

# Shyam Century Ferrous Limited

Regd. Office. : Vill. : Lumshnong, PO: Khaliehriat, Dist. East Jaintia Hills, Meghalaya-793 210, Phone No. - 03655-278215/16/18  
Fax : 03655-278217, E-mail : investors@shyamcenturyferrous.com, Website - www.shyamcenturyferrous.com  
CIN-L27310ML2011PLC008578

Date: 14<sup>th</sup> September, 2017

To  
The Listing Department  
National Stock Exchange of India Ltd.  
"Exchange Plaza"  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051

The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai - 400 001

Dear Sir(s),

Scrip Code: SHYAMCENT (NSE), 539252 (BSE)

**Re: Submission of Annual Report for the Financial Year 2016 -17**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of the Annual Report of the Company for the Financial Year 2016-17 duly approved and adopted by the members at its Annual General Meeting held on 11<sup>th</sup> September, 2017.

This is for your information and necessary action.

Thanking you,

Yours Faithfully

For Shyam Century Ferrous Limited

  
Neha Agarwal

Company Secretary

Encl.: As above

**Office & Works** : EPIP, Rajabagan, Byrnihat, Meghalaya-793101, Ph : No. - 9436108851

**Corporate Office** : Satyam Towers, 3 Alipore road, 1st Floor, Unit No. 9B, Kolkata - 700 027, Ph : No. 033 2448 4169/170/693, Fax : 033 2448 4168

**Guwahati Office** : C/o Star Cement Limited, Mayur Garden, 2nd Floor, Opp. Rajiv Bhawan, GS Road, Guwahati-781005,  
Ph : 0361 24612215/16/17, Fax : 0361 2462217



*Challenging  
times.  
Inspirational  
performance*

SHYAM CENTURY FERROUS LIMITED | ANNUAL REPORT 2016-17

## Forward looking statement

This document contains statements about expected future events and financial and operating results of Shyam Century Ferrous Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Shyam Century Ferrous Limited Annual Report 2016-17.

## Contents

|                                                        |    |
|--------------------------------------------------------|----|
| Corporate Information                                  | 01 |
| Corporate Overview                                     | 03 |
| Directors' Report & Management Discussion and Analysis | 06 |
| Report on Corporate Governance                         | 27 |
| Standalone Financial Statements                        | 39 |
| Consolidated Financial Statements                      | 65 |
| Notice                                                 | 84 |

# Corporate Information

## Board of Directors

Mr. Sajjan Bhajanka, *Director*  
Mr. Nagraj Tater, *Director*  
Mr. Aditya Vimalkumar Agarwal, *Director*  
Mr. Mangilal Jain, *Director*  
Mr. Santanu Ray, *Director*  
Mrs. Plistina Dkhar, *Director*

## Auditors

Kailash B. Goel & Co.  
Chartered Accountants  
70, Ganesh Chandra Avenue, 1st Floor  
Kolkata – 700013

## Chief Executive Officer

Mr. M.V.K. Nageswara Rao

## Chief Financial Officer

Mr. Uday Bahadur Chetri

## Company Secretary

Ms. Neha Agarwal

## Registered Office

Vill.: Lumshnong, P.O.Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya – 793210

## Works

Ferro Alloy & Power Plant  
EPIP, RajaBagan,  
Dist. Ri-Bhoi, Byrnihat  
Meghalaya – 793101

## Corporate Office

'Satyam Towers', 1st Floor,  
Unit No. 9B,  
3, Alipore Road  
Kolkata-700027  
Phone : 033 22484169/70  
Fax : 033 22484168  
Email : [investors@shyamcenturyferrous.com](mailto:investors@shyamcenturyferrous.com)  
Website : [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com)

## Registrars & Share Transfer Agents

Maheswari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor,  
Kolkata - 700001

## Bankers

-The North Eastern Development Finance  
Corporation Ltd  
-Oriental Bank of Commerce

## CIN Number

L27310ML2011PLC008578



REVENUES (₹/cr)

91.08

EBIDTA (₹/cr)

11.13



# SHYAM CENTURY FERROUS LIMITED.

## A PROMINENT FERRO ALLOYS MANUFACTURER IN THE NORTH EASTERN PART OF INDIA.

### Pedigree

- Business interests in power and ferro alloys
- Steered by industry veterans Mr Sajjan Bhajanka (Director) and a team of other experienced professionals

### Presence

- Headquartered in Lumshnong, Meghalaya
- Manufacturing unit in Byrnihat, Meghalaya
- Presence in North East provides easy access to abundant raw materials like coal, lam coal and quartz in proximate locations

- Equity shares listed on BSE Limited as well as National Stock Exchange of India Limited

### Products

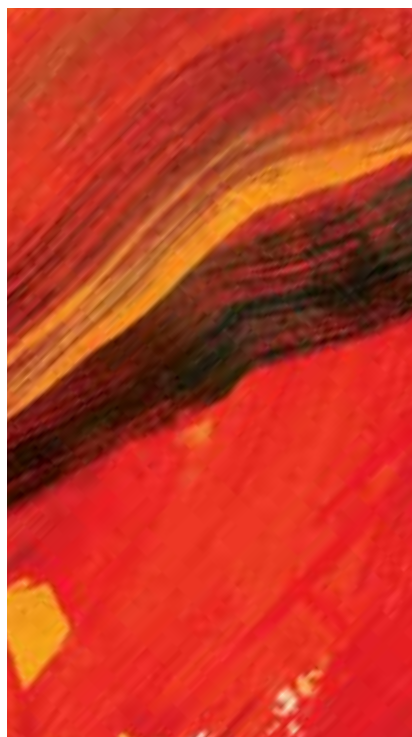
The Company is engaged in the production of the following:

- Ferro Silicon with annual manufacturing capacity of 21,600 MT
- Captive power generation capacity of 14 MW
- It also has facilities to produce silico manganese and other varieties of ferro alloys

| PAT (₹/cr) | MARKET CAPITALISATION |            |
|------------|-----------------------|------------|
|            | BSE (₹/cr)            | NSE (₹/cr) |
| 5.31       | 174.18                | 176.63     |

*Dear Shareholders*

Much like the preceding few years, FY2016-17 witnessed a decline in the offtake for ferro alloys. This glut in demand got reflected in the fact that the Company produced 12,605 million tonnes of ferro silicon during the year under review compared to 15,104 million tonnes during FY2015-16. The result was that our topline declined from ₹11,363.42 lac during FY2015-16 to ₹9,108.70 lac in FY2016-17. Fortunately, our net profit improved from ₹158.77 lac during FY2015-16 to ₹798.51 lac on account of increase in sale price and achieving cost efficiency. The year also saw our y-o-y realisations grow from ₹71,176.47 per tonne to ₹72,629 per tonne. Our power business too put up a robust performance by generating 1,044 lac units compared to 552 lac units during FY2015-16. The entirety of the power generated was consumed in-house, enhancing our self-sustainability. Furthermore, the performance of Meghalaya Power Limited, an associate company,



brightened our long-term prospects. Here's proof: power generation reached 2,016 lac units during FY2016-17 compared to 1,831 lac units during FY2015-16 and thereby allowed to clock a PBT of ₹1,481.03 lac and PAT of ₹1,203.72 lac during the fiscal gone by compared to ₹1,472.07 lac and ₹1,082.84 lac, respectively.

### Sectoral overview

Ferro alloys are critical additives in the production of steel and iron and the growth of the industry is largely influenced by demand traction in the downstream industries. India is among the preferred ferro alloys suppliers in the world owing to its abundantly available natural resources, cost competitiveness and locational advantages. The performance of the iron and steel industry had been lacklustre during the past couple of years. This has been primarily owing to a visible reduction in demand from the infrastructure, automobile and white goods sectors. However, with increased governmental investments being channelised towards the infrastructure sector, the tide has begun to turn. Case in point: the Central Government has approved the National Steel Policy to boost the country's steel industry. The salient features of this key piece of legislation include:

- Achieving self-sufficiency in terms of steel production by providing policy support and guidance to private manufacturers, MSMEs and CPSEs, among others
- Guaranteeing adequate availability of iron ore, coking coal and natural gas
- Developing globally-competitive steel manufacturing capabilities

- Easing asset and raw material acquisition processes
- Achieving cost-efficiency in terms of production
- Ensuring adequate capacity additions
- Enhancing domestic steel demand
- Facilitating foreign investment

The policy targets reaching a crude steel capacity of 300 million tonnes, an output of 255 million tonnes and a finished steel consumption level of 158 kilograms (per capita) by FY2030-31 compared to the current consumption level of 61 kilograms. The policy also envisages to meet the entire demand of high-grade automotive steel, electrical steel, special steels and alloys for strategic applications and increase the domestic availability of washed coking coal so as to reduce import dependence on coking coal from ~85% to ~65% by FY2030-31.

## Industry outlook

With the Indian Government single-mindedly focusing on infrastructure creation, the downstream steel sector is poised for rapid development on the back of a robust growth in domestic demand. Here's a lowdown on some of the key downstream sectors which will have a significant bearing on SCFL's prospects:

### Roads

- The Indian Government plans to develop a total of 66,117 kilometres of roads under different programmes such as the National Highways Development Project, Special Accelerated Road Development Programme in North East and Left Wing Extremism. The Indian Government has identified development of 2,000 kilometres of coastal roads to improve connectivity between ports and remote villages.
- The Cabinet Committee on Economic Affairs (CCEA) permitted

100% equity divestment by private developers after two years of construction completion for all BOT projects, irrespective of the year of awarding of the project.

- The Central Government approved the construction of ~1,000 kilometres of expressways at a cost of ~₹16.68 crore via the DBFOT mode. The approved corridors are Delhi-Chandigarh (249 kilometres), Bengaluru-Chennai (334 kilometres), Delhi-Jaipur (261 kilometres) and Vadodara-Mumbai (400 kilometres). The Central Government will also take up the development of 135 kilometre-long Eastern Peripheral Expressway at ~₹5,763 crore.

- The Ministry of Road Transport and Highways has undertaken the development of about 7,000 kilometres of National Highways under the Bharatmala Pariyojana at a cost of ~₹80,000 crore in consultation with State Governments. The National Highways Authority of India has invited bids for preparing detailed project reports for road development along borders and coastlines under the Bharat Mala project.

### Budgetary allocation

The Central Government earmarked ₹3,96,000 crore for driving infrastructural development in India. As part of the new integrated infrastructure planning paradigm comprising roads, railways, waterways and civil aviation, the Central Government unveiled the largest-ever rail budget of ₹1.31 trillion, an 8.26% increase over the ₹1.21 trillion allocated during FY2016-17.

### Automobile industry

The Automobile Mission Plan 2016-22 envisages the size of Indian automotive industry to grow to ~₹18,88,500 crore by 2026 from ₹4,64,000 crore in 2015. This will cement India's position among the top-3 players in the realm of engineering, manufacture and

export of vehicles and automobile components. Subsequently, safe, efficient, environment-friendly and affordable mobility for people and goods will become a reality for most Indians. The result: this sector will account for >12% of India's GDP and generate an additional 65 million jobs.

## Outlook

The Indian ferro alloys industry is expected to post substantial growth over the foreseeable future. SCFL, being one of the prominent manufacturers of ferro alloys, is expected to make the most of the aforementioned macroeconomic developments. I am thankful to all our stakeholders for their continued support and assure them that the journey forward will be a spectacular one.

Regards,

**Sajjan Bhajanka**  
Director

# Directors' Report & Management Discussion and Analysis

*Dear Shareholders*

Your Directors have pleasure in presenting the Sixth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date.

## Financial Performance

The highlights of the financial performance of the Company for the financial year ended 31st March, 2017 as compared to the previous financial year are as under:

(₹ in Lacs)

| Particulars                                              | Consolidated |           | Standalone |           |
|----------------------------------------------------------|--------------|-----------|------------|-----------|
|                                                          | 2016-17      | 2015-16   | 2016-17    | 2015-16   |
| Net Sales / Income                                       | 9,108.70     | 11,363.42 | 9,108.70   | 11,363.42 |
| Profit Before Depreciation, Interest & Tax               | 1,112.99     | 750.68    | 1,112.99   | 750.68    |
| Depreciation                                             | (214.69)     | (294.14)  | (214.69)   | (294.14)  |
| Interest and Finance Charges                             | (99.79)      | (297.77)  | (99.79)    | (297.77)  |
| Exceptional Items                                        | -            | -         | -          | -         |
| Profit Before Tax                                        | 798.51       | 158.77    | 798.51     | 158.77    |
| Tax Expenses:                                            |              |           |            |           |
| -Current Tax                                             | (255.92)     | (54.56)   | (255.92)   | (54.56)   |
| -Income Tax for earlier years                            | (4.43)       | -         | (4.43)     | -         |
| -Deferred Tax                                            | (6.70)       | 3.19      | (6.70)     | 3.19      |
| Profit after Tax                                         | 531.45       | 107.40    | 531.45     | 107.40    |
| Share of profit of associates                            | 587.36       | 528.38    | -          | -         |
| Net profit after taxes and share of profit of associates | 1,118.81     | 635.78    | -          | -         |

## Ferro Alloy Business - Industry at a Glance

Ferro-alloys are critical additives in the production of Iron & Steel. Ferro alloys are used in the production of steel as de-oxidant and alloying agents and act as an intermediate industry to the Iron & Steel Industry and therefore, fortune of Ferro Alloys Industry is directly linked with the growth of Iron & Steel Industry. The product mix of Ferro Alloys contains bulk Ferro Alloys viz., Ferro Manganese, Silicon Manganese, Ferro Silicon, Ferro Chrome, Charge Chrome, etc. and noble Ferro Alloys viz., Ferromolybdenum, Ferrovandium, Ferrotungsten, Ferro-silicon magnesium, Ferro-boron and Ferro-titanium. India emerged as a preferred supplier of Ferro Alloys on account of abundant availability of key resources, trained and cost-effective manpower and locational advantages.

