires the prior approval of Central Government for making payment of said remuneration to the Managing Director.

As a matter of prudent practice, the remuneration payable to him will be kept in trust with the Company till the time Central Government approvals are received, as per the provisions of section 197(9) of the Companies Act, 2013.

All other terms and conditions are set out in the Agreement referred to above. The relevant Agreement entered into by the Board with Mr. Ankit Patni is available for inspection by members at the Corporate Office of the Company during all working day except Saturday between 11.00 a.m. to 1.00 p.m. upto date of Annual General Meeting.

Mr. Ankit Patni and his relatives are deemed to be concerned or interested, in the resolutions set out at Item No.5 of the Notice.

The Board recommends the resolutions set out at Item No. 5 of the Notice for approval by the Shareholders.

**Statement pursuant to item (iv) under second proviso to clause (B) of Section II of Part II of Schedule V to the Companies Act, 2013 with respect to Item No. 5.**

## I. GENERAL INFORMATION

1. **Nature of Industry:** Rohit Ferro-Tech Limited (herein referred as "RFTL" the Company) was incorporated on 7th April, 2000 and is amongst India's one of the largest Ferro-Alloys manufacturing Company. The Company is engaged in manufacturing of chromium and manganese-based ferro alloys, such as High Carbon Ferro Chrome (H.C.FeCr), Silico Manganese (SiMn) and Ferro Manganese (FeMn) through Submerged Arc Furnace (SAF) route. The Company has three manufacturing facilities located at Bishnupur and Haldia in West Bengal and Jajpur in Orissa.

The Company has acquired 60% equity stake in a coking coal mine in Indonesia owned by M/s. PT Bara Prima Mandiri through its subsidiary M/s. SKP Overseas Pte. Ltd., Singapore. The Company is also having 60% economic interest in a thermal coal mine in Indonesia owned by M/s. PTP Alopo Indah Raya through its aforesaid Subsidiary.

2. **Date of Commencement of Commercial Production:**

The Company commenced its commercial production in 2003.

# NOTICE

## 3. Financial Performance of the Company:

The Financial Performance of the Company is as follows:

(₹ in Crores)

Particulars	2015-16	2014-15	2013-14
Sales and other Income	1436.88	1883.01	2494.52
Profit before Depreciation, Interest and Tax but after Prior Period Items	(223.60)	(131.84)	(68.86)
Depreciation/Amortization	30.04	25.75	30.07
Interest and Finance Charges	230.43	195.24	166.11
Tax Expenses	-	-	(36.45)
Profit/(Loss) before Exceptional items	(484.07)	(352.84)	(228.60)
Exceptional Gain /(Loss)	-	-	-
Profit/(Loss) after Tax	(484.07)	(352.84)	(228.60)

## 4. Foreign Earnings, investments or collaborations:

(₹ in Crores)

Particulars	2015-16	2014-15	2013-14
Investments Abroad (in Subsidiary)	NIL	NIL	6.62

## II. Information about appointee:

Sl. No.	Particulars	Mr. Ankit Patni
1	Background Details	Mr. Ankit Patni is promoter director and having the qualification of B.Com, CFA and MBA. He is having a good amount of experience in the matters of finance, raw material procurements and marketing.
2	Past Remuneration	Nil (only Sitting fees paid)
3	Job Profile & his suitability	Overall management of the Company.
4	Remuneration proposed	As detailed above.
5	Comparative remuneration profile with respects to Industry Size of the Company, profile of the position and person	The proposed remuneration is commensurate with the size and nature of business of the Company and the responsibility of the appointee. The remuneration do differ from Company to Company in the industry depending on the respective operations.
6	Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any,	Mr. Ankit Patni does not have any pecuniary relationship directly and indirectly with the Company as well as with the managerial personnel.  Mr. Ankit Patni is son of Mr. Suresh Kumar Patni, the Chairman of the Company.

## III. Other Information:

### Reason of Loss or inadequate profits

The depressed Ferro Alloys market due to recession in all major Global Economies has impacted the demand and net realization of the Company's products. The adverse movement in the foreign currency has also impacted the Company's liability on account of raw material procurement. Administered price increase for energy including power, coal and fuel has also added to the cost structure which could not be passed to the consumers in depressed business environment. The Company has incurred losses and has been facing liquidity crunch resulting into fall in capacity utilization.

### Steps taken or proposed to be taken for improvement

The Company has undertaken several steps to lowering the overheads and aligning resources with current level of operations. The Company is focusing on cost competitiveness. The Company was brought under the Corporate Debt Restructuring (CDR) Scheme for nursing it to profitability. However, the improvements were not marked. As a corrective

# NOTICE

action plan, the lenders have since invoked Strategic Debt Restructuring (SDR) with reference date of 30th November, 2015. The SDR, however, is yet to be implemented.

## **Expected Increase in productivity and profits in measurable terms**

The management has adopted focused and aggressive business strategies to improve the sales and profitability of the Company. Considering the present sign of improvement in overall business environment, the Company is expecting an increase in its revenue and profitability.

## **Disclosures**

The detail of remuneration and other information is given as above. The requisite details of remuneration etc. of the Director shall be included in the Corporate Governance Report, forming part of the Annual Report of the Company for the financial year 2015-16.

## **Item No. 6**

The Board of Directors had reappointed M/s. S. B. & Associates, Cost Accountants (FRN No.00109), as per recommendation of Audit Committee, being eligible as Cost Auditor of the Company, for a remuneration of Rs. 35,000/- plus applicable taxes and re-imbursement of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2016 and ending on 31st March, 2017.

In terms of Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration is required to be ratified by the members. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.6 of the Notice.

The Board recommends the resolution set out at Item No. 6 of the notice for approval by the Shareholders.

# NOTICE

## ANNEXURE TO ITEMS 2, 4 AND 5 OF THE NOTICE:

### Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (Refer Item No. 2 4 and 5 of the Notice):

<b>Name of Director</b>	Mr. Suresh Kumar Patni	Mr. Ankit Patni
<b>Date of Birth</b>	13.07.1959	13.01.1985
<b>Nationality</b>	Indian	Indian
<b>Date of appointment on the Board</b>	07.04.2000	30.09.2015
<b>Qualifications</b>	Commerce Graduate from Calcutta University.	B.Com, CFA and MBA
<b>Expertise</b>	He has wide experience of more than three decades in Iron & Steel & Ferro alloy Industry. He is also a co-promoter of Ankit Metal & Power Limited and Impex Metal & Ferro Alloys Limited. He contributes with his experience and provides guidance to the Senior management of the Company.	He is having a good amount of experience in the matters of finance, raw material procurements and marketing.
<b>Number of Shares held in the Company</b>	2186403	1128589
<b>List of Directorship held in other listed Companies</b>	1. Ankit Metal & Power Limited 2. Impex Ferro Tech Ltd.	1. Ankit Metal & Power Limited 2. Impex Ferro Tech Limited
<b>Chairmanship/ Membership in Committee of other listed companies**</b>	<b>In Ankit Metal &amp; Power Limite</b> - Member in Nomination & Remuneration Committee <b>In Impex Ferro Tech Ltd.</b> - Member in Stakeholders Relationship Committee.	<b>Ankit Metal &amp; Power Limited</b> - Member in Stakeholder Relationship Committee <b>Impex Ferro Tech Limited</b> - Member in Audit Committee - Member in Nomination & Remuneration Committee
<b>Relationship between Directors inter-se</b>	Mr. Suresh Kumar Patni is father of Mr. Ankit Patni	Mr. Ankit Patni is son of Mr. Suresh Kumar Patni

\*\* Committee herein refers Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee.

### ROAD MAP OF AGM VENUE



# Directors' Report

*Dear Shareholders,*

The Directors are pleased to present the 16th Annual Report of the Company together with Audited Accounts for the financial year ended 31st March, 2016.

## Financial Highlights

(₹ in Crores)

Particulars	Standalone	
	Current Year 31-03-2016	Previous Year 31-03-2015
Revenue from Operation (net)	1430.24	1875.42
Other Income	6.64	7.59
Total Revenue	1436.88	1883.01
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>(223.60)</b>	<b>(131.84)</b>
Less: Depreciation & Amortisation	30.04	25.75
Less: Finance Cost	230.43	195.24
Less: Tax Expenses	-	-
<b>Net Profit after Tax</b>	<b>(484.07)</b>	<b>(352.83)</b>
Less: Exceptional Item	-	-
<b>Profit for the Year</b>	<b>(484.07)</b>	<b>(352.83)</b>
Add: Balance brought forward from previous year	(321.38)	33.95
<b>Profit/(Loss) available for appropriation</b>	<b>-</b>	<b>-</b>
<b>Appropriation of Profits</b>		
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Differential Depreciation as per Companies Act, 2013	1.40	(2.49)
Balance carried over to Balance Sheet	(804.05)	(321.39)

## FINANCIAL AND OPERATIONAL REVIEW

During the year under review the Company has achieved a total revenue from Operation of ₹ 1430.24 Crores (P.Y. ₹ 1875.42). The company incurred a net loss of ₹ 484.07 Crores due to huge finance cost, increase in input cost and lower realisations owing to availability of cheaper steel imports etc.

The plant at Haldia has been put under suspension of work since 01.07.2015 mainly on account of substantial gap in Tariff of Electricity by West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Damodar Valley Corporation (DVC). For the Haldia Plant, the company had to procure electricity from WBSEDCL, whose rate are 30% higher compared to DVC and as a result the Company was incurring huge losses.

State Bank of India, the leader of Consortium of Lenders Banks in the meeting of Joint Lenders Forum (JLF) decided to invoke SDR against the Company w.e.f. 30th November, 2015. The scheme, however, has not been implemented so far.

## DIVIDEND

In view of the huge losses incurred by the Company, the Directors of the Company do not recommend any Dividend for the financial year 2015-16.

## TRANSFER TO RESERVE

In view of the huge losses incurred by the Company during the year under review, no amount has been transferred to reserves.



# Directors' Report

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance of provisions of Companies Act, 2013 Mr. Suresh Kumar Patni (DIN:00032674), retires by rotation and being eligible, offers himself for re-appointment.

Mr. R.K. Burnwal was appointed as an Additional Director and also Executive Director (Works) by the Board on 24.03.2016. Subsequently consent of Shareholder was obtained by means of Postal Ballot held on 13.05.2016 for his appointment as Executive Director (works) liable to retire by rotation.

Mr. Venkata Bhaskara Rao Maddala (DIN: 01526381), who was appointed as a non executive director by shareholders in last AGM had expressed his unwillingness to continue as a director of the Company and consequently resigned on 14.11.2015.

Mr. Dinesh Biyanee (DIN:00122369), Executive Director of the Company had also expressed his unwillingness to continue as director and tendered his resignation on 31.03.2016.

Mr. Parama Bhattaraka Lahiri (DIN: 01717273), was appointed as a Nominee Director by the Board w.e.f. 30.09.2015 representing State Bank of India. Mr. Parama Bhattaraka Lahiri shall not be liable to retirement by rotation and shall not require to hold any qualification shares.

Mr. Ankit Patni (DIN:00034907) who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 30, 2015 and who holds office upto the date of this ensuing Annual General Meeting being eligible, consented himself for appointment as a Non-Executive Non-Independent Director liable to retire by rotation. Subsequently the Board of directors in its meeting held on 29.08.2016 has appointed him as Managing director w.e.f. 29.08.2016 liable to retire by rotation subject to approval of the Central Government and Shareholders.

The brief particulars of the Directors seeking their appointment/re-appointment have been given in the notice convening the ensuing Annual General Meeting and is annexed to the notice as required in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') and the Board recommends their appointment/re-appointment as set out in the notice.

There was no change in other Directors & Key Managerial Personnel .

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 134(3)(c) of the Companies Act, 2013, your Directors confirm:

- a. that in the preparation of the Annual Accounts, for the Year ended 31st March, 2016 the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. that 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 end of financial year and of the profit or loss of the Company for that period;
- c. that 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;
- d. that they have prepared the accounts for the financial year ended on 31st March, 2016 on a 'going concern' basis.;
- e. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively and
- f. that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

# Directors' Report

## NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The details of the number of meetings of the Board of Directors held during the financial year 2015-16 forms a part of the Corporate Governance Report.

## STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations with Stock Exchanges.

## NOMINATION & REMUNERATION POLICY

The Company's Nomination & Remuneration Policy and other matters provided under Section 178(3) of the Act, has been disclosed in the Corporate Governance Report which form part of Directors Report.

## BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the functioning of various Committees. The Independent Directors also carried out the evaluation of the Chairman and the Non-Independent Directors, the details of which are covered in the Corporate Governance Report.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (MDA)

The details of operating performance of the Company for the year, the state of affairs and the key changes in the operating environment have been analysed in the Management Discussion and Analysis Report section which forms a part of the Annual Report.

## CORPORATE GOVERNANCE

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report.

## SUBSIDIARIES

As on 31st March, 2016, the Company has 2 (two) Subsidiaries i.e. M/s. SKP Overseas Pte. Ltd. (Wholly Owned Subsidiary) and M/s. PT Bara Prima Mandiri of Indonesia (Step down subsidiary). There is no change in the status of the holding in the financial year under review.

Pursuant to the provisions of Section 129(3) of the Act, which requires attaching of the Balance Sheet, Profit & Loss Account and other documents of its subsidiary companies to its Balance Sheet. Accordingly, the said documents are included in this Annual Report. The financial data of the Subsidiaries forms part of the Annual Report.

## CONSOLIDATED FINANCIAL STATEMENT

As per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company has prepared Consolidated Financial Statements in accordance with the relevant Accounting Standards (AS-21) issued by the Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statements along with the Auditors Report thereon form part of the Annual Report.

## CREDIT RATING

The Company's credit rating for Long-Term Loans & Fund Based Limits has been revised to '[ICRA] D' and Short-Term Limits has been revised to '[ICRA] D', by ICRA Limited .

# Directors' Report

## **PUBLIC DEPOSITS**

The Company has not accepted any fixed deposits from the public and as such, no amount of principal and interest was outstanding as on the date of the Balance Sheet.

## **INSURANCE**

The properties and insurable assets and interests of the Company, like building, plant and machinery and stocks, among others, are adequately insured.

## **AWARDS & ACHIEVEMENTS**

During the year under review the Company was awarded for Export Excellence by EEPC INDIA for highest exporter in the product group Thrust Markets for Thrust Products in the large enterprise category for the outstanding contribution to Engineering Exports during year 2013-14 in Ferro Alloy Segment (Eastern Region).

## **CHANGE IN CAPITAL STRUCTURE & MEMORANDUM OF ASSOCIATION**

During the year under review, Shareholders of the Company at their meeting of Postal Ballot held on 13.05.2016 have approved increase in the Authorised Share Capital of the Company from ₹185,0000,000 (Rupees One Hundred Eighty Five Crores only) divided into 18,5000,000 (Eighteen Crores Fifty Lacs) Equity Shares of ₹ 10/- each to ₹ 415,00,00,000 (Rupees Four Hundred Fifteen Crores only) divided into 415,00,0000 ( Forty-one Crores Fifty Lacs) Equity Shares of ₹ 10/- each by creation of 230,000,000 (Twenty Three Crores) Equity Shares of ₹ 10/- each pursuant to invocation of SDR Scheme .

As the implementation of SDR has been kept in abeyance by the Lenders, the Authorised Capital has not been increased by the Company.

## **EXTRACT OF ANNUAL RETURN**

An extract of Annual Return as on the financial year ended on 31.03.2016 in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is set out as an **Annexure-I** to the Directors' Report and form part of this Annual Report.

## **AUDITORS AND AUDITORS' REPORT**

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. R. Kothari & Co., Chartered Accountants (FRN:307069E) , were appointed as Statutory Auditors of the Company until the conclusion of the Nineteenth (19th) AGM of the Company, subject to ratification by members at every Annual General Meeting. The Company has received a confirmation from M/s. R. Kothari & Company, Chartered Accountants, to this effect that their appointment, if ratified, would be within the limits prescribed under section 139 of the Companies Act, 2013 and the rules framed thereunder and in accordance with section 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under Regulation 33(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Observations of the Auditors M/s. R. Kothari & Co, Chartered Accountants, on Standalone Financial Statement of the Company have been dealt with in the Accounts annexed as note which are self explanatory and do not call for any further comments.

Observations & comments of the Auditors M/s. R. Kothari & Co., Chartered Accountants, on Consolidated Financial Statements of the Company and comments of Board of directors have been dealt hereunder:

The Auditors of the Company's subsidiary viz., M/s SKP Overseas Pte Ltd. have qualified their Report by disclaimer of Opinion with remarks that (i) they have not sited any audit evidence relating to the investments in PT Pacific Samudra Perkasa amounting to USD 60 lacs (INR 3979.97 lacs) and they are not in a position to determine whether the company needs to provide for any possible impairment loss relating to the investment, (ii) They are not in position to determine

# Directors' Report

whether any provision is required for doubtful debts for other receivable amounting to USD 126.24 lacs (INR 8373.85 lacs), (iii) the Company has not provided for impairment loss on investment in the subsidiary amounting to USD 59 lacs (INR 3913.64 lacs) due to loss in the subsidiary resulting in negative net worth and (iv) they are of opinion that the deferred expenditure amounting to USD 37.78 lacs (INR 2506.26 lacs) should be written off as the director are unable to provide audit evidence to confirm the reasonableness of the amount stated in the financial statement.

The Board of Directors comments are (i) Investment are secured by way of pledge of the Bonds of the Investee for acquiring economic interest in a coal mine to the extent of investment made by the Company, (ii) Appropriate steps have been taken for recovery of doubtful debtors, (iii) the value of mine in possession of the subsidiary (not reflect in books) is quite sufficient and impairment is not required and (iv) the amount stated as deferred expenditure is actual and reasonableness and once the production commences it can be recovered.

## INTERNAL AUDITORS

M/s. NR & Associates, Cost Accountants, has been appointed as Internal Auditors of the Company for the Financial Year 2016-17.

## COST AUDITORS

In terms of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, on the recommendation of Audit Committee, the Board of Directors has appointed Mr. S .B. & Associates, Cost Accountant (FRN No.00109), as Cost Auditor of the Company, at a remuneration of ₹ 35,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the Financial year beginning from 01.04.2016 and ending on 31.03.2017.

As required under Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is being placed at the ensuing Annual General Meeting for ratification by the members.

## INTERNAL FINANCIAL CONTROLS

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Financial Controls (IFC) and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

The financial control system and framework is required to ensure:

- The orderly and efficient conduct of its business,
- 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.

The Board reviews the effectiveness of controls documented as part of Internal Affairs and Financial Control (IAFC) framework and take necessary corrective actions, where weaknesses are identified as a result of such reviews. This review covers entity level controls, fraud risk controls and information technology environment.

The Policies and procedure adopted by the Company ensures the orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of the records and the timely preparation of reliable financial information. Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect our IFC. The management has also come to the conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

# Directors' Report

The Statutory Auditor of the Company has audited the IFC over Financial Reporting and their Audit Report is annexed as Annexure-B to the Independent Auditors' Report under Financial Statements.

## **AUDIT COMMITTEE**

The details pertaining to composition and terms of reference of the Audit Committee are included in the Corporate Governance Report, which form part of this report.

## **NOMINATION AND REMUNERATION COMMITTEE**

The details pertaining to composition and terms of reference of the Nomination and Remuneration Committee are included in the Corporate Governance Report, which form part of this report.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The details pertaining to composition and other matters of the Stakeholders Relationship Committee are included in the Corporate Governance Report, which form part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)**

The details pertaining to composition and other matters of the Corporate Social Responsibility Committee (CSR Committee) are included in the Corporate Governance Report, which form part of this report.

## **VIGIL MECHANISM POLICY**

In compliance with provisions of the Section 177(9) of the Companies Act, 2013, and the Listing Agreement, the Company has formulated a Vigil Mechanism Policy for Directors and employees to report their genuine concerns, details of which has been given in the Corporate Governance Report annexed to this report and also posted on the website of the Company.

## **RISK MANAGEMENT POLICY**

The Company has a Risk Management framework in place which is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan which is reviewed by the Audit Committee and approved by the Board from time to time. All identified risks are categorised based on a matrix of likelihood of occurrence and impact thereof and a mitigation plan is worked out to the extent possible. Major risks in particular areas monitored regularly and the Board of Directors of the Company is kept abreast.

## **EXECUTIVE COMMITTEE**

The details pertaining to composition and terms of reference of the Executive Committee are included in the Corporate Governance Report, which form part of this report.

## **FAMILIARIZATION PROGRAMME**

The Company at its various meetings held during the financial year 2015-16 had familiarised the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved.

## **SECRETARIAL AUDITORS & REPORT**

The Company appointed M/s. A J & Associates, Practising Company Secretary, (Membership No. FCS 4975 and Certificate of Practice No. 3426) as the Secretarial Auditor of your Company for FY 2015-16 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

# Directors' Report

The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as **Annexure-II** and forms part of the Report.

## SECRETARIAL AUDITOR OBSERVATION

The Secretarial Auditor has the following observations in Form MR-3 enclosed as **Annexure-II**.

- (i) Form MGT-14 for Appointment of Internal Auditor u/s 138 for the year 2015-16 is yet to be filed
- (ii) Certain Form MR 1 for appointment of KMP during 2015-16 is yet to be filed.
- (iii) It was noted that the company has complied the Secretarial Standard issued by the ICSI to a large extent; however the stricter implementation of the Secretarial Standards is yet to be observed by the Company.
- (iv) It has been observed that the company has defaulted in the payments of statutory dues within the prescribed time.
- (v) There has been some instances where the Forms were filed with some delay, thereby paying the additional fees.

Our Comments are as under:

- (i) Owing to technical glitches at MCA Portal throughout the last year, the filings were failing at many times. This led to confusion at our end and the Form was not filed, steps will be taken to file the same.
- (ii) Owing to technical glitches at MCA Portal throughout the last year, the filings were failing at many times. This led to confusion at our end and the Form MR 1 was not filed, steps will be taken to file the same.
- (iii) As the Secretarial Standards were issued in the current year only, we are trying our level best to implement these in entirety in the near future.
- (iv) Statutory payments were delayed mainly due to poor liquidity position.

## CONTRACT AND ARRANGEMENT WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company's materiality of related party transactions. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

The Policy on materiality of related party transaction as approved by the Board may be accessed on the Company's Website [www.rohitferrotech.com](http://www.rohitferrotech.com). Your Directors drew attention of the members to Note 36 to the Financial Statement which sets out related party disclosures.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 if any, are given in the notes to the Financial Statement.

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

During the year under review, your company transferred a sum of ₹ 2,19,925.00 (Rupees Two Lacs Nineteen Thousand Nine Hundred Twenty five only) to IEPF of the Central Government, being the dividend amount pertaining to the financial year ended on 31.03.2008, which was due and payable and remained unclaimed and unpaid for a period of 7 years as provided in Section 205A and 205C of the Companies Act 1956 read with the Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001.

# Directors' Report

## **PARTICULARS OF EMPLOYEES**

As required under provisions of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees concerned forms a part of the Board's Report as **Annexure-III**.

## **DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of the Board's Report as **Annexure-IV**.

## **DETAILS OF SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATION**

To the best of our knowledge the Company has not received any such order by Regulators, Courts or Tribunals during the year under review which may impact the going concern status or the Company's operations in future.

## **MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

- Consequent upon invocation of SDR by Lenders, necessary approvals were obtained for issuance of 22,50,00,000 shares to Lenders through conversion of part of debt and also issuance of 7,28,00,000 shares to Promoters by converting the Unsecured loans. Subsequently, the allotment to Lenders by conversion of debt was advised to be kept in abeyance by the Lenders. However, the Lenders advised the Company to allot 1,36,57,001 shares to Promoters by converting a part of the Unsecured loan. The allotment would be well within the permissible ratio of Promoter and Public holding of 75: 25. The Board has since allotted the shares as advised by Lenders.
- The Authorised Capital of the Company has been increased pursuant to SDR Scheme as invoked to ₹ 415,00,00,000 (Rupees Four Hundred Fifteen Crores only) divided into 415,000,000 (Forty-one Crores Fifty Lacs) Equity Shares of ₹ 10/- each by creation of 230,000,000 (Twenty Three Crores) Equity Shares of ₹ 10/- each. However, as the implementation was subsequently kept in abeyance by the Lenders, the Capital has not been increased by the Company.
- The Company has become a sick industrial company as per Section 3(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 as the accumulated losses of the Company at the end of Financial Year 31.03.2016 exceeded its entire net worth as per Audited Financial Statement as on 31.03.2016. The Company will make reference to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- As per Companies (Indian Accounting Standard) (Ind AS), every listed Company and their holding and subsidiary companies (other than banking companies, insurance companies and non banking financial companies) are required to comply with Ind AS in the preparation of their financial statements for accounting periods beginning on or after April, 2016, with the comparatives for the periods ending March, 2016. Accordingly the Company has adopted Ind AS with effect from April 1, 2016. The Company has devised a suitable implementation plan for adoption of Ind AS.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN**

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, there was no case filed pursuant to the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

# Directors' Report

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOING**

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

## **GREEN INITIATIVE**

The Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address previously registered with the DPs/Company/RTAs. Those holding shares in demat form can register their e-mail address with their concerned DPs. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent/Depositories for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

## **INDUSTRIAL RELATIONS**

During the year under review industrial relations and the Company's manufacturing complexes were remained cordial.

## **APPRECIATION**

The Directors wish to place on record their sincere appreciation for the continued assistance and co-operation extended to the Company by the Shareholders, Regulatory & Government Authorities, Suppliers, Customers and Bankers and to other entire workforce including valuable contribution of the employees at all levels who are continuing their assistance to the Company.

For and on behalf of the Board  
**Rohit Ferro-Tech Limited**

**Suresh Kumar Patni**  
*Chairman*

Kolkata, 29th August, 2016



# Annexure to the Directors' Report

## Annexure - I

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L27104WB2000PLC091629
ii	Registration Date	07-04-2000
iii	Name of the Company	ROHIT FERRO-TECH LIMITED
iv	Category/Sub-category of the Company	Public Company (Company limited by Shares)
v	Address of the Registered Office & contact details	35, Chittaranjan Avenue, Kolkata-700012 Phone: (033) 2211 0225/26
vi	Whether listed company	Yes (National Stock Exchange of India & BSE Limited)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S Maheshwari Datamatics Private Limited 6, Mangoe Lane, 2nd Floor, Kolkata-700001 Phone: (033) 2243 5809/5029, Email: mdpl@cal.vsnl.net.in

#### 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

Name & Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1. Ferro-alloys	3309	43%
2. Iron & Steel	3301	57%

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

Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
"M/S SKP Overseas Pte. Ltd. 141, Cecil Street, #07-05, Tung Ann Association Building, Singapore-069541"	200806931E	Wholly- Owned Subsidiary	100.00%	2(87)

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	60,65,638	-	60,65,638	5.33	60,65,638	-	60,65,638	5.33	0.00
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d) Any Other (Specify)									
1. Bodies Corp.	7,58,52,204	-	7,58,52,204	66.67	7,58,52,204	-	7,58,52,204	66.67	0.00
<b>Sub-total (A)(1)</b>	<b>8,19,17,842</b>	<b>-</b>	<b>8,19,17,842</b>	<b>72.00</b>	<b>8,19,17,842</b>	<b>-</b>	<b>8,19,17,842</b>	<b>72.00</b>	<b>0.00</b>

## Annexure to the Directors' Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>8,19,17,842</b>	<b>-</b>	<b>8,19,17,842</b>	<b>72.00</b>	<b>8,19,17,842</b>	<b>-</b>	<b>8,19,17,842</b>	<b>72.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Fund	-	-	-	-	-	-	-	-	-
b) Venture Capital Fund	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
f) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Central Government/ State Government(s)/ President of India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Non-Institutions</b>									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1,48,98,201	14,602	1,49,12,803	13.11	1,49,48,253	14,602	1,49,62,855	13.15	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,16,21,316	-	1,16,21,316	10.21	1,23,73,136	-	1,23,73,136	10.87	0.66
b) NBFCs registered with RBI	-	-	-	-	10,938.00	-	10,938.00	0.01	0.01

## Annexure to the Directors' Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Others (Specify)									
1. Trusts	-	-	-	-	-	-	-	-	-
2. Hindu Undivided Family	-	-	-	-	-	-	-	-	-
3. Non Resident Indians (Non Repat)	4,16,596	-	4,16,596	0.37	4,33,264	-	4,33,264	0.38	0.01
4. Non Resident Indians (Repat)	9,13,803	-	9,13,803	0.80	9,20,656	-	9,20,656	0.81	
5. Clearing Member	1,08,286	-	1,08,286	0.10	11,04,855	-	11,04,855	0.97	0.88
6. Bodies Corporate	38,85,477	-	38,85,477	3.42	20,52,577	-	20,52,577	1.80	-1.61
<b>Sub-total(B)(3)</b>	<b>3,18,43,679</b>	<b>14602</b>	<b>3,18,58,281</b>	<b>28.00</b>	<b>3,18,43,679</b>	<b>14602</b>	<b>3,18,58,281</b>	<b>28.00</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>3,18,43,679</b>	<b>14602</b>	<b>3,18,58,281</b>	<b>28.00</b>	<b>3,18,43,679</b>	<b>14602</b>	<b>3,18,58,281</b>	<b>28.00</b>	<b>0.00</b>
<b>C. Non Promoter - Non Public</b>									
1. Custodian/DR Holder	-	-	-	-	-	-	-	-	-
2. Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>11,37,61,521</b>	<b>14,602</b>	<b>11,37,76,123</b>	<b>100.00</b>	<b>11,37,61,521</b>	<b>14,602</b>	<b>11,37,76,123</b>	<b>100.00</b>	<b>0.00</b>

### ii) SHAREHOLDING OF PROMOTERS-

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total Shares of the Company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
Directors & their Relatives								
1	Suresh Kumar Patni	21,86,403.00	1.92	100	21,86,403.00	1.92	100	0
2	Sarita Patni	15,49,694.00	1.36	100	15,49,694.00	1.36	100	0
3	Rohit Patni	12,00,952.00	1.06	100	12,00,952.00	1.06	100	0
4	Ankit Patni	11,28,589.00	0.99	100	11,28,589.00	0.99	100	0
Bodies Corporate								
1	Poddar Mech Tech Services Pvt. Ltd.	1,29,79,933.00	11.41	100	1,29,79,933.00	11.41	100	0
2	Vasupujya Enterprises Pvt. Ltd.	1,13,59,538.00	9.98	100	1,13,59,538.00	9.98	100	0
3	Suanvi Trading & Investment Co.Pvt. Ltd.	1,12,37,501.00	9.88	100	1,12,37,501.00	9.88	100	0

## Annexure to the Directors' Report

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total Shares of the Company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
4	Invesco Finance Pvt. Ltd.	1,10,39,317.00	9.70	100	1,10,39,317.00	9.70	100	0
5	Shreyansh Leafin Pvt. Ltd.	1,09,93,150.00	9.66	100	1,09,93,150.00	9.66	100	0
6	Whitestone Suppliers Pvt. Ltd.	1,09,07,765.00	9.59	100	1,09,07,765.00	9.59	100	0
7	Arthodock Vinimay Pvt. Ltd.	52,50,000.00	4.61	100	52,50,000.00	4.61	100	0
8	Nucore Exports Pvt. Ltd.	11,00,000.00	0.97	100	11,00,000.00	0.97	100	0
9	VNG Mercantiles Pvt. Ltd.	9,85,000.00	0.87	100	9,85,000.00	0.87	100	0

### (iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl No.	Shareholders Name	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	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)	No Change during the year			
	At the end of the year	-	-	-	-

### (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS

Sl No.	Name of Shareholders	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares		No. of shares	% of total shares of the Company
1	GIRDHARILAL SEKSARIA	505356	0.44	1-Apr-2015	-	-	505356	0.44
				17-Apr-2015	151841	PURCHASE	657197	0.58
				24-Apr-2015	80838	PURCHASE	738035	0.65
				1-May-2015	19173	PURCHASE	757208	0.67
				31-Mar-2016	0		757208	0.67
2	M SUNIL KUMAR	440100	0.39	1-Apr-2015	-	-	440100	0.39
				10-Apr-2015	13506	PURCHASE	453606	0.40
				17-Apr-2015	46394	PURCHASE	500000	0.44
				10-Jul-2015	20000	PURCHASE	520000	0.46
				30-Sep-2015	1000	PURCHASE	521000	0.46
				9-Oct-2015	4015	PURCHASE	525015	0.46
				16-Oct-2015	5000	PURCHASE	530015	0.47
				27-Nov-2015	10000	PURCHASE	540015	0.47
				4-Dec-2015	85	PURCHASE	540100	0.47
				18-Dec-2015	200	PURCHASE	540300	0.47
				18-Mar-2016	39800	PURCHASE	580100	0.51
				31-Mar-2016	0		580100	0.51