India is having huge scope for growth in the sector due to comparatively low per capita steel consumption and

the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. National Mineral Development Corporation is expected to increase the iron ore production considerably indicating new opportunities in the sector. The Government has announced National Steel Policy 2017 which aims to increase steel production capacity by three times over the next few years. The Government has also approved a proposal to give preference to locally made steel in public sector projects. The Government focuses on housing, roads, ports and railways which will enable India to be the second largest steelmaker in the World. The export of steel has also increased during the year under review which enabled growth in steel production in financial year 2016-17. The Government has been very mindful towards growth of domestic steel industry.

On the domestic consumption side, with intensifying

infrastructure development and growing demand for automotive, steel consumption of the country is expected to reach 104 MT by 2017. Country's steel production is expected to increase up to 300 MTPA by Financial year 2025. The growing steel sector and opening up of steel for FDI will help in increasing domestic demand of Ferro-alloys.

The domestic Ferro alloys industry is revitalizing to face challenges from Malaysia and Indonesia. In India too, additional capacities got added during the year under review. With under-utilized capacities at present on account of sluggish demand, price and net realization of Ferro alloys are likely to remain subdued in the near term. On the cost side, power cost still remains a concern for industry.

In the backdrop of above, your Company continued to focus on its fundamental strength of its ability to continuously focus on productivity and quality. There was strong emphasis on internal efficiencies together with an improvement in the sales mix which enabled your Company to withstand inflationary pressures on costs and profitability.

During the year under review, your company has sold 12,657 MT of Ferro Silicon as against 16,105 MT. While your Company constantly strives to increase stakeholder's value, emphasis continues to be on delivering value to customers and strengthening processes while driving sustainable practices, resulting into expanding customer base.

## Power Business

During the year under review, your Company generated 1,044 lacs unit as compared to 552 lacs unit which was captively consumed by the Company.

Further, the performance of M/s. Meghalaya Power Limited, an Associate Company, was very optimistic. The power generation has increased to 2,016 lacs units as compared to 1,831 lacs units recorded in the previous year. During the Financial year 2016-17, the Company has posted PBT of ₹1,481.03 lacs and PAT of ₹1,203.72 lacs as against ₹1,472.07 lacs and ₹1,082.84 lacs respectively recorded in the previous financial year.

## Opportunities & Threats, Risks and Concerns

Performance of the Company depends on the continued demand of our products in the steel and stainless steel industry. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. The country is expected to become the second largest producer of crude steel in the world soon, provided all requirements for creation of fresh capacity are adequately met.

Uncertainty of availability of raw materials and other resources such as water, skilled manpower etc., high cost, insufficient infrastructural facilities for rapid transportation from ore mines to plants may also affect the operations and in turn the financial condition and profitability of the Company. Further, the Electrical energy is one of the major input in production of Ferro alloys but high power tariff and cost of coal is a great threat for the Ferro alloys industry. Apart from electrical energy, the industry also faces challenges of procuring quality raw materials in time.

It is hopeful that the Government who already initiated so many steps for the betterment of Indian economy would certainly recognize the challenges arising out of price increase 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.

Despite these threats, Indian Ferro alloy industry has tremendous growth opportunities due to rapid industrialization and urbanization in India which may lead India emerging as the leading exporter of Ferro alloys.

The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

## Performance and Operations Review

During the year under review, on a full year basis, although on the demand side there has been concern, on the realization side, your Company was able to achieve marginal improvement. The Ferro Alloy and Power segment posted total revenue of ₹9,108.70 Lacs and Profit before Tax of ₹798.51 Lacs as against ₹11,363.42 Lacs and ₹158.77 Lacs respectively during the previous financial year. Your Company produced 12,605 MT of Ferro Silicon during the year under review as against 15,104 MT in the Financial Year 2015-16. Net realization per ton has improved marginally during the year under review as compared to previous financial year. With internal efficiencies, your Company has been able to sustain the pressures of slow-down in demand and other challenges being faced by Ferro alloys industry.

## Share Capital

The paid up Equity Capital as on March 31, 2017 was ₹2,221.73 lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

## Extract of Annual Return

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked Annexure-1.

## Meetings of the Board

During the year, five (5) Board Meetings and four (4) Audit Committee meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meeting are provided in the Corporate Governance Report.

## Meetings of Independent Directors

During the year under review, meeting of Independent Directors was held on 18th March, 2017 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also, inter alia, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## Committees of the Board

The composition and terms of reference of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee and Nomination and Remuneration Committee.

## Whistle Blower Policy/ Vigil Mechanism

The Company has formed a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to at the Company's website at the web link: [http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Whistle\\_Blower\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Whistle_Blower_Policy.pdf)

## Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Employees

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced

and performance-related compensation package, taking into account shareholders' interests, industry standards and relevant Indian corporate regulations. The details on the same are given in the Corporate Governance Report.

## Directors' Responsibility Statement

Pursuant to requirement of Section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- The Directors have selected such accounting policies and have 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 as at 31st March, 2017 and of the profit of the Company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

## Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Santanu Ray, Mr. Mangilal Jain and Mrs. Plistina Dkhar are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Act and the Rules made there under about their status as Independent Director of the Company.

## Familiarization Programme Undertaken for Independent Directors

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarization programme for the Independent Directors to familiarise

them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. The Independent Directors have been issued Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarization program is available on the Company's website under the weblink: [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Familiarization_Programme_for_Independent_Directors.pdf)

### Auditors & Auditors' Report

M/s. Kailash B. Goel & Co., Chartered Accountants (Firm Registration no. 322460E), Statutory Auditors of the Company, have been appointed by the members at the third Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 4th July, 2014. The Board, in terms of Section 139 of the Act, on recommendation of the Audit Committee, has recommended for the ratification of the appointment of Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the Seventh Annual General Meeting.

Members are requested to consider and ratify their appointment as Statutory Auditors of the Company and are also requested to empower the Board of Directors for fixation of Auditor's Remuneration.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2017 in the Board Meeting held on 3rd May, 2016. The remuneration proposed to be paid to them for the financial year 2016-17, as recommended by audit committee, was ratified in the meeting of shareholders held on 9th September, 2016.

M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) have expressed their willingness to be appointed as Cost Auditors of the Company for ensuing financial year. The Board, on recommendation of the audit committee has appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the financial

year 2017-18 subject to ratification of their remuneration by shareholders in the General Meeting of the company.

The cost audit report for the Financial Year 2015-16 was filed with the Ministry of Corporate Affairs on 15th September, 2016.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith marked Annexure-2. The report is self-explanatory and do not call for any further comments.

### Particulars of Loans, Guarantees or Investments

During the year under review, your Company has not given any loan or guarantee to any person falling under ambit of Section 186 of the Companies Act, 2013.

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### Related Party Transactions

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval has been obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A policy on 'Related Party Transactions' has been devised by the Company which may be referred to at the Company's website at the web link [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related\\_Party\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related_Party_Policy.pdf)

### Reserves

During the year under review, no amount was transferred to reserves.

## Dividend

In order to conserve resources for future operations, your Directors do not recommend any dividend for the Financial Year 2016-17.

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

### (A) Steps taken toward Conservation of energy:

- Reduction of Turbo Generator frequency in single mode has resulted into reduction in Auxiliary power consumption.
- Introduction of coal additive chemical resulted into minimization of UBC & LOI in fly ash.

### (B) Steps taken toward Technical Absorption:

- Replacement of cast iron with Stainless steel rotor of Coal feeder resulted into reduction in load and compressed air consumption.
- The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems for quality improvement. During the year under review, your Company incurred Capital expenditure of ₹ 3.94 Lacs and there was no Revenue Expenditure in Research & Development.

### (C) Foreign Exchange Earnings and Outgo

During the period under review, there was no Foreign Exchange Earnings and Outgo.

## Corporate Social Responsibility Initiatives (CSR)

Your Company's Corporate Social Responsibility (CSR) Policy is committed towards improving the quality of life of communities by working on four thrust areas - employability, education, health and environment.

The Committee is headed by Mr. Nagraj Tater, Director of your Company and consists of Members as stated below:

| Name                          | Category        | Chairman/ Members |
|-------------------------------|-----------------|-------------------|
| Mr. Nagraj Tater              | Non-Independent | Chairman          |
| Mr. Aditya Vimalkumar Agarwal | Non-Independent | Member            |
| Mr. Mangilal Jain             | Independent     | Member            |

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and

marked Annexure-3.

The CSR Policy of the Company is available on the Company's website under the weblink: [http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Corporate_Social_Responsibility_Policy.pdf)

## Evaluation of the Board's Performance

In compliance with the Companies Act, 2013 and as per Listing Obligations and Disclosures Requirements formulated by Securities and Exchange Board of India (SEBI), the Company has adopted a policy for evaluation of performance of the Board of Directors. The Board follows a formal mechanism for the evaluation of the performance of the Board as well as Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board will evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

## Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Aditya Vimalkumar Agarwal will retire by rotation and being eligible, offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the company.

During the year under review, Mr. Debasis Mukhopadhyay, Chief Financial Officer (CFO) resigned from the services of the Company on 21st May, 2016. The Board places on record their appreciation for the services and contributions made by Mr. Mukhopadhyay during his tenure.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, appointed Mr. Sunil Kumar Jha as Chief Financial Officer (CFO) with effect from 16th November,

2016. Mr. Jha resigned from the services of the Company on 27th February, 2017. The Board places on record their appreciation for the services and contributions made by Mr. Jha during his short tenure.

Further, during the year under review, Ms. Rachna Pareek, Company Secretary resigned from the services of the Company on 18th March, 2017. The Board places on record their appreciation for the services and contributions made by Ms. Pareek during her tenure.

On the recommendation of the Audit Committee and Nomination and Remuneration Committee, the Board has appointed Mr. Uday Bahadur Chetri as Chief Financial Officer and Key Managerial Personnel and on the recommendation of the Nomination and Remuneration Committee, Ms. Neha Agarwal has been appointed as Company Secretary and Key Managerial Personnel of the Company with effect from 30th May, 2017.

The following personnel are Key Managerial Personnel of the Company:

1. Mr. M.V.K. Nageswara Rao - Chief Executive Officer
2. Mr. Uday Bahadur Chetri - Chief Financial Officer
3. Ms. Neha Agarwal - Company Secretary

### Subsidiary, Associate and Joint Venture

The Company does not have any subsidiary and joint venture. M/s Meghalaya Power Limited continues to remain associate company.

Meghalaya Power Limited is engaged in generation of power. During the year under review the Company generated 2,016 lac units of power.

### Audited Financial Statements of the Company's Associate

Pursuant to sub-section (3) of section 129 of the Act, the statement containing salient features of the financial statement of associate company Meghalaya Power Limited (MPL) for the year ended March 31, 2017 is annexed in the Form AOC – 1 and marked as Annexure-4.

### Consolidated Financial Statements

The Consolidated Financial Statements of the Company have been prepared in accordance to requirements of Accounting Standards (AS-23), as prescribed by the Institute of Chartered Accountants of India and has been included as a part of this Annual Report.

The detailed financial statements of the associate Company are available for inspection at the Registered Office of the Company during office hours between 11 A.M. and 1 P.M. As per the provisions of Section 136 of the Companies Act, 2013, separate audited financial statements of its associate company are being placed on its website [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com)

and the Company will arrange to send the financial statements of its associate company upon written request from the shareholders to their registered address.

### Deposits

During the year under report, the Company has not accepted any deposits from public or from any of the Directors of the Company or their relatives falling under ambit of Section 73 of the Companies Act, 2013.

### Changes Impacting Going Concern Status and Company's Operations

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

There were no material changes and commitments affecting the financial position of the Company during the period under review.

### Adequacy of Internal Financial Control

The Company maintains comprehensive internal control system, commensurate with the size of its operations and monitoring procedure for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Audit Department of the Company periodically reviews the effectiveness and efficacy of Internal Control Systems and procedures. Audits are finalized and conducted based on internal risk assessments. Significant deviations from the standard procedures are brought to the notice of the Board periodically and corrective measures are recommended for implementation. All these steps facilitate timely detection of any irregularities, frauds and errors and early remedial measures to be undertaken so that no monetary losses are sustained. Significant audit observations, if any, and corrective actions thereon are presented to the Audit Committee of the Board.

### Internal Control over Financial Reporting

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

Managerial Remuneration and Particulars of Employees

The disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with, a statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked Annexure- 5 and forms part of this report.

Policy on Prevention of Sexual Harassment

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

Corporate Governance

The Company has complied with the corporate governance requirements as stipulated under the Listing Obligations and Disclosures Requirements formulated by Securities and Exchange Board of India (SEBI). A separate section on corporate governance, along with a certificate from the auditors confirming the compliance, is annexed and forms part of the Annual Report. This certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

Chief Executive Officer (CEO) /Chief Financial Officer (CFO) Certification

As required under Regulation 17(8) of the Listing Obligations and Disclosures Requirements formulated by Securities and Exchange Board of India (SEBI), the CEO/CFO certification has been submitted to the Board and a copy thereof is contained in this Annual Report.

Human Resource Development & Industrial Relations

The Company has always provided a congenial atmosphere for work to all sections of society. It has provided equal opportunities of employment to all irrespective to their caste, religion, color, marital status and sex. The Company believes that human capital of the Company is its most valuable assets and its human resource policies are aligned towards this objective.

The Company focuses on enhancing organizational performance by focusing on quick grievance resolution

mechanisms and maintaining cordial relations with employees and workmen across all levels. The relation amongst its employees remained harmonious and the year under review remained free from any labor unrest.

During the year under review, there has not been any material change in human resources, industrial relations and number of people employed.

Green Initiatives in Corporate Governance

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders, wherever applicable. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

Cautionary Statement

Statements in this report describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country and other factors which are material to the business operations of the Company.

Acknowledgement

Your Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their departments and the Local Authorities, Customers, Vendors, Business partners/associates and Stock Exchanges for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and recognize their contribution towards Company's achievements. Your Directors express their gratitude to the shareholders of the Company for reposing their confidence and trust in the Management of the Company.