## Annexure to the Directors' Report

Sl No.	Name of Shareholders	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares		No. of shares	% of total shares of the Company
3	BMA WEALTH CREATORS LTD	537699	0.47	1-Apr-2015	-	-	537699	0.47
				29-May-2015	-2000	SELL	535699	0.47
				5-Jun-2015	500	PURCHASE	536199	0.47
				12-Jun-2015	-500	SELL	535699	0.47
				19-Jun-2015	100	PURCHASE	535799	0.47
				26-Jun-2015	300	PURCHASE	536099	0.47
				31-Jul-2015	-344	SELL	535755	0.47
				14-Aug-2015	2800	PURCHASE	538555	0.47
				28-Aug-2015	199	PURCHASE	538754	0.47
				9-Oct-2015	-335	SELL	538419	0.47
				16-Oct-2015	-100	SELL	538319	0.47
				27-Nov-2015	10744	PURCHASE	549063	0.48
				4-Dec-2015	-100	SELL	548963	0.48
				11-Dec-2015	-600	SELL	548363	0.48
				31-Dec-2015	4000	PURCHASE	552363	0.49
				1-Jan-2016	1000	PURCHASE	553363	0.49
				8-Jan-2016	-10789	SELL	542574	0.48
				15-Jan-2016	2883	PURCHASE	545457	0.48
				22-Jan-2016	3030	PURCHASE	548487	0.48
				5-Feb-2016	382	PURCHASE	548869	0.48
				12-Feb-2016	-10500	SELL	538369	0.47
				26-Feb-2016	-1000	SELL	537369	0.47
				4-Mar-2016	-2000	SELL	535369	0.47
				25-Mar-2016	1000	PURCHASE	536369	0.47
				31-Mar-2016	0	-	536369	0.47
4	SAURIN C KAPADIA	345500	0.30	1-Apr-2015	-	-	345500	0.30
				26-Jun-2015	14793	PURCHASE	360293	0.32
				10-Jul-2015	10207	PURCHASE	370500	0.33
				31-Mar-2016	0	-	370500	0.33
5	SUNITHA M V	226329	0.20	1-Apr-2015	-	-	226329	0.20
				10-Apr-2015	11235	PURCHASE	237564	0.21
				17-Apr-2015	13464	PURCHASE	251028	0.22
				24-Apr-2015	82	PURCHASE	251110	0.22
				1-May-2015	9064	PURCHASE	260174	0.23
				8-May-2015	17760	PURCHASE	277934	0.24
				11-Dec-2015	107	PURCHASE	278041	0.24
				31-Mar-2016	0	-	278041	0.24
6	VAISHALLI ARYA	253827	0.22	1-Apr-2015	-	-	253827	0.22
				31-Mar-2016	-	-	253827	0.22
7	KIRTI RAJNIKANT SHAH	87500	0.08	1-Apr-2015	-	-	87500	0.08
				17-Apr-2015	12500	PURCHASE	100000	0.09
				8-May-2015	10192	PURCHASE	110192	0.10
				15-May-2015	6162	PURCHASE	116354	0.10
				22-May-2015	4896	PURCHASE	121250	0.11
				29-May-2015	7250	PURCHASE	128500	0.11
				5-Jun-2015	6500	PURCHASE	135000	0.12
				12-Jun-2015	45000	PURCHASE	180000	0.16
				19-Jun-2015	2000	PURCHASE	182000	0.16
				31-Mar-2016	0		182000	0.16

## Annexure to the Directors' Report

Sl No.	Name of Shareholders	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares		No. of shares	% of total shares of the Company
8	SANDEEP SHARMA	143600	0.13	01-04-2015	-	-	-	-
				31-03-2016	-	-	143600	0.13
9	LALITKUMAR JAIN R	114194	0.10	1-Apr-2015	-	-	114194	0.10
				10-Apr-2015	9206	PURCHASE	123400	0.11
				29-Jan-2016	2718	PURCHASE	126118	0.11
				12-Feb-2016	900	PURCHASE	127018	0.11
				19-Feb-2016	1800	PURCHASE	128818	0.11
				4-Mar-2016	-1800	SELL	127018	0.11
				18-Mar-2016	-3618	SELL	123400	0.11
				31-Mar-2016	0	-	123400	0.11
10	SWETA S KAPADIA	110826	0.10	1-Apr-2015	-	-	110826	0.10
				26-Jun-2015	10000	PURCHASE	120826	0.11
				31-Mar-2016	0	-	120826	0.11
11	KARVY STOCK BROKING LIMITED	115133	0.10	1-Apr-2015	-	-	115133	0.10
				10-Apr-2015	-618	SELL	114515	0.10
				17-Apr-2015	-3840	SELL	110675	0.10
				1-May-2015	1292	PURCHASE	111967	0.10
				8-May-2015	-4499	SELL	107468	0.09
				15-May-2015	-3170	SELL	104298	0.09
				22-May-2015	3900	PURCHASE	108198	0.10
				29-May-2015	-1150	SELL	107048	0.09
				5-Jun-2015	-2350	SELL	104698	0.09
				12-Jun-2015	6807	PURCHASE	111505	0.10
				19-Jun-2015	-8122	SELL	103383	0.09
				26-Jun-2015	-6700	SELL	96683	0.08
				3-Jul-2015	6500	PURCHASE	103183	0.09
				10-Jul-2015	1450	PURCHASE	104633	0.09
				17-Jul-2015	-4500	SELL	100133	0.09
				24-Jul-2015	5100	PURCHASE	105233	0.09
				31-Jul-2015	750	PURCHASE	105983	0.09
				14-Aug-2015	-3739	SELL	102244	0.09
				21-Aug-2015	1300	PURCHASE	103544	0.09
				28-Aug-2015	4374	PURCHASE	107918	0.09
				4-Sep-2015	-1500	SELL	106418	0.09
				18-Sep-2015	3470	PURCHASE	109888	0.10
				30-Sep-2015	-1100	SELL	108788	0.10
				9-Oct-2015	143	PURCHASE	108931	0.10
				23-Oct-2015	850	PURCHASE	109781	0.10
				27-Nov-2015	6625	PURCHASE	116406	0.10
				4-Dec-2015	-2152	SELL	114254	0.10
				11-Dec-2015	1000	PURCHASE	115254	0.10
				18-Dec-2015	-125	SELL	115129	0.10
				25-Dec-2015	200	PURCHASE	115329	0.10
				31-Dec-2015	-2476	SELL	112853	0.10
				1-Jan-2016	500	PURCHASE	113353	0.10
				8-Jan-2016	-316	SELL	113037	0.10
				15-Jan-2016	7000	PURCHASE	120037	0.11
				22-Jan-2016	-330	SELL	119707	0.11
				29-Jan-2016	-7000	SELL	112707	0.10
				5-Feb-2016	-170	SELL	112537	0.10
				12-Feb-2016	177	PURCHASE	112714	0.10
				19-Feb-2016	7839	PURCHASE	120553	0.11
				26-Feb-2016	-2530	SELL	118023	0.10
				4-Mar-2016	2975	PURCHASE	120998	0.11
				25-Mar-2016	-289	SELL	120709	0.11
				31-Mar-2016	-3011	SELL	117698	0.10

## Annexure to the Directors' Report

Sl No.	Name of Shareholders	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares		No. of shares	% of total shares of the Company
12	MUBASHER HUSSAIN ANSAR	140300	0.12	1-Apr-2015	-	-	140300	0.12
				11-Dec-2015	-28800	SELL	111500	0.10
				31-Mar-2016	0	-	111500	0.10
13	HANUMAN MAL PADAM KUMAR SURANA [H.U.F]	217264	0.19	1-Apr-2015	-	-	217264	0.19
				1-May-2015	400	PURCHASE	217664	0.19
				22-May-2015	-6090	SELL	211574	0.19
				19-Feb-2016	-202811	SELL	8763	0.01
				31-Mar-2016	0	-	8763	0.01
14	BONANZA PORTFOLIO LTD	119562	0.11	1-Apr-2015	-	-	119562	0.11
				10-Apr-2015	34442	PURCHASE	154004	0.14
				17-Apr-2015	-10598	SELL	143406	0.13
				24-Apr-2015	-31322	SELL	112084	0.10
				8-May-2015	15000	PURCHASE	127084	0.11
				15-May-2015	-800	SELL	126284	0.11
				22-May-2015	3450	PURCHASE	129734	0.11
				29-May-2015	4150	PURCHASE	133884	0.12
				5-Jun-2015	1000	PURCHASE	134884	0.12
				12-Jun-2015	-10500	SELL	124384	0.11
				19-Jun-2015	-400	SELL	123984	0.11
				26-Jun-2015	-6200	SELL	117784	0.10
				30-Jun-2015	-7705	SELL	110079	0.10
				3-Jul-2015	-10050	SELL	100029	0.09
				10-Jul-2015	-6435	SELL	93594	0.08
				31-Jul-2015	800	PURCHASE	94394	0.08
				14-Aug-2015	-2102	SELL	92292	0.08
				21-Aug-2015	250	PURCHASE	92542	0.08
				28-Aug-2015	-299	SELL	92243	0.08
				11-Sep-2015	-3603	SELL	88640	0.08
				18-Sep-2015	-703	SELL	87937	0.08
				30-Sep-2015	-2600	SELL	85337	0.08
				16-Oct-2015	-467	SELL	84870	0.07
				23-Oct-2015	-14800	SELL	70070	0.06
				27-Nov-2015	-331	SELL	69739	0.06
				4-Dec-2015	-7305	SELL	62434	0.05
				11-Dec-2015	-3500	SELL	58934	0.05
				18-Dec-2015	-1000	SELL	57934	0.05
				25-Dec-2015	-345	SELL	57589	0.05
				31-Dec-2015	5150	PURCHASE	62739	0.06
				1-Jan-2016	499	PURCHASE	63238	0.06
				8-Jan-2016	101	PURCHASE	63339	0.06
				15-Jan-2016	-3500	SELL	59839	0.05
				22-Jan-2016	1000	PURCHASE	60839	0.05
				29-Jan-2016	8500	PURCHASE	69339	0.06
				12-Feb-2016	-1000	SELL	68339	0.06
				19-Feb-2016	2550	PURCHASE	70889	0.06
				26-Feb-2016	250	PURCHASE	71139	0.06
				4-Mar-2016	-4275	SELL	66864	0.06
				11-Mar-2016	-600	SELL	66264	0.06
				18-Mar-2016	5000	PURCHASE	71264	0.06
				25-Mar-2016	-15800	SELL	55464	0.05
				31-Mar-2016	200	PURCHASE	55664	0.05

## Annexure to the Directors' Report

Sl No.	Name of Shareholders	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares		No. of shares	% of total shares of the Company
15	SHAREKHAN LIMITED	78394	0.07	1-Apr-2015	-	-	78394	0.07
				3-Apr-2015	400	PURCHASE	78794	0.07
				10-Apr-2015	31692	PURCHASE	110486	0.10
				17-Apr-2015	-25019	SELL	85467	0.08
				24-Apr-2015	-1682	SELL	83785	0.07
				1-May-2015	2079	PURCHASE	85864	0.08
				8-May-2015	-14154	SELL	71710	0.06
				15-May-2015	2410	PURCHASE	74120	0.07
				22-May-2015	12005	PURCHASE	86125	0.08
				29-May-2015	17891	PURCHASE	104016	0.09
				5-Jun-2015	64627	PURCHASE	168643	0.15
				12-Jun-2015	-42959	SELL	125684	0.11
				19-Jun-2015	869	PURCHASE	126553	0.11
				26-Jun-2015	-1826	SELL	124727	0.11
				30-Jun-2015	160	PURCHASE	124887	0.11
				3-Jul-2015	-4110	SELL	120777	0.11
				10-Jul-2015	-5250	SELL	115527	0.10
				17-Jul-2015	2507	PURCHASE	118034	0.10
				24-Jul-2015	-2507	SELL	115527	0.10
				31-Jul-2015	445	PURCHASE	115972	0.10
				14-Aug-2015	14015	PURCHASE	129987	0.11
				21-Aug-2015	-3160	SELL	126827	0.11
				28-Aug-2015	11282	PURCHASE	138109	0.12
				4-Sep-2015	-10682	SELL	127427	0.11
				11-Sep-2015	-1095	SELL	126332	0.11
				18-Sep-2015	-250	SELL	126082	0.11
				30-Sep-2015	124	PURCHASE	126206	0.11
				9-Oct-2015	1851	PURCHASE	128057	0.11
				16-Oct-2015	-61150	SELL	66907	0.06
				23-Oct-2015	100	PURCHASE	67007	0.06
				27-Nov-2015	3534	PURCHASE	70541	0.06
				4-Dec-2015	-1113	SELL	69428	0.06
				11-Dec-2015	-733	SELL	68695	0.06
				18-Dec-2015	2000	PURCHASE	70695	0.06
				25-Dec-2015	2400	PURCHASE	73095	0.06
				31-Dec-2015	92915	PURCHASE	166010	0.15
				1-Jan-2016	1338	PURCHASE	167348	0.15
				8-Jan-2016	-69130	SELL	98218	0.09
				15-Jan-2016	-12071	SELL	86147	0.08
				22-Jan-2016	1854	PURCHASE	88001	0.08
				29-Jan-2016	-7188	SELL	80813	0.07
				5-Feb-2016	-9066	SELL	71747	0.06
				12-Feb-2016	-45402	SELL	26345	0.02
				19-Feb-2016	9810	PURCHASE	36155	0.03



## Annexure to the Directors' Report

Sl No.	Name of Shareholders	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No. of shares		No. of shares	% of total shares of the Company
				26-Feb-2016	-5688	SELL	30467	0.03
				4-Mar-2016	10634	PURCHASE	41101	0.04
				11-Mar-2016	-4764	SELL	36337	0.03
				18-Mar-2016	-6616	SELL	29721	0.03
				25-Mar-2016	1520	PURCHASE	31241	0.03
				31-Mar-2016	-550	SELL	30691	0.03

### (V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year 2015		Transactions during the year		Reasons	Cumulative Shareholding at the end of the year 2016	
		No. of Shares held	% of total Shares of the Company	Date of transaction	No of Shares		No. of Shares held	% of total Shares of the Company

#### DIRECTORS

1	Suresh Kumar Patni	21,86,403	1.92	NIL	NIL	N.A	21,86,403	1.92
2	Rohit Patni (Resigned w.e.f. 22.08.2015)	12,00,952	1.06	NIL	NIL	N.A	12,00,952	1.06
3	Ankit Patni (Appointed w.e.f. 30.09.2015)	11,28,589	0.99	NIL	NIL	N.A	11,28,589	0.99
4	Dinesh Biyanee	-	-	-	-	-	-	-
5	Jatindra Nath Rudra	-	-	-	-	-	-	-
6	Sujata Agarwal	-	-	-	-	-	-	-
7	Ankit Rungta	-	-	-	-	-	-	-
8	Rohit Jain	-	-	-	-	-	-	-
9	Parama Bhattarka Lahiri (Appointed w.e.f. 30.09.2015)	-	-	-	-	-	-	-
10	Ranjeet Kumar Burnwal (Appointed w.e.f. 24.03.2016)	-	-	-	-	-	-	-
11	V B Rao Maddala (Resigned w.e.f. 14.11.2015)	-	-	-	-	-	-	-

#### KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

12	Pradip Kumar Agarwal (Resigned w.e.f. 22.05.2015)	-	-	-	-	-	-	-
13	Anil Prasad Shaw (Appointed w.e.f. 22.05.2015)	-	-	-	-	-	-	-
14	Bishwanath Choudhary (Resigned w.e.f. 22.05.2015)	-	-	-	-	-	-	-
15	Vipul Jain (Appointed w.e.f. 22.05.2015)	-	-	-	-	-	-	-

# Annexure to the Directors' Report

## V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (i.e. as on 01.04.2015)</b>			
i) Principal Amount	2,26,059.84	13,618.34	2,39,678.18
ii) Interest due but not paid	192.40	-	192.40
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,26,252.24</b>	<b>13,618.34</b>	<b>2,39,870.58</b>
<b>Change in Indebtedness during the financial year</b>			
Additions	2,98,270.29	239.38	2,98,509.67
Reduction	(2,64,687.03)	-	(2,64,687.03)
<b>Net Change</b>	<b>33,583.26</b>	<b>239.38</b>	<b>33,822.64</b>
<b>Indebtedness at the end of the financial year (i.e. as on 31.03.2016)</b>			
i) Principal Amount	2,51,612.26	13,857.72	2,65,469.98
ii) Interest due but not paid	8,223.24	-	8,223.24
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,59,835.50</b>	<b>13,857.72</b>	<b>2,73,693.22</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No	Particulars of Remuneration	Managing Director	Whole Time Director		Manager	Total
		Rohit Patni	Dinesh Biyanee	Ranjeet Kumar Burnwal		
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	9,80,645	22,57,500	42,323	-	3280468.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify					
	<b>Total (A)</b>	<b>9,80,645</b>	<b>22,57,500</b>	<b>42,323.00</b>	<b>-</b>	<b>3280468.00</b>
	<b>Ceiling as per the Act</b>	₹ 1,20,00,000.00/- each				

# Annexure to the Directors' Report

## B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total
1	Independent Directors	Jatindra Nath Rudra	Ankit Rungta	Sujata Agarwal	Rohit Jain		
	(a) Fee for attending board committee meetings	57500.00	50000.00	57500.00	50000.00		215000.00
	(b) Commission	-	-	-	-		-
	(c) Others, please specify	-	-	-	-		-
	<b>Total (1)</b>	<b>57500.00</b>	<b>50000.00</b>	<b>57500.00</b>	<b>50000.00</b>		<b>215000.00</b>
2	Other Non Executive/Nominee Directors	Suresh Kumar Patni	Ankit Patni	Parama Bhattarka Lahiri	-	-	-
	(a) Fee for attending board committee meetings	50000.00	7,500.00	7500.00	-	-	65000.00
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	<b>Total (2)</b>	<b>50000.00</b>	<b>7500.00</b>	<b>7500.00</b>	<b>-</b>	<b>-</b>	<b>65000.00</b>
	<b>Total (B)=(1+2)</b>						<b>280000.00</b>
	<b>Total Managerial Remuneration</b>						
	<b>Overall Ceiling as per the Act.</b>	<b>₹ 1,00,000/- (Per Meeting)</b>					

## C. Remuneration to Key Managerial Personnel other than - MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	Company Secretary	CFO			
1	Gross Salary		Mr. Pradip Kumar Agarwal (Resigned w.e.f. 22.05.2015)	Mr. Anil Prasad Shaw (Appointed w.e.f. 22.05.2016)	Mr. Bishwanath Choudhary (Resigned w.e.f. 22.05.2015)	Mr. Vipul Jain (Appointed w.e.f. 22.05.2016)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	1,61,871	3,52,924	2,79,570	3,49,964	11,44,329
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-		-		-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-		-		-
2	Stock Option	-	-		-		-
3	Sweat Equity	-	-		-		-
4	Commission (as % of profit)	-	-		-		-
5	Others, please specify	-	-		-		-
	<b>Total</b>	<b>-</b>	<b>1,61,871</b>	<b>3,52,924</b>	<b>2,79,570</b>	<b>3,49,964</b>	<b>11,44,329</b>

# Annexure to the Directors' Report

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

# Annexure to the Directors' Report

ANNEXURE-II

## FORM MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

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

To,  
The Members  
**Rohit Ferro-Tech Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Rohit Ferro-Tech Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with 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:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. The company does not have any Foreign Direct Investment and External Commercial borrowings.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (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 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase scheme) Guidelines, 1999 - **(Not Applicable to the company during the Audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not Applicable to the company during the Audit period);**
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not Applicable to the company during the Audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **(Not Applicable to the company during the Audit period);**
- (vi) Other than the fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, there is no such law that applies specifically to the company. The examination and reporting of these

# Annexure to the Directors' Report

laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We further report that we have not commented on the compliance of various tax laws and accounting standards and compliance of Schedule III in the preparation of Financial Statements as it is dealt separately by an appropriate independent professional and forms part of the Annual report.

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

- (i) Secretarial Standard (SS 1 & SS 2) issued by the Institute of Company Secretaries of India (ICSI);
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) (i.e., NSE & BSE) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from 1st December, 2015).

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards, etc. mentioned above except to the extent as mentioned below:

1. Form MGT 14 for Appointment of Internal Auditor u/s 138 for the year 2015-16 is yet to be filed.
2. Certain Form MR 1 for appointment of KMP during 2015-16 is yet to be filed.
3. It was noted that the company has complied the Secretarial Standards issued by the ICSI to a large extent; however the stricter implementation of the Secretarial Standards is yet to be observed by the Company.
4. It has been observed that the company has defaulted in the payment of statutory dues within the prescribed time.
5. There have been some instances where the Forms were filed with some delay, thereby paying the additional fees.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of 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 meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded, wherever required, as part of the minutes. However, the resolutions in the Board /Committee meetings as observed, were unanimous and hence, no dissenting views have been recorded.

We further report that as per the explanation given to us and the representations made by the Management, 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 law, rules, regulations and guidelines. A compliance report by the Company Secretary (CS) is submitted to the Board quarterly.

We further report that during the audit period, there are no specific events/actions which have the major bearing on the company's affairs:

- i. The accumulated losses of the Company have eroded the entire net worth of the Company indicating the uncertainty about the company's ability to continue on a going concern basis.

Further the member has passed the following resolution:

- i. Issue of Convertible Warrants on Preferential Basis 7,12,05,000 (Seven Crores Twelve Lacs Five Thousand) Warrants of nominal value of Rs. 10/- each at a price of Rs. 20/- per Warrant.

For **A J & ASSOCIATES**  
Company Secretaries

**CS ABHIJEET JAIN**  
Proprietor

FCS No.: 4975  
C. P. No: 3426

Date : 29.08.2016  
Place : Kolkata

# Annexure to the Directors' Report

## 'Annexure A'

To,  
The Members  
Rohit Ferro-Tech Limited

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

1. It is the management's responsibility to identify corporate and other laws, rules, regulations, standards, guidelines and directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records in letter and in spirit. Our examination was limited to the verification of procedures on test basis. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **A J & ASSOCIATES**  
*Company Secretaries*

**CS ABHIJEET JAIN**  
*Proprietor*

Date : 29.08.2016  
Place : Kolkata

FCS No.: 4975  
C. P. No: 3426

# Annexure to the Directors' Report

## ANNEXURE - III

### PARTICULARS OF EMPLOYEES

Pursuant to Section 197(2) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received (₹)	Qualification	Experience in Years	Age in Years	Date of Commencement of Employment	Last employment held	% of equity shares held by the employee in the Company
1	Rakesh Kumar Agarwal (Resigned on 29.02.2016)	ED Global Business	6138712	B.Com, ICWA	27 yrs	48	01.07.2003	Sri Vasavhi Industries Ltd	NIL

## ANNEXURE - IV

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SN	Name of Director/ KMP & Designation	Remuneration of Director/ KMP for Financial Year 2015-16 (₹ in lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. R. K. Burnwal (Executive Director – Works) (appointed w.e.f. 24.03.2016)	0.42 (in capacity of Director)	N.A.	9.11
2.	Mr. Rohit Patni Managing Director (Resigned w.e.f. 22.08.2015)	9.8	0%	11.11
3.	Mr. Dinesh Biyanee Executive Director – Works (Resigned w.e.f. 31.03.2016)	22.58	0.0%	10.45
4.	Mr. Pradip Kumar Agarwal (Company Secretary) (Resigned w.e.f. 22.05.2015)	1.62	0.0%	N.A.
5.	Mr. B.N. Choudhary (Resigned from CFO w.e.f. 22.05.2015)	2.8	0.0%	N.A.
6.	Mr. Anil Prasad Shaw (Company Secretary) (appointed w.e.f. 22.05.2015)	3.53	N.A.	N.A.
7.	Mr. Vipul Jain (Appointed as CFO w.e.f. 22.05.2015)	3.5	N.A.	N.A.

#### Note:

- No other Director other than the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2015-16.
- In the financial year, there was an increase of 22.86% in the median remuneration of employees.



## Annexure to the Directors' Report

- iii) There were 353 permanent employees on the rolls of Company as on March 31, 2016.
- iv) The remuneration of the Key Managerial Personnel put together is ₹ 44.25 Lacs which decreased by 43.45 % from ₹78.25 Lacs as against a loss at the PBT level in the financial year 2015-2016 mainly due to resignation of KMPs.

The remuneration of the Key Managerial Personnel (KMPs) is linked to the market and is commensurate with their diverse responsibilities and experience.

- v) The market capitalization of the Company as on 31st March, 2016 decreased by 36.53%, when compared to that of 31st March, 2015. The Company has not made any public offer in the recent past and accordingly comparison of public offer price and the current market price of the Company's shares will not be relevant. Due to negative EPS (earning per share) variation in price earning ratio has not been provided.
- vi) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.
- vii) There are 2 (two) Personnel who are not a Director but has received remuneration in excess of the highest paid Director during the year: -

Remuneration of highest paid director (₹)	Remuneration of employee who receive remuneration exceeding highest paid director (₹)	Ratio
200000 per month (Managing Director) Resigned on 22.08.2015	i) Rs.3,29,993/month (CE_Power Plant) Resigned on 25.06.2015 ii) Rs.5,50,000/month (ED_Global Business) Resigned on 29.02.2016	i) 1.65 ii) 2.75

# Annexure to the Directors' Report

## Annexure - V

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required pursuant to Section 134(3)(m) of the Companies Act, 2013.

#### A) Conservation of Energy

##### i. Steps taken for Conservation of Energy

- Continuously monitoring of energy consumption and taking necessary action for optimisation of power consumption.
- Using power factor controller/capacitors to maintain power factor.
- Keeping maximum demand under control by scheduling other load during equipment testing, among others.
- Effective maintenance and daily monitoring of Capacitor bank for improvement of power factor.
- Right sizing of motors.
- Modifications in lighting circuits to Switch off light when not required.

##### ii. Steps taken for Utilizing Alternate Source of Energy

- Installation of energy efficient light fittings in shop floor, offices and other areas
- Installation of HT & LT Capacitor bank
- Installation of VVVF driver with ID fans
- Replacement of old motors with energy efficient motor

##### iii. Capital investment on energy conservation equipment

Due to huge loss for the year under review the Company is not able to make any fresh Capital investment on energy conservation

#### B) Technology Absorption

##### i. Efforts made towards technology absorption

The Company has adopted and is continually updating the latest available technology to extent possible ..

##### ii. Benefits derived like product improvement, cost reduction, product development or import substitution

- Improvement in the quality of its products
- High Chromium recovery in finished goods
- Better Metal recovery from Slag
- Improvement in the safe and environment friendly process.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

##### iv. Expenditure incurred on Research and Development

a)	Capital	Nil
b)	Recurring	₹ 5.25 lacs
c)	Total	₹ 5.25 lacs
d)	Total R & D expenditure as a percentage of total Turnover	0.004%

# Annexure to the Directors' Report

## C) Foreign Exchange Earnings and Outgo

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

Sizeable income of the Company comes in foreign exchange as a result of export of Ferro alloys. The exporter revenue during the year under review was Rs. 144.72 Crores against Rs. 415.96 during the previous year. The Export team regularly visit the international market, customer and end users. The Export team participates in all major trade fairs and events to improve the Company's visibility amongst the global market and geographies.

- b) **Total Foreign Exchange used and earned:** (₹ in Crores)

Sl. No.	Particulars	31-03-2016	31-03-2015
1	Foreign exchange earned	139.29	403.01
2	Foreign exchange used	136.81	453.34

For and on behalf of the Board  
**Rohit Ferro-Tech Limited**

**Suresh Kumar Patni**  
*Chairman*

Kolkata, 29th August, 2016

# Management Discussion and Analysis Report

## Economic Overview

According to the International Monetary Fund, the global economy is expected to grow at 3.4% in 2016-17 compared to 3.1% in 2015-16. The pick-up in global activity is projected to be gradual.

The Indian GDP growth expanded to 7.5% in previous financial year due to improving economic sentiments and is expected to pick up from 2016-17. The currency movements and interest rates continue to be risks for growth.

## Ferro Alloys Industries

Ferro-alloys are critical additives in the production of Iron & Steel and the fortune of Ferro Alloys Industry is directly linked with the growth of Iron & Steel Industry. The product mix of Ferro Alloys consists of bulk Ferro Alloys viz., Ferro Manganese, Silicon Manganese, Ferro Silicon, Ferro Chrome, Charge Chrome, etc. and noble Ferro Alloys viz., Ferromolybdenum, ferrovanadium, ferrotungsten, ferro-silicon magnesium, ferro-boron and ferro-titanium.

India accounts for around 7-8% of the world's Ferro Alloys production. India emerged as a preferred supplier of Ferro Alloys on account of abundant availability of key resources comprising chrome ore and manganese ore, trained and cost-effective manpower and favourable location.

## Stainless steel industry

The Indian steel industry retained its position as 4<sup>th</sup> largest Steel producing country in the World. The steel production is expected to be 115 million tonnes in 2016-17. The domestic consumption of Stainless Steel is likely to increase by 9 to 10 % in 2016-17.

## Risk, Opportunities and Threats

The Company manufactures Ferro Alloys as well as Stainless Steel. In FY 2015-16 the challenge for the Ferro Alloys industry stemmed primarily from an excess of supply over demand. The Stainless Steel business was severely impacted by the increase in cost of raw material, slow demand, tough competition, cheap imports from China and high interest rates. The domestic consumption of Steel is likely to increase by 9 to 10 % in 2016-17. New Government initiatives like Make in India, building Smart Cities, focus on sanitation facilities, investments in Roads and Railways etc. are likely to benefit the Steel Industry. Further, as the Ferro Alloys industry is dependent on the Steel Industry, any growth in Steel Industry will have a direct bearing on the Ferro Alloys Industry.

Electrical energy is one of the major inputs in production of Ferro Alloys and high power tariff is a great threat for the Ferro Alloys Industry. High power cost has already impacted us severely and that led us to bring our Plant at Haldia under suspension of work since 01.07.2015. Apart from electrical energy, the industry also faces challenges in procuring quality raw materials in time.

The Company has a risk Management framework in place which is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. All identified risks are categorised based on a matrix of likelihood of occurrence and impact thereof and a mitigation plan is worked out to extent possible

It is hoped that the new government who already initiated so many steps for the betterment of Indian economy would certainly recognize the challenges arising out of price increases of power and input materials and take steps to address them urgently to enable the Ferro alloys and Steel producers to survive & compete in the domestic as well as international markets.

## Segment-wise performance

### Ferro Alloys

During the year under review the Company has produced 58456 MT of Ferro alloys against 134755 MT of Ferro alloys in previous year registering a decline of 56.62% over previous year. The net revenue from the Ferro alloys segment was ₹ 614.52 Crores . The Ferro alloys export during the year under review has decreased by 66.89 % to 22259 MT.

### Iron & Steel

During the year under review, the Company has produced 57147 MT of stainless steel against 95672 MT in previous year registering a decline of 40.27% over previous year. The net revenue from the Iron & Steel segment was ₹ 815.72 Crores

# Management Discussion and Analysis Report

The secondary segment details identified as the geographical segment based on the location of customers within India and outside India is given in notes no. 35 to the Annual Accounts

## Internal controls systems and their adequacy

Your Company maintains adequate internal control systems in all areas of operation. Services of internal and external auditors are utilized from time to time, as also in-house expertise and resources. The Company continuously upgrade these systems in line with the best available practices. An independent Audit Committee of the Board reviews the adequacy of internal control. Some significant features of internal control systems are :

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all important functions.
- Deployment of an ERP system which covers most operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards, and internal procedures and systems.
- Ensuring the integrity of the accounting system; the properly authorised recording and reporting of all transactions.
- Ensuring a reliability of all financial and operational information.

The Company has an Audit Committee with majority of independent directors as members. The committee periodically reviews significant audit findings, adequacy of internal control and compliance with Accounting Standards, amongst others. The internal audit reports are placed before the Audit Committee for consideration. The Management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the independent Audit Committee of the Board of Directors. The Company also takes quarterly compliance certificate in respect of various applicable laws from the concerned departmental heads and place the same before the Board.

## Industrial Relations and Human Resources

Human Resource management is not only important but also a critical asset for a Company's growth. The Company's human capital comprises a prudent mix of youth and experience. The Company employs contract labour in its manufacturing facilities. The Company partners with its employees to ensure a highly engaged and motivated workforce dedicated to achieving the Company's goals. We ensure a safe work environment for all our women employees. We also promote gender equality. Abiding by the Sexual Harassment Policy, we have a Complaint Committee which addresses any complaint from women employees in this relation and take necessary action. The Policy is being reframed as per the provision of Sexual Harassment of Women at the Work Place (Prevention, Prohibition & Redressal) Act, 2013. During the year the Company has not received any complaints of sexual harassment. As on date of this report, the Company has 353 employees on its payroll.

## Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objective and predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company doesn't undertake to update the statements.

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, Lenders and the Government. The Company has always been taking the spirit of various legislations as guiding principles and proposes to go well beyond statutory compliance by establishing such systems and procedures as are required to make the management completely transparent and institutionally sound. We recognize that this is a conscious and continuous process across the organisation, which enables the Company to adopt best practices as we incorporate improvements based on the past experience.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below :

## 2. BOARD OF DIRECTORS

### a. Board composition and category of Directors

The composition of the Board and category of Directors as on 31.03.2016 are as follows:

Category	Name of Directors
Non-Executive Non- Independent Directors	1. Mr. S. K. Patni (Chairman)
	2. Mr. Ankit Patni
Executive Director	1. Mr. R. K. Burnwal
Independent Directors	1. Mr. Jatindra Nath Rudra
	2. Mr. Rohit Jain
	3. Mr. Ankit Rungta
	4. Mrs. Sujata Agarwal
Nominee Director (Representative of Leader Bank- State Bank of India)	1. Mr. P. B. Lahiri

None of the Directors on the Board are member of more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies of which they are the Directors. The Directors regularly inform the Company about the changes in their positions as and when changes take place, apart from the annual disclosures.

Except Mr. S.K. Patni who is relative of Mr. Ankit Patni, no other Director is, inter-se, related to any other Director on the Board nor is related to the other Key Managerial Personnel of the Company .

### b. Meeting attended, Agenda & other Directorship:

The composition and category of the Board of Directors of the Company as on 31st March, 2016 along with the number of Board meetings attended by the Directors during the year 2015-16 are given below:

Name of the Director	No. of Board Meetings Attended	No. of Directorship in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$1		No. of Shares held	Whether attended the Last AGM
			As Member	As Chairman		
Mr. Suresh Kumar Patni !	14	7	1	-	2186403	Yes
Mr. Rohit Patni ^	10	1	-	-	1200952	N.A.
Mr. Dinesh Biyane*	13	-	-	-	-	Yes
Mr. Ankit Patni \$2	3	6	2	-	1128589	N.A.

# Corporate Governance Report

Name of the Director	No. of Board Meetings Attended	No. of Directorship in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$1		No. of Shares held	Whether attended the Last AGM
			As Member	As Chairman		
Mr. Jatindra Nath Rudra	15	1	1	1	-	Yes
Mr. Ankit Rungta	11	1	-	1	-	No
Mrs. Sujata Agarwal	11	4	1	2	-	No
Mr. Rohit Jain	11	2	2	2	-	Yes
Mr. R.K. Burnwal %	-	-	-	-	-	N.A.
Mr. P.B. Lahiri	3	-	-	-	-	N.A
Mr. V.B.R. Maddala #	-	2	-	-	-	N.A

## Notes :

\$1 Only the two committees viz. Audit Committee, and Stakeholder Relationship Committee are considered for this purpose.

^ Resigned w.e.f. 22.08.2015.

\* Resigned from the post of Executive Director w.e.f. 31st March, 2016.

\$2 Appointed as an Additional Director w.e.f. 30.09.2015 and as Managing Director w.e.f. 29.08.2016.

% Appointed as an Additional & Executive director w.e.f. 24.03.2016.

# Appointed as an Additional Director w.e.f. 22.08.2015 and subsequently Resigned from the post of Director w.e.f. 14th November, 2015.

! Out of 7 companies one company is under process of strike off.

15 (Fifteen) Board Meetings were held during the year 2015-16 and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are as follows:

1st April, 2015, 21st April, 2015, 11th May 2015, 15th May , 2015, 22nd May, 2015, 30th May, 2015, 3rd June 2015, 28th July, 2015, 5th August, 2015, 13th August, 2015, 22nd August, 2015, 30th September, 2015, 13th November, 2015, 12th February, 2016 and 24th March, 2016.

The Agenda papers along with the explanatory notes for Board meetings are circulated well in advance to the Directors. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board meetings. Every Board Member is free to suggest items for inclusion in the Agenda.

## INFORMATION PLACED BEFORE BOARD OF DIRECTORS

The Company has complied with Part A of Schedule II of SEBI (LODR) Regulation, 2015 read with regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

## INDEPENDENT DIRECTORS MEETING

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 31st March, 2016 without the presence of the Chairman & Executive Director, the Non-Executive Non-Independent Directors and the Management

# Corporate Governance Report

Team. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. Mr. Rohit Jain is the Chairman of Independent Directors Meeting.

## ATTENDANCE OF DIRECTORS IN INDEPENDENT DIRECTORS MEETING.

Name of Directors	Meeting held during year	Meeting Attended
Mr. Rohit Jain	1	1
Mr. Ankit Rungta	1	1
Mr. Jatindra Nath Rudra	1	1
Mrs. Sujata Agarwal	1	1

## CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company at [www.rohitferrotech.com](http://www.rohitferrotech.com).

All Board members and senior management personnel have confirmed compliance with the code.

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

## CODE OF CONDUCT OF INDEPENDENT DIRECTORS

As per the provisions of Section 149(8) of the Companies Act, 2013, the independent directors shall abide by the provisions specified in Schedule, which lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a Code for Independent Directors of the Company.

## PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and part D of Schedule II of the SEBI (LODR, Regulations), a Board Evaluation policy has been formed and approved by the Nomination and Remuneration Committee and by the Board. The Chairman and Managing Director is evaluated on key aspects of the role which includes inter-alia effective leadership to the Board and adequate guidance to the each level of Management. Based on prescribed criteria as laid down, the performance of the Board, various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and individual were evaluated at satisfaction level. During the year under review, the Independent Directors of the Company reviewed the performance of Non-Independent Directors and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The Board as a whole is a balanced unit where diverse views are expressed and dialogued when required. All the directors are participative, interactive and communicative. The Chairman has abundant knowledge experience, skills and understanding of the Board's functioning, processes. The information flow between your Company's Management and the Board is timely & sufficient.

## COMMITTEES OF DIRECTORS:

### 1. Audit Committee

The Company has an Audit Committee within the scope & role as set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with Section 177 of the Companies Act, 2013.

The composition of the Audit Committee and the details of meetings attended by the Committee members are given below:



# Corporate Governance Report

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Rohit Jain	Chairman	Independent/Non-Executive	6
Mr. Ankit Rungta	Member	Independent/Non-Executive	6
Mrs. Sujata Agarwal	Member	Independent/Non-Executive	6

The Executive Director and Chief Financial Officer are permanent invitees to the Committee. The Company Secretary acts as Secretary of the Audit Committee. The representative of internal auditors also attends the meeting. The Audit Committee invites, as and when considered appropriate, the representatives from the Statutory Auditors and Cost Auditors to be present at the meeting of the Committee.

The Audit Committee comprises of 3 (three) Directors all of whom are financially literate. All the members of the Committee are Independent/Non-Executive. Mr. Rohit Jain, Independent Director having expertise in finance, is the Chairman of the Audit Committee. Mr. Rohit Jain, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 30th September, 2015.

During the financial year ended 31st March, 2016, 6 Audit Committee Meetings were held on 22nd May, 2015, 30th May, 2015, 13th August, 2015, 22nd August, 2015, 13th November, 2015 and 12th February, 2016.

The role of the Audit Committee shall include the following:

1. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend to the Board, the appointment, re-appointment, terms of appointment, replacement or removal and remuneration of the auditors.
3. To examine the Financial Statements and Auditors' Report thereon.
4. To review, with the management, the quarterly financial statements before submission to the board for approval.
5. To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
6. To review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
7. To approve or subsequently modify the transactions of the company with related parties.
8. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. To review, with the management and monitor the auditor's independence and performance of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process including internal financial control and physical stock verification process.
10. To scrutinise inter-corporate loans and investments, if any.
11. To evaluate of undertakings or assets of the Company, wherever it is necessary.

# Corporate Governance Report

12. To evaluate the internal financial controls and risk management systems.
13. To monitor the end use of funds raised through public offers and related matters, if any.
14. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. To discuss with internal auditors any significant findings and follow up there on.
16. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
17. To call for comments of the auditors about internal control systems, scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
18. To give an option to the Auditors and the Key Managerial Person of the Company to be heard at the Audit Committee Meeting while considering the Auditors' Report.
19. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
21. To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
22. To establish a Vigil Mechanism for the directors and employees of the Company to report genuine concerns in certain matters. The Mechanism shall provide adequate safeguard against victimisation of persons who use the mechanism. The Chairman of the Audit Committee shall be easily available for the same.
23. To carry out any other function as is mentioned in the terms of reference of the Audit Committee from time to time.

## 2. NOMINATION AND REMUNERATION COMMITTEE

The Company has already constituted Nomination & Remuneration Committee having terms of reference & constitution in accordance with the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Committee consists of 3 (three) Non-Executive/Independent Directors. The Committee met 3 (three) times during the year on i) 1st April, 2015, ii) 22nd May, 2015 and iii) 24th March, 2016.

The present composition of the Nomination and Remuneration Committee and details of the meeting attended by the member are given below:

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Jatindra Nath Rudra	Chairman	Independent/Non-Executive	3
Mr. Rohit Jain	Member	Independent/Non-Executive	3
Mr. Ankit Rungta	Member	Independent/Non-Executive	3

### The terms of reference of the Nomination and Remuneration Committee are as follows:

1. To identify person who are qualified to become Directors and who may be appointed in Senior Management as per their criteria
2. To recommend to the Board the appointment and removal of the Directors and Senior Management
3. To carry out evaluation of every director's performance
4. To formulate criteria for determining qualification, positive attributes and independence of a Director
5. Devise a policy on Board diversity;

# Corporate Governance Report

6. To recommend to the Board a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable
8. To perform such other functions as may be necessary or appropriate for performance of its duties.

The Chairman of Nomination and Remuneration Committee was present at the 15th Annual General Meeting of the Company held on 30th September, 2015.

## REMUNERATION POLICY:

### A. Remuneration to Managing Director/Executive Director/ KMP and Senior Management Personnel:

#### i) Fixed pay:

The Managing Director/Executive Directors/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration and perquisites as may be approved by the Board on the recommendation of the Committee. The statutory and retiral benefits shall be paid as per the applicable laws.

The remuneration to be paid to the Managing Director/Executive Directors shall be paid on recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### ii) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Executive Director in accordance with the provisions of Part-II of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### iii) Provisions for excess remuneration:

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### B. REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

#### Sitting fees

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs.1,00,000/- (Rupees One Lac only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### Commission:

No Commission shall be paid.

#### Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

The Remuneration Policy is also posted on the Company's Website, [www.rohitferrotech.com](http://www.rohitferrotech.com)

## REMUNERATION OF EXECUTIVE DIRECTORS

The Company has paid remuneration only by way of salary to its Executive Directors and the same is within the limits specified under Schedule XIII of the Companies Act, 1956 / Schedule V of the Companies Act, 2013 and duly approved by the Board as well as by the shareholders of the Company. Details of remuneration paid during 2015-16 are as follows:

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Rohit Patni (Managing Director)*	9,80,645	27.08.2012	26.08.2017	2 months
Mr. Dinesh Biyanee (Executive Director)**	22,57,500/-	01.04.2015	31.03.2018	1 months

\* Resigned from the post of Managing Director w.e.f. 22nd August, 2015

\*\* Resigned from the post of Executive Director w.e.f. 31st March, 2016.

# Corporate Governance Report

## REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors consists of only sitting fees @ Rs. 2,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the equity shares held by them as on 31st March, 2016 are as follows:

Name of the Member	Sitting Fees Paid (₹)	No. of Shares held as on 31st March, 2016
Mr. Suresh Kumar Patni	50,000	21,86,403
Mr. Ankit Patni*	7500	1128589
Mr. Ankit Rungta	50000	Nil
Mrs. Sujata Agarwal	57500	Nil
Mr. Jatindra Nath Rudra	57500	Nil
Mr. Rohit Jain	50000	Nil
Mr. P.B. Lahiri	7500	Nil

\* Mr. Ankit Patni has been appointed as Managing Director by the Board w.e.f. 29th August, 2016.

## 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance of provision of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Stakeholders Relationship Committee has been constituted to specifically look into the transfer of Equity Shares/transmission of Equity Shares/issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters.

The Stakeholders Relationship Committee consists of three Non-Executive Directors, out of which two are Independent Directors. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following:

- To review and ensure compliance of statutory provisions of the Companies Act, 2013, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of shares/debentures of the company.
- To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
- Approve transfers/transmission of shares/debenture and demat/remat of the shares/debenture.
- Approve issue of duplicate shares certificates/debenture certificates, issue of certificates on consolidation/sub-division/ rematerialisation.
- To consider and resolve all shareholders queries, grievance and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. are attended and redressed in an expeditious manner.
- Monitor implementation of Company's Code of Conduct for Prohibition of Insider Trading
- Any other matter referred by the Board relating to equity shareholders of the Company.

During the year under review, the Committee has met 5 (five) times on i) 10th September, 2015 ii) 30th November, 2015 iii) 18th January, 2016 iv) 18th February, 2016 and v) 24th March, 2016.

# Corporate Governance Report

The composition of the committee and the attendance of the members in the meeting are given hereunder:

Name of the Member	Designation	Category	No. of Meetings Attended
Mrs. Sujata Agarwal	Chairman	Independent/Non-Executive	5
Mr. Jatindra Nath Rudra	Member	Independent/Non-Executive	5
Mr. Suresh Kumar Patni	Member	Promoter /Non-Executive	5

The Company Secretary has been designated as Secretary to the Committee and as Compliance Officer of the Company. The Committee has delegated the authority to approve the requests for transfers/transmission, to deal with complaints, split and remat/demat of shares to the Company Secretary. The Committee reviews the transfer/demat/remat approved by the Company Secretary and take note thereof in their subsequent meeting. During the financial year ended 31.03.2016, the Company has received 3 complaints from the shareholders and none of the complaints received were pending as on that date.

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board of Directors was constituted on 7th May, 2014 in terms of the provision of Section 135 of the Companies Act, 2013 read with Corporate Social Responsibility (CSR) Rules 2014 . The objective, composition & terms of reference of the Committee are as under:

### a. Policy Objective:

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. The main objective of this Policy is to set a guiding principle for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

### b. Role:

The Committee, referred above, shall

- Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

### c. Activities/Projects

The Company shall undertake any of the activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR"):

The composition of the Committee is as under:

Name of the Member	Designation	Category	No. of Meetings Attended
Mrs. Sujata Agarwal	Chairman	Independent/Non-Executive	1
Mr. Dinesh Biyanee*	Member	Executive	1
Mr. Suresh Kumar Patni	Member	Promoter /Non-Executive	1
Mr. R.K. Burnwal#	Member	Executive	--

\* Mr. Dinesh Biyanee has resigned from the post of Directorship/Committee member w.e.f. 31.03.2016.

# Mr. R.K. Burnwal has been appointed as member of CSR Committee w.e.f. 30.05.2016.

# Corporate Governance Report

During the year under review there was one committee meeting held on 30.03.2016

Due to the losses incurred by the Company during year under review, the obligations of making expenditure on account of CSR does not arise. However, as a matter of routine, the Company has undertaken certain CSR initiative like donations & help for eye check up, social activities for villagers, expenses for blood donation camp, motor pump set & pipeline installation in village and cloth distribution to poor class of people in village.

## 5. Executive Committee:

An Executive Committee was constituted on 14th February, 2015 and the present composition of the Executive Committee are given below as under :

Name of the Member	Designation	Category
Mr. Suresh Kumar Patni	Chairman	Non-Executive
Mr. Rohit Patni (resigned w.e.f. 22.08.2015)	Member	Executive
Mr. Dinesh Biyanee (resigned w.e.f. 31.03.2016)	Member	Executive
Mr. Venkata Bhaskara Rao Maddala (resigned w.e.f. 14.11.2015)	Member	Non- Executive
Mr. Ankit Patni * (appointed w.e.f. 30.09.2015)	Member	Non- Executive
Mr. R. K. Burnwal (Appointed w.e.f. 30.05.2016 as a member)	Member	Executive

\* Mr. Ankit Patni has been appointed as Managing Director by the Board w.e.f. 29th August, 2016.

The Company Secretary acts as Secretary to the Committee.

The Brief description of terms of reference:

The Committee is constituted with powers and responsibilities including but not limited to

- To review and follow up on the action taken on the Board decisions;
- To review the operations of the Company in general;
- To review the systems followed by the Company;
- To review, propose and monitor annual budget including additional budget, if any, subject to the ratification of the Board;
- To review capital expenditure against the budget;
- To authorise opening and closing of bank accounts;
- To authorise additions/deletions to the signatories pertaining to banking transactions;
- To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivative products;
- To delegate and authorise the Company officials to represent and appear before the various courts, government authorities on behalf of the Company;
- To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference;
- To execute Power of Attorney in favour of Company officials to represent and appear before the various courts, government authorities on behalf of the Company;

# Corporate Governance Report

Further, the Executive Committee is empowered to do the following:

- To seek information from any employee as considered necessary
- To obtain outside legal professional advice as considered necessary;
- To secure attendance of outsiders with relevant expertise; and
- To investigate any activity within terms of reference.

## Prohibition of Insider Trading:

The Company has adopted a Code of Conduct for Prohibition of Insider Trading under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in the equity shares of the Company by the directors and designated employees.

## Compliance Officer:

Shri Anil Prasad Shaw, Company Secretary is the Compliance Officer for complying with requirements of Securities Laws, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

## Details of compliance with mandatory requirements and adoption of non-mandatory requirements

All mandatory requirements have been complied with and the Company has complied with all mandatory requirements of the Listing Regulations. The Company has adopted the following non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the Listing Regulations:

### (a) The Board

The Non-Executive Chairman has an office at the Company's premises.

### (b) Separate posts of Chairperson and Chief Executive Officer

The Chairman is not the Chief Executive Officer of the Company.

## Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. Significant issues pertaining to Subsidiary companies are discussed at Audit Committee meetings of the Company.

The minutes of the Subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the Subsidiary companies.

## General Body Meetings

### The Last Three Annual General Meetings Were Held As Under:

Financial Year	Date	Place	Time
2014-2015	30th September, 2015	'PURBASHREE' Bharatiyam Cultrual Multiplex, IB-201, Sector-III, Salt Lake City Kolkata- 700 106	10.00 AM
2013-2014	25th September, 2014	'PURBASHREE' Bharatiyam Cultrual Multiplex, IB-201, Sector-III, Salt Lake City Kolkata- 700 106	10.00 AM
2012-2013	28th September, 2013	'ROTARY SADAN' 94/2, Chowringhee Road Kolkata- 700 020	10.00 AM

# Corporate Governance Report

## Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2014-2015	i). Re-appointment of Mr. Dinesh Biyanee as Executive Directors (Works) for a further period of 3 Years.
2013-2014	i). Re-appointment of Mr. Dinesh Biyanee as Executive Directors (Works) and ii). Amendment in Articles of Association of the Company
2012-2013	None

No Special resolution was passed through postal ballot in the last year AGM. No special resolution requiring postal ballot is being proposed at the ensuing AGM.

However, the following Special Resolution has been passed by means of Postal Ballot during year under review:

## Special Resolution Passed By Postal Ballot During The Financial Year 2015-16:

Particulars of Resolution	Type of Resolution	Resolution passed on	Applicable Section of the Companies Act, 2013	No. & % of votes in favour	No. & % of votes against
Issue of Convertible Warrants on Preferential Basis to Promoters & Non-Promoters Group	Special Resolution	31.07.2015	Section 62 & other applicable provisions of Companies Act, 2013	82422842 (99.97%)	17363 (0.021%)

The Postal Ballot was conducted in accordance with the provisions of SEBI Listing Regulations, 2015 and the Companies Act, 2013. The Company had offered e-voting facility, through Central Depository Services Limited as an alternate, to enable the shareholder to cast their votes electronically.

The Board had appointed Mr. Abhijeet Jain, Proprietor of M/s. A J & Associates, a Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot & E-voting process in a fair and transparent manner.

## Disclosures

- There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arm's length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the notes to the Financial Statement in the Annual Accounts of the Company.
- The Management confirms that the financial statement have been prepared in accordance with the Accounting Standard issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- The Company has complied with all the requirements of the Uniform Listing Agreement/Listing Regulations with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- A Risk Management Policy has been formed by the Company on 30th May, 2014. The risk assessment and minimisation procedures are in place and the Board is regularly informed by the Senior Executives about the business risks, if any occurs, and the steps taken to mitigate the same.

### Vigil Mechanism/Whistle Blower Policy:

In order to strengthen the process of conducting the business in a fair, transparent and ethical manner, the company has set up a Vigil Mechanism. The policy is intended to establish a mechanism for employees to report



# Corporate Governance Report

to the management genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics, for which a dedicated email id [vigil.mechanism@rohitferrotech.com](mailto:vigil.mechanism@rohitferrotech.com) has been established. Mr. Rohit Jain, Chairman of the Audit Committee of the company has been nominated by the Board as Ombudsperson for this purpose. The mechanism provides adequate safeguard against victimization of the persons using this mechanism. No employee was denied access to the Audit Committee. There has been no incidence reported to the Chairman of the Audit Committee during the period under review.

- The Company does not have any material subsidiary.
- In terms of Uniform Listing Agreement, All Board members and senior management personnel have confirmed compliance with the code.

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

- The senior management has disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.
- The Company has complied with all the mandatory requirements as mandated under Uniform Listing Agreement/ Listing Regulations with Stock Exchanges. A certificate from the practicing Company Secretary to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a Nomination and Remuneration Committee to consider and recommend the remuneration of the Directors.

## CEO/CFO Certification

The requisite certificate from the Executive Director and the Chief Financial Officer of the Company for the financial year ended 31st March, 2016 required to be given pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board meeting held on 30th May, 2016.

## MEANS OF COMMUNICATION

### 1. Financial Results

In compliance with the requirements of the Uniform Listing Agreements/Listing Regulations with Stock Exchanges, the Company has intimated Audited Financial Results as well as the Unaudited Quarterly Results to the Stock Exchanges immediately after they are taken on record by the Board. Further coverage has been given for the information of the shareholders and investors by publication of the financial results in English National daily- "Financial Express" and in a local vernacular newspaper- "Dainik Statesman" widely circulated in the state of West Bengal. The results were also placed on the Company's website at [www.rohitferrotech.com](http://www.rohitferrotech.com).

### 2. Other Information

The Company has its own website [www.rohitferrotech.com](http://www.rohitferrotech.com) wherein other related information is available. The Company has a dedicated help desk e-mail id: [grievance@rohitferrotech.com](mailto:grievance@rohitferrotech.com) in the secretarial department for providing necessary information to the investors as well as for registering any complaints/grievances. The Company posts on its website all its official news releases, important announcements and presentations made before the press meets, analysts and institutional investors from time to time for the benefit of its investors and public at large.

## Profile of Directors Seeking Appointment/Re-appointment

Resume and other information of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 are given in the notice of ensuing Annual General Meeting as an Additional Information.

## General Shareholder Information

### 1. Annual General Meeting (AGM)

Day, Date & Time	: Thursday, 29th September, 2016 at 10.00 A.M.
Venue	: AIKETAN Conference Room of Eastern Zonal Cultural Center (EZCC), IA-290, Sector-III, Salt Lake City, Kolkata – 700 097

# Corporate Governance Report

**2. Date of Book Closure** : 22nd September, 2016 to 29th September, 2016  
(both days inclusive)

**3. Dividend payment date** : N.A.

## 4. Financial Calendar

Indicative calendar of events for the financial year 2016-2017 is as under:

Financial Year : 1st April to 31st March

### Financial Reporting for the quarters :

First Quarter	Within 75 days from the end of the quarter
Second Quarter and Half Yearly	Within 75 days from the end of the quarter
Third Quarter and Nine Months	Within 45 days from the end of the quarter
Fourth Quarter and Annual (Audited)	Within 60 days from the end of the quarter/ financial year
Annual General Meeting	On or before 30th September, 2017

## 5. Listing of the Equity Shares on Stock Exchange

Name of the Stock Exchange	Address	Stock Code
BSE Limited (BSE)	"Phiroze Jeejeebhoy Towers" Dalal Street, Mumbai - 400 001	532731
The National Stock Exchange of India Ltd. (NSE)	"Exchange Plaza" Bandra - Kurla Complex Bandra (E), Mumbai - 400 051	ROHITFERRO

The Company has paid the listing fee for the year 2016-17 to the Stock Exchanges where the shares of the Company are listed

**6. The International Security Identification Number (ISIN) for NSDL & CDSL:** INE248H01012.

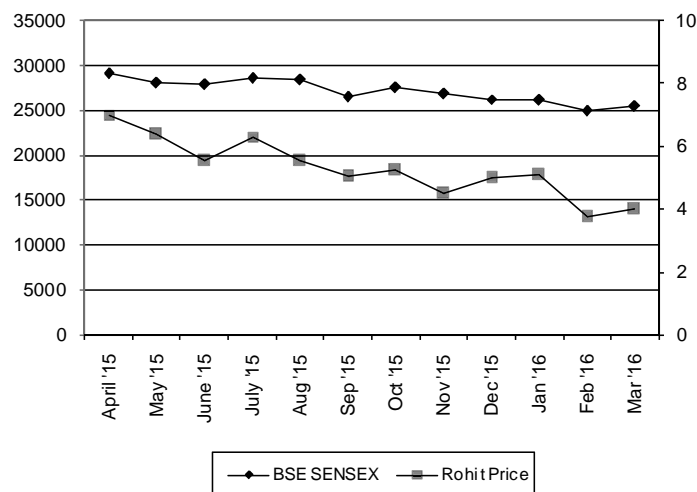
## 7. Market Price Data

The Stock Market data on BSE & NSE for the last twelve months are provided herein:

Month	National Stock Exchange of India Limited (₹)		BSE Limited (₹)	
	HIGH	LOW	HIGH	LOW
April, 2015	8.40	6.80	08.38	7.00
May, 2015	7.95	6.35	7.98	6.40
June, 2015	7.70	5.65	7.25	5.55
July, 2015	7.40	6.10	7.80	6.31
August, 2015	8.00	5.60	7.94	5.53
September, 2015	6.20	5.00	6.70	5.05
October, 2015	6.25	5.45	6.80	5.26
November, 2015	5.90	4.40	5.81	4.50
December, 2015	7.85	5.00	7.87	5.00
January, 2016	8.45	5.15	8.50	5.10
February, 2016	6.75	3.60	6.87	3.75
March, 2016	5.50	3.95	5.50	4.01

# Corporate Governance Report

## 8. Performance of the Company in comparison with BSE Sensex



## 9. Category & Shareholding Pattern as on 31st March, 2016

Category	No. of Shares	% of holding
Promoter & Promoter Group	8,19,17,842	72.00
Individuals	2,73,35,991	24.03
NBFC registered with RBI	10,938	0.01
Bodies Corporate	20,52,577	1.80
Non-Resident Individuals	13,53,920	1.19
Clearing Member	11,04,855	0.97
<b>Total</b>	<b>11,37,76,123</b>	<b>100.00</b>

## 10. Distribution of Shareholding as on 31st March, 2016

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total
Upto 500	13,367	66.91	24,73,850	2.17
501 to 1000	2,679	13.41	23,42,004	2.05
1001 to 2000	1,614	8.08	25,89,444	2.28
2001 to 3000	638	3.20	16,66,630	1.47
3001 to 4000	324	1.62	11,80,176	1.04
4001 to 5000	314	1.57	15,06,097	1.32
5001 to 10000	552	2.76	41,87,093	3.68
10001 and above	489	2.45	9,78,30,829	85.99
<b>Total</b>	<b>19,977</b>	<b>100</b>	<b>11,37,76,123</b>	<b>100</b>

## 11. Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both NSDL and CDSL. As on 31st March, 2016, 11,37,61,521 equity shares representing 99.99 % of the share capital are held in dematerialized form viz., CDSL- 9,38,54,235 equity shares and NSDL – 1,99,07,286 Equity Shares.

# Corporate Governance Report

## 12. Reconciliation of Share Capital Audit :

As stipulated by Securities and Exchange Board of India (SEBI), a practicing Company Secretaries carries out the Reconciliation of Share Capital 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. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, and is also placed before the Board of Directors.

## 12. Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata – 700 001 are the Registrar and Share Transfer Agent of the Company, both for Physical and Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

## 13. Share Transfer System

The share transfer requests are processed on behalf of the Company by Registrar & Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd. and are placed before the Company Secretary who has been delegated the authority by Stakeholders Relationship Committee (erstwhile Investor Grievance cum Share Transfer Committee) to approve transfers. The Company Secretary addresses all the requests fortnightly.

## 14. Outstanding ADR's & GDR's, Warrants or any other convertible instruments, conversion date and likely impact on equity shares

During the year under review, the Company has not issued any ADR's & GDR's, Warrants or any other convertible instruments. The Company has at present no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity shares of the Company.

## 15. Name, Designation & Address of Compliance Officer for Complaints & Correspondence

### Mr. Anil Prasad Shaw

Company Secretary & Compliance Officer  
Rohit Ferro-Tech Limited  
SKP House,  
132A, S.P. Mukherjee Road,  
Kolkata – 700 026  
Ph: 9133-4016 8000/8100  
Fax: 9133-4016 8189/8107  
Email Id: cs@rohitferrotech.com

### Address for Correspondence

Registered Office:  
Rohit Ferro-Tech Limited  
35, C. R. Avenue,  
Kolkata – 700 012  
Phone: +91 33 2211 0225/0226  
Email Id: grievance@rohitferrotech.com  
CIN: L27101WB2000PLC091629

### Corporate Office:

#### Rohit Ferro-Tech Limited

SKP House,  
132A, S. P. Mukherjee Road,  
Kolkata – 700 026  
Phone: +91 33 4016 8000/8100  
Fax : +91 33 4016 8189/8107

# Corporate Governance Report

## 16. Plant Locations

Bishnupur	WBII DC Road, P.O. Dwarika, Bishnupur - 722 122 Dist : Bankura (West Bengal)
Jajpur	Kalinganagar Industrial Complex, Duburi - 755 026 Dist : Jajpur (Odisha)
Haldia	Jaynagar, P.O. : Buniaraichak, PS : Durgachak Dist : Purba Medinipur (West Bengal)

## CODE OF CONDUCT

The Code of Conduct for the Board of Directors and Senior Management Personnel as adopted is available on the Company's website [www.rohitferrotech.com](http://www.rohitferrotech.com). All the Members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

### DECLARATION ON CODE OF CONDUCT

In accordance with Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and Senior Management Personnel of the Company have affirmed compliance with code of conduct of the Company for the financial year ended on 31.03.2016.

Place: Kolkata  
Date: 30.05.2016

For Rohit Ferro-Tech Limited

**(R.K. Burnwal)**  
(Executive Director)

For and on behalf of the Board

**Rohit Ferro-Tech Limited**

**Suresh Kumar Patni**  
Chairman

Kolkata, 29th August, 2016

# Corporate Governance Report

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**M/s. Rohit Ferro-Tech Limited**

We have examined the compliance of conditions of corporate governance by Rohit Ferro-Tech Limited ('the Company'), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement (Listing Agreement) of the Company with the Stock Exchanges for the period 1 April 2015 to 30 November 2015 and as per the clause stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 Agreement /Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A J & ASSOCIATES**  
*Company Secretaries*

**CS Abhijeet Jain**  
*Proprietor*  
FCS : 4975  
C.P. No. 3426

Kolkata, 29th August, 2016

# Independent Auditors' Report

To

The Members of

**Rohit Ferro-Tech Ltd.**

## **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of M/s. ROHIT FERRO-TECH LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flow 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 provision 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Standalone Financial Statements.

## **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts 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:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and

# Independent Auditors' Report

(c) In the case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

## Emphasis of Matter

1. We draw your attention to Note No. 44 of the Standalone Financial Statements which indicate that as at 31st March, 2016, the accumulated losses amounting to ₹ 80,405 lacs has eroded the entire net worth of the Company, indicating the existence of a material uncertainty about the Company's ability to continue as a going concern. These Financial Statements have been prepared on a going concern basis for the reasons stated in the said note.
2. As referred in Note No. 32 of the Standalone Financial Statements, the balance of sundry debtors, advances, creditors etc. includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliation. The reported financials might have consequential impact which remains unascertained.

Our report is not qualified in this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013; 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on the financial position in the Standalone Financial Statements- Refer Note 30(1)(d) to its Standalone Financial Statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. During the year Company has transferred an amount of ₹ 2.20 Lacs to Investor Education and Protection Fund pertaining to unclaimed dividend for the year 2007-08.