For and on behalf of the Board of Directors

Nagraj Tater
Director
(DIN: 00266072)

Sajjan Bhajanka
Director
(DIN: 00246043)

Place: Kolkata
Date: 30th May, 2017

## FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2017

#### ANNEXURE 1

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

#### I. Registration & Other Details:

|   |                                                                            |                                                                                                                                                                                                                                       |
|---|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | CIN                                                                        | L27310ML2011PLC008578                                                                                                                                                                                                                 |
| 2 | Registration Date                                                          | 12th April, 2011                                                                                                                                                                                                                      |
| 3 | Name of the Company                                                        | Shyam Century Ferrous Limited                                                                                                                                                                                                         |
| 4 | Category/Sub-category of the Company                                       | Company limited by Shares/ Non-Govt. Company                                                                                                                                                                                          |
| 5 | Address of the Registered office & contact details                         | Village: Lumshnong, PO: Khaliehriat,<br>Dist.: East Jaintia Hills, Meghalaya – 793210<br>Phone No. : 03655 - 278215<br>Email- info@shyamcenturyferrous.com; investors@shyamcenturyferrous.com<br>Website: www.shyamcenturyferrous.com |
| 6 | Whether listed company                                                     | Yes                                                                                                                                                                                                                                   |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Maheshwari Datamatics Private Limited<br>23, R.N. Mukherjee Road, 5th floor,<br>Kolkata, West Bengal - 700001<br>Phone: 033-2248 2248; 033-2243 5029<br>Email - mdpldc@yahoo.com                                                      |

#### II. Principal Business Activities of the Company

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the Company |
|---------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1       | Ferro Alloys                                     | 24104                           | 99.55                              |

#### III. Particulars of Holding, Subsidiary and Associate Companies

| Sl. No. | Name and address of the Company                                                                                  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1       | Meghalaya Power Limited<br>Village: Lumshnong,<br>PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 | U40108ML2002PLC006921 | Associate                      | 48.80            | 2(6)               |

## IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

### (i) Category-wise Share Holding

| Category of Shareholders                                              | No. of Shares held at the beginning of the year<br>[As on 01-April-2016] |          |              |                   | No. of Shares held at the end of the year<br>[As on 31-March-2017] |          |              |                   | % Change during the year |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------|----------|--------------|-------------------|--------------------------------------------------------------------|----------|--------------|-------------------|--------------------------|
|                                                                       | Demat                                                                    | Physical | Total        | % of Total Shares | Demat                                                              | Physical | Total        | % of Total Shares |                          |
| A. Promoters                                                          |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| (1) Indian                                                            |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) Individual/ HUF                                                    | 9,76,03,576                                                              | -        | 9,76,03,576  | 43.93             | 9,76,03,576                                                        | -        | 9,76,03,576  | 43.93             | -                        |
| b) Central Government                                                 | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| c) State Government(s)                                                | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| d) Bodies Corporate                                                   | 3,93,29,080                                                              | -        | 3,93,29,080  | 17.70             | 3,93,29,080                                                        | -        | 3,93,29,080  | 17.70             | -                        |
| e) Banks / FI                                                         | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| f) Any other                                                          | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| Sub-total (A) (1)                                                     | 13,69,32,656                                                             | -        | 13,69,32,656 | 61.63             | 13,69,32,656                                                       | -        | 13,69,32,656 | 61.63             | -                        |
| (2) Foreign                                                           |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) NRIs - Individuals                                                 | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| b) Other - Individuals                                                | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| c) Bodies Corporate                                                   | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| d) Banks / FI                                                         | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| e) Any other                                                          | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| Sub - total (A) (2)                                                   | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| Total shareholding of promoter (A) = (A) (1) + (A) (2)                | 13,69,32,656                                                             | -        | 13,69,32,656 | 61.63             | 13,69,32,656                                                       | -        | 13,69,32,656 | 61.63             | -                        |
| B. Public Shareholding                                                |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| 1. Institutions                                                       |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) Mutual Funds                                                       | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| b) Banks / FI                                                         | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| c) Central Government                                                 | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| d) State Government(s)                                                | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| e) Venture Capital Funds                                              | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| f) Insurance Companies                                                | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| g) FIs                                                                | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| h) Foreign Venture Capital Funds                                      | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| i) Others:                                                            |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| Foreign Portfolio Investors                                           | 2,49,170                                                                 | -        | 2,49,170     | 0.11              | 2,49,170                                                           | -        | 2,49,170     | 0.11              | -                        |
| Sub-total (B)(1)                                                      | 2,49,170                                                                 | -        | 2,49,170     | 0.11              | 2,49,170                                                           | -        | 2,49,170     | 0.11              | -                        |
| 2. Non-Institutions                                                   |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) Bodies Corporate                                                   |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| i) Indian                                                             | 4,54,64,062                                                              | 16,500   | 4,54,80,562  | 20.47             | 3,39,97,447                                                        | 16,500   | 3,40,13,947  | 15.31             | (5.16)                   |
| ii) Overseas                                                          | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| b) Individuals                                                        |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | 89,05,392                                                                | 8,42,654 | 97,48,046    | 4.39              | 93,38,709                                                          | 8,02,303 | 1,01,41,012  | 4.56              | 0.17                     |

| Category of Shareholders                                                       | No. of Shares held at the beginning of the year<br>[As on 01-April-2016] |          |              |                   | No. of Shares held at the end of the year<br>[As on 31-March-2017] |          |              |                   | % Change during the year |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------|--------------|-------------------|--------------------------------------------------------------------|----------|--------------|-------------------|--------------------------|
|                                                                                | Demat                                                                    | Physical | Total        | % of Total Shares | Demat                                                              | Physical | Total        | % of Total Shares |                          |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 2,89,78,955                                                              | -        | 2,89,78,955  | 13.04             | 4,01,22,251                                                        | -        | 4,01,22,251  | 18.06             | 5.02                     |
| c) Others (specify)                                                            |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| 1. Clearing member                                                             | 5,95,882                                                                 | -        | 5,95,882     | 0.27              | 5,21,975                                                           | -        | 5,21,975     | 0.23              | (0.03)                   |
| 2. Non-resident Individual                                                     | 75,219                                                                   | -        | 75,219       | 0.03              | 79,479                                                             | -        | 79,479       | 0.04              | 0.00                     |
| 3. Trusts                                                                      | 1,10,250                                                                 | -        | 1,10,250     | 0.05              | 1,10,250                                                           | -        | 1,10,250     | 0.05              | -                        |
| 4. NBFCs registered with RBI                                                   | 2,250                                                                    | -        | 2,250        | 0.00              | 2,250                                                              | -        | 2,250        | 0.00              | -                        |
| Sub-total (B)(2)                                                               | 8,41,32,010                                                              | 8,59,154 | 8,49,91,164  | 38.25             | 8,41,72,361                                                        | 8,18,803 | 8,49,91,164  | 38.25             | -                        |
| Total Public shareholding (B) = (B) (1) + (B) (2)                              | 8,43,81,180                                                              | 8,59,154 | 8,52,40,334  | 38.37             | 8,44,21,531                                                        | 8,18,803 | 8,52,40,334  | 38.37             | -                        |
| C. Shares held by Custodian for GDRs & ADRs                                    | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| Grand Total (A+B+C)                                                            | 22,13,13,836                                                             | 8,59,154 | 22,21,72,990 | 100.00            | 22,13,54,187                                                       | 8,18,803 | 22,21,72,990 | 100.00            | -                        |

## (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name           | Shareholding at the beginning of the year<br>[As on 01-April-2016] |                                  |                                                 | Shareholding at the end of the year<br>[As on 31-March-2017] |                                  |                                                  | % change in shareholding during the year |
|---------|------------------------------|--------------------------------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                              | No. of Shares                                                      | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                                                | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                          |
| 1       | Mr. Sajjan Bhajanka          | 1,18,95,675                                                        | 5.35                             | -                                               | 1,18,95,675                                                  | 5.35                             | -                                                | -                                        |
| 2       | Mr. Prem Kumar Bhajanka      | 2,73,69,386                                                        | 12.32                            | 1.35                                            | 2,73,69,386                                                  | 12.32                            | -                                                | -                                        |
| 3       | Ms. Santosh Bhajanka         | 1,50,49,500                                                        | 6.77                             | -                                               | 1,50,49,500                                                  | 6.77                             | -                                                | -                                        |
| 4       | Mr. Sanjay Agarwal           | 1,47,88,245                                                        | 6.66                             | -                                               | 1,47,88,245                                                  | 6.66                             | -                                                | -                                        |
| 5       | Ms. Divya Agarwal            | 1,44,88,750                                                        | 6.52                             | -                                               | 1,44,88,750                                                  | 6.52                             | -                                                | -                                        |
| 6       | Ms. Yash Bhajanka            | 32,97,170                                                          | 1.48                             | -                                               | 32,97,170                                                    | 1.48                             | -                                                | -                                        |
| 7       | Mr. Hari Prasad Agarwala     | 24,35,760                                                          | 1.10                             | -                                               | 24,35,760                                                    | 1.10                             | -                                                | -                                        |
| 8       | Ms. Sumitra Devi Agarwala    | 16,76,250                                                          | 0.75                             | -                                               | 16,76,250                                                    | 0.75                             | -                                                | -                                        |
| 9       | Hari Prasad Agarwala (HUF)   | 15,30,990                                                          | 0.69                             | -                                               | 15,30,990                                                    | 0.69                             | -                                                | -                                        |
| 10      | Ms. Bhawna Agarwal           | 12,73,690                                                          | 0.57                             | -                                               | 12,73,690                                                    | 0.57                             | -                                                | -                                        |
| 11      | Ms. Sonu Bhajanka            | 10,30,010                                                          | 0.46                             | -                                               | 10,30,010                                                    | 0.46                             | -                                                | -                                        |
| 12      | Ms. Payal Agrawal            | 10,00,000                                                          | 0.45                             | -                                               | 10,00,000                                                    | 0.45                             | -                                                | -                                        |
| 13      | Ms. Shraddha Agarwal         | 8,00,000                                                           | 0.36                             | -                                               | 8,00,000                                                     | 0.36                             | -                                                | -                                        |
| 14      | Mr. Rajesh Kumar Agarwal     | 7,45,225                                                           | 0.34                             | -                                               | 7,45,225                                                     | 0.34                             | -                                                | -                                        |
| 15      | Mr. Keshav Bhajanka          | 1,22,925                                                           | 0.06                             | -                                               | 1,22,925                                                     | 0.06                             | -                                                | -                                        |
| 16      | Ms. Nancy Bhajanka           | 1,00,000                                                           | 0.05                             | -                                               | 1,00,000                                                     | 0.05                             | -                                                | -                                        |
| 17      | Sriram Vanija Pvt. Ltd.      | 85,02,180                                                          | 3.83                             | -                                               | 85,02,180                                                    | 3.83                             | -                                                | -                                        |
| 18      | Brijdham Merchants Pvt. Ltd. | 77,43,990                                                          | 3.49                             | -                                               | 77,43,990                                                    | 3.49                             | -                                                | -                                        |

| Sl. No. | Shareholder's Name               | Shareholding at the beginning of the year [As on 01-April-2016] |                                  |                                                 | Shareholding at the end of the year [As on 31-March-2017] |                                  |                                                  | % change in shareholding during the year |
|---------|----------------------------------|-----------------------------------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                                  | No. of Shares                                                   | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                          |
| 19      | Sumangal International Pvt. Ltd. | 76,66,800                                                       | 3.45                             | -                                               | 76,66,800                                                 | 3.45                             | -                                                | -                                        |
| 20      | Sumangal Business Pvt. Ltd.      | 68,31,240                                                       | 3.07                             | -                                               | 68,31,240                                                 | 3.07                             | -                                                | -                                        |
| 21      | Sriram Merchants Pvt. Ltd.       | 67,39,870                                                       | 3.03                             | -                                               | 67,39,870                                                 | 3.03                             | -                                                | -                                        |
| 22      | Auroville Investments Pvt. Ltd.  | 18,45,000                                                       | 0.83                             | -                                               | 18,45,000                                                 | 0.83                             | -                                                | -                                        |
|         | <b>Total</b>                     | <b>13,69,32,656</b>                                             | <b>61.63</b>                     | <b>1.35</b>                                     | <b>13,69,32,656</b>                                       | <b>61.63</b>                     | <b>-</b>                                         | <b>-</b>                                 |

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

There are no changes in Promoters' Shareholding during the Financial Year 2016-17.