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**Manoj Kumar Sethia**  
Partner

Membership No.: 064308

Place : Kolkata  
Date : May 30, 2016



# “Annexure A” to Independent Auditors’ Report

The Annexure A referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the Standalone Financial Statements of the Company for the year ended March 31, 2016, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification, having regard to the size of the Company and the same have been properly dealt with in the Books of Accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year at reasonable intervals and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) Except loan to subsidiary, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount outstanding during the year and the year-end balance of the loan to subsidiary amounted to ₹ 1426.69 lacs. Therefore, the reporting under Paragraph 3 (iii) of the said Order is not applicable to the Company.
- (iv) 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 grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of manufacture of Ferro Alloys & Minerals and Iron & steel pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and we are of the opinion that prima facie, the records have been maintained. We have however not made a detailed examination for the records with a view to determining whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been delayed in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other statutory dues during the year with 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, 2016 for a period of more than six months from the date on when they become payable except the following:

SL. No.	Nature of Dues	Amount Involved (₹ in Lacs)
1.	Income Tax Deducted at Source	1.68
2.	Sales Tax Deducted at Source	39.86
3.	Service Tax	212.75
4.	VAT/CST	19.23
5.	Excise Duty	389.10
6.	Labour Cess	3.53
7.	Custom Duty	3.90
	<b>TOTAL</b>	<b>670.06</b>

## "Annexure A" to the Independent Auditors' Report

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited with the appropriate authorities on account of any dispute except the following cases:

Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	409.59	Feb 2005-Jun 2009	Commissioner of CE, CUS & ST, BBSR-I Mr. P.K. Dash
		51.81	April 2007 to March 2008	Additional Commissioner of CE, CUS & ST, BBSR-I Mr. Ashok Mahida
		2.03	April 2008 to March 2009	Assistant Commissioner of CE, CUS & ST, Balasore, Mr. G.K. Pati
		8.25	April 2009 to March 2010	Additional Commissioner of CE, CUS & ST, BBSR-I Mr. Ashok Mahida
		108.80	Sept 2012 to Aug 2014	Commissioner of CE, CUS & ST, BBSR-II Bhubaneswar, Mr. Deep Sekhar
		26.21	Sept 2010- July 2013	Additional Commissioner (Prev.) of CE, CUS & ST, BBSR-II Bhubaneswar Mr. U.B. Singh
		2.81	2004-2005	Commissioner of Central Excise
		0.10	2005-2007	
		84.86	Jan 2008 to March 2008	CESTAT, Kolkata
		27.17	April 2006-Dec 2008	Commissioner of Central Excise
		4.22	Oct 2009-July 2010	
		4.31	2006-2009	
		14.56	2006-2007	
		125.00	-	Development Commissioner of Falta Special Economic Zone
		1.80	Oct 2009 to March 2010	
		21.88	-	Commissioner of Excise
		150.06	2015-2016	Durgapur Commissionerate
		184.74	2015-2016	Commissioner of Excise
		88.22	2013-2014	Commissioner of Excise
	Service tax	28.41	Oct 2007 to 2011-2012	Commissioner of Central Excise Appeal - II
	Diff. Duty	17.67	Apr 2013 to Oct 2013	Additional Commissioner
		37.54	Jan 2014 to Sept 2014	Additional Commissioner
		41.94	2008-2009 to 2012-2013	Additional Commissioner
		29.96	2008-2009 to 2012-2013	Central Excise and Service Tax Commissionerate
		1.35	April 2013 to Dec 2013	Assistant Commissioner of Central Excise
		3.73	Oct 2014 to Nov 2014	
		15.83	Dec 2014 to May 2015	Durgapur Commissionerate
		15.83	Dec 2014 to May 2015	
		1.29	June 2015 To Feb 2016	Assistant Commissioner of Central Excise
	CLEARING FORWARDING	4.10	Aug 2014 to May 2015	

## "Annexure A" to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Service tax Act, 1994	CENVAT	3.41	2006-2007	Excise Service Tax Appellate Tribunal
	Service tax	8.89	Jan 2014 to July 2014	Additional Commissioner
		78.86	-	
		5.09	29.03.2014 to 12.06.2014	Assistant Commissioner of Service Tax Division, Halide Commissionerate
		4.41	2005-2006	CESTAT, Appeal-II
The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005	Central Sales Tax and Value Added Tax	89.19	2006-2007	Sr.Joint Commissioner of Commercial Taxes
		215.26	2007-2008	
		219.45	2007-2008	
		144.42	2008-2009	
		33.39	2011-2012	Member of the West Bengal Taxes, Appellate Board, Kolkata
		12.45	2012-2013	
		144.50	2008-2009	Additional Commissioner of Commercial Taxes,
		1,509.04	2009-2010	Joint Commissioner of Commercial Taxes
		1,252.61	2010-2011	Joint Commissioner of Commercial Taxes
Orissa VAT Act, 2004	Orissa CST	10.14	2007-2008 and 2008- 2009	Joint Commissioner of Commercial Taxes
	Orissa VAT	363.49	April 2005- Oct 2007	Additional Commissioner
		11.95	2008-2009	Joint Commissioner of Commercial Taxes
		62.21	2007-2008	
		29.38	2009-2010	Additional Commissioner of Sales Tax
	VAT Refund Claim	287.99	Mar 2007	High Court
		1018	Sep 2008	
		1,257.50	01-03-2010 to 31-03-2010	Deputy Commissioner of Central Taxes (Jajpur)
Orissa CST Act	CST	6.77	2009-2010	Additional Commissioner of Sales Tax
Foreign Trade Policy	CST	1.8	Oct 2009- March 2010	Development Commissioner of Falta Special Economic Zone
Orissa Entry Tax Act	Entry Tax	0.7	2008-2009	Joint Commissioner of Commercial Taxes
		37.35	2007-2008	Joint Commissioner of Commercial Taxes
		12.32	April 2005- Oct 2007	Deputy Commissioner of Central Taxes
		1.05	2009-2010	Additional Commissioner of Sales Tax
	Entry Tax Refund	103.97	2008-2009	High Court
Central Excise, Anti Evasion Unit	Cenvat and Interest	12.88	23.12.2009 to 03.02.2010	Commissioner of Excise
Employee Provident Fund Organisation of India	Provident Fund	0.08	April 1996-March 2014	Assistant/Regional Provident Fund
	Interest/Damages	1.8	April 1996-April 2014	Commissioner of EPFO

There were no other dues of duty which have not been deposited as at March 31, 2016 on account of dispute.

## "Annexure A" to the Independent Auditors' Report

(viii) Based upon the audit procedures performed and according to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in payment of borrowings to banks as follows:

Particulars	Amount of default as at the balance sheet date (₹ in Lacs)	Period of default	Nature of loan
Allahabad Bank	606.77	Quarter Ending December, 2015 & March, 2016	RUPEE TERM LOAN
Canara Bank	196.32		
State Bank Of Hyderabad	499.60		
State Bank Of India	2,218.38		
State Bank Of Travancore	533.40		
United Bank Of India	819.40		
Exim Bank	587.87		
<b>Total</b>	<b>5,461.74</b>		
Allahabad Bank	94.31	Quarter Ending December, 2015 & March, 2016	WORKING CAPITAL TERM LOAN
Andhra Bank	87.96		
Bank Of Baroda	283.71		
Central Bank Of India	15.09		
Punjab National Bank	312.63		
State Bank Of Hyderabad	383.51		
State Bank Of India	1,133.52		
State Bank Of Travancore	384.37		
United Bank Of India	1,024.92		
Uco Bank	201.19		
<b>Total</b>	<b>3,921.20</b>		
Allahabad Bank	338.53	Quarter Ending December, 2015 & March, 2016	FUNDED INTEREST TERM LOAN
Andhra Bank	70.92		
Bank Of Baroda	158.13		
Canara Bank	88.77		
Central Bank Of India	48.90		
Exim Bank	322.98		
Punjab National Bank	276.56		
State Bank Of Hyderabad	423.60		
State Bank Of India	1,722.40		
State Bank Of Travancore	413.58		
United Bank Of India	935.51		
Uco Bank	124.62		
<b>Total</b>	<b>4,924.50</b>		
<b>Grand Total</b>	<b>14,307.45</b>		

The Company does not have any loans or borrowings from government and has not issued any debentures.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys during the year by way of initial public issue/ follow-on offer (including debt instruments) and term loans.
- (x) 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.

## "Annexure A" to the Independent Auditors' Report

- (xi) 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, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the reporting under Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) 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 reporting under Paragraph 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **R. Kothari & Company**  
*Chartered Accountants*  
FRN: 307069E

**Manoj Kumar Sethia**  
*Partner*  
Membership No.: 064308

Place : Kolkata  
Date : May 30, 2016

# "Annexure B" to the Independent Auditors' Report

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

We have audited the Internal Financial Controls over financial reporting of M/s. ROHIT FERRO-TECH LIMITED ("the Company") as of March 31, 2016, 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing issued by ICAI and 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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.

# "Annexure B" to the Independent Auditors' Report

## **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, 2016, 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 **R. Kothari & Company**  
*Chartered Accountants*  
FRN: 307069E

**Manoj Kumar Sethia**  
*Partner*  
Membership No.: 064308

Place : Kolkata  
Date : 30th May, 2016

# Balance Sheet as at 31st March, 2016

(₹ in Lacs)

PARTICULARS	Note No.	31-03-2016	31-03-2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	11,377.61	11,377.61
(b) Reserves & Surplus	3	(37,183.68)	11,081.76
		<b>(25,806.07)</b>	<b>22,459.37</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	4	1,32,388.61	1,40,222.36
(b) Deferred Tax Liabilities (Net)	5	-	-
(c) Other Non-current Liabilities	6	202.36	951.54
		<b>1,32,590.97</b>	<b>1,41,173.90</b>
<b>(3) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	7	1,12,776.65	78,264.37
(b) Trade Payables	8	36,640.75	42,537.75
(c) Other Current Liabilities	9	38,285.55	17,229.19
(d) Short Term Provisions	10	871.17	871.17
		<b>1,88,574.12</b>	<b>1,38,902.48</b>
<b>TOTAL</b>		<b>2,95,359.02</b>	<b>3,02,535.75</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	74,230.48	51,097.50
(ii) Intangible Assets			
(iii) Capital Work-In-Progress	12	44,279.46	66,087.59
(iv) Intangible assets under development			
		<b>1,18,509.94</b>	<b>1,17,185.09</b>
(b) Non-Current Investments	13	7,974.41	7,974.41
(c) Long-Term Loans and Advances	14	3,690.55	6,128.42
(d) Other Non-Current Assets			
		<b>1,30,174.90</b>	<b>1,31,287.92</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	15	64,490.96	84,595.32
(b) Trade Receivables	16	75,121.69	60,770.80
(c) Cash and Bank Balances	17	1,657.17	1,745.28
(d) Short-Term Loans and Advances	18	18,416.95	19,206.82
(e) Other Current Assets	19	5,497.35	4,929.61
		<b>1,65,184.12</b>	<b>1,71,247.83</b>
<b>TOTAL</b>		<b>2,95,359.02</b>	<b>3,02,535.75</b>
Significant Accounting Policies	1		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **R. Kothari & Company**

Chartered Accountants

FRN: 307069E

**CA Manoj Kumar Sethia**

Partner

Membership No: 064308

Kolkata, 30th May, 2016

For and on behalf of the Board

**Suresh Kumar Patni**

Chairman

**Anil Prasad Shaw**

Company Secretary

**Vipul Jain**

Chief Financial Officer



# Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lacs)

PARTICULARS	Note No.	31-03-2016	31-03-2015
<b>I INCOME:</b>			
Revenue From Operations (Gross)	20	1,49,092.50	1,98,143.13
Less: Excise Duty		6,068.42	10,600.78
Revenue From Operations (Net)		1,43,024.08	1,87,542.35
<b>II Other Income</b>	21	664.48	758.97
<b>III Total Revenue (I + II)</b>		<b>1,43,688.56</b>	<b>1,88,301.32</b>
<b>IV EXPENSES:</b>			
Cost of Materials Consumed	22	78,812.59	97,056.12
Purchase of Stock-In-Trade	23	46,547.76	47,114.80
Changes in Inventories of Finished Goods & Work-in-Progress	24	9,958.10	(3,170.53)
Employee Benefits Expense	25	1,959.74	2,533.44
Finance Costs	26	23,042.88	19,524.40
Depreciation and Amortisation Expense		3,003.81	2,574.72
Other Expenses	27	28,770.30	57,951.83
<b>Total Expenses (IV)</b>		<b>1,92,095.18</b>	<b>2,23,584.78</b>
<b>PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS (III-IV)</b>		<b>(48,406.62)</b>	<b>(35,283.46)</b>
Exceptional Item		-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(48,406.62)</b>	<b>(35,283.46)</b>
Current Tax		-	-
MAT Credit Entitlement		-	-
Earlier Years' Tax		-	-
Deferred Tax		-	-
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>(48,406.62)</b>	<b>(35,283.46)</b>
<b>Earnings Per Equity Share</b> [Nominal Value of Share - ₹ 10/-]			
Basic & Diluted (In ₹)	29	<b>(42.55)</b>	<b>(31.01)</b>
Significant Accounting Policies	1		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership No: 064308  
Kolkata, 30th May, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lacs)

	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax &amp; Extra-Ordinary Items</b>		<b>(48,406.62)</b>		<b>(35,283.46)</b>
<b>Adjustments for :</b>				
Depreciation	3,003.81		2,574.72	
Finance Costs	23,042.88		19,524.40	
Interest Received	(475.27)		(703.19)	
Loss on sale of Fixed Assets	23.00		1.27	
Sundry Balances written off / (back)	8.59		7.64	
		<b>25,603.01</b>		<b>21,404.84</b>
<b>Operating Profit before Working Capital Changes</b>		<b>(22,803.61)</b>		<b>(13,878.62)</b>
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventories	20,104.37		(5,759.82)	
(Increase)/Decrease in Trade Receivables	(14,359.48)		(13,601.12)	
(Increase)/Decrease in Loans and Advances	1,472.11		7,510.22	
(Increase)/Decrease in Other Assets	(567.74)		2,602.55	
Increase/(Decrease) in Trade Payables	(5,897.00)		9,213.58	
Increase/(Decrease) in Other Liabilities	1,450.37		214.35	
		<b>2,202.63</b>		<b>179.76</b>
<b>Cash generated from operations</b>		<b>(20,600.98)</b>		<b>(13,698.86)</b>
Direct Tax Paid		(37.25)		(62.28)
<b>Net Cash from Operating Activities</b>		<b>(20,638.23)</b>		<b>(13,761.14)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (including Capital Work-In-Progress and Capital Advances)	(4,199.20)		(3,705.58)	
Sale of Fixed Assets	35.81		1.27	
Interest Income	495.03		732.91	
Purchase of Investment	-		(249.00)	
Loan to Subsidiary	(156.88)		(119.55)	
(Increase) / Decrease in Fixed Deposits with Banks	342.58		555.53	
<b>Net Cash used in Investing Activities</b>		<b>(3,482.66)</b>		<b>(2,784.42)</b>

# Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

(₹ in Lacs)

	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/ (Decrease) in Long Term Borrowings	8,725.12		6,731.87	
Increase/ (Decrease) in Short Term Borrowings	32,510.82		15,711.61	
Finance Costs	(16,858.38)		(6,918.63)	
<b>Net Cash from Financing Activities</b>		<b>24,377.56</b>		<b>15,524.85</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		256.67		(1,020.72)
Cash & Cash Equivalents at the beginning of the year (Refer Note No.17 to the Accounts)		65.10		1,085.81
Cash & Cash Equivalents at the end of the year (Refer Note No.17 to the Accounts)		<b>321.77</b>		<b>65.10</b>

## Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash in hand and bank balances on current accounts [Refer Note No.17 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership No: 064308  
Kolkata, 30th May, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of Financial Statements

- (a) The Financial Statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified by Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company.
- (b) All assets and liabilities have been classified as current or non-current wherever applicable as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- (c) Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these Financial Statements.

### 1.2 Use of estimates

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

### 1.3 Revenue Recognition

- (a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (b) Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Domestic sales are recognised at the time of dispatch of materials to the buyer. Export sales are recognised on the issue of bill of lading.
- (c) Export Incentives arising out of Export Sales are accounted for on accrual basis.
- (d) Purchases are inclusive of freight and net of CENVAT/VAT Credit, Trade Discount and Claims.
- (e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 1.4 Tangible Assets & Capital Work-In-Progress

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT/duty credits availed or available thereon) and any attributable/allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

Cost of the tangible assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

### 1.5 Depreciation and Amortisation

- (a) Depreciation is provided pro-rated to the period of use on Straight-Line Method (S.L.M.) based on the estimated useful lives of the assets, which have been determined, as per Part C of Schedule –II of the Companies Act, 2013, except in respect of the following assets, where useful life which is different than those prescribed under the Act.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Assets Description	Useful life as per management (in years)
Electrical Installations	25

For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the useful lives as given above best represent the period over which Management expects to use these assets. Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

- b) Assets individually costing less than ₹ 5, 000/- are fully depreciated in the year of acquisition.

### 1.6 Investments

Long-Term Investments are stated at cost. Provision for diminution in the value of Long-Term Investments is made only if such a decline is other than temporary in nature.

On initial recognition, all investments are measure at cost. The cost comprise purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss.

### 1.7 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

The cost of Work-In-Progress and finished goods includes the cost of labour, material and a proportion of manufacturing overheads.

### 1.8 Foreign Currency Transactions

#### (a) Initial Recognition

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

#### (b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

#### (c) Exchange Differences

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

#### (d) Forward Exchange Contracts

Forward Exchange Contracts outstanding as at the year end on account of firm commitment transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss.

### 1.9 Derivative Instruments and Hedging

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions. All derivative contracts outstanding at the period end are marked to market. The Company has applied the hedge accounting principles set out in AS-30 "Financial Instruments :

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Recognition and Measurement.” The method of recognising the resultant gain or loss depends on whether the derivative is designated as hedging instrument. The gains or losses on designated hedging instruments that qualify as effective hedges are recorded in the Hedging Reserve Account and are recognised in the Statement of Profit and Loss in the period during which the underlying forecasted transactions occur. Gains or Losses on the ineffective transactions are immediately recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the Hedging Reserve are transferred to the Statement of Profit and Loss immediately.

### 1.10 Government Grants

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Government grants in the form of promoters’ contribution are credited to capital reserve. Capital grants relating to specific assets are reduced from the gross value of the respective fixed assets. Government grants related to revenue are recognised by credit over the period to match them on a systematic basis to the costs, which it intended to compensate.

### 1.11 Impairment of Assets

The Company identifies impairable assets based on cash generating unit concept at the year end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of the relevant asset. Impairment loss when crystallises is charged against revenue of the year.

### 1.12 Employee Benefits

#### (a) Defined Contribution Plan:

Contributions as per the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and family pension fund are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. There is no other obligation other than the contribution payable to the respective funds.

#### (b) Defined Benefit Plan:

Liability with regard to Long-Term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain/loss is recognised immediately in the statement of Profit and Loss. The Company has an Employees Gratuity Fund managed by the Life Insurance Corporation of India.

#### (c) Short-Term Compensated Absences are provided for based on estimates.

### 1.13 Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policies followed by the Company.

### 1.14 Borrowing Costs

- (a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs and are shown as “Applicable Net Gain/Loss in Foreign Currency Transactions and Translations” (under “Finance Costs”).
- (b) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (c) Other Borrowing costs are recognised as expense in the period in which they are incurred.

### 1.15 Expenditure on new projects & substantial expansion

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/implementation, interest on term loans to finance fixed assets and expenditure on start-up of the project are capitalised upto the date of commissioning of project to the cost of the respective assets.

### 1.16 Taxation

- (a) Provision for Income Tax has been made by the Company as per the interpretation and expert advice received which is subject to assessment procedure under the Income Tax Act, 1961.
- (b) Tax expense comprises of current tax and deferred tax.
- (c) Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.
- (d) Deferred Tax arising on account of “timing differences” and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is virtual certainty with respect to reversal of the same in future years as a matter of prudence.

### 1.17 Earnings per Share (EPS)

- (a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.
- (b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

### 1.18 Prior Period Items

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

### 1.19 Provisions/Contingencies

- (a) Provision involving substantial degree of estimation in measurements is recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- (c) A Contingent Asset is not recognised in the Accounts.

### 1.20 Preliminary & Share Issue Expenses

Share Issue expenses incurred during the year are adjusted with the balance available in Securities Premium in accordance with Section 52 of the Companies Act, 2013.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 2 SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	31-03-2016	31-03-2015
<b>Authorised</b>		
1,850.00 lacs (P.Y. 1,850.00 lacs) Equity Shares of ₹10/- each	18,500.00	18,500.00
<b>Issued, Subscribed and Paid-up</b>		
1,137.76 lacs (P.Y. 1,137.76 lacs) Equity Shares of ₹ 10/- each fully paid up	11,377.61	11,377.61

### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-03-2016		31-03-2015	
	Nos.	(₹ in Lacs)	Nos.	(₹ in Lacs)
At the beginning of the Period	1,137.76	11,377.61	1,137.76	11,377.61
Issued during the Period	-	-	-	-
At the end of the Period	1,137.76	11,377.61	1,137.76	11,377.61

### b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

	31-03-2016		31-03-2015	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity Shares of ₹ 10 each fully paid</b>				
Suanvi Trading and Investment Co. Pvt. Ltd.	112.38	9.88	112.38	9.88
Vasupujya Enterprises Pvt. Ltd.	113.60	9.98	113.60	9.98
Invesco Finance Pvt Ltd.	110.39	9.70	110.39	9.70
Poddar Mech Tech Services Pvt. Ltd.	129.80	11.41	129.80	11.41
Shreyansh Leafin Pvt. Ltd.	109.93	9.66	109.93	9.66
Whitestone Suppliers Pvt. Ltd.	109.08	9.59	109.08	9.59



# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 3 RESERVES AND SURPLUS

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Capital Reserve</b>		
As per last account		
- Capital Investment Subsidy	240.00	240.00
- Forfeiture of Deposit against Share Warrants	128.14	128.14
	<b>368.14</b>	<b>368.14</b>
<b>Securities Premium Account</b>		
At the beginning of the accounting period	42,403.10	42,403.10
Additions during the year	-	-
At the end of the accounting period	<b>42,403.10</b>	<b>42,403.10</b>
<b>Hedge reserve (Refer Note 39)</b>		
At the beginning of the accounting period	(1.16)	(35.52)
Movement during the year	1.16	34.36
At the end of the accounting period	-	(1.16)
<b>General Reserve</b>		
As per last account	450.00	450.00
<b>Surplus (Balance in the Statement of Profit &amp; Loss)</b>		
Balance as per last Financial Statement	(32,138.32)	3,394.59
Profit/(Loss) for the year	(48,406.62)	(35,283.46)
Differential Depreciation relating to Tangible Assets as per Companies Act, 2013 [Refer Note Below]	140.02	(249.45)
Closing Balance	<b>(80,404.92)</b>	<b>(32,138.32)</b>
	<b>(37,183.68)</b>	<b>11,081.76</b>

Pursuant to the Companies Act, 2013 the company has reworked the depreciation on the estimated useful life of Fixed Assets prescribed under Schedule II of the Act. Further based on transitional provision provided in note 7(b) of Schedule II to the Act an amount of ₹ 249.45 lacs has been adjusted in the opening balance of retained earnings in respect of assets having no useful life as on 1st April 2014. The amount of ₹ 249.45 lacs includes excess depreciation of ₹ 140.02 lacs on electrical installations, now adjusted.

## NOTE 4 LONG-TERM BORROWINGS

	Non-Current portion		Current Maturities	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
<b>Term Loans from Banks (Secured)</b>				
Rupee Term Loans	52,623.97	56,832.51	6,310.00	2,101.46
Working Capital Term Loan (WCTL)	47,246.89	49,248.35	3,037.00	1,011.60
Funded Interest Term Loan (FITL)	18,660.03	20,506.34	9,719.00	3,242.26
	<b>1,18,530.89</b>	<b>1,26,587.20</b>	<b>19,066.00</b>	<b>6,355.32</b>
<b>Loans from Related Parties (Unsecured)</b>				
From Body Corporates	7,280.00	7,131.00	-	-
	<b>7,280.00</b>	<b>7,131.00</b>	-	-
<b>Other Loans and Advances</b>				
Loans from Body Corporates (Unsecured)	6,577.72	6,487.34	-	-
Loans against Vehicles & Equipments (Secured)	(0.00)	16.82	0.42	-
	<b>6,577.72</b>	<b>6,504.16</b>	<b>0.42</b>	-
	<b>1,32,388.61</b>	<b>1,40,222.36</b>	<b>19,066.42</b>	<b>6,355.32</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

(₹ in Lacs)

	Non-Current portion		Current Maturities	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
The above amount includes				
Secured Borrowings	1,18,530.89	1,26,604.02	19,066.42	6,355.32
Unsecured Borrowings	13,857.72	13,618.34	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 9)	-	-	(19,066.42)	(6,355.32)
	<b>1,32,388.61</b>	<b>1,40,222.36</b>	-	-

### (A) Working Capital Term Loan :

Upon implementation of the CDR Package (Refer Note 28), the overdrawn portion of the Cash Credit Accounts of the Company has been carved out into separate Working Capital Term Loans (WCTL).

### (B) Funded Interest Term Loan :

Upon implementation of the CDR Package (Refer Note 28), funding of interest has been provided for: -

Interest on existing term loans for a period of 24 months from the Cut-Off Date i.e. from October 01, 2013 to September 30, 2015;

- Interest on WCTL for a period of 24 months from the Cut-Off Date i.e. from October 01, 2013 to September 30, 2015;
- Interest on residual cash credit limit for a period of 9 months from the Cut-Off Date i.e. from October 01, 2013 to June 30, 2014;

### (C) Details of security :

(i) In terms of the CDR package, Rupee Term Loans, Working Capital Term Loans, Funded Interest Term Loans and Working Capital Loan (Refer Note 7) are pooled together and secured as under:

- a) First pari-passu charge on the entire Fixed Assets of the Company (excluding value of vehicles), both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal). Also, secured by way of mortgage on Freehold land at New Town, District: North 24 Parganas measuring 50 Cottahs.
- b) First pari-passu charge on the entire Current Assets of the Company comprised of stock of raw materials, semi finished and finished goods and book debts, outstanding moneys, receivables, both present and future pertaining to the Company's manufacturing units/divisions at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and at other Units.
- c) Collateral security by equitable mortgage on Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd., Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C.R. Avenue, Kolkata-12, held in the name of Mr. S.K.Patni and Flat No. A-52, Block-A, 35, Dr. Abani Dutta Road, Salkia, Howrah, held in the name of Mr. Rohit Patni.
- d) Pledge of 100% of the promoter's shares representing 72% of the paid up Capital of the company on pari passu basis.
- e) Personal Guarantee of the Promoters - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.
- f) Corporate Guarantee of the Group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.

(ii) Loans against Vehicles & Equipments are secured by way of hypothecation of the underlying asset financed

### (D) Terms of Repayment of Loans :

(i) **Terms of Repayment of Rupee Term Loans availed for Haldia Project, 33 MVA Furnace and Stainless Steel Plant of the Company and Working Capital Term Loan :**

Upon implementation of the CDR Package, the existing Rupee Term Loan amounting to ₹ 33,234.93 lacs in respect of Haldia Project, 33 MVA Furnace and Stainless Steel Project and Working Capital Term Loan are to be repaid over a period of 8 years by way of 32 structured quarterly installments commencing from December

## Notes to and forming part of Financial Statements as at 31st March, 2016

### NOTE 4 LONG-TERM BORROWINGS (Contd.)

31, 2015 up to September 30, 2023 as per the Repayment Schedule given below. Further, such loans carry the interest rate @ 11% p.a. linked to the Base Rate of the State Bank of India, with annual reset option with the approval of CDR-EG.

Financial Year	Quarters	Repayment per Quarter	Total
2015-2016	2	1.00%	2.00%
2016-2017	4	1.00%	4.00%
2017-2018	4	1.50%	6.00%
2018-2019	4	1.50%	6.00%
2019-2020	4	1.50%	6.00%
2020-2021	4	4.00%	16.00%
2021-2022	4	4.50%	18.00%
2022-2023	4	6.00%	24.00%
2023-2024	2	9.00%	18.00%
<b>TOTAL</b>	<b>32</b>		<b>100.00%</b>

#### (ii) Terms of Repayment of Term Loan availed for 67.5 MVA Captive Power Plant project of the Company :

Upon implementation of the CDR Package, the Rupee Term Loan amounting to ₹ 25,699.04 lacs in respect of 67.5 MVA Captive Power Plant is to be repaid by way of 38 equal quarterly installments commencing from December 31, 2015 up to March 31, 2025. Further, the loan carries the interest rate @ 11% p.a. linked to the Base Rate of the State Bank of India, with annual reset option with the approval of CDR-EG.

#### (iii) Terms of Repayment of Funded Interest Term Loan :

Repayment of FITL is to be made in 18 equal quarterly installments commencing from December 31, 2015 with the last installment due on March 31, 2020. FITL carries interest @11% p.a. linked to the Base Rate of the State Bank of India, with annual reset option with the approval of CDR-EG.

#### (iv) Period and Amount of Default as on the Balance Sheet date :

Particulars	Amount of default as at the balance sheet date (₹ in Lacs)		Period of default
	Principal Repayment	Interest Payment	
<b>TERM LOAN</b>			
ALLAHABAD BANK	308.00	298.77	Quarter ending 31st December, 2015 & 31st March 2016
CANARA BANK	45.86	150.46	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF HYDERABAD	263.00	236.60	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF INDIA	799.76	1,418.62	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF TRAVANCORE	263.00	270.40	Quarter ending 31st December, 2015 & 31st March 2016
UNITED BANK OF INDIA	245.96	573.44	Quarter ending 31st December, 2015 & 31st March 2016
EXIM BANK	178.00	409.87	Quarter ending 31st December, 2015 & 31st March 2016
<b>TOTAL</b>	<b>2,103.58</b>	<b>3,358.16</b>	

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

Particulars	Amount of default as at the balance sheet date (₹ in Lacs)		Period of default
	Principal Repayment	Interest Payment	
<b>WORKING CAPITAL TERM LOAN</b>			
ALLAHABAD BANK	29.36	64.95	Quarter ending 31st December, 2015 & 31st March 2016
ANDHRA BANK	23.82	64.14	Quarter ending 31st December, 2015 & 31st March 2016
BANK OF BARODA	89.00	194.71	Quarter ending 31st December, 2015 & 31st March 2016
CENTRAL BANK OF INDIA	4.62	10.47	Quarter ending 31st December, 2015 & 31st March 2016
PUNJAB NATIONAL BANK	85.84	226.79	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF HYDERABAD	104.72	278.79	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF INDIA	276.04	857.48	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF TRAVANCORE	102.66	281.71	Quarter ending 31st December, 2015 & 31st March 2016
UNITED BANK OF INDIA	237.96	786.96	Quarter ending 31st December, 2015 & 31st March 2016
UCO BANK	58.30	142.89	Quarter ending 31st December, 2015 & 31st March 2016
<b>TOTAL</b>	<b>1,012.32</b>	<b>2,908.88</b>	

<b>FUNDED INTEREST TERM LOAN</b>			
ALLAHABAD BANK	242.22	96.31	Quarter ending 31st December, 2015 & 31st March 2016
ANDHRA BANK	48.44	22.48	Quarter ending 31st December, 2015 & 31st March 2016
BANK OF BARODA	140.00	18.13	Quarter ending 31st December, 2015 & 31st March 2016
CANARA BANK	56.00	32.77	Quarter ending 31st December, 2015 & 31st March 2016
CENTRAL BANK OF INDIA	31.44	17.46	Quarter ending 31st December, 2015 & 31st March 2016
EXIM BANK	215.89	107.09	Quarter ending 31st December, 2015 & 31st March 2016
PUNJAB NATIONAL BANK	180.56	96.00	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF HYDERABAD	294.33	129.27	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF INDIA	1,096.44	625.96	Quarter ending 31st December, 2015 & 31st March 2016
STATE BANK OF TRAVANCORE	263.44	150.14	Quarter ending 31st December, 2015 & 31st March 2016
UNITED BANK OF INDIA	588.44	347.07	Quarter ending 31st December, 2015 & 31st March 2016
UCO BANK	82.44	42.18	Quarter ending 31st December, 2015 & 31st March 2016
<b>TOTAL</b>	<b>3,239.65</b>	<b>1,684.85</b>	

- (v) Pursuant to CDR Package, the Company has received unsecured loans amounting to ₹ 7280 lacs from promoters & promoter group Companies as promoter's contribution, to be converted into equity. Subsequently, with the invocation of SDR, the said amount of ₹ 7280 lacs was allowed to be converted into equity at par. The company has since applied for in-principal approval from Stock Exchanges and the same is awaited.
- (vi) Unsecured Loan from Body Corporates (Other than related parties) aggregating to ₹ 6,577.72 Lacs (P.Y. ₹ 6,487.34 Lacs) are interest free. Such loans are repayable at the option of the Company and are stated by the management to be in the nature of Long-term borrowings.
- (vii) Loans against Vehicles and Equipments are repayable by way of Equated Monthly Installments subsequent to taking of such loan. The original period of such loans is 3 years.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Deferred Tax Liability</b>		
-Related to Fixed Assets	8,945.19	6,229.13
<b>Deferred Tax Asset</b>		
-Unabsorbed Depreciation & Business Losses	36,840.67	11,354.54
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(27,895.48)</b>	<b>(5,125.41)</b>

Net Deferred Tax Asset on account of balance of Unabsorbed Depreciation and Business Loss has not been recognised as a matter of prudence.

## NOTE 6 OTHER LONG-TERM LIABILITIES

	31-03-2016	31-03-2015
Liability for Accrued Expenses	202.36	951.54
	<b>202.36</b>	<b>951.54</b>

## NOTE 7 SHORT-TERM BORROWINGS

	31-03-2016	31-03-2015
<b>Working Capital Loans from Banks (Secured)</b>		
- Rupee Loans	1,12,592.74	77,870.62
<b>Other Loans and Advances</b>		
- Bridge Loan from WBIDC Ltd. (against interest subsidy receivable)	74.10	-
- SBI Global Factors Ltd. under factoring facility secured against specific debts	109.81	393.75
	<b>1,12,776.65</b>	<b>78,264.37</b>

### (A) Details of security

The rate of interest on the working capital loans from banks is 10.3% linked to the base rate of State Bank of India. For details of security given for short term borrowings, Refer Note 4(C) above.

## NOTE 8 TRADE PAYABLES

	31-03-2016	31-03-2015
Due to Micro, Small & Medium Enterprises [Refer Note (a) below]	-	-
Due to others	36,640.75	42,537.75
	<b>36,640.75</b>	<b>42,537.75</b>

- There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- Trade Payables include ₹ 1146.28 Lacs (P.Y. ₹ 3,494.18 Lacs) against pledge of stock of raw materials.
- The Trade Payables include ₹ 903.16 lacs (P.Y ₹ 536.35 Lacs) due to related parties. (Refer Note No. 36)

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

	31-03-2016	31-03-2015
Current maturities of long-term debt (Refer Note 4)	19,066.42	6,355.32
Interest Accrued and due on Borrowings	8,223.24	192.40
Income Received in Advance	-	5.75
Advance from Parties	5,531.26	964.92
Unclaimed Dividend *	6.10	8.30
Other Payables		
- For Statutory Dues	2,531.07	2,171.92
- For Capital Goods	2,448.64	4,324.66
- For Accrued Expenses & Others	478.82	3,205.92
	<b>38,285.55</b>	<b>17,229.19</b>

\*An amount of ₹ 2.20 lacs (P.Y. ₹ 1.69 lacs) has been transferred during the year to Investor Education & Protection Fund.

## NOTE 10 SHORT-TERM PROVISIONS

	31-03-2016	31-03-2015
For Taxation	871.17	871.17
	<b>871.17</b>	<b>871.17</b>

## NOTE 11 TANGIBLE ASSETS

	Land		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total
	Freehold	Leasehold							
<b>Gross Block</b>									
<b>As at 31st March, 2014</b>	<b>1,081.50</b>	<b>4,104.42</b>	<b>13,430.15</b>	<b>46,762.21</b>	<b>442.30</b>	<b>416.49</b>	<b>396.36</b>	<b>0.30</b>	<b>66,633.73</b>
Additions	-	-	-	-	-	-	14.98	-	14.97
Disposals	-	-	-	-	-	4.27	-	-	4.27
Other Adjustments									
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2015</b>	<b>1,081.50</b>	<b>4,104.42</b>	<b>13,430.15</b>	<b>46,762.21</b>	<b>442.30</b>	<b>412.22</b>	<b>411.33</b>	<b>0.30</b>	<b>66,644.43</b>
Additions	-	-	2,562.72	23,501.81	-	-	5.26	-	26,069.79
Disposals	-	-	-	-	-	116.43	-	-	116.43
Other Adjustments									
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>1,081.50</b>	<b>4,104.42</b>	<b>15,992.87</b>	<b>70,264.02</b>	<b>442.30</b>	<b>295.79</b>	<b>416.60</b>	<b>0.30</b>	<b>92,597.79</b>
<b>Depreciation &amp; Amortisation</b>									
<b>As at 31st March, 2014</b>	<b>-</b>	<b>-</b>	<b>2,068.46</b>	<b>10,225.00</b>	<b>123.93</b>	<b>120.28</b>	<b>172.06</b>	<b>0.14</b>	<b>12,709.87</b>
For the year*	-	-	414.32	1,953.79	56.61	52.97	111.60	0.03	2,589.33
Transfer to Retained Earnings	-	-	-	194.84	2.67	0.60	51.35	-	249.45
Deductions	-	-	-	-	-	1.73	-	-	1.73
<b>As at 31st March, 2015</b>	<b>-</b>	<b>-</b>	<b>2,482.78</b>	<b>12,373.63</b>	<b>183.21</b>	<b>172.12</b>	<b>335.01</b>	<b>0.17</b>	<b>15,546.93</b>
For the year*	-	-	452.43	2,431.29	46.89	49.93	37.42	0.03	3,018.00
Transfer to Retained Earnings	-	-	-	(140.01)	-	-	-	-	(140.01)
Deductions	-	-	-	-	-	57.61	-	-	57.61
<b>As at 31st March, 2016</b>	<b>-</b>	<b>-</b>	<b>2,935.21</b>	<b>14,664.90</b>	<b>230.10</b>	<b>164.43</b>	<b>372.43</b>	<b>0.20</b>	<b>18,367.31</b>
<b>Net Block</b>									
<b>As on 31st March, 2015</b>	<b>1,081.50</b>	<b>4,104.42</b>	<b>10,947.37</b>	<b>34,388.60</b>	<b>259.09</b>	<b>240.11</b>	<b>76.34</b>	<b>0.13</b>	<b>51,097.50</b>
<b>As on 31st March, 2016</b>	<b>1,081.50</b>	<b>4,104.42</b>	<b>13,057.66</b>	<b>55,599.11</b>	<b>212.19</b>	<b>131.37</b>	<b>44.17</b>	<b>0.09</b>	<b>74,230.48</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 11 TANGIBLE ASSETS (Contd.)

Pursuant to the Companies Act, 2013 the company has reworked the depreciation on the estimated useful life of Fixed Assets prescribed under Schedule II of the Act. Further based on transitional provision provided in note 7(b) of Schedule II to the Act an amount of ₹ 249.45 lacs has been adjusted in the opening balance of retained earnings in respect of assets having no useful life as on 1st April 2014. The amount of ₹ 249.45 lacs includes excess depreciation of ₹ 140.02 lacs on electrical installations, now adjusted.

The original cost of vehicles & equipments includes ₹ 13.00 Lacs (P.Y. ₹ 62.91 Lacs) acquired under vehicle and equipment finance scheme from banks & financial institutions, of which ₹ 0.42 Lacs (P.Y. ₹ 16.82 Lacs) were outstanding as at year end.

\* Includes ₹ 14.21 Lacs (P.Y. ₹ 14.61 Lacs) debited to Capital Work-In-Progress.

## NOTE 12 CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

	31-03-2016	31-03-2015
At the beginning of the year	66,087.59	54,647.21
Add: Incurred during the year	2,078.35	11,440.38
Less: Capitalised during the year	(23,886.48)	-
<b>At the end of the year</b>	<b>44,279.46</b>	<b>66,087.59</b>

Capital Work-In-Progress includes Pre Operative Expenses as below relating to project under implementation, pending allocation to Fixed Assets:

	31-03-2016	31-03-2015
<b>Opening Balance</b>	<b>16,876.27</b>	<b>11,851.13</b>
<b>Add: Expenditure incurred during the period</b>		
Salaries	36.99	81.59
Rent	8.57	10.22
Insurance	9.42	13.31
Electricity Charges	0.92	0.95
Telephone Expenses	0.37	0.63
Travelling & Conveyance	0.22	1.37
Repairs & Maintenance	0.28	0.31
Labour charges	6.11	20.41
Security Service Charges	67.51	64.17
Hiring Charges - Equipment	3.82	6.81
Legal, Professional & Consultancy Charges	0.79	19.35
General Expenses	0.58	12.66
Bank Charges	0.18	0.33
Interest on Term Loan from Banks	3,743.96	4,778.42
Depreciation	14.21	14.61
<b>Total</b>	<b>20,770.20</b>	<b>16,876.27</b>
Amount allocated to Fixed Assets	(6,022.97)	-
<b>Closing Balance</b>	<b>14,747.23</b>	<b>16,876.27</b>

The Company has capitalised during the year 33MVA Furnace at the Jajpur Plant in Odissa. Accordingly, pre operative expenses relating to the said project have been capitalised by transfer to factory shed and building, plant and machinery and electrical installations in proportion to their respective costs.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 13 NON-CURRENT INVESTMENTS

(₹ in Lacs)

	Number of shares for 31-03-2016	Number of shares for 31-03-2015	31-03-2016	31-03-2015
<b>Long - Term Investments (valued at cost)</b>				
<b>Trade Investments</b>				
<b>Equity Shares - Unquoted (Fully Paid Up)</b>				
<b>In Subsidiaries</b>				
SKP Overseas Pte Ltd. (Shares of US\$ 1 each fully paid up)	210.75	210.75	7,724.41	7,724.41
<b>Investment in Mutual Funds</b>				
SBI Mutual Fund [NAV ₹ 260.34 Lacs as on 31-03-2016 (P.Y. ₹ 252.14 Lacs)]	25.00	25.00	250.00	250.00
<b>Total of Non Current Investments</b>			<b>7,974.41</b>	<b>7,974.41</b>

## NOTE 14 LONG-TERM LOANS & ADVANCES

	31-03-2016	31-03-2015
(Unsecured, Considered good)		
<b>To Related Parties</b>		
Capital Advances (Refer Note No. 30 (ii))	7.91	7.91
Security Deposits	168.00	168.00
<b>To Parties other than Related Parties</b>		
Capital Advances (Refer Note No. 30 (ii))	507.66	2,431.92
Security Deposits	3,006.98	3,520.59
	<b>3,690.55</b>	<b>6,128.42</b>

## NOTE 15 INVENTORIES

	31-03-2016	31-03-2015
(As taken, valued and certified by the management)		
Raw Materials	55,775.50	66,825.63
Intermediates	1,592.03	32.49
Work In Process	4,634.61	10,243.74
Finished Goods*	956.17	4,647.43
Traded Goods	-	657.71
Stores & Spares	1,486.41	2,134.91
Packing Materials	46.24	53.41
	<b>64,490.96</b>	<b>84,595.32</b>

\* Includes in transit ₹ NIL (P.Y. ₹ 140.64 Lacs)

## NOTE 16 TRADE RECEIVABLES

	31-03-2016	31-03-2015
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	49,238.92	13,584.13
Other Debts	25,882.77	47,186.67
	<b>75,121.69</b>	<b>60,770.80</b>

Trade Receivables include ₹ 2350.39 Lacs (P.Y. ₹ 2,767.78 Lacs) due from Related Parties and ₹ 132.67 Lacs (P.Y. ₹ 125.18 Lacs) due from the Subsidiary.



# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 17 CASH AND BANK BALANCES

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>i) Cash &amp; Cash Equivalents</b>		
(A) Cash In Hand (as certified)	25.61	28.76
(B) Balances With Banks		
- In Current Accounts	296.16	36.34
<b>Cash &amp; Cash Equivalents</b>	<b>321.77</b>	<b>65.10</b>
<b>ii) Other Bank Balances</b>		
(A) Term Deposits with Banks *	1,329.30	1,671.88
(Includes ₹ 3.90 Lacs (P.Y. ₹ 64.03 Lacs) having maturity greater than 12 months)		
(B) Earmarked Balances with Banks	6.10	8.30
<b>Other Bank Balances</b>	<b>1,335.40</b>	<b>1,680.18</b>
<b>TOTAL</b>	<b>1,657.17</b>	<b>1,745.28</b>

\* Held as Margin against Bank guarantee and letter of credit.

## NOTE 18 SHORT-TERM LOANS & ADVANCES

	31-03-2016	31-03-2015
(Unsecured, Considered Good)		
Loan to Subsidiary	1,426.69	1,269.81
Advances recoverable in cash or in kind or for value to be received		
-To Related Parties	50.00	50.00
-To Subsidiary	99.49	88.15
-To Others	12,064.56	12,387.03
Balance with Central Excise and Cenvat Receivable	2,015.61	2,536.88
Sales Tax/VAT Receivable/Refundable	2,256.09	2,378.15
Income Tax Payments (Including TDS)	396.61	359.35
Income Tax Refundable	22.68	22.68
Prepaid Expenses	64.97	69.01
Accrued Interest on Deposits	16.56	42.07
Insurance Claim Receivable	3.69	3.69
	<b>18,416.95</b>	<b>19,206.82</b>

## NOTE 19 OTHER CURRENT ASSETS

	31-03-2016	31-03-2015
(Unsecured, Considered Good)		
Export Incentive Receivable	1,285.36	717.62
Subsidy/Power Incentive Receivable	4,211.99	4,211.99
	<b>5,497.35</b>	<b>4,929.61</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 20 REVENUE FROM OPERATIONS

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Sale of Products</b>		
<b>Sale of Manufactured Goods</b>		
- Export Sales	14,471.82	41,596.12
- Domestic Sales	54,267.18	97,250.69
- Sale of Raw Materials	31,662.73	10,430.22
<b>Sale of Traded Goods</b>		
- Export Sales	-	-
- Domestic Sales	48,209.55	46,991.15
	<b>1,48,611.28</b>	<b>1,96,268.18</b>
<b>Other Operating Revenues</b>		
- Export Incentives	481.22	1,874.95
	<b>1,49,092.50</b>	<b>1,98,143.13</b>
<b>Details of Sale of Products</b>		
<b>Sale of Manufactured Goods</b>		
- Ferro Alloys	32,103.72	74,099.86
- Iron and Steel Products	36,635.29	64,746.95
<b>Sale of Raw Materials</b>		
- Manganese Ore	27,178.31	6,509.64
- Coal & Coke	1,881.94	3,217.04
- Others	2,602.48	703.55
<b>Sale of Traded Goods</b>		
- Ferro Alloys	12.42	261.47
- Manganese Ore	-	363.11
- Coal & Coke	1,703.04	-
- Iron and Steel Products	46,494.08	46,366.57
	<b>1,48,611.28</b>	<b>1,96,268.18</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 21 OTHER INCOME

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Interest Income</b>		
- On Credit Sales	14.31	68.86
- On Fixed Deposits	126.05	177.67
- Other Deposits	253.95	384.79
- On loan/advances to subsidiary	80.96	71.88
Lease Rent Received	3.60	3.60
Miscellaneous Income	1.07	1.19
Insurance Claim Received	184.54	50.98
	<b>664.48</b>	<b>758.97</b>

## NOTE 22 COST OF MATERIALS CONSUMED

	31-03-2016	31-03-2015
(including Cost of Raw Materials sold)		
Opening Stock of Raw Materials	66,858.12	64,518.52
Purchases during the year (including freight)	69,322.00	99,395.72
	<b>1,36,180.12</b>	<b>1,63,914.24</b>
Less: Closing Stock of Raw Materials	55,775.50	66,825.63
<b>Cost of Raw Materials consumed</b>	<b>80,404.62</b>	<b>97,088.61</b>
Less: Closing Stock of Intermediates	1,592.03	32.49
<b>Cost of Materials consumed</b>	<b>78,812.59</b>	<b>97,056.12</b>
<b>Details of Raw Materials Consumed</b>		
Chrome Ore	17,186.56	30,180.29
Manganese Ore	31,802.33	16,734.05
Coal & Coke	8,527.92	12,084.69
Sponge Iron, Scrap & Billets	19,158.05	19,187.02
Others	2,137.73	18,870.08
	<b>78,812.59</b>	<b>97,056.12</b>

Cost of material consumed includes ₹ 7287.98 Lacs (P.Y. ₹ NIL) in respect of written down at carrying cost of raw materials in Haldia and Bishnupur( Ferro Alloy division) to net realisable value on account of shut down of plant and depressed market conditions.

	31-03-2016		31-03-2015	
	%	(Amt ₹ in Lacs)	%	(Amt ₹ in Lacs)
<b>Break up into Imported &amp; Indigenous</b>				
Imported	25.78	20,314.42	50.70	49,208.87
Indigenous	74.22	58,498.17	49.30	47,847.25
	<b>100.00</b>	<b>78,812.59</b>	<b>100.00</b>	<b>97,056.12</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 23 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

	31-03-2016	31-03-2015
Ferro Alloys	12.64	348.99
Manganese Ore	-	353.95
Iron and Steel Products	46,535.12	46,411.86
	<b>46,547.76</b>	<b>47,114.80</b>

## NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

	31-03-2016	31-03-2015
<b>Opening Stock</b>		
<b>Finished Goods</b>		
- Ferro Alloys	3,093.99	3,274.35
- Iron & Steel Products	1,553.44	1,437.66
<b>Work-In-Progress</b>		
- Ferro Alloys	6,490.29	5,532.89
- Iron & Steel Products	3,753.45	1,814.03
<b>Traded Goods</b>		
- Ferro Alloys	0.28	4.71
- Iron & Steel Products	657.43	314.72
	<b>15,548.88</b>	<b>12,378.35</b>
<b>Closing Stock</b>		
<b>Finished Goods</b>		
- Ferro Alloys	306.24	3,093.99
- Iron & Steel Products	649.92	1,553.44
<b>Work-In-Progress</b>		
- Ferro Alloys	3,205.68	6,490.29
- Iron & Steel Products	1,428.94	3,753.45
<b>Traded Goods</b>		
- Ferro Alloys	-	0.28
- Iron & Steel Products	-	657.43
	<b>5,590.78</b>	<b>15,548.88</b>
	<b>9,958.10</b>	<b>(3,170.53)</b>

## NOTE 25 EMPLOYEE BENEFITS EXPENSE

	31-03-2016	31-03-2015
Salaries, Wages, Bonus & Allowances	1,694.39	2,259.25
Contribution to Provident & Other Funds	90.98	123.43
Gratuity [Refer Note 34]	101.13	42.37
Directors' Remuneration	32.38	46.78
Welfare Expenses	40.86	61.63
	<b>1,959.74</b>	<b>2,533.44</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 26 FINANCE COSTS

(₹ in Lacs)

	31-03-2016	31-03-2015
Interest Expense		
- To Banks	21,522.64	18,065.35
- To Others	403.47	487.61
Other Borrowing Costs	1,115.79	964.87
Vehicles and Equipment Finance Charges	0.98	6.57
	<b>23,042.88</b>	<b>19,524.40</b>

## NOTE 27 OTHER EXPENSES

	31-03-2016	31-03-2015
Labour Charges	2,050.57	3,452.66
Power & Fuel	18,123.99	36,880.43
Water Supply Charges	75.24	75.31
Stores, Spares and Consumables [Refer Note (a) below]	3,580.25	5,450.95
Packing Materials	143.74	391.22
Material Handling Expenses	456.90	898.77
Excise Duty on Variation in Stock [Refer Note (b) below]	(324.44)	233.63
Repairs		
- To Factory Shed & Building	28.31	57.57
- To Plant & Machinery	73.17	403.03
Rent	44.67	65.74
Rates & Taxes	16.38	43.05
Electricity Expenses	20.00	25.98
Insurance	130.42	242.07
Printing and Stationery	15.88	25.76
Postage and Courier	10.44	14.10
Telephone Charges	51.06	66.71
Travelling & Conveyance	74.42	99.30
Car Running and Maintenance	88.85	142.43
Other Repairs and Maintenance	44.46	86.16
Security Service Charges	327.76	359.85
Membership and Subscription	6.47	21.34
Internal Audit Fees	1.43	0.30
Legal and Professional Charges	179.19	795.02
Auditors' Remuneration [Refer Note Below (c)]	18.00	14.44
Directors' Sitting Fees	2.83	2.33
Miscellaneous Expenses	89.57	82.21
Short Realisation/ Loss on sale of DEPB	(6.50)	842.20
Testing & Inspection Charges	54.03	149.23
Donations	2.23	2.90
Advertisement & Sales Promotion	37.11	52.51
Freight & Forwarding on Export	832.12	2,078.57

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 27 OTHER EXPENSES (Contd.)

(₹ in Lacs)

	31-03-2016	31-03-2015
Transportation & Delivery Charges	1,594.12	3,224.51
Commission on Sales	204.38	274.78
Excise Duty/Sales Tax for earlier years	4.27	9.35
Corporate Social Responsibility	2.91	8.49
CDR Expenses	-	2.05
Loss on Sale of Fixed Assets	23.00	1.27
Short Recovery & Damages	6.93	181.14
Prior Period Expenses	-	0.94
Sundry Balances Written Off	8.59	7.64
Forfeiture of Earnest Money Deposit	45.27	53.74
Foreign Exchange Fluctuation Loss	632.31	1,132.18
	<b>28,770.30</b>	<b>57,951.83</b>

### a) Stores, Spares & Consumables

	31-03-2016		31-03-2015	
	%	(₹ in Lacs)	%	(₹ in Lacs)
Imported	8.20	293.72	6.68	363.95
Indigenous	91.80	3,286.53	93.32	5,087.00
	<b>100.00</b>	<b>3,580.25</b>	<b>100.00</b>	<b>5,450.95</b>

b) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

### c) Auditors' Remuneration :

(₹ in Lacs)

	31-03-2016	31-03-2015
i) As Auditor [includes tax audit fees of ₹ 2.00 Lacs (P.Y. ₹ 2.00 Lacs)]	10.00	10.00
ii) For Taxation matters	-	-
iii) For Other services	8.00	4.44
<b>Total</b>	<b>18.00</b>	<b>14.44</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 28 CORPORATE DEBT RESTRUCTURING

During the year 2013-14, at the request of the Company, the Corporate Debt Restructuring Proposal (CDR Proposal) was referred to CDR Empowered Group (CDR EG) by the consortium of lenders led by State Bank of India (SBI). The CDR Proposal as recommended by SBI was approved by CDR EG on March 24, 2014 and communicated vide Letter of Approval dated March 28, 2014, as amended / modified from time to time. Under CDR package, the Company's debts were restructured / rescheduled and additional credit facilities have been sanctioned as set out in the said Letter of Approval. The cut off date for CDR package was September 30, 2013 and upon implementation, the financial effect thereof has been duly taken into accounts.

The CDR Package includes reliefs/measures such as reduction in interest rates, funding of interest, rearrangement of securities etc. The key features of the CDR Proposal are as follows:

- (i) Repayment of Rupee Term Loans (RTL) (except term loan for Captive Power Plant of the Company) after moratorium of 2 years from the cut-off date in 32 structured quarterly installments commencing from December 31, 2015 to September 30, 2023.
- (ii) Repayment of Rupee Term Loans for Captive Power Plant of the Company after moratorium of 2 years from the cut-off date in 38 structured quarterly installments commencing from December 31, 2015 to March 31, 2025.
- (iii) Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium period of 2 years from cut-off date in 32 structured quarterly installments commencing from December 31, 2015 to September 30, 2023.
- (iv) Restructuring of existing fund based and non fund based financial facilities.
- (v) Interest on RTL and WCTL during the moratorium period of 2 years from cut-off date and interest on Cash Credit limit for a period of 9 months from the cut-off date shall be converted to FITL. Repayment of FITL would be done in 18 equal quarterly installments commencing from December 31, 2015 to March 31, 2020.
- (vi) The rate of interest on RTL, WCTL, FITL and Fund Based Working Capital Facilities shall be 11% (linked to the base rate of SBI) with the right to reset the rate of the Term loan(s) and FITL every year with the approval of CDR-EG.
- (vii) Waiver of penal interest for irregularities in the Cash Credit accounts for the period from cut-off date to the date of implementation of the package.
- (viii) Contribution of ₹ 5,664 lacs in the Company by the promoters in lieu of bank sacrifices and ₹ 8,577 lacs to meet the additional cost over run towards the Captive Power plant project of the Company. The contribution is to be brought initially in the form of unsecured loan by September 30, 2014 and the same is to be converted into Equity by June 30, 2015.
- (ix) The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/ to be made by CDR Lenders as per the CDR package is approximately ₹ 69,987 lacs.

## NOTE 29 EARNINGS PER SHARE

	31-03-2016	31-03-2015
Weighted average number of Equity Shares outstanding during the year	1,137.76	1,137.76
Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share (Refer Note (a) below)	1,137.76	1,137.76
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	(48,406.62)	(35,283.46)
Nominal Value of Ordinary Shares (₹)	10	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>(42.55)</b>	<b>(31.01)</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>(42.55)</b>	<b>(31.01)</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS

(i) Contingent Liabilities not provided for in the books of accounts in respect of :

- (a) Bills discounted, outstanding as on 31st March, 2016 - ₹ 189.55 Lacs (P.Y. - ₹ 697.49 Lacs)
- (b) Corporate Guarantee to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte Ltd., a Wholly Owned Subsidiary. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March 2016 is USD. 2.57 Million (P.Y. USD. 3.29 Million).
- (c) Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines, amounting to ₹ 69,987 lacs (Refer Note 28)
- (d) Claims against the Company not acknowledged as debt: (₹ in Lacs)

	31-03-2016	31-03-2015
Disputed Excise Duty under appeal	1,237.63	720.86
Disputed Sales Tax/VAT under appeal	4,106.04	3,696.36
Disputed VAT Refund claim under appeal	2,563.49	1,305.99
Disputed Entry Tax under appeal	51.42	155.39
Disputed Entry Tax Refund claim under appeal	103.97	-
Excise Duty demand for which show cause notice issued	243.92	243.92
Disputed Provident Fund demand under appeal	1.88	1.88
Excise Demand, pending show cause	20.00	20.00

(ii) (Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 1,402.36 Lacs (P.Y. ₹ 1,434.96 Lacs).

## NOTE 31

The current and non-current assets, in the opinion of the management, have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

## NOTE 32

Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmation and reconciliation. The reported financials might have consequential impact once the reconciliation is completed, the quantum where of remains unascertained. Advance from Parties includes ₹ 116.04 lacs (P.Y. ₹ 74.84 lacs) being certain receipts lying under suspense account in absence of information as to the credits in the bank account.

## NOTE 33 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses aggregating to ₹ 5.25 Lacs ( P.Y. ₹10.53 Lacs) in the nature of revenue expenditure have been included under the appropriate account heads.

## NOTE 34 EMPLOYEE BENEFITS

Disclosure pursuant to Accounting Standard- 15 (Revised) "Employee Benefits" :

(a) Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	31-03-2016	31-03-2015
Employer's Contribution to Provident and Other Funds	90.98	123.43



# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 34 EMPLOYEE BENEFITS (Contd.)

- (b) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on March 31, 2016 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. (₹ in Lacs)

	Gratuity (Funded) 31-03-2016	Gratuity (Funded) 31-03-2015
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation:</b>		
Defined Benefit obligation at beginning of the year	176.30	125.86
Interest Cost	14.10	10.07
Current Service Cost	30.24	25.95
Actuarial (Gain)/Loss	48.33	17.62
Benefits paid	(114.28)	(4.82)
Defined Benefit obligation at the year end	154.69	174.67
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets:</b>		
Fair value of plan assets at beginning of the year	142.49	118.66
Expected return on plan assets	13.43	11.26
Actuarial Gain/(Loss)	-	-
Employers' contribution	73.76	17.39
Benefits paid	(114.28)	(4.82)
Fair value of plan assets at the year end	115.40	142.49
Actual return on plan assets	13.43	11.26
<b>(iii) Reconciliation of fair value of assets and obligation:</b>		
Fair value of plan assets	115.40	142.49
Present value of obligation	154.69	174.67
Amount recognised as liability/(asset) in Balance Sheet*	39.29	32.18
(*Excess of assets not recognised as the same is lying in an irrevocable trust fund)		
<b>(iv) Expenses recognised during the year in the Statement of Profit &amp; Loss:</b>		
(shown in Note - 25 under the head 'Gratuity')		
Current Service Cost	30.24	25.95
Interest Cost	14.10	10.07
Expected return on plan assets	(13.43)	(11.26)
Actuarial (Gain)/Loss	48.33	17.62
Net asset (surplus) not recognised/adjusted	-	-
Recognised in the Statement of Profit and Loss	79.24	42.37
<b>(v) Break-up of Plan Assets as a percentage of total plan assets:</b>		
Insurer Managed Funds	100%	100%
<b>(iv) Actuarial Assumptions:</b>		
Mortality Table	LIC 1994-96 Ultimate	
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	6%	4%

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 34 EMPLOYEE BENEFITS (Contd.)

### (vii) Other Disclosures

(₹ in Lacs)

	31-03-2016	31-03-2015	31-03-2014	31-03-2013	31-03-2012
Defined Benefit Obligation	154.69	174.67	125.86	79.99	58.00
Plan Assets	115.40	142.49	118.66	107.70	79.38
Surplus/(Deficit)	(39.29)	(32.18)	(7.20)	27.72	21.37
Experience Adjustment on Plan Liabilities	48.33	17.62	19.97	(0.20)	17.82

- (viii) (a) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- (b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.
- (c) Expected rate of return assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- (ix) The above information is certified by the actuary.

## NOTE 35 SEGMENT REPORTING

- i) **Business segments:** Based on the synergies and in terms of AS - 17, the Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys and Iron & Steel Products. The risks and returns of Captive Power Plant is directly associated with the manufacturing operations of Ferro Alloys and hence treated as a part of Ferro Alloys segment.

	31-03-2016	31-03-2015
<b>Segment Revenue</b>		
- Ferro Alloys and Minerals	71,709.41	1,00,978.93
- Iron & Steel	81,572.21	1,04,606.97
- Inter Segment Revenue	(10,257.55)	(18,043.55)
<b>Total</b>	<b>1,43,024.07</b>	<b>1,87,542.35</b>

	31-03-2016	31-03-2015
<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
- Ferro Alloys and Minerals	(20,632.49)	(10,699.04)
- Iron & Steel	(4,817.88)	(5,136.20)
- Unallocated	85.63	76.17
<b>Total</b>	<b>(25,364.74)</b>	<b>15,759.06</b>
<b>Finance Cost</b>	23,042.88	19,524.40
<b>Exceptional Items</b>	-	-
<b>Profit before tax</b>	(48,407.62)	(35,283.46)
<b>Less: Income Tax</b>	-	-
<b>Profit after tax</b>	<b>(48,407.62)</b>	<b>(35,283.46)</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 35 SEGMENT REPORTING (Contd.)

### Other Information

(₹ in Lacs)

	Year Ended	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Exps (other than Depreciation)
Ferro Alloys and Minerals	31-03-2016	1,90,872.54	11,508.91	52,034.62	2,581.19	-
	31-03-2015	2,20,779.31	22,200.08	11,455.36	2,153.25	-
Iron and Steel	31-03-2016	96,092.78	36,439.90	-	422.62	-
	31-03-2015	73,399.99	32,364.43	-	421.47	-
Unallocated	31-03-2016	8,393.70	871.17	-	-	-
	31-03-2015	8,356.45	871.17	-	-	-
<b>Total (31-03-2016)</b>	<b>31-03-2016</b>	<b>2,95,359.02</b>	<b>48,819.98</b>	<b>52,034.62</b>	<b>3,003.81</b>	<b>-</b>
<b>Total (31-03-2015)</b>	<b>31-03-2015</b>	<b>3,02,535.75</b>	<b>55,435.68</b>	<b>11,455.36</b>	<b>2,574.72</b>	<b>-</b>

- (ii) **Geographical segments:** The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets are based on the location of such asset.

Segment	Period		Segment Revenue (Gross)	Segment Assets	Capital Expenditure
Within India	Year ended	31-03-2016	1,34,620.68	2,88,780.00	52,034.62
	Year ended	31-03-2015	1,56,547.01	2,95,410.01	11,455.36
Outside India	Year ended	31-03-2016	14,471.82	6,579.02	-
	Year ended	31-03-2015	41,596.12	7,125.74	-
<b>Total</b>	Year ended	31-03-2016	<b>1,49,092.50</b>	<b>2,95,359.02</b>	<b>52,034.62</b>
	Year ended	31-03-2015	<b>1,98,143.13</b>	<b>3,02,535.75</b>	<b>11,455.36</b>

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 36 RELATED PARTY DISCLOSURE

### (i) Name of the related parties where control exists irrespective of whether transactions have occurred or not

#### (a) Enterprise on which the Company has control

SKP Overseas Pte Ltd.	Wholly Owned Subsidiary
PT Bara Prima Mandiri	Subsidiary of SKP Overseas Pte Ltd.

#### (b) Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control

A.B Infratel Pvt. Ltd.  
 Gannath Commerce Pvt. Ltd.  
 Mahabala Merchants Pvt. Ltd.  
 Narmada Rivers Resources Pvt. Ltd.  
 Relybulls Derivatives and Commodities Pvt. Ltd.  
 SBM Steels Pvt. Ltd.  
 SKP Aviation Services Ltd.  
 Gajavakra Merchandise Pvt. Ltd.