**(iv) Shareholding Pattern of top ten Shareholders**

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

| Sl. No. | For each of the Top 10 shareholders | Date       | Reason   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|---------|-------------------------------------|------------|----------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|         |                                     |            |          | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1       | NARANTAK DEALCOMM LIMITED           |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year        | 01.04.2016 |          | 15,03,420                                 | 0.68              |                                         |                   |
|         | Changes during the year             |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year              | 31.03.2017 |          | 15,03,420                                 | 0.68              | 15,03,420                               | 0.68              |
| 2       | INFOREV SOFTWARE PRIVATE LIMITED    |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year        | 01.04.2016 |          | 1,05,93,400                               | 4.77              |                                         |                   |
|         | Changes during the year             |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year              | 31.03.2017 |          | 1,05,93,400                               | 4.77              | 1,05,93,400                             | 4.77              |
| 3       | KBG CONSULTANTS PVT. LTD. #         |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year        | 01.04.2016 |          | 12,52,625                                 | 0.56              |                                         |                   |
|         | Changes during the year             | 02.12.2016 | Transfer | (1,90,997)                                | (0.09)            | 10,61,628                               | 0.48              |
|         |                                     | 10.03.2017 | Transfer | (65,152)                                  | (0.03)            | 9,96,476                                | 0.45              |
|         |                                     | 17.03.2017 | Transfer | (4,00,000)                                | (0.18)            | 5,96,476                                | 0.27              |
|         |                                     | 24.03.2017 | Transfer | (5,96,476)                                | (0.27)            | -                                       | -                 |
|         | At the end of the year              | 31.03.2017 |          | -                                         | -                 | -                                       | -                 |
| 4       | PATTON INTERNATIONAL LIMITED        |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year        | 01.04.2016 |          | 1,04,88,000                               | 4.72              |                                         |                   |
|         | Changes during the year             |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year              | 31.03.2017 |          | 1,04,88,000                               | 4.72              | 1,04,88,000                             | 4.72              |
| 5       | BRIJ BHUSHAN AGARWAL                |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year        | 01.04.2016 |          | 63,44,877                                 | 2.86              |                                         |                   |
|         | Changes during the year             |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year              | 31.03.2017 |          | 63,44,877                                 | 2.86              | 63,44,877                               | 2.86              |
| 6       | SUBHAM CAPITAL PRIVATE LIMITED      |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year        | 01.04.2016 |          | 1,27,36,721                               | 5.73              |                                         |                   |
|         | Changes during the year             | 19.08.2016 | Transfer | (1,10,00,000)                             | (4.95)            | 17,36,721                               | 0.78              |
|         | At the end of the year              | 31.03.2017 |          | 17,36,721                                 | 0.78              | 17,36,721                               | 0.78              |

| Sl. No. | For each of the Top 10 shareholders  | Date       | Reason   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|---------|--------------------------------------|------------|----------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|         |                                      |            |          | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 8       | MAHABIR PRASAD AGARWAL               |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year         | 01.04.2016 |          | 96,91,690                                 | 4.36              |                                         |                   |
|         | Changes during the year              |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year               | 31.03.2017 |          | 96,91,690                                 | 4.36              | 96,91,690                               | 4.36              |
| 9       | SUPER DIAMOND NIRMAN PRIVATE LIMITED |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year         | 01.04.2016 |          | 24,32,000                                 | 1.09              |                                         |                   |
|         | Changes during the year              |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year               | 31.03.2017 |          | 24,32,000                                 | 1.09              | 24,32,000                               | 1.09              |
| 10      | MITTU AGARWAL *                      |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year         | 01.04.2016 |          | 9,96,101                                  | 0.45              |                                         |                   |
|         | Changes during the year              | 26.08.2016 | Transfer | 10,00,000                                 | 0.45              | 19,96,101                               | 0.90              |
|         | At the end of the year               | 31.03.2017 |          | 19,96,101                                 | 0.90              | 19,96,101                               | 0.90              |
| 11      | SUMITRA DEVI AGARWAL                 |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year         | 01.04.2016 |          | 49,16,400                                 | 2.21              |                                         |                   |
|         | Changes during the year              |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year               | 31.03.2017 |          | 49,16,400                                 | 2.21              | 49,16,400                               | 2.21              |
| 12      | SUBHAM AGARWAL                       |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year         | 01.04.2016 |          | 19,02,567                                 | 0.86              |                                         |                   |
|         | Changes during the year              | 26.08.2016 | Transfer | 1,00,00,000                               | 4.50              | 1,19,02,567                             | 5.36              |
|         | At the end of the year               | 31.03.2017 |          | 1,19,02,567                               | 5.36              | 1,19,02,567                             | 5.36              |

Note:

\* Not in the list of Top 10 shareholders as on 01.04.2016, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

# Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

The above information is based on the weekly beneficiary position received from Depositories.

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

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel | Date       | Reason   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|---------|------------------------------------------------------------------|------------|----------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|         |                                                                  |            |          | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1       | Mr. Sajjan Bhajanka (Non Executive Director)                     |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year                                     | 01.04.2016 |          | 1,18,95,675                               | 5.35              |                                         |                   |
|         | Changes during the year                                          |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year                                           | 31.03.2017 |          | 1,18,95,675                               | 5.35              | 1,18,95,675                             | 5.35              |
| 2       | Mr. Nagraj Tater (Non Executive Director)                        |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year                                     | 01.04.2016 |          | 9,000                                     | 0.00              |                                         |                   |
|         | Changes during the year                                          |            |          | No changes during the year                |                   |                                         |                   |
|         | At the end of the year                                           | 31.03.2017 |          | 9,000                                     | 0.00              | 9,000                                   | 0.00              |
| 3       | Mr. Aditya VimalKumar Agarwal (Non Executive Director)           |            |          |                                           |                   |                                         |                   |
|         | At the beginning of the year                                     | 01.04.2016 |          | 32,843                                    | 0.01              |                                         |                   |
|         | Changes during the year                                          | 17.06.2016 | Transfer | (10,000)                                  | (0.00)            | 22,843                                  | 0.01              |
|         |                                                                  | 30.06.2016 | Transfer | (3,000)                                   | (0.00)            | 19,843                                  | 0.01              |
|         | At the end of the year                                           | 31.03.2017 |          | 19,843                                    | 0.01              | 19,843                                  | 0.01              |

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel                             | Date                       | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|---------|----------------------------------------------------------------------------------------------|----------------------------|--------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|         |                                                                                              |                            |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 4       | Mr. Mangilal Jain (Independent Director)                                                     |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | 4,700                                     | 0.00              |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | 4,700                                     | 0.00              | 4,700                                   | 0.00              |
| 5       | Mr. Santanu Ray (Independent Director)                                                       |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | -                                         | -                 |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | -                                         | -                 |                                         |                   |
| 6       | Mrs. Plistina Dkhar (Independent Director)                                                   |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | 750                                       | 0.00              |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | 750                                       | 0.00              | 750                                     | 0.00              |
| 7       | Mr. M.V.K. Nageswara Rao (Chief Executive Officer)                                           |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | -                                         | -                 |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | -                                         | -                 |                                         |                   |
| 8       | Mr. Debasis Mukhopadhyay (Chief Financial Officer) (resigned on 21.05.2016)                  |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | -                                         | -                 |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | -                                         | -                 |                                         |                   |
| 9       | Mr. Sunil Kumar Jha (Chief Financial Officer) (w.e.f. 16.11.2016 and resigned on 27.02.2017) |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | -                                         | -                 |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | -                                         | -                 |                                         |                   |
| 10      | Ms. Rachna Pareek (Company Secretary) (resigned on 18.03.2017)                               |                            |        |                                           |                   |                                         |                   |
|         | At the beginning of the year                                                                 | 01.04.2016                 |        | -                                         | -                 |                                         |                   |
|         | Changes during the year                                                                      | No changes during the year |        |                                           |                   |                                         |                   |
|         | At the end of the year                                                                       | 31.03.2017                 |        | -                                         | -                 |                                         |                   |

## V. Indebtedness

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

(Amt. ₹/Lacs)

| Particulars                                                | Secured Loans excluding deposits | Unsecured Loans | Deposits** | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |            |                    |
| i) Principal Amount                                        | 2,031.17                         | -               | -          | 2,031.17           |
| ii) Interest due but not paid                              | -                                | -               | -          | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -          | -                  |
| Total (i+ii+iii)                                           | 2,031.17                         | -               | -          | 2,031.17           |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |            |                    |
| * Addition                                                 | -                                | -               | -          | -                  |
| * Reduction                                                | 217.25                           | -               | -          | 217.25             |
| Net Change                                                 | (217.25)                         | -               | -          | (217.25)           |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |            |                    |
| i) Principal Amount                                        | 1,813.92                         | -               | -          | 1,813.92           |
| ii) Interest due but not paid                              | -                                | -               | -          | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -          | -                  |
| Total (i+ii+iii)                                           | 1,813.92                         | -               | -          | 1,813.92           |

\*\* Trade Deposits have not been included.

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

| Sl. No. | Particulars of Remuneration                                                         | Name of MD/MTD/ Manager                                                    | Total Amount (₹/Lac) |
|---------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------|
|         | Name                                                                                |                                                                            |                      |
|         | Designation                                                                         |                                                                            |                      |
| 1       | Gross salary                                                                        |                                                                            |                      |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | -                                                                          | -                    |
|         | (b) Value of perquisites under section 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                                                              | -                                                                          | -                    |
|         | Total (A)                                                                           | -                                                                          | -                    |
|         | Ceiling as per the Act                                                              | 5% of the Net profit, calculated as per Section 198 of Companies Act, 2013 |                      |

### B. Remuneration to other Directors

| Sl. No. | Particulars of Remuneration                 | Name of Directors                                                      |                   |                     | Total Amount (₹/Lac) |
|---------|---------------------------------------------|------------------------------------------------------------------------|-------------------|---------------------|----------------------|
|         |                                             | Mr. Santanu Ray                                                        | Mr. Mangilal Jain | Mrs. Plistina Dkhar |                      |
| 1       | Independent Directors                       |                                                                        |                   |                     |                      |
|         | Fee for attending Board /Committee meetings | 0.43                                                                   | 0.43              | 0.05                | 0.91                 |
|         | Commission                                  | -                                                                      | -                 | -                   | -                    |
|         | Others, please specify                      | -                                                                      | -                 | -                   | -                    |
|         | Total (1)                                   | 0.43                                                                   | 0.43              | 0.05                | 0.91                 |
| 2       | Other Non-Executive Directors               |                                                                        |                   |                     |                      |
|         | Fee for attending Board /Committee meetings | -                                                                      | -                 | -                   | -                    |
|         | Commission                                  | -                                                                      | -                 | -                   | -                    |
|         | Others, please specify                      | -                                                                      | -                 | -                   | -                    |
|         | Total (2)                                   | -                                                                      | -                 | -                   | -                    |
|         | Total (B)=(1+2)                             | 0.43                                                                   | 0.43              | 0.05                | 0.91                 |
|         | Total Managerial Remuneration               | 0.91                                                                   |                   |                     |                      |
|         | Overall ceiling as per the Act              | 3% of Net profit, calculated as per Section 198 of Companies Act, 2013 |                   |                     |                      |

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

| Sl. No. | Particulars of Remuneration                                                         | Name of Key Managerial Personnel |                                       |                                   |                                | Total Amount (₹/Lac) |
|---------|-------------------------------------------------------------------------------------|----------------------------------|---------------------------------------|-----------------------------------|--------------------------------|----------------------|
|         |                                                                                     | Mr. M.V.K. Nageswara Rao         | Mr. Debasis Mukhopadhyay <sup>#</sup> | Mr. Sunil Kumar Jha <sup>##</sup> | Ms. Rachna Pareek <sup>*</sup> |                      |
|         | Designation                                                                         | CEO                              | CFO                                   | CFO                               | CS                             |                      |
| 1       | Gross salary                                                                        |                                  |                                       |                                   |                                |                      |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 21.58                            | 2.77                                  | 9.21                              | 3.17                           | 36.73                |
|         | (b) Value of perquisites under section 17(2) Income Tax Act, 1961                   | -                                | -                                     | -                                 | -                              | -                    |
|         | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961              | -                                | -                                     | -                                 | -                              | -                    |
| 2       | Stock Option                                                                        | -                                | -                                     | -                                 | -                              | -                    |
| 3       | Sweat Equity                                                                        | -                                | -                                     | -                                 | -                              | -                    |
| 4       | Commission                                                                          |                                  |                                       |                                   |                                |                      |
|         | - as % of profit                                                                    | -                                | -                                     | -                                 | -                              | -                    |
|         | - others, specify                                                                   | -                                | -                                     | -                                 | -                              | -                    |
| 5       | Others, please specify                                                              | -                                | -                                     | -                                 | -                              | -                    |
|         | Total                                                                               | 21.58                            | 2.77                                  | 9.21                              | 3.17                           | 36.73                |

<sup>#</sup> Mr. Debasis Mukhopadhyay resigned as Chief Financial Officer on 21st May, 2016.

<sup>##</sup> Mr. Sunil Kumar Jha was appointed as the Chief Financial Officer w.e.f. 16th November, 2016 and resigned on 27th February, 2017.

<sup>\*</sup> Ms Rachna Pareek resigned as Company Secretary on 18th March, 2017.

### VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties/Punishments/Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.

## FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2017

#### ANNEXURE 2

[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,

#### SHYAM CENTURY FERROUS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHYAM CENTURY FERROUS 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.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable Laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2017, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

- a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e) The Securities & Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

- a) The Boilers Act, 1923
- b) The Environment (Protection) Act, 1986
- c) The Water (Prevention and Control of Pollution) Act, 1974
- d) The Air (Prevention and Control of Pollution) Act, 1981

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Non Executive Directors and

Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the period under audit, the Company has passed the special resolution which authorize the Board to exercise power to invest/ acquire securities exceeding the limits under Section 186(2) of the Companies Act, 2013 upto ₹60 crore.

This report is to be read with our letter of even date which is annexed as **Annexure – 1** which forms an integral part of this report.

For MKB & Associates  
Company Secretaries

**Raj Kumar Banthia**  
(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 30th May, 2017

Place: Kolkata

## Annexure – 1

To

The Members,

**SHYAM CENTURY FERROUS LIMITED**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process 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 process 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. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening 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 MKB & Associates  
Company Secretaries

**Raj Kumar Banthia**  
(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 30th May, 2017

Place: Kolkata

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

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

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The main objective of the Policy is to establish the basic principles and the general framework of action for management to undertake and fulfill its Corporate Social Responsibility. Details of the CSR policy are available on the website of the Company.

2. The composition of the CSR Committee:

- Mr. Nagraj Tater - Chairman (Non-Executive Director)
- Mr. Aditya VimalKumar Agarwal - Member (Non-Executive Director)
- Mr. Mangilal Jain - Member (Independent Director)

3. Average Net Profit of the Company for last 3 financial years: ₹346.78 Lacs

4. Prescribed CSR expenditure (2% of amount) : ₹6.94 Lacs

5. Details of CSR activities/projects undertaken during the year:

a) Total amount to be spent for the financial year: ₹6.94 Lacs

b) Amount un-spent, if any: Nil

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

(₹ in Lacs)

| 1       | 2                                                                                                                                  | 3                                      | 4                                                                                                                        | 5                                               | 6                                                                                                                       | 7                                                | 8                                                          |
|---------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| Sl. No. | CSR project or activity identified                                                                                                 | Sector in which the Project is covered | Projects/ Programs<br>1.Local area or other<br>2.Specify the state and district where project or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br>Sub-heads:<br>1.Direct expenditure on projects or programs,<br>2.Overheads: | Cumulative expenditure upto the reporting period | Amount spent: Direct/ through implementing agency          |
| 1.      | Education Project: To provide non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya. | Education                              | Throughout the Country                                                                                                   | 7.00                                            | 7.00                                                                                                                    | 7.00                                             | Through implementing agency i.e. Friends of Tribal Society |

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Nagraj Tater

Director

(DIN: 00266072)

Chairman – CSR Committee

Sajjan Bhajanka

Director

(DIN: 00246043)

Place: Kolkata

Date: 30th May, 2017

## FORM AOC -1

### ANNEXURE 4

(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/ Step down Subsidiaries – Not Applicable

The Company does not have subsidiary, hence, the requirements under this part is not applicable to the Company.

#### Part "B": Associates and Joint Ventures

(₹ in Lacs)

| Sl. No. | Name of Associate - Meghalaya Power Limited                                | Amount                   |
|---------|----------------------------------------------------------------------------|--------------------------|
| 1.      | Latest audited Balance Sheet Date                                          | 31st March, 2017         |
| 2.      | Shares of Associate held by the company on the year end                    |                          |
|         | No. of shares                                                              | 83,58,998                |
|         | Amount of Investment in Associates/Joint Venture                           | 3,373.50                 |
|         | Extend of Holding %                                                        | 48.80%                   |
| 3.      | Description of how there is significant influence                          | By way of 48.80% holding |
| 4.      | Reason why the associate/joint venture is not consolidated                 | Not Applicable           |
| 5.      | Net worth attributable to Shareholding as per latest audited Balance Sheet | 5,895.05                 |
| 6.      | Profit / Loss for the year                                                 |                          |
|         | i. Considered in Consolidation                                             | 587.36                   |
|         | ii. Not Considered in Consolidation                                        | Not Applicable           |

The following information shall be furnished:-

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

For Kailash B. Goel & Co.  
Firm Registration No. 322460E  
Chartered Accountants

CA Arun Kumar Sharma  
Partner  
Membership No. 057329

Uday Bahadur Chetri  
Chief Financial Officer

Sajjan Bhajanka  
Director  
DIN : 00246043

Place : Kolkata  
Date : 30th May, 2017

Neha Agarwal  
Company Secretary

Nagraj Tater  
Director  
DIN: 00266072

## PARTICULARS OF MANAGERIAL REMUNERATION

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees and percentage increase in remuneration of the Directors and Key Managerial Personnel of the Company for the financial year:

| Name of Directors & Key Managerial Personnel | Designation                                                                        | Increase in Remuneration in the financial year (%) | Ratio of remuneration of each director to median remuneration of all employees* |
|----------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------|
| Mr. M. V. K. Nageswara Rao                   | Chief Executive Officer                                                            | 2.76                                               | -                                                                               |
| Mr. Debasis Mukhopadhyay                     | Chief Financial Officer<br>(Resigned on 21.05.2016)                                | -                                                  | -                                                                               |
| Mr. Sunil Kumar Jha                          | Chief Financial Officer<br>(Appointed w.e.f 16.11.2016 and resigned on 27.02.2017) | -                                                  | -                                                                               |
| Ms. Rachna Pareek                            | Company Secretary<br>(Resigned on 18.03.2017)                                      | -                                                  | -                                                                               |

\* None of the Directors receive any remuneration from the Company and the Independent Directors are paid only sitting fees for attending the meeting of the Board or Committee thereof.

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: 6.44%
- (iii) The number of permanent employees on the rolls of the Company : 164
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average percentile increase in the salaries of non-managerial employees in the Financial Year 2016 -17 was 8.9% while the average percentile increase in the Managerial remuneration was NIL as the Company does not have any Managerial Personnel.
- (v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Statement of Particulars of Employees pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sl. No. | Name of the Employees      | Designation                   | Remuneration Received (₹ in lacs) | Nature of Employment | Qualification                 | Experience (Years) | Date of commencement of employment | Age (Years) | Last Employment                                   | % of Equity Share held in the Company | Relation with Director, if any |
|---------|----------------------------|-------------------------------|-----------------------------------|----------------------|-------------------------------|--------------------|------------------------------------|-------------|---------------------------------------------------|---------------------------------------|--------------------------------|
| 1       | Mr. M. V. K. Nageswara Rao | Chief Executive Officer       | 21.58                             | Permanent            | B.Sc.                         | 41                 | 01.10.2012                         | 65          | M/s SD Eastern Bhutan Ferrosilicon (P) Ltd        | Nil                                   | None                           |
| 2       | Mr. Sumanta Kumar Patra    | General Manager               | 16.11                             | Permanent            | D. E.E + HSLC                 | 16                 | 22.11.2012                         | 37          | M/s Platinum Alloys Pvt. Ltd                      | Nil                                   | None                           |
| 3       | Mr. Moida Ramakrishna      | Advisor HR                    | 9.24                              | Permanent            | M.A,BLPG Dip PM, (NIPM)       | 36                 | 06.11.2015                         | 59          | M/s Facor Alloys Ltd                              | Nil                                   | None                           |
| 4       | Mr. B Sudhakar Rao         | Manager Mechanical            | 8.06                              | Contractual          | DME                           | 38                 | 31.12.2012                         | 63          | M/s Facor Alloys Ltd                              | Nil                                   | None                           |
| 5       | Mr. Kailash Ch Biswal      | Sr. Manager Production        | 7.15                              | Permanent            | BA                            | 16                 | 10.01.2013                         | 37          | M/s Jai Balaji Industries Ltd.                    | Nil                                   | None                           |
| 6       | Mr. Mcss N. Murthy         | Manager Production            | 7.74                              | Permanent            | Intermediate                  | 30                 | 01.09.2015                         | 53          | M/s Sarada Ferro Alloys Ltd.                      | Nil                                   | None                           |
| 7       | Mr. Uttam Das              | Manager (Captive Power Plant) | 7.06                              | Permanent            | DME + B.O.E                   | 16                 | 27.07.2007                         | 36          | M/s DLF Power Ltd                                 | Nil                                   | None                           |
| 8       | Mr. Uttam Kr. Mahanta      | Dy. Manager (Production)      | 5.74                              | Permanent            | B.Sc.                         | 15                 | 08.01.2013                         | 36          | M/s Anjaney Alloys Ltd.                           | Nil                                   | None                           |
| 9       | Mr. Sandip Purkayastha     | Assistant Manager (Stores)    | 5.60                              | Permanent            | B.Sc.                         | 16                 | 14.01.2013                         | 41          | M/s Shree Shakambari Ferro Alloys Private Limited | Nil                                   | None                           |
| 10      | Mr. Pramod Kumar Pradhan   | Boiler In charge              | 4.12                              | Permanent            | B.Com+ Ist cl Boiler operator | 13                 | 27.07.2007                         | 55          | M/s Amrit Cement Industries Ltd                   | Nil                                   | None                           |

For and on behalf of the Board of Directors

Sajjan Bhajanka  
Director  
DIN:00246043

Nagraj Tater  
Director  
DIN:00266072

Date: 30th May, 2017  
Place: Kolkata

# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance:

## Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company at large and its stakeholders. It emphasizes the need for full transparency, accountability and compliances with laws and regulations in all its transactions and interactions with its stakeholders, employees, lenders and the Government etc., without compromising the environment and health of society at large. Your Company has complied with the requirements of Corporate Governance as laid down under SEBI Regulations.

## Board of Directors

### Composition:

As on the date of this report, the Board consists of six Directors out of which three are Non-Executive Directors and three Independent Directors. The Board members are expert in different disciplines of corporate working i.e. finance, banking, technical, marketing, administration, etc. The Independent Directors are expert professionals with high credentials and actively contribute in the deliberations of the Board.

None of the Directors is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees.

Mr. M.V.K. Nagaeswara Rao is the Chief Executive Officer of the Company.

The Composition is as provided below:

| Name of the Director          | Designation | Category                 |
|-------------------------------|-------------|--------------------------|
| Mr. Sajjan Bhajanka           | Director    | Promoter - Non-Executive |
| Mr. Nagraj Tater              | Director    | Non-Executive            |
| Mr. Aditya Vimalkumar Agarwal | Director    | Non-Executive            |

| Name of the Director | Designation | Category    |
|----------------------|-------------|-------------|
| Mrs. Plistina Dkhar  | Director    | Independent |
| Mr. Mangilal Jain    | Director    | Independent |
| Mr. Santanu Ray      | Director    | Independent |

As on 31st March, 2017, the details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) are provided herein below:

| Name of the Director          | Number of Directorship of Public Limited Companies * | Number of Membership including Chairmanship of Board Committee(s) ** |
|-------------------------------|------------------------------------------------------|----------------------------------------------------------------------|
| Mr. Sajjan Bhajanka           | 7                                                    | 5 (1 as Chairman)                                                    |
| Mr. Mangilal Jain             | 9                                                    | 7 (3 as Chairman)                                                    |
| Mr. Santanu Ray               | 5                                                    | 5 (3 as Chairman)                                                    |
| Mr. Aditya Vimalkumar Agarwal | 2                                                    | 2                                                                    |
| Mr. Nagraj Tater              | 8                                                    | 1                                                                    |
| Mrs. Plistina Dkhar           | 2                                                    | -                                                                    |

\* Includes Private Companies which are subsidiaries of Public Limited Companies, Unlimited Liability Companies, Companies registered under Section 8 of the Companies Act, 2013, Membership of Managing Committees of Chambers of Commerce/Professional Bodies but excludes Foreign Companies.

\*\* Only Audit Committee and Stakeholders' Relationship Committee have been considered as per SEBI Regulations.

### Board Meetings and Procedures

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company apart from normal business. The Board generally meets at least once in every quarter to review the Quarterly results. Additional meetings are held as and when necessary.

All the meetings are scheduled well in advance and notices are sent to all the Directors at their address registered with the Company. The agenda of the meeting are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Draft minutes of the proceedings of the Board/Committee Meetings are circulated in advance and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.

#### Number and dates of Board Meetings held during the year

Five (5) Board Meetings were held during the Financial Year 2016-17 and the gap between two meetings did not exceed four months. The Meetings were held on 3rd May, 2016, 1st August, 2016, 9th September, 2016, 3rd November, 2016 and 8th February, 2017. The Attendance at the Board Meetings during the financial year 2016-17 and at the previous Annual General Meeting is as under:

| Name of Director              | No. of Board Meeting Attended | Last AGM Attended |
|-------------------------------|-------------------------------|-------------------|
| Mr. Sajjan Bhajanka           | 5                             | Yes               |
| Mr. Nagraj Tater              | 4                             | No                |
| Mrs. Plistina Dkhar           | 1                             | Yes               |
| Mr. Mangilal Jain             | 4                             | No                |
| Mr. Santanu Ray               | 4                             | Yes               |
| Mr. Aditya Vimalkumar Agarwal | 4                             | Yes               |

#### Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, separate meetings of the Independent Directors of the Company were held on 18th March, 2017, to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

#### Induction and Familiarization Program for Directors:

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with

the Company, nature of the industry in which the Company operates etc. The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with CEO and other heads of the Company. Efforts are made to familiarize the Directors about their roles, rights, and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments in the business. The details of the Director's induction and familiarization are available on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Familiarization_Programme_for_Independent_Directors.pdf)

#### Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees. A structured questionnaire for evaluation was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. The Directors expressed their satisfaction over the evaluation process

#### Resume of Directors proposed to be re-appointed:

The brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice convening the Annual General Meeting.

#### Committees of The Board

Currently, the Board has four Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and subject to be reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all members of Committee individually and tabled at the Board Meetings.

**Audit Committee:**

All the members of the Audit Committee are Non-Executive Directors with majority Independent Directors including Chairman. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Regulations.

The terms of reference of the Audit Committee are broadly inter alia as follows:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon 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;
  - 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.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, 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 utilized 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;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing 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;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing 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;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. 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;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of 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 and background, etc. of the candidate;

**Composition, number of Meetings and Attendance:**

The Audit Committee met 4 (four) times during the Financial year 2016-17. The Audit Committee's composition meets the requirements of Section 177 of the Companies Act, 2013 and SEBI Regulations. The Members of the Audit Committee possess financial/ accounting expertise/ exposure. The Committee is chaired by Mr. Mangilal Jain. The meetings were held on 3rd May, 2016, 1st August, 2016, 3rd November, 2016 and 8th February, 2017.

The Audit Committee comprises of the following members and the details of meetings attended by the Directors are as under:

| Name                          | Category                       | Designation | No. of Committee Meetings attended |
|-------------------------------|--------------------------------|-------------|------------------------------------|
| Mr. Mangilal Jain             | Non-Executive Independent      | Chairman    | 4                                  |
| Mr. Santanu Ray               | Non-Executive Independent      | Member      | 4                                  |
| Mr. Aditya Vimalkumar Agarwal | Non-Executive, Non-Independent | Member      | 2                                  |

Audit Committee meetings are attended by the Chief Finance Officer of the Company and representatives of Statutory Auditors and Internal Auditors are invitees for the relevant meetings. The Company Secretary acts as the Secretary of the Audit Committee.

#### Nomination and Remuneration Committee:

The Nomination and Remuneration Committee determines on behalf of the Board and shareholders as per agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors, Key Managerial Personnel and other employees. The Chairman of the Committee is an Independent Director and the Members of the Committee are Non - Executive Directors.