#### (c) (i) Key Managerial Personnel

Mr. Rohit Patni (till 21.08.2015)  
 Mr. R.K.Burnwal (w.e.f. 24.03.2016)  
 Mr. Dinesh Biyanee (till 30.03.2016)  
 Mr. Ankit Patni (w.e.f 30.09.2015)  
 Mr. Vipul Jain

#### (ii) Relatives of Key Managerial Person

Mr. Anil Prasad Shaw  
 Mr. Suresh Kumar Patni  
 Mrs. Sarita Patni  
 Mr. Rohit Patni

#### (iii) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives

Impex Metal & Ferro Alloys Ltd.  
 Impex Ferro Tech Ltd.  
 Ankit Metal & Power Ltd.  
 Whitestone Suppliers Pvt. Ltd.  
 Vasupujya Enterprises Pvt. Ltd.  
 Marble Arch Properties Pvt. Ltd.  
 SKP Power Ventures Ltd.  
 Poddar Mech Tech Services Pvt. Ltd.  
 Suanvi Trading & Investment Co. Pvt. Ltd.  
 Shreyansh Leafin Pvt. Ltd.  
 Relybulls Stock Broking Pvt. Ltd.  
 Sarita Steel & Power Ltd.  
 Shubham Complex Pvt. Ltd.  
 Gajkarna Merchandise Pvt. Ltd.  
 Astabhuja Properties Pvt. Ltd.  
 Invesco Finance Pvt. Ltd.  
 Arthodock Vinimay Pvt. Ltd.  
 Nucore Exports Pvt. Ltd.  
 VNG Mercantiles Pvt. Ltd.  
 SKP Mining Pvt. Ltd.  
 Divine Trading Co. Pvt. Ltd.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 36 RELATED PARTY DISCLOSURE (Contd.)

### (d) Related Party Transaction taken place during the year:-

(₹ in Lacs)

Nature of Transactions	31-03-2016	31-03-2015
<b>Sale of Investment</b>		
- SKP Power Ventures Ltd.	-	1.00
<b>Loans Taken*</b>		
- Vasupujya Enterprises Pvt. Ltd.	-	15.00
- Whitestone Suppliers Pvt. Ltd.	-	60.00
- Gajkarna Merchandise Pvt. Ltd.	-	1,459.00
- Astabhuj Properties Pvt. Ltd.	149.00	861.50
- Poddar Mech Tech Services Pvt. Ltd.	-	82.00
(*Excludes subsequent transfer to share application money)		
<b>Interest Received on Loan</b>		
- SKP Overseas Pte Ltd.	80.96	71.88
<b>Purchases</b>		
- Ankit Metal & Power Ltd.	329.59	4,887.36
- Impex Ferro Tech Ltd.	1,574.50	2,887.61
- Impex Metal & Ferro Alloys Ltd.	154.28	3,363.61
- SKP Overseas Pte Ltd.	-	66.10
<b>Purchases of Capital Goods</b>		
- Ankit Metal & Power Ltd.	-	30.24
<b>Sales of Goods</b>		
- Ankit Metal & Power Ltd.	99.79	2,440.67
- Impex Ferro Tech Ltd.	1,704.40	5,841.05
- Impex Metal & Ferro Alloys Ltd.	1,061.39	2,274.30
- SKP Overseas Pte Ltd.	-	801.89
<b>Sales of Capital Goods</b>		
- Impex Metal & Ferro Alloys Ltd.	12.41	-
<b>DEPB/Focus Licence Purchased</b>		
- Impex Ferro Tech Ltd.	132.59	249.83
- Impex Metal & Ferro Alloys Ltd.	155.40	117.66
<b>DEPB/Focus Licence Sold</b>		
- Impex Ferro Tech Ltd.	20.10	10.21
<b>Lease Rent Received</b>		
- Impex Metal & Ferro Alloys Ltd.	3.60	3.60
<b>Rent Paid</b>		
- Marble Arch Properties Pvt. Ltd.	6.87	6.74
<b>Managerial Remuneration</b>		
- Rohit Patni	9.81	24.00
- Dinesh Biyanee	22.58	22.78
<b>Sitting Fees</b>		
- Suresh Kumar Patni	0.50	0.40
- Ankit Patni	0.08	-

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 36 RELATED PARTY DISCLOSURE (Contd.)

iv) Outstanding Balances		(₹ in Lacs)
Nature of Transactions	31-03-2016	31-03-2015
<b>Trade Payables/Payables for Accrued Expenses</b>		
- Impex Metal & Ferro Alloys Ltd.	-	443.36
- Ankit Metal & Power Ltd.	896.89	88.38
- Marble Arch Properties Pvt.Ltd.	6.27	4.61
<b>Trade Receivables</b>		
- Impex Metal & Ferro Alloys Ltd.	26.97	-
- Impex Ferro Tech Ltd.	2,323.42	2,767.78
- SKP Overseas Pte Ltd.	132.67	125.18
<b>Loan Given *</b>		
- SKP Overseas Pte Ltd.	1,426.69	1,269.81
* Including accrued interest		
<b>Loan Taken</b>		
- Suanvi Trading & Investment Co. Pvt. Ltd.	150.00	150.00
- Shreyansh Leafin Pvt. Ltd.	1,498.50	1,498.50
- Vasupujya Enterprises Pvt. Ltd.	1,613.00	1,613.00
- Whitestone Suppliers Pvt.Ltd.	1,467.00	1,467.00
- Gajkarna Merchandise Pvt. Ltd.	1,459.00	1,459.00
- Astabhuja Properties Pvt. Ltd.	1,010.50	861.50
- Poddar Mech Tech Services Pvt. Ltd.	82.00	82.00
<b>Advances/Deposits Given</b>		
- Impex Metal & Ferro Alloys Ltd.	7.91	7.91
- SKP Overseas Pte Ltd.	99.49	88.15
- Sarita Steel & Power Ltd.	50.00	50.00
<b>Investment in Equity Shares</b>		
- SKP Overseas Pte Ltd.	7,724.41	7,724.41
<b>Security Deposit</b>		
- Marble Arch Properties Pvt. Ltd.	168.00	168.00

Term Loans, Working Capital Term Loan, Funded Interest Term Loans and Working Capital Facilities from banks are secured by way of Corporate Guarantee of the Related Parties - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading & Investment Co. Pvt. Ltd. and Personal Guarantee of the Promoters - Mr. Suresh Kumar Patni, Mr. Rohit Patni and Mr. Ankit Patni.

Corporate Guarantee to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte Ltd. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on March 31, 2016 is USD. 2.57 Million (P.Y. USD. 3.29 Million).

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 37 INFORMATION PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS WITH STOCK EXCHANGES

(₹ in Lacs)

	31-03-2016	31-03-2015	Maximum balance during the current year	Maximum balance during the previous year
Loans and advances in the nature of loans to subsidiary companies*				
SKP Overseas Pte Ltd.	1,426.69	1,269.81	1,426.69	1,269.81
(*Including accrued interest)				

## NOTE 38 FOREIGN EXCHANGE EARNINGS AND OUTGO

	31-03-2016	31-03-2015
<b>Earnings in Foreign Currency:</b>		
- F.O.B. Value of Exports	13,848.42	40,228.84
- Interest on Loan to Subsidiary	80.96	71.88
<b>Expenditure in Foreign Currency:</b>		
- Travelling & Conveyance	4.62	1.98
- Membership & Subscription	1.12	13.48
- Interest on Buyer's Credit	1.14	12.43
- Interest on Purchase	49.26	91.76
- Analysis Charges	-	1.01
- Commission on Sales	86.29	72.35
<b>CIF Value of Imports:</b>		
- Raw Materials	13,164.63	44,851.96
- Stores & Spares	374.31	289.32

## NOTE 39 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY

Forward contracts/hedging instruments outstanding as at the Balance Sheet date are as follows:

Nature (Nos.) of Contract	Foreign Currency	Buy/ Sell	Amount in Foreign Currency (in Lacs)	Purpose
Forward Contracts (NIL, P.Y. 1)	EURO	Sell	NIL (P.Y. 2.50)	Hedging Purpose
Forward Contracts (Nil, P.Y. 4)	USD	Sell	NIL (P.Y. 27.30)	Hedging Purpose
Forward Contracts (Nil, P.Y. 7)	USD	Buy	NIL (P.Y. 28.74)	Hedging Purpose

All derivative contracts outstanding as at the year end are marked to market. The Company has applied the hedge accounting principles set out in the Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement. Accordingly, loss aggregating to ₹ NIL (P.Y. ₹ 1.16 Lacs), being the effective portion of the contracts designated as effective hedges for future cash flows has been recognised in the Hedging Reserve Account to be ultimately recognised in the Statement of Profit and Loss, depending on the exchange rate fluctuation till and when the underlying forecasted transactions occur. Gain/loss on contracts not designated as effective hedges and ineffective portion of the contracts designated as effective hedges are included in foreign exchange fluctuation account.

# Notes to and forming part of Financial Statements as at 31st March, 2016

## NOTE 39 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY (Contd.)

Particulars of unhedged foreign currency exposure as at the year end are as follows:

(₹ in Lacs)

	Currency	31-03-2016	31-03-2015
a) Amount receivable in foreign currency	EURO	-	-
b) Amount receivable in foreign currency	USD	5.64	6.41
c) Amount payable in foreign currency	EURO	0.19	-
d) Amount payable in foreign currency	USD	25.53	211.57

## NOTE 40

The Company has not made any remittance in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made on behalf of non – resident shareholders.

## NOTE 41

The Company had entered into an agreement dated February 19, 2015, for the sale, transfer or otherwise disposal of Company's Manufacturing Unit at Jajpur, Odisha as a going concern with M/s Balasore Alloys Ltd., on slump sale basis. The long stop date in terms of the said agreement was upto March 31, 2016 which has not been renewed.

## NOTE 42

The Company's Factory at Haldia (West Bengal) is temporarily suspended since July 1, 2015 on account of depressed domestic and global market conditions in steel industry, and excess procurement cost of Electricity.

## NOTE 43

The Joint Lender Forum (JLF) of consortium bankers has since approved "in principle" the decision for the invocation of Strategic Debt Restructuring (SDR) in terms of RBI Guidelines and among other things is exploring the investment proposals in the Company.

## NOTE 44

The operations of the Company are severely impacted by weak steel industry scenario and lack of demand for Company's finished product. Lower utilisation of capacity and drop in finish goods price realisation has impacted the topline as well as bottom line of the Company. The Company has incurred loss of ₹ 48,406.62 Lacs for year ended March 31, 2016. The accumulated loss as on March 31, 2016 is ₹ 80,404.93 Lacs which is in excess of the entire net worth of the company. The company has continuous support from the promoters and has put in place measures for revival and cost reduction. Considering the above initiative of the Company and given the emerging scenario of steel industry in India, the management is of view of foreseeable future about the operations of the Company and accordingly the Financial Statements have been prepared under Going Concern basis.

## NOTE 45

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to confirm to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year Financial Statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership No: 064308  
Kolkata, 30th May, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer



---

## **Consolidated Financial Section 2015-16**

---

# Independent Auditors' Report

To  
The Members of  
**Rohit Ferro-Tech Limited**

## **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of M/S ROHIT FERRO-TECH LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the Group in accordance with the accounting principles, generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the group are responsible for 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards, and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred in the "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

# Independent Auditors' Report

## Basis for Disclaimer of Opinion

In the case of the Company's subsidiary SKP Overseas Pte Ltd., their auditor has included the following observation:

- (a) They have not sited any audit evidence relating to the investments in PT Pacific Samudra Perkasa amounting to USD 60.00 Lacs (INR 3979.97 Lacs) and they are not in a position to determine whether the Company needs to provide for any possible impairment loss relating to the investments.
- (b) They are not in a position to determine whether any provision is required for doubtful debts for other receivable amounting to USD 126.24 Lacs (INR 8373.85 Lacs).
- (c) The Company has not provided for impairment loss on investment in the subsidiary amounting to USD 59 Lacs (INR 3,913.64 Lacs), due to loss in the subsidiary resulting in negative net worth.
- (d) They are of opinion that the deferred expenditure amounting to USD 37.78 Lacs (INR 2,506.26 Lacs) should be written off as the director are unable to provide audit evidence to confirm the reasonableness of the amount stated in the financial statement.

## Disclaimer of Opinion

In the case of the Company's subsidiary SKP Overseas Pte Ltd., their auditor is of opinion that because of the significance of the matters referred in the Basis for Disclaimer of Opinion paragraph above they are not in a position to, and do not express an opinion on whether the Balance Sheet and Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the results, changes in Equity and Cash Flows of the Company for the year ended on that date.

## Emphasis of Matter

- 1. We draw your attention to Note No. 46 of the Consolidated Financial Statements which indicate that as at March 31, 2016, the accumulated losses amounting to ₹ 80,405 Lacs has eroded the entire net worth of the Holding Company, indicating the existence of a material uncertainty about the Company's ability to continue as a going concern. These Financial Statements have been prepared on a going concern basis for the reasons stated in the said note.
- 2. As referred in Note No. 36 of the Consolidated Financial Statements, the balance of sundry debtors, advances, creditors etc. includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliation. The reported financials might have consequential impact which remains unascertained.
- 3. In general, it was noticed that applicable statutory dues payable by the Holding Company were not deposited within due dates to the respective authorities. Substantial amount of statutory dues amounting to ₹ 2,531.07 Lacs has become overdue and remain unpaid. Interest, penalty, if any, in respect of the same has remained unascertained and unaccounted for.

Our report is not qualified in this matter.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate Financial Statements and on the other financial information of the subsidiaries, except for the effects of the matters described in the Basis for Disclaimer of Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of Consolidated Balance Sheet of the state of affairs of the Company as at March 31, 2016;

# Independent Auditors' Report

- (b) In the case of Consolidated Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Other Matters

- a) We did not audit the Financial Statements and other financial information of one subsidiary incorporated outside India whose financial statements reflect total assets of ₹ 8,597.05 Lacs as at March 31, 2016, total revenues of ₹ 5,614.86 Lacs and net cash flows amounting to ₹ (57.32) Lacs for the year ended on that date, as considered in the Consolidated Financial Statements.

This Financial Statement have been audited by other auditor whose report have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

- b) We did not audit the Financial Statements and other financial information of one subsidiary incorporated outside India whose Financial Statements reflect total assets of ₹ 6,748.68 Lacs as at March 31, 2016, total revenues of ₹ NIL and net cash flows amounting to ₹ (33.43) Lacs for the year ended on that date, as considered in the Consolidated Financial Statements.

These Financial Statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such Unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the management, these Financial Statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements certified by the management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and, except for the possible effect of the matter described in the Basis for Disclaimer of Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, except for the possible effect of the matter described in the Basis for Disclaimer of Opinion paragraph above, proper books of account as required by law relating to the preparation of Consolidated Financial Statements of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the Consolidated Financial Statements.
  - (d) In our opinion, except for the possible effect of the matter described in the Basis for Disclaimer of Opinion paragraph above, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors of Holding Company as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

# Independent Auditors' Report

- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's report of the Holding Company alone as the Holding Company does not have any subsidiary companies, associate companies and jointly controlled companies incorporated in India; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position in the consolidated financial statements – Refer Note - 34 (I)(c) to its Consolidated Financial Statements ;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. During the year Holding has transferred an amount of ₹ 2.20 Lacs to Investor Education and Protection Fund pertaining to unclaimed dividend for the year 2007-08.

**For R. Kothari & Company**  
*Chartered Accountants*  
FRN: 307069E

**Manoj Kumar Sethia**  
*Partner*

Membership No. : 064308

Place : Kolkata  
Date : August 29, 2016

# “Annexure A” to the Independent Auditors’ Report

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

We have audited the Internal Financial Controls over financial reporting of M/s. ROHIT FERRO-TECH LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

## **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing issued by ICAI and 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with 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.

# "Annexure A" to the Independent Auditors' Report

## **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 Control system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2016, 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 **R. Kothari & Company**  
*Chartered Accountants*  
FRN: 307069E

**Manoj Kumar Sethia**  
*Partner*

Membership No. : 064308

Place : Kolkata  
Date : August 29, 2016

# Consolidated Balance Sheet as at 31st March, 2016

(₹ in Lacs)

PARTICULARS	Note No.	31-03-2016	31-03-2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	11,377.61	11,377.61
(b) Reserves & Surplus	3	(36,975.63)	11,387.05
		<b>(25,598.02)</b>	<b>22,764.66</b>
<b>(2) Minority Interest</b>		-	286.17
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	133,051.93	141,630.65
(b) Deferred Tax Liabilities (Net)	5	-	-
(c) Other Long-Term Liabilities	6	597.16	1,308.83
		<b>133,649.09</b>	<b>142,939.48</b>
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	115,517.80	80,834.07
(b) Trade Payables	8	37,372.83	43,852.91
(c) Other Current Liabilities	9	42,471.49	19,768.65
(d) Short-Term Provisions	10	871.17	871.17
		<b>196,233.29</b>	<b>145,326.80</b>
<b>Total</b>		<b>304,284.36</b>	<b>311,317.11</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	74,803.96	51,693.38
(ii) Intangible Assets	12	2,962.75	2,962.75
(iii) Capital Work-In-Progress	13	44,279.46	66,087.59
(iv) Intangible Assets under Development	14	4,200.62	3,978.38
		<b>126,246.79</b>	<b>124,722.10</b>
(b) Non-Current Investments	15	4,229.97	3,942.86
(c) Long-Term Loans and Advances	16	3,702.58	6,139.83
(d) Other Non-Current Assets	17	2,506.26	2,364.87
		<b>136,685.60</b>	<b>137,169.66</b>
<b>(2) Current Assets</b>			
(a) Inventories	18	65,872.23	86,389.03
(b) Trade Receivables	19	75,025.26	60,663.48
(c) Cash and Bank Balances	20	1,932.82	2,159.13
(d) Short-Term Loans and Advances	21	19,271.10	20,006.20
(e) Other Current Assets	22	5,497.35	4,929.61
		<b>167,598.76</b>	<b>174,147.45</b>
<b>Total</b>		<b>304,284.36</b>	<b>311,317.11</b>
Significant Accounting Policies	1		

Accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **R. Kothari & Company**

Chartered Accountants

FRN: 307069E

**CA Manoj Kumar Sethia**

Partner

Membership No: 064308

Kolkata, 29th August, 2016

For and on behalf of the Board

**Suresh Kumar Patni**

Chairman

**Anil Prasad Shaw**

Company Secretary

**Vipul Jain**

Chief Financial Officer



# Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lacs)

PARTICULARS	Note No.	31-03-2016	31-03-2015
<b>I INCOME:</b>			
Revenue From Operations (Gross)	23	154,707.36	205,692.81
Less: Excise Duty		6,068.42	10,600.78
Revenue From Operations (Net)		148,638.94	195,092.03
<b>II Other Income</b>	24	875.00	1,088.80
<b>III Total Revenue (I + II)</b>		<b>149,513.94</b>	<b>196,180.83</b>
<b>IV EXPENSES:</b>			
Cost of Materials Consumed	25	78,812.59	96,990.02
Purchases of Stock-In-Trade	26	50,780.14	54,805.65
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	27	10,370.55	(4,964.24)
Employee Benefits Expense	28	2,166.15	2,711.85
Finance Costs	29	23,417.39	19,958.23
Depreciation and Amortization Expense		3,058.19	2,574.72
Other Expenses	30	30,055.69	59,931.56
<b>Total Expenses (IV)</b>		<b>1,98,660.70</b>	<b>2,32,007.79</b>
<b>PROFIT/ (LOSS) BEFORE TAX (III-IV)</b>		<b>(49,146.76)</b>	<b>(35,826.96)</b>
Less: Tax Expense			
Current Tax		-	-
MAT Credit Entitlement		-	-
Earlier Years' Tax		-	-
Deferred Tax		-	-
<b>PROFIT/(LOSS) AFTER TAX (BEFORE ADJUSTMENT OF MINORITY INTEREST)</b>		<b>(49,146.76)</b>	<b>(35,826.96)</b>
Less : Exceptional Items		-	-
<b>PROFIT/(LOSS) FOR THE YEAR (BEFORE ADJUSTMENT OF MINORITY INTEREST)</b>		<b>(49,146.76)</b>	<b>(35,826.96)</b>
Minority Interest		(286.17)	167.91
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>(48,860.59)</b>	<b>(35,994.87)</b>
Earning per Equity Share (Nominal Value/Shares ₹ 10/-)			
Basic & Diluted (In ₹)	32	(42.94)	(31.64)
Significant Accounting Policies	1		

Accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership No: 064308  
Kolkata, 29th August, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lacs)

	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax &amp; Extra-Ordinary Items</b>		(48,860.59)		(35,994.87)
<b>Adjustments for :</b>				
Depreciation	3,058.19		2,574.72	
Foreign Currency Translation Reserve	356.73		101.89	
Finance Costs	23,417.39		19,958.23	
Interest Received	(394.33)		(632.34)	
Loss/(Profit) on Redemption of Mutual Funds	-		-	
Loss on sale of Fixed Assets	23.00		1.27	
Sundry Balances written off / (back)	8.59		7.64	
		<b>26,469.57</b>		<b>22,011.41</b>
<b>Operating Profit before Working Capital Changes</b>		<b>(22,391.02)</b>		<b>(13,983.46)</b>
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventories	20,516.80		(7,553.53)	
(Increase)/Decrease in Trade Receivables	(14,370.37)		(12,119.92)	
(Increase)/Decrease in Loans and Advances	1,260.43		7,502.07	
(Increase)/Decrease in Other Assets	(567.74)		2,602.54	
Increase/(Decrease) in Trade Payables	(6,480.08)		8,790.90	
Increase/(Decrease) in Other Liabilities	2,748.79		772.89	
		<b>3,107.83</b>		<b>(5.05)</b>
<b>Cash generated from operations</b>		<b>(19,283.19)</b>		<b>(13,988.51)</b>
Direct Tax Paid		(37.25)		(62.28)
<b>Net Cash from Operating Activities</b>		<b>(19,320.44)</b>		<b>(14,050.79)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (including Capital Work-in-Progress and Capital Advances)	(4,454.04)		(3,206.04)	
Sale of Fixed Assets	35.81		1.27	
Interest Income	414.09		662.06	
Purchase of Investment	(287.12)		(335.87)	
Redemption of Mutual Funds	-		-	
(Increase) / Decrease in Fixed Deposits with Banks	390.05		693.81	
<b>Net Cash used in Investing Activities</b>		<b>(3,901.21)</b>		<b>(2,184.77)</b>

# Consolidated Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

(₹ in Lacs)

	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	-		-	
Increase/(Decrease) in Long-Term Borrowings	8,365.72		6,269.01	
Increase/(Decrease) in Short-Term Borrowings	32,682.27		16,182.19	
Increase/(Decrease) in Minority Interest	(286.17)		167.91	
Deferred Expenses	(141.39)		(94.12)	
Finance Costs	(17,232.84)		(7,352.45)	
Dividend Paid	-		-	
Corporate Dividend Tax	-		-	
<b>Net Cash from Financing Activities</b>		<b>23,387.59</b>		<b>15,172.54</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		165.94		(1,063.02)
Cash & Cash Equivalents at the beginning of the year (Refer Note No. 20 to the Accounts)		163.35		1,226.37
Cash & Cash Equivalents at the end of the year (Refer Note No. 20 to the Accounts)		<b>329.29</b>		<b>163.35</b>

## Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash in hand and bank balances on current accounts [Refer Note No.20 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Kolkata, 29th August, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these Consolidated Financial Statements.

### 1.1. Basis of preparation and principles of consolidation

- a) The Consolidated Financial Statements relate to Rohit Ferro-Tech Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group'). The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" prescribed in the Companies (Accounting Standard), Rules 2006 notified by the Central Government. The Consolidated Financial Statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Appropriate disclosure, as applicable, is made of significant deviations from the Company's accounting policies, which have not been adjusted.
- b) The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified by Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company. The Consolidated Financial Statements are presented in Indian rupees (in Lacs), in the same format as that adopted by the Parent Company for its Standalone Financial Statements.

#### Subsidiaries considered in the Consolidated Financial Statements:

Name of the Company	Country of incorporation	Current Year Percentage Holding - Share	Previous Year Percentage Holding - Share
SKP Overseas PTE Limited	Singapore	100%	100%
PT Bara Prima Mandiri	Indonesia	60%	60%

- c) The Financial Statements of the Company and its subsidiaries are consolidated on a line-by-line basis after fully eliminating the intra-group transactions and intra-group balances in accordance with Accounting Standard 21 - "Consolidated Financial Statements" prescribed by the Companies (Accounting Standard), Rules 2006.
- d) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Exchange Translation Reserve.
- g) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as exceptional item being the profit or loss on disposal of investment in subsidiary.
- h) All assets and liabilities have been classified as current or non-current wherever applicable as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- i) Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### 1.2. Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events, plans and actions, actual results could differ from these estimates. Any revision to accounting estimates and assumption are recognised prospectively.

### 1.3. Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (b) Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of Excise Duty but net of Trade Discounts and VAT. However, Excise Duty relating to sales is reduced from gross turnover for disclosing net turnover. Domestic sales are recognised at the time of dispatch of materials to the buyer. Export sales are recognised on the issue of Bill of Lading.
- (c) Export Incentives arising out of Export Sales are accounted for on accrual basis.
- (d) Purchases are inclusive of freight and net of CENVAT/VAT Credit, Trade Discount and Claims.
- (e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 1.4. Tangible Assets & Capital Work-in-Progress

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT/Duty credits availed or available thereon) and any attributable/allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

Cost of the tangible assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

### 1.5. Intangible Asset

Intangible Asset includes Goodwill which represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary at the date of acquisition. It is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Mine Development Expenses has been recognised as intangible assets under development and includes expenses on account of prospecting, expenses for regulatory clearances, exploration and evaluation of mines etc. These expenses are carried forward and will be capitalised once the mine starts the commercial production.

### 1.6. Depreciation and Amortisation

- (a) Depreciation is provided pro-rated to the period of use on straight-line method (S.L.M.) based on the estimated useful lives of the assets, which have been determined, as per Part C of Schedule - II of the Companies Act, 2013, except in respect of the following assets, where useful life which is different than those prescribed under the Act.

Asset Description	Estimated Useful Life
Electrical Installation	25 years

For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the useful lives as given above best represent the period over which Management expects to use these assets.

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

- (b) Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of acquisition.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## **NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

### **1.7. Investments**

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

Long term Investments are stated at cost. Provision for diminution in the value of Long-Term Investments is made only if such a decline is other than temporary in nature.

On initial recognition, all investments are measure at cost. The cost comprise purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **1.8. Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

The cost of Work-in-Progress and finished goods includes the cost of labour, material and a proportion of manufacturing overheads.

### **1.9. Foreign Currency Transactions**

#### **(a) Initial Recognition**

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

#### **(b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

#### **(c) Exchange Differences**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

#### **(d) Forward Exchange Contracts**

Forward Exchange Contracts outstanding as at the year end on account of firm commitment transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss.

### **1.10. Derivative Instruments and Hedging**

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions. All derivative contracts outstanding at the period end are marked to market. The Company has applied the hedge accounting principles set out in AS-30 "Financial Instruments : Recognition and Measurement". The method of recognising the resultant gain or loss depends on whether the derivative is designated as hedging instrument. The gains or losses on designated hedging instruments that qualify as effective hedges are recorded in the Hedging Reserve Account and are recognised in the Statement of Profit and Loss in the period during which the underlying forecasted transactions occur. Gains or losses on the ineffective transactions are immediately recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the Hedging Reserve are transferred to the Statement of Profit and Loss immediately.

### **1.11. Government Grants**

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Government grants in the form of promoters' contribution are credited to Capital Reserve. Capital grants relating to specific assets are reduced from the gross value of the respective fixed assets. Government grants related to revenue are recognised by credit over the period to match them on a systematic basis to the costs, which it intended to compensate.

### 1.12. Impairment of Assets

The Company identifies impairable assets based on cash generating unit concept at the year end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of the relevant asset. Impairment loss when crystallizes is charged against revenue of the year.

### 1.13. Employee Benefits

#### (a) Defined Contribution Plan:

Contributions as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and family pension fund are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. There is no other obligation other than the contribution payable to the respective funds.

#### (b) Defined Benefit Plan:

Liability with regard to Long-Term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain/loss is recognised immediately in the Statement of Profit and Loss. The Company has an Employees' Gratuity Fund managed by the Life Insurance Corporation of India.

(c) Short-term Compensated absences are provided for based on estimates.

### 1.14. Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital Expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policies followed by the Company.

### 1.15. Borrowing Costs

(a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs and are shown as "Applicable Net Gain/Loss in Foreign Currency Transactions and Translations" (under "Finance Costs").

(b) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(c) Other Borrowing costs are recognised as expense in the period in which they are incurred.

### 1.16. Expenditure on new projects & substantial expansion

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/implementation, interest on term loans to finance fixed assets and expenditure on start-up of the project are capitalised upto the date of commissioning of project to the cost of the respective assets.

### 1.17. Taxation

(a) Provision for Income Tax has been made by the Company as per the interpretation and expert advice received which is subject to assessment procedure under the Income Tax Act, 1961.

(b) Tax expense comprises of current tax and deferred tax.

(c) Current Income Tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

(d) Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Deferred Tax Asset is recognised only to the extent there is virtual certainty with respect to reversal of the same in future years as a matter of prudence.

### 1.18. Earnings Per Share (EPS)

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

### 1.19. Prior Period Items

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

### 1.20. Provisions/Contingencies

- Provision involving substantial degree of estimation in measurements is recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- A Contingent Asset is not recognised in the Accounts.

### 1.21. Preliminary & Share Issue Expenses

Share Issue expenses incurred during the year is adjusted with the balance available in Securities Premium in accordance with Section 52 of the Companies Act, 2013.

### 1.22. Other Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of Rohit Ferro-Tech Limited.

## NOTE 2 SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	31-03-2016	31-03-2015
<b>Authorised</b>		
1,850 lacs (P.Y. 1,850 lacs) Equity Shares of ₹ 10/- each	18,500.00	18,500.00
<b>Issued, Subscribed and Paid-up</b>		
1,137.76 lacs (P.Y. 1,137.76 lacs) Equity Shares of ₹ 10/- each fully paid up	11,377.61	11,377.61

### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-03-2016		31-03-2015	
	Nos.	(₹ in Lacs)	Nos.	(₹ in Lacs)
At the beginning of the Period	1,137.76	11,377.61	1,137.76	11,377.61
Issued during the Period	-	-	-	-
At the end of the Period	1,137.76	11,377.61	1,137.76	11,377.61

### b) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the Shareholders.



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 2 SHARE CAPITAL (Contd.)

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

	31-03-2016		31-03-2015	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Suanvi Trading & Investment Co. Pvt. Ltd.	112.38	9.88	112.38	9.88
Vasupujya Enterprises Pvt. Ltd.	113.60	9.98	113.60	9.98
Invesco Finance Pvt. Ltd.	110.39	9.70	110.39	9.70
Poddar Mech Tech Services Pvt. Ltd.	129.80	11.41	129.80	11.41
Shreyansh Leafin Pvt. Ltd.	109.93	9.66	109.93	9.66
Whitestone Suppliers Pvt. Ltd.	109.08	9.59	109.08	9.59

## NOTE 3 RESERVES AND SURPLUS

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Capital Reserve</b>		
As per last account		
- Capital Investment Subsidy	240.00	240.00
- Forfeiture of Deposit against Share Warrants	128.14	128.14
	<b>368.14</b>	<b>368.14</b>
<b>Securities Premium Account</b>		
At the beginning of the accounting period	42,403.10	42,403.10
Additions during the year	-	-
At the end of the accounting period	<b>42,403.10</b>	<b>42,403.10</b>
<b>Hedge Reserve (Refer Note No. 41)</b>		
At the beginning of the accounting period	(1.16)	(35.52)
Movement during the year	1.16	34.36
At the end of the accounting period	-	<b>(1.16)</b>
<b>General Reserve</b>		
As per last account	450.00	450.00
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the accounting period	1,526.67	1,424.78
Additions during the year	356.73	101.89
Deductions during the year	-	-
At the end of the accounting period	<b>1,883.40</b>	<b>1,526.67</b>
<b>Surplus (Balance in the Statement of Profit &amp; Loss)</b>		
Balance as per last Financial Statement	(33,359.70)	2,884.62
Profit/(Loss) for the year	(48,860.59)	(35,994.87)
Differential Depreciation relating to Tangible Assets as per Companies Act, 2013 [Refer Note Below]	140.02	(249.45)
Closing Balance	<b>(82,080.27)</b>	<b>(33,359.70)</b>
	<b>(36,975.63)</b>	<b>11,387.05</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 3 RESERVES AND SURPLUS (Contd.)

Pursuant to the Companies Act, 2013 the company has reworked the depreciation on the estimated useful life of Fixed Assets prescribed under Schedule II of the Act. Further based on transitional provision provided in note 7(b) of Schedule II to the Act an amount of ₹ 249.45 Lacs has been adjusted in the opening balance of retained earnings in respect of assets having no useful life as on 1st April, 2014. The amount of ₹ 249.45 Lacs includes excess depreciation of ₹ 140.02 Lacs on electrical installations, now adjusted.