The broad terms of reference of the Committee inter alia are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Directors;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors

and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

- Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

#### Remuneration Policy:

The Company has formulated a remuneration policy with a focus on attracting talent and rewarding performance based on review of achievements. The remuneration to be paid to the Executive Directors, if any, shall be recommended by the Remuneration Committee based on the Net Profits of the Company which are then approved by the Board of Directors of the Company and the Shareholders of the Company in their respective meetings. The remuneration to be paid to the Executive Directors shall be determined and based on the industry benchmark, performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their performance expertise in their individual capacity as individual Professionals/Business Executives. Independent Non-Executive Directors are paid sitting fees for attending Board/Committee Meetings.

The compositions of the Nomination and Remuneration Committee as at 31st March, 2017 are as under:

| Name of the Member | Category                         | Designation |
|--------------------|----------------------------------|-------------|
| Mr. Santanu Ray    | Independent, Non-Executive       | Chairman    |
| Mr. Mangilal Jain  | Independent, Non-Executive       | Member      |
| Mr. Nag Raj Tater  | Non – Independent, Non-Executive | Member      |

#### Meetings and Attendance:

The Nomination and Remuneration Committee met on 3rd May, 2016 and 3rd November, 2016 during the financial year 2016-17. All the members of the Committee attended the meeting.

#### Remuneration of Directors:

The details of remuneration paid to Directors for the Financial Year 2016-17 are provided below:

| Sl. No. | Name of the Director          | Designation              | Salary (₹) | Sitting Fees (₹) | No. of shares held as on date |
|---------|-------------------------------|--------------------------|------------|------------------|-------------------------------|
| 1       | Mr. Sajjan Bhajanka           | Non – Executive Director | Nil        | Nil              | 1,18,95,675                   |
| 2       | Mr. Nagraj Tater              | Non – Executive Director | Nil        | Nil              | 9,000                         |
| 3       | Mr. Aditya Vimalkumar Agarwal | Non – Executive Director | Nil        | Nil              | 19,843                        |
| 4       | Mr. Mangilal Jain             | Independent Director     | Nil        | 42,500           | 4,700                         |
| 5       | Mr. Santanu Ray               | Independent Director     | Nil        | 42,500           | Nil                           |
| 6       | Mrs. Plistina Dkhar           | Independent Director     | Nil        | 5,000            | 750                           |

None of the Directors of the Company/Key Managerial Personnel had any pecuniary relationship with the Company during the year.

## Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Board has constituted "Stakeholders' Relationship Committee".

The Committee's responsibility is to oversee Share Transfers and addressing to and redressal of shareholders' grievances etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agents of the Company.

The terms of reference of the Committee includes:

- Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
- Consider and approve all requests from shareholders regarding transfer & transmission of shares, issue of duplicate share certificate, consolidation of shares, demat, remat, split & folio consolidation etc.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.

During the Financial Year 2016-17, the Stakeholders Relationship Committee met 2 (Two) times. The meetings were held on 7th September 2016 and 13th October, 2016.

The Composition of the Stakeholders Relationship Committee and the details of the meeting attended by the members are given below:

| Name of the Member            | Category                         | Designation | No. of Committee Meetings attended |
|-------------------------------|----------------------------------|-------------|------------------------------------|
| Mr. Santanu Ray               | Non-Executive, Independent       | Chairman    | 2                                  |
| Mr. Nagraj Tater              | Non-Executive, Non - Independent | Member      | 2                                  |
| Mr. Aditya VimalKumar Agarwal | Non-Executive, Non - Independent | Member      | Nil                                |

The Company Secretary acts as Secretary to the Committee.

### Status of Pending Complaints:

The Company has not received any Complaints during the Financial Year 2016-17. There were no complaints pending at

the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

### Corporate Social Responsibility Committee:

The Company has constituted Corporate Social Responsibility Committee (CSR) as required under section 135 of the Companies Act 2013. The Committee consists of three Directors out of which one Director is an Independent Director.

The terms of reference of the Committee are as follows:

- To formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on CSR activities

During the Financial Year 2016-17, CSR Committee Meeting was held on 8th February, 2017. The Corporate Social Responsibility Committee comprises of the following three members and details of the meeting attended by them are given below:

| Name of the Member            | Category                         | Designation | No. of Committee Meetings attended |
|-------------------------------|----------------------------------|-------------|------------------------------------|
| Mr. Nagraj Tater              | Non-Executive, Non - Independent | Chairman    | 1                                  |
| Mr. Mangilal Jain             | Non-Executive, Independent       | Member      | 1                                  |
| Mr. Aditya Vimalkumar Agarwal | Non-Executive, Non - Independent | Member      | 1                                  |

### Vigil Mechanism / Whistle Blower Policy:

The Board of Directors of the Company has adopted a Vigil Mechanism Policy. This mechanism provides a tool in the hands of Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

### General Body Meetings:

Particulars of last three Annual General Meetings:

| Financial Year | Venue                                                                                           | Date and time                     |
|----------------|-------------------------------------------------------------------------------------------------|-----------------------------------|
| 2015-16        | 'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793 210 | 9th September, 2016 at 4.00 p.m.  |
| 2014-15        | 'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793 210 | 25th September, 2015 at 3.00 p.m. |
| 2013-14        | 6, Lyons Range, 1st Floor, Kolkata-700001                                                       | 4th July, 2014 at 11.00 a.m.      |

#### Details of Special Resolution passed in the last three Annual General Meeting:

| AGM | Date                 | Matter                                                                                                                                                                                                                                                                                                                                                                  |
|-----|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3rd | 4th July, 2014       | Special Resolution for Shareholders approval and alteration in the Memorandum of Association of the Company pursuant to Sec 13(4) of the Companies Act, 2013 for shifting of Registered Office of the Company from the State of West Bengal to the State of Meghalaya.                                                                                                  |
| 4th | 25th September, 2015 | 1. Authorisation to the Board to keep the Register and Index of Members, copies of all Annual returns, books of accounts at a place other than the Registered Office of the Company.<br>2. Authorisation to the Board to borrow upto an amount not exceeding ₹60 crore.<br>3. Authorisation to the Board to mortgage, hypothecate or create charge on Company's assets. |
| 5th | 9th September, 2016  | Increase in limits of investments in other Bodies Corporate under Section 186 of the Companies Act, 2013.                                                                                                                                                                                                                                                               |

During the year under review, no resolution has been passed through the exercise of Postal Ballot.

No Extra-Ordinary General meeting of the Shareholders was held during the year.

#### Disclosures:

- No materially significant related party transactions took place between the Company and its associates, Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large.

Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related\\_Party\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related_Party_Policy.pdf)

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

- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessments and procedures to minimize risk. The risk management policy is reviewed periodically to ensure that the executive management controls the risk as per decided policy.

- The Company's policy on Vigil mechanism is placed on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Whistle\\_Blower\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Whistle_Blower_Policy.pdf). We hereby affirm that no personnel have been denied access to the Audit Committee.

- The Directors of the Company are not related inter-se.

- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.

- During the year under review, the Company has not raised any money through public issue.

#### Code of Conduct

In pursuance of the SEBI Regulations, the Board has approved the 'Code of Conduct for Board of Directors and Senior Management' and same has been circulated and posted on the Company's website [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com). The Directors and Senior Management personnel have affirmed compliance with the provisions of above Code of Conduct. The declaration by the Chief Executive Officer to this effect is also attached to this Report.

#### Means of Communication

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per SEBI Regulations, are published in prominent English and Khasi (Regional language) newspapers usually in 'The Business Standard' and 'Hima'. The quarterly financial results and official news are also posted on the website of the Company - [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com).

The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting. The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company are also placed on the Company's website: [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) and can be downloaded.

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE's Listing Centre which are web-based applications designed by NSE and BSE respectively for corporates.

## Management Discussion And Analysis

A Management Discussion and Analysis Report, forms a part of the Directors' Report.

## General Shareholder Information

### Annual General Meeting

|                       |                                                                                                |
|-----------------------|------------------------------------------------------------------------------------------------|
| Date and Time         | 11th September, 2017 at 4.00 P.M.                                                              |
| Venue                 | Star Club, Village : Lumshnong, PO : Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210 |
| Dates of Book Closure | 8th September, 2017 to 11th September, 2017 (both days inclusive)                              |

### Financial Calendar (for the year 2017-18)

The Company follows financial year starting from 1st of April of the financial year and ending on 31st March of the following year.

### Proposed date for approval of financial results

|                                           |                                        |
|-------------------------------------------|----------------------------------------|
| First Quarter ended 30th June, 2017       | Within 45 days from the end of quarter |
| Second Quarter ended 30th September, 2017 | Within 45 days from the end of quarter |

|                                            |                                        |
|--------------------------------------------|----------------------------------------|
| Third Quarter ended 31st December, 2017    | Within 45 days from the end of quarter |
| Fourth/Last Quarter ended 31st March, 2018 | Within 60 days from the end of quarter |

### Listing on Stock Exchanges

The Shares of the Company are presently listed on the following Stock Exchanges:-

- National Stock Exchange of India Ltd (NSE)  
Exchange Plaza, Bandra –Kurla Complex, Bandra (E)  
Mumbai- 400 051
- BSE Ltd. (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001

The Company has paid listing fees to NSE and BSE for the year 2017 – 18.

Annual Custody/Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL. Bills for the year 2017-18 has been received and paid by the Company to CDSL and NSDL.

### Stock Code

| Name of the Exchange                         | Stock Code |
|----------------------------------------------|------------|
| The National Stock Exchange of India Limited | SHYAMCENT  |
| BSE Limited                                  | 539252     |

### ISIN Allotted to the Company by the Depositories

The Company has signed Depository agreement with both National Securities Depository Limited and Central Depository Services (India) Limited. The ISIN allotted to the Company is INE979R01011.

### Corporate Identity Number (CIN)

L27310ML2011PLC008578

### Market Information

Market Price Data: High, Low (based on the closing prices)

and volume of shares traded at BSE and NSE, for the financial year 2016-17 are as follows:

| Month          | Bombay Stock Exchange |      |          | National Stock Exchange |      |           |
|----------------|-----------------------|------|----------|-------------------------|------|-----------|
|                | High                  | Low  | Volume   | High                    | Low  | Volume    |
| April 2016     | 7.30                  | 5.01 | 30,475   | 7.00                    | 4.90 | 2,06,625  |
| May 2016       | 7.50                  | 6.25 | 99,775   | 7.70                    | 6.20 | 2,67,249  |
| June 2016      | 7.47                  | 5.60 | 58,592   | 6.95                    | 5.95 | 3,62,408  |
| July 2016      | 9.14                  | 6.05 | 1,84,924 | 9.20                    | 6.00 | 5,46,516  |
| August 2016    | 8.20                  | 6.85 | 1,34,655 | 8.75                    | 6.50 | 3,50,473  |
| September 2016 | 8.25                  | 6.20 | 95,293   | 8.30                    | 5.75 | 1,74,460  |
| October 2016   | 7.40                  | 6.00 | 1,21,898 | 7.50                    | 6.00 | 1,08,793  |
| November 2016  | 9.20                  | 6.65 | 4,23,101 | 9.50                    | 6.65 | 8,22,674  |
| December 2016  | 11.52                 | 7.33 | 5,03,113 | 11.25                   | 7.30 | 16,18,339 |

|               | Bombay Stock Exchange |      |           | National Stock Exchange |      |          |
|---------------|-----------------------|------|-----------|-------------------------|------|----------|
| Month         | High                  | Low  | Volume    | High                    | Low  | Volume   |
| January 2017  | 9.13                  | 7.55 | 88,854    | 9.35                    | 7.55 | 3,78,022 |
| February 2017 | 9.15                  | 7.05 | 3,58,124  | 9.00                    | 7.05 | 5,81,960 |
| March 2017    | 9.11                  | 7.00 | 13,41,967 | 9.25                    | 6.95 | 8,50,029 |

Performance of the Shares of the Company in comparison to BSE Sensex is as under

| Month          | BSE Sensex |          | Company's Share |          |
|----------------|------------|----------|-----------------|----------|
|                | Closing    | % Change | Closing         | % Change |
| April 2016     | 25,606.62  | 1.04     | 7.00            | 37.25    |
| May 2016       | 26,667.96  | 4.14     | 6.50            | (7.14)   |
| June 2016      | 26,999.72  | 1.24     | 6.25            | (3.85)   |
| July 2016      | 28,051.86  | 3.90     | 8.05            | 28.80    |
| August 2016    | 28,452.17  | 1.43     | 7.25            | (9.94)   |
| September 2016 | 27,865.96  | (2.06)   | 6.41            | (11.59)  |
| October 2016   | 27,930.21  | 0.23     | 6.75            | 5.30     |
| November 2016  | 26,652.81  | (4.57)   | 9.04            | 33.93    |
| December 2016  | 26,626.46  | (0.10)   | 7.90            | (12.61)  |
| January 2017   | 27,655.96  | 3.87     | 8.51            | 7.72     |
| February 2017  | 28,743.32  | 3.93     | 7.30            | (14.22)  |
| March 2017     | 29,620.50  | 3.05     | 7.84            | 7.40     |

#### Registrars and Share Transfer Agents

M/s Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road,  
5th floor, Kolkata- 700001  
Phone: 033 22435029/22482248  
Fax - 033 22484787  
Email - mdplc@yahoo.com

#### Share Transfer System

Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfers are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

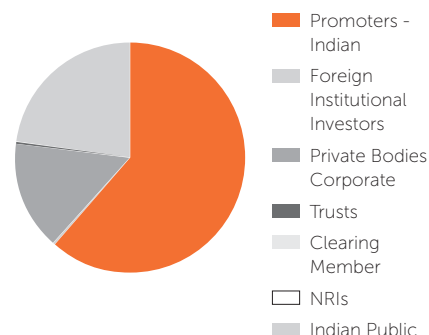
Transfer of Shares in dematerialized form is duly processed by NSDL/CDSL in electronic form through the respective Depository participants. Dematerialisation is required to be done within a period of 15 days from the date of lodgment of Dematerialisation request, complete in all respect, with the Depository Participant of the Shareholder.

#### Distribution of Shareholding of Ordinary Shares as on 31st March, 2017

| Shareholding    | Total No. of Shareholders | %             | No. of Shares       | %             |
|-----------------|---------------------------|---------------|---------------------|---------------|
| 1- 500          | 7,071                     | 74.68         | 7,65,220            | 0.34          |
| 501-1000        | 692                       | 7.31          | 6,13,033            | 0.28          |
| 1001-5000       | 1,120                     | 11.83         | 27,73,299           | 1.25          |
| 5001-10000      | 275                       | 2.91          | 20,59,330           | 0.93          |
| 10001- 20000    | 133                       | 1.40          | 19,30,275           | 0.87          |
| 20001 and above | 177                       | 1.87          | 21,40,31,833        | 96.33         |
| <b>Total</b>    | <b>9,468</b>              | <b>100.00</b> | <b>2,22,172,990</b> | <b>100.00</b> |

### Shareholding Pattern as on 31st March, 2017

| Category                        | Number of Shareholders | Number of Shares    | % of total Share Capital |
|---------------------------------|------------------------|---------------------|--------------------------|
| Promoter and Promoter Group     | 25                     | 136,932,656         | 61.63                    |
| Foreign Institutional Investors | 5                      | 2,49,170            | 0.11                     |
| Bodies Corporate                | 290                    | 3,40,16,197         | 15.31                    |
| Trusts                          | 7                      | 1,10,250            | 0.05                     |
| Clearing Member                 | 66                     | 5,21,975            | 0.23                     |
| NRIs                            | 130                    | 79,479              | 0.04                     |
| Individual                      | 8,945                  | 50,263,263          | 22.63                    |
| <b>TOTAL</b>                    | <b>9,468</b>           | <b>2,22,172,990</b> | <b>100.00</b>            |



### Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

2,21,354,187 Ordinary Shares of the Company representing 99.63 of the Company's share capital are dematerialised as on 31st March, 2017.

### Reconciliation of Share Capital Audit:

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited(' Depositories') and

the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

### Plant location:

Ferro Alloy & Power Plant,  
EPIP, Rajabagan, Byrnihat,  
District-Ri-Bhoi,  
Meghalaya - 793101

### Address for Correspondence:

#### a) Corporate Office:

The Compliance Officer,  
Shyam Century Ferrous Limited,  
Satyam Tower, 3 Alipore Road, Kolkata-700 027  
Phone: 033 22435029, Fax: 033 22484787  
Email: investors@shyamcenturyferrous.com  
Website: www.shyamcenturyferrous.com

#### b) Registered Office:

Village: Lumshnong, P.O. Khaliehriat,  
Dist. East Jaintia Hills, Meghalaya – 793210.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 30th May, 2017

Sajjan Bhajanka  
Director  
(DIN: 00246043)

Nagraj Tater  
Director  
(DIN: 00266072)

## Compliance with Code of Business Conduct and Ethics

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is hereby declared that all Board members and senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31st March, 2017.

Place: Kolkata  
Dated: 30th May, 2017

M.V. K. Nageswara Rao  
Chief Executive Officer

# Certificate by Chief Executive Officer

To,  
The Board of Directors  
Shyam Century Ferrous Limited

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Shyam Century Ferrous Limited ("the Company"), to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the Financial year ended 31st March, 2017 and based on our knowledge and belief, we state that:
  - (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (1) significant changes, if any, in internal control over financial reporting during the year;
  - (2) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 30th May, 2017

M.V.K.Nageswara Rao  
Chief Executive Officer

Uday Bahadur Chetri  
Chief Financial Officer

# Auditors' Certificate on Corporate Governance

To  
The Members of  
Shyam Century Ferrous Limited  
Vill:-Lumshnong, P.O. Khaliehriat,  
Dist. East Jaintia Hills,  
Meghalaya - 793 210

We have examined the compliance of conditions of the Corporate Governance by Shyam Century Ferrous Limited for the year ended on 31st March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 KAILASH B. GOEL & CO.  
Firm Registration No. 322460E  
Chartered Accountants

Place : Kolkata  
Date : 30th May, 2017

CA. Arun Kumar Sharma  
Partner  
Membership No. 057329

# Standalone Financial Statements

## INDEPENDENT AUDITORS' REPORT

To the Members of

**SHYAM CENTURY FERROUS LIMITED**

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Shyam Century Ferrous Limited ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss

and the cash flow statement dealt with by this Report are in agreement with the books of account;

- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 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 its pending litigation on its standalone financial position in its standalone financial statements - refer note no. 26 to the 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its standalone financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company Refer to Note 38 to the standalone financial statement.

For **KAILASH B. GOEL & CO.**  
Firm Registration No. 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
Membership No. 057329

Place : Kolkata  
Date : 30th May, 2017

## ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by management according to a phased programme on a rotational basis, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
- (iii) The Company has not granted loan to any body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). So the provisions of paragraph 3(iii) are 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 Act, with respect to the loans and investments made.
- (v) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and therefore the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the 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) According to the information and explanations given to us and based on our examination of the records of the

Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **KAILASH B. GOEL & CO.**  
Firm Registration No. 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**

Place : Kolkata  
Date : 30th May, 2017

Partner  
Membership No. 057329

## ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Shyam Century Ferrous Limited ("the Company") as of 31st March, 2017 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

#### 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 31st March, 2017, 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 **KAILASH B. GOEL & CO.**  
Firm Registration No. 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
Membership No. 057329

Place : Kolkata  
Date : 30th May, 2017

## Balance Sheet as at 31st March, 2017

(₹ in Lacs)

|                                                   | Note       | 31.03.2017       | 31.03.2016       |
|---------------------------------------------------|------------|------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                     |            |                  |                  |
| <b>Shareholders' Funds</b>                        |            |                  |                  |
| Share Capital                                     | 2          | 2,221.73         | 2,221.73         |
| Reserves & Surplus                                | 3          | 7,259.00         | 6,727.55         |
|                                                   |            | <b>9,480.73</b>  | <b>8,949.28</b>  |
| <b>Non-Current Liabilities</b>                    |            |                  |                  |
| Long Term Borrowings                              | 4          | -                | 75.50            |
| Deferred Tax Liabilities                          | 5          | 76.67            | 69.96            |
| Long Term Provisions                              | 6          | 55.70            | 47.19            |
|                                                   |            | <b>132.37</b>    | <b>192.66</b>    |
| <b>Current Liabilities</b>                        |            |                  |                  |
| Short Term Borrowings                             | 7          | 1,738.42         | 1,798.55         |
| Trade Payables                                    |            | 644.10           | 532.90           |
| Other Current Liabilities                         | 8          | 1,261.52         | 920.34           |
| Short Term Provisions                             | 9          | 39.91            | 87.41            |
|                                                   |            | <b>3,683.95</b>  | <b>3,339.21</b>  |
| <b>Total</b>                                      |            | <b>13,297.05</b> | <b>12,481.15</b> |
| <b>ASSETS</b>                                     |            |                  |                  |
| <b>Non-Current Assets</b>                         |            |                  |                  |
| Fixed Assets                                      |            |                  |                  |
| -Tangible Assets                                  | 10         | 2,030.43         | 2,225.00         |
| -Intangible Assets                                | 11         | 1.53             | 2.53             |
|                                                   |            | <b>2,031.96</b>  | <b>2,227.53</b>  |
| Non Current Investments                           | 12         | 3,373.50         | 3,373.50         |
| Long Term Loans and Advances                      | 13         | 1,801.83         | 1,457.58         |
| Other Non Current Assets                          | 14         | 0.25             | 0.29             |
|                                                   |            | <b>7,207.54</b>  | <b>7,058.90</b>  |
| <b>Current Assets</b>                             |            |                  |                  |
| Inventories                                       | 15         | 3,116.58         | 2,357.81         |
| Trade Receivables                                 | 16         | 1,465.70         | 1,396.12         |
| Cash and Cash Equivalents                         | 17         | 235.91           | 491.95           |
| Short Term Loans and Advances                     | 18         | 1,271.31         | 1,176.36         |
|                                                   |            | <b>6,089.50</b>  | <b>5,422.25</b>  |
| <b>Total</b>                                      |            | <b>13,297.05</b> | <b>12,481.15</b> |
| <b>Summary of Significant accounting policies</b> | <b>1.2</b> |                  |                  |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in Lacs)

|                                                                         | Note | 2016-17         | 2015-16          |
|-------------------------------------------------------------------------|------|-----------------|------------------|
| <b>INCOME</b>                                                           |      |                 |                  |
| Revenue from Operations (Gross)                                         | 19   | 9,257.46        | 11,529.17        |
| Less: Excise Duty (Net)                                                 |      | 150.16          | 168.51           |
| Revenue from Operations (Net)                                           |      | <b>9,107.30</b> | <b>11,360.66</b> |
| Other Income                                                            | 20   | 1.40            | 2.75             |
| <b>Total Revenue</b>                                                    |      | <b>9,108.70</b> | <b>11,363.42</b> |
| <b>EXPENSES</b>                                                         |      |                 |                  |
| Cost of Materials Consumed                                              | 21   | 2,414.32        | 2,945.90         |
| (Increase)/Decrease in Inventories                                      | 22   | 44.28           | 817.57           |
| Employee Benefit Expenses                                               | 23   | 582.24          | 551.23           |
| Finance Costs                                                           | 24   | 99.79           | 297.77           |
| Depreciation and Amortization Expenses                                  |      | 214.69          | 294.14           |
| Other Expenses                                                          | 25   | 4,954.87        | 6,298.04         |
| <b>Total Expenses</b>                                                   |      | <b>8,310.20</b> | <b>11,204.64</b> |
| <b>Profit/(Loss) before exceptional and extraordinary items and tax</b> |      | <b>798.51</b>   | <b>158.77</b>    |
| Exceptional Items                                                       |      | -               | -                |
| <b>Profit/(Loss) before tax</b>                                         |      | <b>798.51</b>   | <b>158.77</b>    |
| <b>Tax Expenses</b>                                                     |      |                 |                  |
| -Current Tax                                                            |      | 255.92          | 54.56            |
| -Income Tax for earlier years                                           |      | 4.43            | -                |
| -Deferred Tax                                                           |      | 6.70            | (3.19)           |
| <b>Profit/(Loss) for the year</b>                                       |      | <b>531.45</b>   | <b>107.40</b>    |
| <b>Earnings Per Equity Share (nominal value of share ₹ 1/-)</b>         |      |                 |                  |
| Basic Earning Per Share                                                 |      | 0.24            | 0.05             |
| Diluted Earning Per Share                                               |      | 0.24            | 0.05             |
| <b>Summary of Significant accounting policies</b>                       | 1.2  |                 |                  |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Cash Flow Statement for the year ended 31st March, 2017

(₹ in Lacs)

| Sl. No.                                                             | 2016-17                                    | 2015-16           |
|---------------------------------------------------------------------|--------------------------------------------|-------------------|
| <b>A</b>                                                            | <b>CASH FLOW FROM OPERATING ACTIVITIES</b> |                   |
| Net Profit / (Loss) before Tax                                      | 798.51                                     | 158.77            |
| Adjustments for:                                                    |                                            |                   |
| Depreciation/Amortisation                                           | 214.69                                     | 294.14            |
| Finance Cost                                                        | 99.79                                      | 297.77            |
| Interest and Other Income                                           | (1.40)                                     | (2.75)            |
| <b>Operating Profit before Working Capital changes</b>              | <b>1,111.59</b>                            | <b>747.93</b>     |
| Adjustments for:                                                    |                                            |                   |
| (Increase)/Decrease in Trade Receivables                            | (69.58)                                    | (169.27)          |
| (Increase)/Decrease in Inventories                                  | (758.77)                                   | 1,226.60          |
| (Increase)/Decrease in Long Term Loans & Advances                   | (344.25)                                   | (333.73)          |
| (Increase)/Decrease in Short Term Loans & Advances                  | (607.31)                                   | (116.60)          |
| Increase/(Decrease) in Long Term Provisions                         | 8.50                                       | 10.20             |
| Increase/(Decrease) in Short Term Provisions                        | (47.51)                                    | 38.40             |
| Increase/(Decrease) in Other Current Liabilities                    | 422.80                                     | 215.31            |
| Increase/(Decrease) in Trade Payables                               | 111.20                                     | (34.37)           |
| <b>Cash Generated from Operations</b>                               | <b>(173.32)</b>                            | <b>1,584.47</b>   |
| Direct Taxes Paid (Net of Refunds)                                  | 252.00                                     | (10.99)           |
| <b>Net Cash generated from Operating Activities</b>                 | <b>78.68</b>                               | <b>1,573.47</b>   |
| <b>B</b>                                                            | <b>CASH FLOW FROM INVESTING ACTIVITIES</b> |                   |
| Purchase of Fixed Assets                                            | (19.13)                                    | (7.73)            |
| Fixed Deposits/Margin Money (Given)/Refund                          | 0.04                                       | 4.20              |
| Interest Received                                                   | 1.40                                       | 2.75              |
| <b>Net Cash from Investing Activities</b>                           | <b>(17.69)</b>                             | <b>(0.78)</b>     |
| <b>C</b>                                                            | <b>CASH FLOW FROM FINANCING ACTIVITIES</b> |                   |
| Increase in Short Term Borrowings                                   | (60.13)                                    | (621.92)          |
| Repayment of Long Term Borrowings                                   | (157.12)                                   | (485.52)          |
| Interest Paid                                                       | (99.79)                                    | (297.77)          |
| <b>Net Cash used in Financing Activities</b>                        | <b>(317.04)</b>                            | <b>(1,405.20)</b> |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>(256.05)</b>                            | <b>167.50</b>     |
| Cash and Cash Equivalents as on 1st April, 2016                     | 491.95                                     | 324.46            |
| Cash and Cash Equivalents as on 31st March, 2017                    | 235.91                                     | 491.95            |

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

# NOTES TO FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

Shyam Century Ferrous Limited (the Company) is a public company domiciled in India and incorporated on 12.04.2011 under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company is engaged in manufacturing of Ferro Alloys and generation of Power. The manufacturing unit is located at Byrnihat, Meghalaya. The Company is selling its product across India.