## NOTE 4 LONG-TERM BORROWINGS

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
<b>Term Loans from Banks (Secured)</b>				
Rupee Term Loans	52,623.97	56,832.51	6,310.00	2,101.46
Working Capital Term Loan (WCTL)	47,246.89	49,248.35	3,037.00	1,011.60
Funded Interest Term Loan (FITL)	18,660.03	20,506.34	9,719.00	3,242.26
Foreign Currency Loan	663.33	1,408.29	1,038.61	653.04
	<b>119,194.22</b>	<b>127,995.49</b>	<b>20,104.61</b>	<b>7,008.36</b>
<b>Loans from Related Parties (Unsecured)</b>				
From Body Corporates	7,280.00	7,131.00	-	-
	<b>7,280.00</b>	<b>7,131.00</b>	<b>-</b>	<b>-</b>
<b>Other Loans and Advances</b>				
Loans from Body Corporates (Unsecured)	6,577.71	6,487.34	-	-
Loans against Vehicles & Equipments (Secured)	(0.00)	16.82	0.42	-
	<b>6,577.71</b>	<b>6,504.16</b>	<b>0.42</b>	<b>-</b>
	<b>133,051.93</b>	<b>141,630.65</b>	<b>20,105.03</b>	<b>7,008.36</b>
The above amount includes				
Secured Borrowings	119,194.22	128,012.31	20,105.03	7,008.36
Unsecured Borrowings	13,857.71	13,618.34	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 9)	-	-	(20,105.03)	(7,008.36)
	<b>133,051.93</b>	<b>141,630.65</b>	<b>-</b>	<b>-</b>

### (A) Working Capital Term Loan :

Upon implementation of the CDR Package (Refer Note 31), the overdrawn portion of the Cash Credit Accounts of the Company has been carved out into separate Working Capital Term Loans (WCTL).

### (B) Funded Interest Term Loan :

Upon implementation of the CDR Package (Refer Note 31), funding of interest has been provided for:

- Interest on existing term loans for a period of 24 months from the Cut-Off Date i.e from October 01, 2013 to September 30, 2015;
- Interest on WCTL for a period of 24 months from the Cut-Off Date i.e from October 01, 2013 to September 30, 2015;
- Interest on residual cash credit limit for a period of 9 months from the Cut-Off Date i.e from October 01, 2013 to June 30, 2014;"

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

### (C) Details of security :

- (i) In terms of the CDR package, Rupee Term Loans, Working Capital Term Loans, Funded Interest Term Loans and Working Capital Loan (Refer Note 7) are pooled together and secured as under:
  - a) First pari-passu charge on the entire Fixed Assets of the Company (excluding value of vehicles), both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal). Also, secured by way of mortgage on Freehold land at New Town, District: North 24 Parganas measuring 50 Cottahs.
  - b) First pari-passu charge on the entire Current Assets of the Company comprised of stock of raw materials, semi finished and finished goods and book debts, outstanding moneys, receivables, both present and future pertaining to the Company's manufacturing units/divisions at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and at other Units.
  - c) Collateral security by equitable mortgage on Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd., Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C.R. Avenue, Kolkata - 700 012, held in the name of Mr. S.K.Patni and Flat No. A-52, Block-A, 35, Dr. Abani Dutta Road, Salkia, Howrah, held in the name of Mr. Rohit Patni.
  - d) Pledge of 100% of the promoter's shares representing 72% of the paid up Capital of the company on pari passu basis.
  - e) Personal Guarantee of the Promoters - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.
  - f) Corporate Guarantee of the Group Companies - Vasupuiya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading & Investment Co. Pvt. Ltd.
- (ii) Foreign Currency Term Loan from Indian Overseas Bank is secured by assignment of shares of mining companies, pledge of investments in exchangeable bonds of PT Pacific Samudra Perkasa, personal guarantees given by certain promoters and directors of the parent Company and as well as 25% of deposit margin for working capital limits. Foreign Currency Term Loan and Working Capital Loan from Indian Overseas Bank is secured by first charge on entire current assets of the Company - SKP Overseas Pte Limited.
- (iii) Loans against Vehicles & Equipments are secured by way of hypothecation of the underlying asset financed.

### (D) Terms of Repayment of Loans :

#### (i) Terms of Repayment of Rupee Term Loans availed for Haldia Project, 33 MVA Furnace and Stainless Steel Plant of the Company and Working Capital Term Loan :

Upon implementation of the CDR Package, the existing Rupee Term Loan amounting to ₹ 33,234.93 Lacs in respect of Haldia Project, 33 MVA Furnace and Stainless Steel Project and Working Capital Term Loan are to be repaid over a period of 8 years by way of 32 structured quarterly installments commencing from December 31, 2015 upto September 30, 2023 as per the Repayment Schedule given below. Further, such loans carry the interest rate @ 11% p.a. linked to the Base Rate of the State Bank of India, with annual reset option with the approval of CDR-EG.

Financial Year	Quarters	Repayment per Quarter	Total
2015-2016	2.00	1.00%	2.00%
2016-2017	4.00	1.00%	4.00%
2017-2018	4.00	1.50%	6.00%
2018-2019	4.00	1.50%	6.00%
2019-2020	4.00	1.50%	6.00%
2020-2021	4.00	4.00%	16.00%
2021-2022	4.00	4.50%	18.00%
2022-2023	4.00	6.00%	24.00%
2023-2024	2.00	9.00%	18.00%
		<b>Total</b>	<b>100.00%</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

### (ii) Terms of Repayment of Term Loan availed for 67.5 MVA Captive Power Plant project of the Company :

Upon implementaion of the CDR Package, the Rupee Term Loan amounting to ₹ 25,699.04 lacs in respect of 67.5 MVA Captive Power Plant is to be repaid by way of 38 equal quarterly installments commencing from December 31, 2015 upto March 31, 2025. Further, the loan carries the interest rate @ 11% p.a. linked to the Base Rate of the State Bank of India, with annual reset option with the approval of CDR-EG.

### (iii) Terms of Repayment of Funded Interest Term Loan :

Repayment of FITL is to be made in 18 equal quarterly installments commencing from December 31, 2015 with the last installment due on March 31, 2020. FITL carries interest @11% p.a. linked to the Base Rate of the State Bank of India, with annual reset option with the approval of CDR-EG.

### (iv) Period and Amount of Default as on the Balance Sheet date :

Particulars	Amount of default as at the Balance Sheet date (₹ in Lacs)		Period of default
	Principal Repayment	Interest Payment	
<b>TERM LOAN</b>			
ALLAHABAD BANK	308.00	298.77	Quarter ending 31st Dec, 2015 & 31st March 2016
CANARA BANK	45.86	150.46	Quarter ending 31st Dec, 2015 & 31st March 2016
STATE BANK OF HYDERABAD	263.00	236.60	Quarter ending 31st Dec, 2015 & 31st March 2016
STATE BANK OF INDIA	799.76	1,418.62	Quarter ending 31st Dec, 2015 & 31st March 2016
STATE BANK OF TRAVANCORE	263.00	270.40	Quarter ending 31st Dec, 2015 & 31st March 2016
UNITED BANK OF INDIA	245.96	573.44	Quarter ending 31st Dec, 2015 & 31st March 2016
EXIM BANK	178.00	409.87	Quarter ending 31st Dec, 2015 & 31st March 2016
<b>TOTAL</b>	<b>2,103.58</b>	<b>3,358.16</b>	
<b>WORKING CAPITAL TERM LOAN</b>			
ALLAHABAD BANK	29.36	64.95	Quarter ending 31st Dec, 2015 & 31st March 2016
ANDHRA BANK	23.82	64.14	Quarter ending 31st Dec, 2015 & 31st March 2016
BANK OF BARODA	89.00	194.71	Quarter ending 31st Dec, 2015 & 31st March 2016
CENTAL BANK OF INDIA	4.62	10.47	Quarter ending 31st Dec, 2015 & 31st March 2016
PUNJAB NATIONAL BANK	85.84	226.79	Quarter ending 31st Dec, 2015 & 31st March 2016
STATE BANK OF HYDERABAD	104.72	278.79	Quarter ending 31st Dec, 2015 & 31st March 2016
STATE BANK OF INDIA	276.04	857.48	Quarter ending 31st Dec, 2015 & 31st March 2016
STATE BANK OF TRAVANCORE	102.66	281.71	Quarter ending 31st Dec, 2015 & 31st March 2016
UNITED BANK OF INDIA	237.96	786.96	Quarter ending 31st Dec, 2015 & 31st March 2016
UCO BANK	58.30	142.89	Quarter ending 31st Dec, 2015 & 31st March 2016
<b>TOTAL</b>	<b>1,012.32</b>	<b>2,908.88</b>	
<b>FUNDED INTEREST TERM LOAN</b>			
ALLAHABAD BANK	242.22	96.31	Quarter ending 31st Dec, 2015 & 31st March, 2016
ANDHRA BANK	48.44	22.48	Quarter ending 31st Dec, 2015 & 31st March, 2016
BANK OF BARODA	140.00	18.13	Quarter ending 31st Dec, 2015 & 31st March, 2016
CANARA BANK	56.00	32.77	Quarter ending 31st Dec, 2015 & 31st March, 2016
CENTRAL BANK OF INDIA	31.44	17.46	Quarter ending 31st Dec, 2015 & 31st March, 2016
EXIM BANK	215.89	107.09	Quarter ending 31st Dec, 2015 & 31st March, 2016
PUNJAB NATIONAL BANK	180.56	96.00	Quarter ending 31st Dec, 2015 & 31st March, 2016
STATE BANK OF HYDERABAD	294.33	129.27	Quarter ending 31st Dec, 2015 & 31st March, 2016
STATE BANK OF INDIA	1,096.44	625.96	Quarter ending 31st Dec, 2015 & 31st March, 2016
STATE BANK OF TRAVANCORE	263.44	150.14	Quarter ending 31st Dec, 2015 & 31st March, 2016
UNITED BANK OF INDIA	588.44	347.07	Quarter ending 31st Dec, 2015 & 31st March, 2016
UCO BANK	82.44	42.18	Quarter ending 31st Dec, 2015 & 31st March, 2016
<b>TOTAL</b>	<b>3,239.65</b>	<b>1,684.85</b>	

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

(v) Pursuant to CDR Package, the Company has received unsecured loans amounting to ₹ 7,280.00 Lacs from Promoters & Promoter group Companies as promoter's contribution, to be converted into equity. Subsequently, with the invocation of SDR, the said amount of ₹ 7,280.00 Lacs was allowed to be converted into equity at par. In-principal approval from the Stock Exchanges has been received before signing of these Consolidated Financial Statements.

### (vi) Terms of Repayment of Foreign Currency Loan :

Repayment of Foreign Currency Loan is to be made in 1 quarterly installment of ₹ 120.20 Lacs, 6 quarterly installments of ₹ 150.25 Lacs each, 3 quarterly installments of ₹ 180.30 Lacs each and 4 quarterly installments of ₹ 240.40 Lacs each. The loan carries effective interest rate @ 6 months Libor + 4.5%.

(vii) Unsecured Loan from Body Corporates (Other than related parties) aggregating to ₹ 6,577.72 Lacs (P.Y. ₹ 6,487.34 Lacs) are interest free. Such loans are repayable at the option of the Company and are stated by the management to be in the nature of Long -Term borrowings.

(viii) Loans against Vehicles & Equipments are repayable by way of Equated Monthly Installments subsequent to taking of such loan. The original period of such loans is 3 years.

## NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Deferred Tax Liability</b>		
-Related to Fixed Assets	8,945.19	6,229.13
<b>Deferred Tax Asset</b>		
-Unabsorbed Depreciation & Business Losses	36,840.67	11,354.54
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(27,895.48)</b>	<b>(5,125.41)</b>

Net Deferred Tax Asset on account of balance of Unabsorbed Depreciation and Business Loss has not been recognised as a matter of prudence.

## NOTE 6 OTHER LONG-TERM LIABILITIES

	31-03-2016	31-03-2015
Advance from Parties	394.80	353.04
Liability for Accrued Expences	202.36	955.79
	<b>597.16</b>	<b>1,308.83</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 7 SHORT-TERM BORROWINGS

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Working Capital Loans from Banks</b>		
- Rupee Loans (Secured)	112,592.74	77,870.62
- Foreign Currency Loan - Bank Overdraft (Secured)	2,741.15	2,569.70
<b>Other Loans and Advances</b>		
Bridge Loan from WBIDC Ltd. (against interest subsidy receivable)	74.10	-
SBI Global Factors Limited under factoring facility secured against specific debts	109.81	393.75
	<b>115,517.80</b>	<b>80,834.07</b>

### Details of security

The rate of interest on the working capital loans from banks is 10.3% linked to the base rate of State Bank of India. For details of security given for Short-Term borrowings, Refer Note 4(C) above.

## NOTE 8 TRADE PAYABLES

	31-03-2016	31-03-2015
Due to Micro, Small & Medium Enterprises [Refer Note (a) below]	-	-
Due to others	37,372.83	43,852.91
	<b>37,372.83</b>	<b>43,852.91</b>

- There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- Trade Payables include ₹ 1146.28 Lacs (P.Y. ₹ 3494.18 Lacs) with whom stock of raw material of equal amount are pledged.
- The Trade Payables include ₹ 903.16 Lacs (P.Y ₹ 536.35 Lacs) due to related parties. (Refer Note No. 40)

## NOTE 9 OTHER CURRENT LIABILITIES

	31-03-2016	31-03-2015
Current maturities of Long-Term Debt (Refer Note 4)	20,105.03	7,008.36
Interest Accrued and Due on Borrowings	8,223.24	192.40
Income Received in Advance	-	5.75
Advance from parties	7,971.30	2,572.84
Unclaimed Dividend *	6.10	8.30
Other Payables		
- For Statutory Dues	2,567.17	2,204.01
- For Capital Goods	2,448.64	4,324.66
- For Accrued Expenses & Others	1,150.01	3,452.33
	<b>42,471.49</b>	<b>19,768.65</b>

\* An amount of ₹ 2.20 Lacs (P.Y ₹ 1.69 Lacs) has been transferred during the year to Investor Education & Protection Fund.

## NOTE 10 SHORT-TERM PROVISIONS

	31-03-2016	31-03-2015
For Taxation	871.17	871.17
	<b>871.17</b>	<b>871.17</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 11 TANGIBLE ASSETS

(₹ in Lacs)

	Land		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total
	Freehold	Leasehold							
<b>Gross Block</b>									
<b>As at 31st March, 2014</b>	<b>1,081.50</b>	<b>4,447.42</b>	<b>13,471.03</b>	<b>47,075.05</b>	<b>442.30</b>	<b>552.61</b>	<b>442.40</b>	<b>0.30</b>	<b>67,512.62</b>
Additions	-	17.12	2.55	1.58	-	-	20.14	-	41.39
Disposals	-	-	-	-	-	4.27	-	-	4.27
Other Adjustments									-
- Exchange translation adjustments	-	(37.39)	(4.48)	(33.36)	-	(14.48)	(5.17)	-	(94.88)
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2015</b>	<b>1,081.50</b>	<b>4,427.15</b>	<b>13,469.10</b>	<b>47,043.27</b>	<b>442.30</b>	<b>533.86</b>	<b>457.37</b>	<b>0.30</b>	<b>67,454.85</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>2,562.72</b>	<b>23,501.86</b>	<b>-</b>	<b>-</b>	<b>5.26</b>	<b>-</b>	<b>26,069.84</b>
Disposals	-	-	-	-	-	116.43	-	-	116.43
Other Adjustments									-
- Exchange translation adjustments	-	18.07	2.18	15.74	-	6.81	2.58	-	45.37
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>1,081.50</b>	<b>4,445.22</b>	<b>16,034.00</b>	<b>70,560.86</b>	<b>442.30</b>	<b>424.24</b>	<b>465.21</b>	<b>0.30</b>	<b>93,453.62</b>
<b>Depreciation &amp; Amortisation</b>									
<b>As at 31st March, 2014</b>	<b>-</b>	<b>-</b>	<b>2,071.73</b>	<b>10,335.19</b>	<b>123.93</b>	<b>183.14</b>	<b>195.44</b>	<b>0.15</b>	<b>12,909.59</b>
Acquisition	-	-	416.35	1,972.36	56.61	62.36	119.71	0.03	2,627.43
For the year*	-	-	-	194.84	2.67	0.60	51.35	-	249.45
Deductions	-	-	-	-	-	1.73	-	-	1.73
Exchange translation adjustments			(0.45)	(12.71)	(0.00)	(7.16)	(2.93)	(0.01)	(23.27)
<b>As at 31st March, 2015</b>	<b>-</b>	<b>-</b>	<b>2,487.62</b>	<b>12,489.68</b>	<b>183.21</b>	<b>237.20</b>	<b>363.57</b>	<b>0.19</b>	<b>15,761.47</b>
For the year*	-	-	454.44	2,462.04	46.89	63.04	45.94	0.03	3,072.38
Transfer to Retained Earnings	-	-	-	(140.01)	-	-	-	-	(140.01)
Deductions	-	-	-	-	-	57.61	-	-	57.61
Exchange translation adjustments	-	-	0.32	7.30	-	3.98	1.82	-	13.43
<b>As at 31st March, 2016</b>	<b>-</b>	<b>-</b>	<b>2,942.38</b>	<b>14,819.01</b>	<b>230.10</b>	<b>246.61</b>	<b>411.34</b>	<b>0.22</b>	<b>18,649.66</b>
<b>Net Block</b>									
<b>As on 31st March 2015</b>	<b>1,081.50</b>	<b>4,427.15</b>	<b>10,981.48</b>	<b>34,553.61</b>	<b>259.09</b>	<b>296.67</b>	<b>93.81</b>	<b>0.11</b>	<b>51,693.38</b>
<b>As on 31st March 2016</b>	<b>1,081.50</b>	<b>4,445.22</b>	<b>13,091.62</b>	<b>55,741.85</b>	<b>212.19</b>	<b>177.63</b>	<b>53.87</b>	<b>0.08</b>	<b>74,803.96</b>

**Note :** Pursuant to the Companies Act, 2013 the company has reworked the depreciation on the estimated useful life of Fixed Assets prescribed under Schedule II of the Act. Further based on transitional provision provided in note 7(b) of Schedule II to the Act an amount of ₹ 249.45 lacs has been adjusted in the opening balance of retained earnings in respect of assets having no useful life as on 1st April 2014. The amount of ₹ 249.45 lacs includes excess depreciation of ₹ 140.02 lacs on electrical installations, now adjusted.

The original cost of vehicles & equipments includes ₹ 13.00 Lacs (P.Y. ₹ 62.91 Lacs) acquired under vehicle and equipment finance scheme from banks & financial institutions, of which ₹ 0.42 Lacs (P.Y. ₹ 16.82 Lacs) were outstanding as at year end.

\* Includes ₹ 14.21 Lacs (P.Y. ₹ 14.61 Lacs) debited to Capital Work-in-Progress.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 12 INTANGIBLE ASSETS

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Goodwill</b>		
At the beginning of the year	2,962.75	2,962.75
Add: On Acquisition	-	-
<b>At the end of the year</b>	<b>2,962.75</b>	<b>2,962.75</b>

## NOTE 13 CAPITAL WORK-IN-PROGRESS

	31-03-2016	31-03-2015
At the beginning of the year	66,087.59	54,647.21
Add: On Acquisition	-	-
Add: Incurred during the year	2,078.35	11,440.38
Less: Exchange translation adjustments	-	-
Less: Capitalised during the year	(23,886.48)	-
<b>At the end of the year</b>	<b>44,279.46</b>	<b>66,087.59</b>

Capital Work-in-Progress includes Pre-Operative Expenses as below relating to project under implementation, pending allocation to Fixed Assets:

	31-03-2016	31-03-2015
<b>Opening Balance</b>	<b>16,876.27</b>	<b>11,851.13</b>
<b>Add: Expenditure incurred during the period</b>		
Salaries	36.99	81.59
Rent	8.57	10.22
Rates & taxes	-	-
Insurance	9.42	13.31
Electricity Charges	0.92	0.95
Printing & Stationary	-	-
Telephone Expenses	0.37	0.63
Travelling & Conveyance	0.22	1.37
Repairs & Maintainance	0.28	0.31
Labour charges	6.11	20.41
Security Service Charges	67.51	64.17
Hiring Charges - Equipment	3.82	6.81
Legal, Professional & Consultancy Charges	0.79	19.35
General Expenses	0.58	12.66
Bank Charges	0.18	0.33
Interest on Term-Loan from Banks	3,743.96	4,778.42
Depreciation	14.21	14.61
<b>Total</b>	<b>20,770.20</b>	<b>16,876.27</b>
<b>Amount allocated to Fixed Assets</b>	<b>(6,022.97)</b>	<b>-</b>
<b>Closing Balance</b>	<b>14,747.23</b>	<b>16,876.27</b>

The Company has capitalised during the year 33MVA Furnace at the Jajpur Plant in Odissa. Accordingly, pre-operative expenses relating to the said project have been capitalised by transfer to factory shed and building, plant and machinery and electrical installations in proportion to their respective costs.



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 14 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lacs)

	31-03-2016	31-03-2015
Intangible Assets under development represents expenses incurred for development of mines under the following heads:		
<b>Opening Balance</b>	<b>3,978.38</b>	<b>4,397.88</b>
Add : On Acquisition	-	-
Add : <b>Expenditure incurred during the period</b>		
Salaries & Wages	-	216.17
Rent	-	61.02
Power and Fuel	-	207.80
Rates & taxes	-	10.94
Insurance	-	-
Travelling & Conveyance	-	38.33
Field Operations	-	370.08
License and Permit Fees	-	14.93
Environment Analysis	-	-
Interest and Foreign Exchange Fluctuation loss	15.22	341.78
General Expenses	-	136.89
Depreciation	0.09	38.18
<b>Total</b>	<b>3,993.69</b>	<b>5,834.00</b>
Less: Coal extraction cost [Refer Note 30 (d)]	(15.31)	(1,384.99)
Exchange Translation Adjustments	191.62	(470.63)
<b>Closing Balance</b>	<b>4,200.62</b>	<b>3,978.38</b>

## NOTE 15 NON-CURRENT INVESTMENTS

	Number of shares for 31-03-2016	Number of shares for 31-03-2015	31-03-2016	31-03-2015
<b>Long - Term Investments (valued at cost)</b>				
<b>Trade Investments</b>				
<b>Equity Shares - Unquoted (Fully Paid Up)</b>				
<b>Exchangeable Bonds- Unquoted*</b>				
PT Pacific Samudra Perkasa ( F.V. 10,00,000 USD )	6.00	6.00	3,979.97	3,692.86
<b>Investment in Mutual Funds</b>				
SBI Mutual Fund	25.00	25.00	250.00	250.00
[NAV ₹ 260.34 Lacs as on 31-03-2016 (P.Y. 252.14 Lacs)]				
<b>Total of Non Current Investments</b>			<b>4,229.97</b>	<b>3,942.86</b>

\* Investments in PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia) represent investments in exchangeable bonds which can be exchanged for shares in the subsidiaries of that Company. These subsidiaries hold mining rights in coal mines in Indonesia.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 16 LONG-TERM LOANS & ADVANCES

(₹ in Lacs)

	31-03-2016	31-03-2015
(Unsecured, Considered good)		
<b>To Related Parties</b>		
- Capital Advances [Refer Note No. 34 (ii)]	7.91	7.91
- Security Deposits	168.00	168.00
<b>To Parties other than Related Parties</b>		
- Capital Advances [Refer Note No. 34 (ii)]	516.99	2,440.65
- Security Deposits	3,009.68	3,523.27
	<b>3,702.58</b>	<b>6,139.83</b>

## NOTE 17 OTHER NON-CURRENT ASSETS

	31-03-2016	31-03-2015
<b>Unamortised Expenses</b>		
Deferred Expenses	2,506.26	2,364.87
	<b>2,506.26</b>	<b>2,364.87</b>

## NOTE 18 INVENTORIES

	31-03-2016	31-03-2015
(As taken, valued and certified by the management)		
Raw Materials	55,775.50	66,825.63
Intermediates	1,592.03	32.49
Work-in-Process	5,693.53	11,235.23
Finished Goods*	1,278.52	5,449.65
Traded Goods	-	657.71
Stores & Spares	1,486.41	2,134.91
Packing Materials	46.24	53.41
	<b>65,872.23</b>	<b>86,389.03</b>

\* Includes in transit ₹ NIL (P.Y. ₹ 140.64 Lacs)

## NOTE 19 TRADE RECEIVABLES

	31-03-2016	31-03-2015
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	49,106.25	13,584.13
Other Debts	25,919.01	47,079.35
	<b>75,025.26</b>	<b>60,663.48</b>

Trade Receivables include ₹ 2350.39 Lacs (P.Y. ₹ 2,767.78 Lacs) due from Related Parties.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 20 CASH AND BANK BALANCES

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>i) Cash &amp; Cash Equivalents</b>		
(A) Cash in Hand (as certified)	30.11	32.09
(B) Balances with Banks		
- In Current Accounts	299.17	131.26
<b>Cash &amp; Cash Equivalents</b>	<b>329.28</b>	<b>163.35</b>
<b>ii) Other Bank Balances</b>		
(A) Term Deposits with Banks *	1,597.44	1,987.48
(Includes ₹ 3.90 Lacs (P.Y. ₹ 64.03 Lacs) having maturity greater than 12 months)		
(B) Earmarked Balances with Banks	6.10	8.30
<b>Other Bank Balances</b>	<b>1,603.54</b>	<b>1,995.78</b>
<b>TOTAL</b>	<b>1,932.82</b>	<b>2,159.13</b>

\* Held as Margin against Bank Guarantee and Letter of Credit.

## NOTE 21 SHORT-TERM LOANS & ADVANCES

	31-03-2016	31-03-2015
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
To Related Parties	50.00	50.00
To Others	14,439.72	14,532.99
Balance with Central Excise and Cenvat Receivable	2,015.61	2,536.88
Sales Tax/VAT Receivable/Refundable	2,256.09	2,378.15
Income Tax Payments (Including TDS)	396.61	359.35
Income Tax Refundable	22.68	22.68
Prepaid Expenses	70.14	79.00
Accrued Interest on Deposits	16.56	42.07
Other Deposits	3.69	5.08
	<b>19,271.10</b>	<b>20,006.20</b>

## NOTE 22 OTHER CURRENT ASSETS

	31-03-2016	31-03-2015
(Unsecured, Considered Good)		
Export Incentive Receivable	1,285.36	717.62
Subsidy/Power Incentive Receivable	4,211.99	4,211.99
	<b>5,497.35</b>	<b>4,929.61</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 23 REVENUE FROM OPERATIONS

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Sale of Products</b>		
- Sale of Manufactured Goods	68,739.00	1,38,044.92
- Sale of Raw Materials and Slag	31,662.73	10,430.22
- Sale of Traded Goods	53,824.41	55,342.72
	<b>1,54,226.14</b>	<b>2,03,817.86</b>
<b>Other Operating Revenues</b>		
- Export Incentives	481.22	1,874.95
- Compensation	-	-
	<b>1,54,707.36</b>	<b>2,05,692.81</b>
<b>Details of Sale of Products</b>		
<b>Sale of Manufactured Goods</b>		
- Ferro Alloys	32,103.72	73,297.97
- Iron and Steel Products	36,635.29	64,746.95
<b>Sale of Raw Materials and Slag</b>		
- Manganese Ore	27,178.31	6,509.64
- Coal & Coke	1,881.94	3,217.04
- Others	2,602.48	703.55
<b>Sale of Traded Goods</b>		
- Ferro Alloys	12.42	1,123.94
- Manganese Ore	432.00	711.73
- Coal & Coke	6,885.90	2,841.22
- Iron and Steel Products	46,494.08	50,665.84
	<b>1,54,226.14</b>	<b>2,03,817.86</b>

## NOTE 24 OTHER INCOME

	31-03-2016	31-03-2015
Interest Income		
- On Credit Sales	14.31	68.86
- On Fixed Deposits	126.07	178.69
- Other Deposits	253.95	384.79
Commission Income	283.09	366.35
Lease Rent Received	3.60	3.60
Insurance Claim Received	184.54	50.98
Miscellaneous Income	9.44	35.53
	<b>875.00</b>	<b>1,088.80</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 25 COST OF MATERIALS CONSUMED

(₹ in Lacs)

	31-03-2016	31-03-2015
(including Cost of Raw Materials sold)		
Opening Stock of Raw Materials & Intermediates	66,858.12	64,518.52
Purchases during the year (including freight)	69,322.00	99,329.62
	<b>1,36,180.12</b>	<b>1,63,848.14</b>
Less : Closing Stock of Raw Materials	55,775.50	66,825.63
	<b>80,404.62</b>	<b>97,022.51</b>
Less : Closing Stock of Intermediates	1,592.03	32.49
<b>Cost of Materials consumed</b>	<b>78,812.59</b>	<b>96,990.02</b>
<b>Details of Materials Consumed</b>		
- Chrome Ore	17,186.56	30,180.29
- Manganese Ore	31,802.33	16,734.05
- Coal & Coke	8,527.92	12,018.59
- Sponge Iron, Scrap & Billets	19,158.05	19,187.02
- Others	2,137.73	18,870.08
	<b>78,812.59</b>	<b>96,990.02</b>

Cost of material consumed includes ₹ 7,287.98 Lacs (P.Y. ₹ NIL) in respect of written down at carrying cost of raw materials in Haldia and Bishnupur (Ferro Alloy division) to net realisable value on account of shut down of plant and depressed market conditions.

	31-03-2016		31-03-2015	
	%	(₹ in Lacs)	%	(₹ in Lacs)
<b>Break up into Imported &amp; Indigenous</b>				
Imported	25.78	20,314.42	50.67	49,142.77
Indigenous	74.22	58,498.17	49.33	47,847.26
	<b>100.00</b>	<b>78,812.59</b>	<b>100.00</b>	<b>96,990.02</b>

## NOTE 26 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

	31-03-2016	31-03-2015
Ferro Alloys	12.64	348.99
Manganese Ore	155.63	688.60
Coal & Coke	4,076.75	3,172.28
Iron and Steel Products	46,535.12	50,595.78
	<b>50,780.14</b>	<b>54,805.65</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Opening Stock</b>		
<b>Finished Goods</b>		
- Ferro Alloys	3,093.99	3,274.35
- Coal	301.83	-
- Iron & Steel Products	1,553.44	1,437.66
<b>Work-In-Progress</b>		
- Ferro Alloys	6,490.29	5,532.89
- Coal	991.49	-
- Iron and Steel Products	3,753.45	1,814.03
<b>Traded Goods</b>		
- Ferro Alloys	0.28	4.71
- Coal & Coke	500.40	-
- Iron & Steel Products	657.43	314.72
	<b>17,342.60</b>	<b>12,378.36</b>
<b>Closing Stock</b>		
<b>Finished Goods</b>		
- Ferro Alloys	306.24	3,093.99
- Coal	322.35	301.83
- Iron & Steel Products	649.92	1,553.44
<b>Work-In-Progress</b>		
- Ferro Alloys	3,205.68	6,490.29
- Coal	1,058.92	991.49
- Iron & Steel Products	1,428.94	3,753.45
<b>Traded Goods</b>		
- Ferro Alloys	-	0.28
- Coal & Coke	-	500.40
- Iron & Steel Products	-	657.43
	<b>6,972.05</b>	<b>17,342.60</b>
	<b>10,370.55</b>	<b>(4,964.24)</b>

## NOTE 28 EMPLOYEE BENEFITS EXPENSE

	31-03-2016	31-03-2015
Salaries, Wages, Bonus & Allowances	1,855.90	2,391.30
Contribution to Provident & Other Funds	90.98	123.43
Gratuity [Refer Note No. 38]	101.13	42.37
Directors' Remuneration	77.29	92.11
Welfare Expenses	40.85	62.64
	<b>2,166.15</b>	<b>2,711.85</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 29 FINANCE COSTS

(₹ in Lacs)

	31-03-2016	31-03-2015
Interest Expense		
- To Banks	21,826.63	18,411.70
- To Others	403.47	487.61
Other Borrowing Costs	1,186.31	1,052.35
Vehicles and Equipment Finance Charges	0.98	6.57
Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	-	-
	<b>23,417.39</b>	<b>19,958.23</b>

## NOTE 30 OTHER EXPENSES

	31-03-2016	31-03-2015
Labour Charges	2,050.57	3,452.66
Power & Fuel	18,123.99	36,880.43
Water Supply Charges	75.24	75.31
Stores, Spares and Consumables [Refer Note (a) below]	3,580.25	5,450.95
Packing Materials	143.74	391.22
Material Handling Expenses	456.97	898.77
Excise Duty on Variation in Stock [Refer Note (b) below]	(324.44)	233.63
Repairs		
- To Factory Shed & Building	28.31	57.57
- To Plant & Machinery	73.17	405.25
Rent	62.37	111.40
Rates & Taxes	21.48	47.04
Electricity Expenses	23.43	26.83
Insurance	135.56	250.08
Printing and Stationery	15.88	25.77
Postage and Courier	11.54	14.40
Telephone Charges	51.67	72.09
Travelling & Conveyance	99.50	113.87
Car Running and Maintenance	88.85	142.43
Other Repairs and Maintenance	45.26	86.16
Security Service Charges	327.76	359.85
Membership and Subscription	6.47	23.78
Internal Audit Fees	1.43	0.30
Legal and Professional Charges	267.93	863.32
Auditors' Remuneration [Refer Note (c) below]	20.57	17.50
Directors' Sitting Fees	2.83	2.33
Miscellaneous Expenses	138.68	108.79
Short Realisation/Loss on sale of DEPB	(6.50)	842.20
Processing Fees to WBIDC Ltd.	-	-
Testing & Inspection Charges	55.43	149.23

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 30 OTHER EXPENSES (Contd.)

(₹ in Lacs)

	31-03-2016	31-03-2015
Donations	14.12	12.37
Advertisement & Sales Promotion	37.16	54.91
Freight & Forwarding on Export	1,386.11	2,078.57
Transportation & Delivery Charges	1,594.12	3,225.14
Coal Extraction cost [Refer Note (d) below]	15.31	1,384.99
Commission on Sales	277.04	274.78
Excise Duty/Sales Tax for earlier years	4.27	9.35
Corporate Social Responsibility	2.91	8.49
CDR Expenses	-	2.05
Loss on Sale of Fixed Assets	23.00	1.27
Short Recovery & Damages	40.79	181.14
Prior Period Expenses	-	0.94
Sundry Balances Written Off	8.59	7.64
Forfeiture of Earnest Money Deposit	45.27	53.74
Foreign Exchange Fluctuation Loss	738.75	1,533.05
Provisions	290.31	-
	<b>30,055.69</b>	<b>59,931.56</b>

### a) Stores, Spares & Consumables

	31-03-2016		31-03-2015	
	%	(₹ in Lacs)	%	(₹ in Lacs)
<b>Break up into Imported &amp; Indigenous</b>				
Imported	8.20	293.72	6.68	363.95
Indigenous	91.80	3,286.53	93.32	5,087.00
	<b>100.00</b>	<b>3,580.25</b>	<b>100.00</b>	<b>5,450.95</b>

b) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

### c) Auditors' Remuneration

	31-03-2016	31-03-2015
i) As Auditor [includes tax audit fees of ₹ 2.00 Lacs (P.Y. ₹ 2.00 Lacs)]	10.00	13.06
ii) For Taxation matters	-	-
iii) For Other services	8.00	4.44
	<b>18.00</b>	<b>17.50</b>



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 30 OTHER EXPENSES (Contd.)

### d) Coal Extraction cost includes the following

(₹ in Lacs)

	31-03-2016	31-03-2015
Salaries & Wages	-	266.81
Rent	-	62.22
Power and Fuel	-	207.80
Rates & taxes	-	10.94
Insurance	-	2.39
Travelling & Conveyance	-	48.35
Field Operations	-	404.01
License and Permit Fees	-	84.85
Environment Analysis	-	0.23
Interest and Foreign Exchange Fluctuation loss	15.22	24.72
General Expenses	-	144.39
Depreciation/Amortisation	0.09	128.30
<b>Total</b>	<b>15.31</b>	<b>1,384.99</b>

## NOTE 31 CORPORATE DEBT RESTRUCTURING OF LOANS (OTHER THAN FOREIGN CURRENCY LOAN)

During the year 2013-14, at the request of the Company, the Corporate Debt Restructuring Proposal (CDR Proposal) was referred to CDR Empowered Group (CDR EG) by the consortium of lenders led by State Bank of India (SBI). The CDR Proposal as recommended by SBI was approved by CDR EG on March 24, 2014 and communicated vide Letter of Approval dated 28th March, 2014, as amended/modified from time to time. Under CDR package, the Company's debts were restructured/rescheduled and additional credit facilities have been sanctioned as set out in the said Letter of Approval. The cut-off date for CDR package was September 30, 2013 and upon implementation, the financial effect thereof has been duly taken into accounts.

The CDR Package includes reliefs/measures such as reduction in interest rates, funding of interest, rearrangement of securities etc. The key features of the CDR Proposal are as follows:

- Repayment of Rupee Term Loans (RTL) (except term loan for Captive Power Plant of the Company) after moratorium of 2 years from the cut-off date in 32 structured quarterly installments commencing from December 31, 2015 to September 30, 2023.
- Repayment of Rupee Term Loans for Captive Power Plant of the Company after moratorium of 2 years from the cut-off date in 38 structured quarterly installments commencing from December 31, 2015 to March 31, 2025.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium period of 2 years from cut-off date in 32 structured quarterly installments commencing from December 31, 2015 to September 30, 2023.
- Restructuring of existing fund based and non fund based financial facilities.
- Interest on RTL and WCTL during the moratorium period of 2 years from cut-off date and interest on Cash Credit limit for a period of 9 months from the cut-off date shall be converted to FITL. Repayment of FITL would be done in 18 equal quarterly installments commencing from December 31, 2015 to March 31, 2020.
- The rate of interest on RTL, WCTL, FITL and Fund Based Working Capital Facilities shall be 11% (linked to the base rate of SBI) with the right to reset the rate of the Term loan(s) and FITL every year with the approval of CDR-EG.
- Waiver of penal interest for irregularities in the Cash Credit accounts for the period from cut-off date to the date of implementation of the package.
- Contribution of ₹ 5,664 Lacs in the Company by the Promoters in lieu of bank sacrifices and ₹ 8,577 Lacs to meet the additional cost over run towards the Captive Power Plant project of the Company. The contribution is to be brought initially in the form of unsecured loan by September 30, 2014 and the same is to be converted into equity by June 30, 2015.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 31 CORPORATE DEBT RESTRUCTURING OF LOANS (OTHER THAN FOREIGN CURRENCY LOAN) (Contd.)

- (ix) The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/to be made by CDR Lenders as per the CDR package is approximately ₹ 69,987 Lacs.

## NOTE 32 EARNINGS PER EQUITY SHARE

(₹ in Lacs)

	31-03-2016	31-03-2015
Weighted average number of Equity Shares outstanding during the year	1,137.76	1,137.76
Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	1,137.76	1,137.76
Profit after Tax attributable to Equity Shareholders (₹ Lacs)	(48,860.59)	(35,994.87)
Nominal Value of Ordinary Shares (₹)	10.00	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>(42.94)</b>	<b>(31.64)</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>(42.94)</b>	<b>(31.64)</b>

## NOTE 33

The Consolidated Financial Statement includes the financial statements of the Parent Company, its wholly-owned subsidiary, M/s SKP Overseas Pte Ltd., incorporated in Singapore and its step down subsidiary, M/s PT. Bara Prima Mandiri, incorporated in Indonesia. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary.

Name of the Entity	As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2016		As at 31st March, 2015	
	Net Assets		Net Assets		Share in Profit or Loss		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)
<b>Parent Company</b>								
Rohit Ferro-Tech Ltd.	125.89	(32,226.47)	71.20	16,208.83	98.48	(48,401.50)	99.71	(35,890.40)
<b>Subsidiaries</b>								
<b>Foreign</b>								
SKP Overseas Pte Ltd.	-4.42	1,132.39	5.00	1,137.45	0.00	(2.22)	-0.32	113.87
PT Bara Prima Mandiri	-21.47	5,496.06	25.06	5,704.54	1.51	(743.04)	1.07	(385.35)
<b>Minority Interest in all Subsidiaries</b>	0.00	-	-1.26	(286.17)	0.00	-	-0.46	167.00
<b>Total</b>	<b>100</b>	<b>(25,598.02)</b>	<b>100</b>	<b>22,764.65</b>	<b>100</b>	<b>(49,146.76)</b>	<b>100</b>	<b>(35,994.88)</b>

## NOTE 34 CONTINGENT LIABILITIES AND COMMITMENTS

- (i) Contingent Liabilities not provided for in the books of accounts in respect of :
- Bills discounted, outstanding as on March 31, 2016 - ₹ 189.55 Lacs (P.Y. - ₹ 697.49 Lacs)
  - Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines, amounting to ₹ 69,987 Lacs (Refer Note 31)

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 34 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(c) Claims against the Company not acknowledged as debt :

(₹ in Lacs)

	31-03-2016	31-03-2015
Disputed Excise Duty/Service Tax under appeal	1,237.63	720.87
Disputed Sales Tax/VAT under appeal	4,106.04	3,696.36
Disputed VAT Refund claim under appeal	2,563.49	1,305.99
Disputed Entry Tax under appeal	51.42	158.39
Disputed Entry Tax Refund claim under appeal	103.97	-
Excise Duty demand for which show cause notice issued	243.92	243.92
Disputed Provident Fund demand under appeal	1.88	1.88
Excise Demand, pending show cause	20.00	20.00

(ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) ₹ 1,402.36 Lacs (P.Y. ₹ 1,434.96 Lacs).

## NOTE 35

In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

## NOTE 36

Certain Balances of the Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation and reconciliation. The reported financials might have consequential impact once the reconciliation is completed, the quantum where of remains unascertained. Advance from Parties includes ₹ 116.04 Lacs (P.Y. ₹ 74.84 Lacs) being certain receipts lying under suspense account in absence of information as to the credits in the bank account.

## NOTE 37 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses aggregating to ₹ 5.25 Lacs ( P.Y. ₹ 10.53 Lacs) in the nature of revenue expenditure have been included under the appropriate account heads.

## NOTE 38 EMPLOYEE BENEFITS

Disclosure pursuant to Accounting Standard - 15 (Revised) "Employee Benefits" :

(a) Contribution to Defined Contribution Plan, recognised as expense for the year is as under :

(₹ in Lacs)

	31-03-2016	31-03-2015
Employer's Contribution to Provident and Other Funds	90.98	123.43

(b) The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on March 31, 2016 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 38 EMPLOYEE BENEFITS (Contd.)

(₹ in Lacs)

	Gratuity (Funded) 31-03-2016	Gratuity (Funded) 31-03-2015
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation :</b>		
Defined Benefit obligation at beginning of the year	176.30	125.86
Interest Cost	14.10	10.07
Current Service Cost	30.24	25.95
Actuarial (Gain)/Loss	48.33	17.62
Benefits paid	(114.28)	(4.82)
Defined Benefit obligation at the year end	154.69	174.67
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets :</b>		
Fair value of plan assets at beginning of the year	142.49	118.66
Expected return on plan assets	13.43	11.26
Actuarial Gain/(Loss)	-	-
Employers' contribution	73.76	17.39
Benefits paid	(114.28)	(4.82)
Fair value of plan assets at the year end	115.40	142.49
Actual return on plan assets	13.43	11.26
<b>(iii) Reconciliation of fair value of assets and obligation :</b>		
Fair value of plan assets	115.40	142.49
Present value of obligation	154.69	174.67
Amount recognised as liability/(asset) in Balance Sheet*	39.29	32.18
(*Excess of assets not recognised as the same is lying in an irrevocable trust fund)		
<b>(iv) Expenses recognised during the year in the Statement of Profit &amp; Loss :</b>		
(shown in Note 28 under the head 'Gratuity')		
Current Service Cost	30.24	25.95
Interest Cost	14.10	10.07
Expected return on plan assets	(13.43)	(11.26)
Actuarial (Gain)/Loss	48.33	17.62
Net asset (surplus) not recognised/adjusted	-	-
Recognised in the Statement of Profit and Loss	79.24	42.37
<b>(v) Break-up of Plan Assets as a percentage of total plan assets :</b>		
Insurer Managed Funds	100%	100%
<b>(vi) Actuarial Assumptions :</b>		
Mortality Table	LIC 1994-96 Ultimate	
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	6%	4%

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 38 EMPLOYEE BENEFITS (Contd.)

### (vii) Other Disclosures

(₹ in Lacs)

	31-03-2016	31-03-2015	31-03-2014	31-03-2013	31-03-2012
Defined Benefit Obligation	154.69	174.67	125.86	79.99	58.00
Plan Assets	115.40	142.49	118.66	107.70	79.38
Surplus/(Deficit)	(39.29)	(32.18)	(7.20)	27.72	21.37
Experience Adjustment on Plan Liabilities	48.33	17.62	19.97	(0.20)	17.82

- (viii) (a) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- (b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.
- (c) Expected rate of return assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- (ix) The above information is certified by the actuary.

## NOTE 39 SEGMENT REPORTING

- i) **Business segments:** Based on the synergies and in terms of Accounting Standard - 17, the Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys and Iron and Steel Products. The risks and returns of Captive Power Plant is directly associated with the manufacturing operations of Ferro Alloys and hence treated as a part of Ferro Alloys segment.

(₹ in Lacs)

	31-03-2016	31-03-2015
<b>Segment Revenue (Net)</b>		
- Ferro Alloys	77,324.27	1,04,229.34
- Iron and Steel	81,572.21	1,08,906.24
- Inter Segment Revenue	(10,257.55)	(18,043.55)
<b>Total</b>	<b>1,48,638.94</b>	<b>1,95,092.03</b>

	31-03-2016	31-03-2015
<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
- Ferro Alloys	(20,997.62)	(10,887.02)
- Iron and Steel	(4,817.88)	(5,020.85)
- Unallocated	85.63	39.13
<b>Total</b>	<b>(25,729.87)</b>	<b>(15,868.74)</b>
Less : Finance Cost	23,417.39	19,958.23
Less : Exceptional Items	-	-
<b>Profit Before Tax</b>	<b>(49,147.26)</b>	<b>(35,826.97)</b>
Less : Income Tax	-	-
<b>Profit After Tax before Minority Interest</b>	<b>(49,147.26)</b>	<b>(35,826.97)</b>
Share of profit/(loss) transferred to Minority Interest	(286.17)	167.91
<b>Profit After Tax</b>	<b>(49,433.43)</b>	<b>(35,659.06)</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 39 SEGMENT REPORTING (Contd.)

### Other Information

(₹ in Lacs)

	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Exps (other than Depreciation)
Ferro Alloys	1,99,469.62	15,857.22	52,034.62	2,635.79	-
	2,31,227.33	25,365.20	11,481.77	2,153.25	-
Iron and Steel	96,092.78	36,439.90	0.05	422.62	-
	73,399.99	32,364.43	-	421.47	-
Unallocated	8,721.96	871.17	-	-	-
	6,689.76	871.17	-	-	-
<b>Total (31-03-2016)</b>	<b>3,04,284.36</b>	<b>53,168.29</b>	<b>52,034.67</b>	<b>3,058.42</b>	<b>-</b>
<b>Total (31-03-2015)</b>	<b>3,11,317.08</b>	<b>58,600.80</b>	<b>11,481.77</b>	<b>2,574.72</b>	<b>-</b>

# figures in italics represent data for Previous Year.

- (ii) **Geographical Segments** : The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets are based on the location of such asset.

Segment	Period		Segment Revenue (Gross)	Segment Assets	Capital Expenditure
Within India	Year ended	31-03-2016	1,34,620.68	288,780.03	52,034.67
	Year ended	31-03-2015	1,56,547.01	295,410.26	11,481.77
Outside India	Year ended	31-03-2016	20,086.68	15,504.33	(0.00)
	Year ended	31-03-2015	49,145.80	15,906.83	-
<b>Total</b>	<b>Year ended</b>	<b>31-03-2016</b>	<b>1,54,707.36</b>	<b>3,04,284.36</b>	<b>52,034.67</b>
	<b>Year ended</b>	<b>31-03-2015</b>	<b>2,05,692.81</b>	<b>3,11,317.08</b>	<b>11,481.77</b>

## NOTE 40 RELATED PARTY DISCLOSURE

- i) **Name of the related parties where control exists irrespective of whether transactions have occurred or not**

**(a) Enterprise on which the Company has control**

None

**(b) Entitles/Individuals owing directly or indirectly an interest in the voting power that gives then control**

A. B. Infratel Pvt. Ltd.  
Gannath Commerce Pvt. Ltd.  
Mahabala Merchants Pvt. Ltd.  
Narmada Rivers Resources Pvt. Ltd.  
Relybulls Derivatives and Commodities Pvt. Ltd.  
SBM Steels Pvt. Ltd.  
SKP Aviation Services Ltd.  
Gajavakra Merchandise Pvt. Ltd.

**(c) (a) Key Managerial Personnel**

Mr. Rohit Patni (till 22.08.2015)  
Mr. R.K.Burnwal (w.e.f. 24.03.2016)  
Mr. Dinesh Biyanee (till 30.03.2016)  
Mr. Ankit Patni (w.e.f 30.09.2015)

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 40 RELATED PARTY DISCLOSURE (Contd.)

Mr. Vipul Jain  
Mr. Anil Prasad Shaw

### (b) Relatives of Key Managerial Person

Mr. Suresh Kumar Patni  
Mrs. Sarita Patni  
Mr. Rohit Patni

### (c) Enterprises owned or significantly influenced by KMP or their relatives

Impex Metal & Ferro Alloys Ltd.  
  
Impex Metal & Ferro Alloys Ltd.  
Impex Ferro Tech Ltd  
Ankit Metal & Power Ltd.  
Whitestone Suppliers Pvt. Ltd.  
Vasupujya Enterprises Pvt. Ltd.  
Marble Arch Properties Pvt. Ltd.  
SKP Power Ventures Ltd.  
Poddar Mech Tech Services Pvt. Ltd.  
Suanvi Trading & Investment Co. Pvt. Ltd.  
Shreyansh Leafin Pvt. Ltd.  
Relybulls Stock Broking Pvt. Ltd.  
Sarita Steel & Power Ltd.  
Shubham Complex Pvt. Ltd.  
Gajkarna Merchandise Pvt. Ltd.  
Astabhujia Properties Pvt. Ltd.  
Invesco Finance Pvt. Ltd.  
Arthodock Vinimay Pvt. Ltd.  
Nucore Exports Pvt. Ltd.  
VNG Mercantiles Pvt. Ltd.  
SKP Mining Pvt. Ltd.  
Divine Trading Co. Pvt. Ltd.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 40 RELATED PARTY DISCLOSURE (Contd.)

### ii) Name of the other Related Parties with whom transactions have been place during the year :

(₹ in Lacs)

Nature of Transactions	31-03-2016	31-03-2015
<b>Loans Taken*</b>		
Vasupujya Enterprises Pvt. Ltd.	-	15.00
Whitestone Suppliers Pvt. Ltd.	-	60.00
Gajkarna Merchandise Pvt. Ltd.	-	1,459.00
Astabhuja Properties Pvt. Ltd.	149.00	861.50
Poddar Mech Tech Services Pvt. Ltd.	-	82.00
(*Excludes subsequent transfer to share application money)		
<b>Sale of Investment</b>		
SKP Power Ventures Ltd.	-	1.00
<b>Purchases</b>		
Ankit Metal & Power Ltd.	329.59	4,887.36
Impex Ferro Tech Ltd.	1,574.50	2,887.61
Impex Metal & Ferro Alloys Ltd.	154.28	3,363.61
<b>Purchases of Capital Goods</b>		
Ankit Metal & Power Ltd.	-	30.24
<b>Sales of Capital Goods</b>		
Impex Metal & Ferro Alloys Ltd.	12.41	-
<b>Sales of Goods</b>		
Ankit Metal & Power Ltd.	99.79	2,440.67
Impex Ferro Tech Ltd.	1,704.40	5,841.05
Impex Metal & Ferro Alloys Ltd.	1,061.39	2,274.30
<b>DEPB/Focus Licence Purchased</b>		
Ankit Metal & Power Ltd.	-	-
Impex Ferro Tech Ltd.	132.59	249.83
Impex Metal & Ferro Alloys Ltd.	155.40	117.66
<b>DEPB/Focus Licence Sold</b>		
Impex Ferro Tech Ltd.	20.10	10.21
<b>Lease Rent Received</b>		
Impex Metal & Ferro Alloys Ltd	3.60	3.60
<b>Rent Paid</b>		
Marble Arch Properties Pvt.Ltd.	6.87	6.74
<b>Managerial Remuneration</b>		
Rohit Patni	9.81	24.00
Ankit Patni	-	22.78
Dinesh Biyanee	22.58	22.78
Pramod Kumar Jain	-	45.33
Binit Jain	-	-
<b>Sitting Fees</b>		
Suresh Kumar Patni	0.50	0.40
Ankit Patni	0.08	-



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 40 RELATED PARTY DISCLOSURE (Contd.)

Nature of Transactions	31-03-2016	31-03-2015
<b>iv) Outstanding Balances</b>		
<b>Trade Payables/Payables for Accrued Expenses</b>		
Impex Metal & Ferro Alloys Ltd.	-	443.36
Ankit Metal & Power Ltd.	896.89	88.38
Marble Arch Properties Pvt. Ltd.	6.27	4.61
<b>Trade Receivables</b>		
Impex Ferro Tech Ltd.	2,323.42	2,767.78
Impex Metal & Ferro Alloys Ltd.	26.97	-
<b>Loan Taken</b>		
Suanvi Trading & Investment Co. Pvt. Ltd.	150.00	150.00
Shreyansh Leafin Pvt. Ltd.	1,498.50	1,498.50
Vasupujya Enterprises Pvt. Ltd.	1,613.00	1,613.00
Whitestone Suppliers Pvt. Ltd.	1,467.00	1,467.00
Gajkarna Merchandise Pvt. Ltd.	1,459.00	1,459.00
Astabhuja Properties Pvt. Ltd.	1,010.50	861.50
Poddar Mech Tech Services Pvt. Ltd.	82.00	82.00
<b>Advances Received</b>		
Impex Metal & Ferro Alloys Ltd.	-	-
Impex Ferro Tech Ltd.	-	-
Ankit Metal & Power Ltd.	-	-
Impex Metal (Singapore) Pte Ltd.	-	-
<b>Advances/Deposits Given</b>		
Impex Metal & Ferro Alloys Ltd.	7.91	7.91
Sarita Steel & Power Ltd.	50.00	50.00
<b>Security Deposit</b>		
Marble Arch Properties Pvt. Ltd.	168.00	168.00

Term Loans, Working Capital Term Loan, Funded Interest Term Loans and Working Capital Facilities from banks are secured by way of Corporate Guarantee of the Related Parties - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading & Investment Co. Pvt. Ltd. and Personal Guarantee of the Promoters - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

## NOTE 41 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY

Forward contracts/hedging instruments outstanding in respect of Rohit Ferro-Tech Ltd. as at the Balance Sheet date are as follows:

Nature (Nos.) of Contract	Foreign Currency	Buy/Sell	Amount in Foreign Currency (in Lacs)	Purpose
Forward Contracts (Nil, P.Y. 1)	EURO	Sell	Nil (P.Y. - 2.50)	Hedging Purpose
Forward Contracts (Nil, P.Y. 4)	USD	Sell	Nil (P.Y.- 27.30)	Hedging Purpose
Forward Contracts (Nil, P.Y. 7)	USD	Buy	Nil (P.Y.- 28.74)	Hedging Purpose

All derivative contracts outstanding as at the year end are market to market. The Company has applied the hedge accounting principles set out in the Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement. Accordingly, loss aggregating to ₹ Nil Lacs (P.Y. ₹ 1.16 Lacs), being the effective portion of the contracts designated as effective hedges for future cash flows has been recognised in the Hedging Reserve Account to be ultimately recognised in the Statement of Profit and Loss, depending on the exchange rate fluctuation till and when the underlying forecasted transactions occur. Gain/Loss on contracts not designated as effective hedges and ineffective portion of the contracts designated as effective hedges are included in foreign exchange fluctuation account.

Particulars of unhedged foreign currency exposure in respect of Rohit Ferro-Tech Ltd. as at the year end are as follows:

	Currency	31-03-2016	31-03-2015
a) Amount payable in foreign currency (in Lacs)	EURO	-	-
b) Amount payable in foreign currency (in Lacs)	USD	5.64	6.41
c) Amount receivable in foreign currency (in Lacs)	EURO	0.19	-
d) Amount receivable in foreign currency (in Lacs)	USD	25.53	211.57

## NOTE 42

The losses attributable to the minority in excess of minority's interest in the subsidiaries equity are allocated against the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

## NOTE 43

The Company had entered into an agreement dated February 19, 2015, for the sale, transfer or otherwise disposal of Company's manufacturing unit at Jajpur, Odisha as a going concern with M/s Balasore Alloys Ltd., on slump sale basis. The long stop date in terms of the said agreement was upto March 31, 2016 which has not been renewed.

## NOTE 44

The Company's factory at Haldia (West Bengal) is temporarily suspended since July 1, 2015 on account of depressed domestic and global market conditions in Steel Industry, and excess procurement cost of Electricity.

## NOTE 45

The Joint Lender Forum (JLF) of consortium bankers has since approved "In-principle" the decision for the invocation of Strategic Debt Restructuring (SDR) in terms of RBI Guidelines and among other things is exploring the investment proposals in the Company.

## Notes to and forming part of Consolidated Financial Statements as at 31st March, 2016

### NOTE 46

The operations of the Company are severely impacted by weak Steel Industry scenario and lack of demand for Company's finished product. Lower utilisation of capacity and drop in finish goods price realisation has impacted the topline as well as bottom line of the Company. The Company has incurred loss of ₹ 48,406.62 Lacs for year ended March 31, 2016. The accumulated loss as on March 31, 2016 is ₹ 80,404.93 Lacs which is in excess of the entire net worth of the Company. The Company has continuous support from the promoters and has put in place measures for revival and cost reduction.

### NOTE 47

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to confirm to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year Financial Statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
*Partner*  
Membership No: 064308  
Kolkata, August 29, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
*Chairman*

**Anil Prasad Shaw**      **Vipul Jain**  
*Company Secretary*      *Chief Financial Officer*

## FORM AOC 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

### Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

#### PART "A" - Subsidiaries

(₹ in Crores)

1	SI No.	1	2
2	Name of the Subsidiary	SKP Overseas Pte Ltd.	PT. Bara Prima Mandiri (Subsidiary of SKP Overseas Pte Ltd.)
3	The date since when the Subsidiary was acquired	9th April, 2008	8th January, 2013
4	Reporting Period	2015-16	2015-16
5	Reporting Currency	INR (Converted)	INR (Converted)
6	Exchange	64.2455	0.0049
7	Share Capital	107.60	7.55
8	Reserves & Surplus	(8.04)	(18.81)
9	Total Assets	190.80	67.49
10	Total Liabilities	190.80	67.49
11	Investments	78.94	0.09
12	Turnover*	56.15	-
13	Profit Before Taxation	(0.81)	(7.43)
14	Provision for Taxation	-	-
15	Profit After Taxation	(0.81)	(7.43)
16	Proposed Dividend	-	-
17	% of Shareholding	100	60

\* Currency rate for turnover has been taken on average rate.

1. Name of Subsidiaries which are yet to commence operations : **None**
2. Name of Subsidiaries which have been liquidated or sold during the year : **None**

**FORM AOC 1 (Contd.)****PART “B” - Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures :

Sl. No.	Name of Associate/Joint Venture	N.A.
1	Latest Audited Balance Sheet date	-
2	Shares of Joint Ventures held by the Company on the year end	
	No. of Shares	-
	Amount of Investment in Joint Venture	-
	Extend of Holding %	-
3	Description of how there is significant influence	-
4	Reason why the Joint Venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lacs)	-
6	Profit/Loss for the year (₹ in Lacs)	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

1. Names of Associates or Joint Ventures which are yet to commence operations : **None**

2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : **None**

As per our report of even date attached

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership No: 064308  
Kolkata, 29th August, 2016

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

## Notes

# Corporate Information

## Board of Directors

Mr. Suresh Kumar Patni  
 Mr. Ankit Patni  
*(Appointed w.e.f. 29th August, 2016)*  
 Mr. Ranjeet Kumar Burnwal  
*(Appointed w.e.f. 24th March, 2016)*  
 Mr. P. B. Lahiri  
*(Appointed w.e.f. 30th September, 2015)*  
 Mr. Jatindra Nath Rudra  
 Mrs. Sujata Agarwal  
 Mr. Ankit Rungta  
 Mr. Rohit Jain

*Non-Executive Chairman*  
*Managing Director*

*Executive Director (Works)*

*Nominee Director*

*Independent/Non-Executive Director*  
*Independent/Non-Executive Director*  
*Independent/Non-Executive Director*  
*Independent/Non-Executive Director*

## Chief Financial Officer

Mr. Vipul Jain

## Company Secretary

Mr. Anil Prasad Shaw

## Statutory Auditors

M/s. R. Kothari & Company  
 Chartered Accountants  
 16A, Shakespeare Sarani  
 Kolkata - 700 071

## Internal Auditors

M/s. NR & Associates  
 Cost Accountants  
 16A, Shakespeare Sarani,  
 5th Floor, Kolkata - 700 071

## Cost Auditors

M/s. S.B. & Associates  
 Cost Accountants  
 5, Garstin Place, 1st Floor  
 Kolkata - 700 001

## Secretarial Auditor

CS Abhijeet Jain  
 M/s. A J & Associates  
 Practicing Company Secretaries  
 'Diamond Chambers', 4, Chowringhee Lane,  
 Block- 1, 4th Floor, Suite #4M  
 Kolkata - 700 016

## Bankers

State Bank of India  
 State Bank of Travancore  
 State Bank of Hyderabad  
 United Bank of India  
 UCO Bank

Allahabad Bank  
 Canara Bank  
 Bank of Baroda  
 Punjab National Bank  
 Central Bank of India  
 Export Import Bank of India  
 Andhra Bank

## Registered Office

35, Chittaranjan Avenue, Kolkata - 700 012  
 Phone: +91 33 2211 0225/0226

## Corporate Office

SKP House, 132A, S. P. Mukherjee Road  
 Kolkata - 700 026  
 Phone: +91 33 4016 8000/8100  
 Fax: +91 33 4016 8191/8107  
 E-mail: grievance@rohitferrotech.com  
 Website: www.rohitferrotech.com

## Plant Information

### Bishnupur

WBIDC Road, P.S. : Bishnupur  
 P.O.: Dwarika - 722 122  
 Dist: Bankura, West Bengal

### Jajpur

Kalinganagar Industrial Complex  
 P.O.: Duburi - 755 026  
 Dist: Jajpur, Odisha

### Haldia

Jaynagar, PS: Durgachak  
 P.O.: Buniaraichak  
 Dist: Purba Medinipur, West Bengal

## DISCLAIMER

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Book Post



*If undelivered, please return to:*  
**Rohit Ferro-Tech Limited**  
SKP House, 132A, S.P. Mukherjee Road,  
Kolkata - 700 026



**Rohit Ferro-Tech Limited****CIN: L27104WB2000PLC091629**Regd. Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012  
Corp. Office: 'SKP House', 132A, S.P. Mukherjee Road, Kolkata - 700 026**ATTENDANCE SLIP**Name :  
Address :Serial No.:  
Share Holding :

Name(s) of Joint Holder(s), if any :

Folio/DP ID &amp; Client ID No. :

I/We hereby record my/our presence at the **16<sup>th</sup> Annual General Meeting held on Thursday, September 29, 2016 at 10:00 a.m. at 'AIKATAN', Eastern Zonal Cultural Centre, IA - 290, Sector III, Salt Lake City, Kolkata - 700 097.**

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the meeting.

**ELECTRONIC VOTING PARTICULARS**

EVSN (E-voting Sequence Number)	User ID	PAN [Original or as per point no. viii of e-voting instructions]
<b>160823022</b>		

Please refer the AGM Notice for e-voting instruction.

**Rohit Ferro-Tech Limited****CIN: L27104WB2000PLC091629**Regd. Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012  
Corp. Office: 'SKP House', 132A, S.P. Mukherjee Road, Kolkata - 700 026**PROXY FORM-MGT-11****[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**  
**16<sup>TH</sup> ANNUAL GENERAL MEETING ON THURSDAY, SEPTEMBER 29, 2016 AT 10:00 A.M.**

Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No. / DP ID / Client ID:	

I/We, being the member(s), holding.....shares of Rohit Ferro-Tech Limited hereby appoint :

- (1) Name .....Address.....  
E-mail Id.....Signature.....or failing him/her
- (2) Name .....Address.....  
E-mail Id.....Signature.....or failing him/her
- (3) Name.....Address.....  
E-mail Id.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, September 29, 2016 At 10:00 A.M. at 'AIKATAN', Eastern Zonal Cultural Centre, IA - 290, Sector III, Salt Lake City, Kolkata - 700 09 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2016, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors' thereon.		
2.	To appoint a Director in place of Mr. Suresh Kumar Patni (DIN: 00032674), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of M/s R. Kothari & Company (Firm Registration No. 307069E), Chartered Accountants, as the Statutory Auditor of the Company and authorise Board of Directors to fix their remuneration.		
Special Business			
4.	Regularise the appointment of Mr. Ankit Patni (DIN: 00034907) as a Director of the Company.		
5.	Appointment of Mr. Ankit Patni (DIN: 00034907) as Managing Director.		
6.	Ratification of remuneration payable to M/s. S. B. & Associates (FRN No. 00109), Cost Accountant, as the Cost Auditor of the Company.		

Signed this .....day of .....2016.

Member's Folio /DP ID &amp; Client ID No.....Signature of Shareholder (s).....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the meeting.

2. For the resolutions, explanatory statement and notes, please refer to the Notice of the 16<sup>th</sup> Annual General Meeting.

\*3. It is optional to put a 'X' in the appropriate column against the resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all 'Resolution' your proxy will be entitled to vote in the manner as he/she thinks appropriate.