### 1.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern. The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

### 1.2 Summary of Significant Accounting Policies

#### (i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates.

#### (ii) Revenue Recognition

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.

(a) Revenue from sale of goods and services rendered is recognized on despatch of goods to the customers. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company, hence excluded from revenues. Sales include excise duty and are net of rebates, trade discounts and returns, if any.

(b) Dividend Income is recognized when the shareholders' right to receive the payment is established.

(c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

#### (iii) Fixed Assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortization and impairment loss, if any, except freehold land which is carried at cost. Cost comprises the purchase price inclusive of duties (net of CENVAT / VAT, wherever applicable), taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the value, is considered in the accounts and the differential amount is transferred to revaluation reserve.

#### (iv) Capital Work in Progress

Capital work in Progress is carried at cost comprising direct cost and pre-operative expenses during construction period to be allocated to the fixed assets on completion of construction.

#### (v) Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing cost, prior to commencement of commercial production are capitalized.

#### (vi) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of

## NOTES TO FINANCIAL STATEMENTS (contd.)

an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

### (vii) Depreciation

Depreciation on fixed assets is provided on Written Down Value (WDV) method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### (viii) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value on individual investment basis. Long Term Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

### (ix) Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Cost of Inventories is computed on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (x) Government Grants and subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants, if any granted by way of recoupment / reimbursement of any item of expenditure are recognized in the Statement of Profit and Loss by way of deduction from related item of expenses. Capital grants / subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

### (xi) Retirement and other employee benefits

- (a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. The Company has no obligations other than the contribution payable to the respective funds.
- (b) Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each financial year.
- (d) Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

### (xii) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders

## NOTES TO FINANCIAL STATEMENTS (contd.)

(after deductible preference dividend and attributable taxes) by the weighted number of equity shares outstanding during the year.

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

### (xiii) Excise Duty and Custom Duty

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

### (xiv) Borrowing Costs

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

### (xv) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India, the said assets is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the carrying amount of MAT at each Balance Sheet date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during specified period.

### (xvi) Segment Reporting

#### a) Identification of segments:

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that offers different product / services and serves different markets. The

## NOTES TO FINANCIAL STATEMENTS (contd.)

analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

b) Inter segment transfers:

The Company generally accounts for intersegment sales and transfers at cost.

c) Allocation of Common Costs:

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

The accounting policies adopted for segment reporting are in line with those of the Company's accounting policies.

**(xvii) Cash and Cash equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with Banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

**(xviii) Provision**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(xix) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**(xx) Foreign Currency Transactions**

Foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences on settlement / reinstatement are dealt within the Statement of Profit & Loss.

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 2. SHARE CAPITAL

|                                                                                       | (₹ in Lacs)     |                 |
|---------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                       | 31.03.2017      | 31.03.2016      |
| <b>Authorised</b>                                                                     |                 |                 |
| 22,27,00,000 (22,27,00,000 as at 31.03.2016) Equity Shares of ₹1/- each fully paid up | 2,227.00        | 2,227.00        |
| <b>Total</b>                                                                          | <b>2,227.00</b> | <b>2,227.00</b> |
| <b>Issued</b>                                                                         |                 |                 |
| 22,21,72,990 (22,21,72,990 as at 31.03.2016) Equity Shares of ₹1/- each fully paid up | 2,221.73        | 2,221.73        |
| <b>Total</b>                                                                          | <b>2,221.73</b> | <b>2,221.73</b> |
| <b>Subscribed and Paid up</b>                                                         |                 |                 |
| 22,21,72,990 (22,21,72,990 as at 31.03.2016) Equity Shares of ₹1/- each fully paid up | 2,221.73        | 2,221.73        |
| <b>Total</b>                                                                          | <b>2,221.73</b> | <b>2,221.73</b> |

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

| Equity Shares                             | 31.03.2017          |                 | 31.03.2016          |                 |
|-------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                           | No. of Shares       | ₹ in Lacs       | No. of Shares       | ₹ in Lacs       |
| At the Beginning of the year              | 22,21,72,990        | 2,221.73        | 5,00,000            | 5.00            |
| Cancelled during the year                 | -                   | -               | (5,00,000)          | (5.00)          |
| Issued during the year                    | -                   | -               | 22,21,72,990        | 2,221.73        |
| <b>Outstanding at the end of the year</b> | <b>22,21,72,990</b> | <b>2,221.73</b> | <b>22,21,72,990</b> | <b>2,221.73</b> |

#### b) Terms/Rights attached to the Equity Shares & Notes

The Company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

#### c) Terms of issue of shares other than cash

Pursuant to the Scheme of Arrangement ("the scheme") between Star Ferro and Cement Limited (SFCL), the Company and their respective shareholders as approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31st March, 2015 with effect from 1st April, 2014 being the appointed date, the Company had issued and allotted 22,21,72,990 Equity Shares to the shareholders of SFCL in ratio of 1 (one) Equity share of ₹1/- each of the Company as fully paid-up for every 1 (one) Equity Share of ₹1/- each held by them in SFCL.

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

| Equity Shares                            | 31.03.2017    |                        | 31.03.2016    |                        |
|------------------------------------------|---------------|------------------------|---------------|------------------------|
|                                          | No. of Shares | % holding in the class | No. of Shares | % holding in the class |
| Equity Shares of ₹1/- each fully paid-up |               |                        |               |                        |
| Shri Prem Kumar Bhajanka                 | 2,73,69,386   | 12.32%                 | 2,73,69,386   | 12.32%                 |
| Smt Santosh Bhajanka                     | 1,50,49,500   | 6.77%                  | 1,50,49,500   | 6.77%                  |
| Shri Sanjay Agarwal                      | 1,47,88,245   | 6.66%                  | 1,47,88,245   | 6.66%                  |
| Smt Divya Agarwal                        | 1,44,88,750   | 6.52%                  | 1,44,88,750   | 6.52%                  |
| Shri Sajjan Bhajanka                     | 1,18,95,675   | 5.35%                  | 1,18,95,675   | 5.35%                  |
| Shri Subham Agarwal                      | 1,19,02,567   | 5.36%                  | -             | -                      |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 3. RESERVES & SURPLUS

|                                                        | (₹ in Lacs)     |                 |
|--------------------------------------------------------|-----------------|-----------------|
|                                                        | 31.03.2017      | 31.03.2016      |
| <b>Capital Reserves</b>                                |                 |                 |
| Balance as per last account                            | 6,087.77        | 6,087.77        |
| Addition/(Deduction) during the year                   | -               | -               |
| <b>Closing Balance</b>                                 | <b>6,087.77</b> | <b>6,087.77</b> |
| <b>Surplus as per Statement of Profit &amp; Loss</b>   |                 |                 |
| Balance as per the last Financial Statements           | 639.78          | 532.38          |
| Add: Profit /(Loss) for the year                       | 531.45          | 107.40          |
| <b>Net Surplus in the Statement of Profit and Loss</b> | <b>1,171.23</b> | <b>639.78</b>   |
| <b>Total Reserves and Surplus</b>                      | <b>7,259.00</b> | <b>6,727.55</b> |

### 4. LONG TERM BORROWINGS

|                                                 | (₹ in Lacs) |              |
|-------------------------------------------------|-------------|--------------|
|                                                 | 31.03.2017  | 31.03.2016   |
| <b>Term Loans (Secured)</b>                     |             |              |
| -Rupee Term Loan from a Financial Institution   | 75.50       | 232.62       |
| Less: Current Maturities of Long Term Borrowing | 75.50       | 157.12       |
| <b>Total</b>                                    | <b>-</b>    | <b>75.50</b> |

#### Note :

Rupee Term Loan from financial institution is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit. The Loan is to be repaid in further 2 quarterly instalments.

### 5. DEFERRED TAX ASSET / (LIABILITY) (NET)

|                                                                                                                                   | (₹ in Lacs)    |                |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                   | 31.03.2017     | 31.03.2016     |
| <b>Deferred Tax Asset</b>                                                                                                         |                |                |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes upon payment | 17.99          | 16.41          |
|                                                                                                                                   | <b>17.99</b>   | <b>16.41</b>   |
| <b>Deferred Tax Liability</b>                                                                                                     |                |                |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged                                | 94.66          | 86.37          |
|                                                                                                                                   | <b>94.66</b>   | <b>86.37</b>   |
| <b>Net Deferred Tax Asset / (Liability)</b>                                                                                       | <b>(76.67)</b> | <b>(69.96)</b> |

### 6. LONG TERM PROVISIONS

|                                         | (₹ in Lacs)  |              |
|-----------------------------------------|--------------|--------------|
|                                         | 31.03.2017   | 31.03.2016   |
| <b>Provisions for employee benefits</b> |              |              |
| -Gratuity                               | 45.26        | 37.33        |
| -Leave Encashment                       | 10.44        | 9.86         |
| <b>Total</b>                            | <b>55.70</b> | <b>47.19</b> |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 7. SHORT TERM BORROWINGS

|                                    | (₹ in Lacs)     |                 |
|------------------------------------|-----------------|-----------------|
|                                    | 31.03.2017      | 31.03.2016      |
| <b>Working Capital Facilities</b>  |                 |                 |
| -Cash Credit from a bank (Secured) | 1,738.42        | 1,798.55        |
| <b>Total</b>                       | <b>1,738.42</b> | <b>1,798.55</b> |

#### Note :

Working Capital facility from bank is secured by first charge on the current assets and second charge on the fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya. The said facility has also been guaranteed by a Director of the Company.

### 8. OTHER CURRENT LIABILITIES

|                                                                  | (₹ in Lacs)     |               |
|------------------------------------------------------------------|-----------------|---------------|
|                                                                  | 31.03.2017      | 31.03.2016    |
| Current Maturities of long term borrowings                       | 75.50           | 157.12        |
| <b>Other Payables</b>                                            |                 |               |
| -Statutory Liabilities                                           | 35.03           | 67.97         |
| -Creditors-Micro, Small & Medium Enterprises (Refer Note no. 27) | -               | -             |
| -Advances from customer                                          | 17.93           | 9.01          |
| -Salary & Bonus Payable to Employees                             | 62.50           | 54.92         |
| -Other Liabilities                                               | 1,070.57        | 631.31        |
| <b>Total</b>                                                     | <b>1,261.52</b> | <b>920.34</b> |

### 9. SHORT TERM PROVISIONS

|                                              | (₹ in Lacs)  |              |
|----------------------------------------------|--------------|--------------|
|                                              | 31.03.2017   | 31.03.2016   |
| <b>Provisions for employee benefits</b>      |              |              |
| -Gratuity                                    | 1.66         | 1.68         |
| -Leave Encashment                            | 0.86         | 0.75         |
| <b>Other Provisions</b>                      |              |              |
| -Provision for Taxation (Net of Advance Tax) | 37.38        | 84.98        |
| <b>Total</b>                                 | <b>39.91</b> | <b>87.41</b> |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 10. TANGIBLE ASSETS

| (₹ in Lacs)                   |                         |                   |                       |                   |                          |                      |                   |              |               |                 |
|-------------------------------|-------------------------|-------------------|-----------------------|-------------------|--------------------------|----------------------|-------------------|--------------|---------------|-----------------|
| Cost                          | Land & Site Development | Factory Buildings | Non-Factory Buildings | Plant & Machinery | Electrical Installations | Furniture & Fixtures | Office Equipments | Computers    | Vehicles      | Total           |
| At 1st April, 2015            | 86.16                   | 1,026.71          | 387.17                | 4,599.81          | 1,119.63                 | 35.10                | 13.32             | 30.68        | 322.91        | 7,621.49        |
| Addition                      | -                       | -                 | -                     | 0.10              | 2.91                     | 0.20                 | 0.54              | 0.82         | -             | 4.57            |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>At 31st March, 2016</b>    | <b>86.16</b>            | <b>1,026.71</b>   | <b>387.17</b>         | <b>4,599.91</b>   | <b>1,122.53</b>          | <b>35.30</b>         | <b>13.86</b>      | <b>31.51</b> | <b>322.91</b> | <b>7,626.06</b> |
| Addition                      | -                       | -                 | -                     | 12.87             | 5.54                     | 0.08                 | 0.63              | -            | -             | 19.13           |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>At 31st March, 2017</b>    | <b>86.16</b>            | <b>1,026.71</b>   | <b>387.17</b>         | <b>4,612.78</b>   | <b>1,128.08</b>          | <b>35.38</b>         | <b>14.49</b>      | <b>31.51</b> | <b>322.91</b> | <b>7,645.18</b> |
| Depreciation                  |                         |                   |                       |                   |                          |                      |                   |              |               |                 |
| At 1st April, 2015            | -                       | 588.20            | 177.44                | 3,117.10          | 914.16                   | 30.09                | 10.27             | 27.04        | 243.76        | 5,108.06        |
| Charge for the year           | -                       | 41.09             | 14.67                 | 131.93            | 74.61                    | 1.54                 | 1.51              | 1.81         | 25.84         | 293.00          |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>At 31st March, 2016</b>    | <b>-</b>                | <b>629.30</b>     | <b>192.11</b>         | <b>3,249.03</b>   | <b>988.77</b>            | <b>31.63</b>         | <b>11.79</b>      | <b>28.86</b> | <b>269.60</b> | <b>5,401.06</b> |
| Charge for the year           | -                       | 37.24             | 11.13                 | 118.16            | 27.83                    | 0.83                 | 0.90              | 0.90         | 16.70         | 213.69          |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>As at 31st March, 2017</b> | <b>-</b>                | <b>666.54</b>     | <b>203.24</b>         | <b>3,367.19</b>   | <b>1,016.60</b>          | <b>32.45</b>         | <b>12.68</b>      | <b>29.76</b> | <b>286.31</b> | <b>5,614.75</b> |
| Net Block                     |                         |                   |                       |                   |                          |                      |                   |              |               |                 |
| As at 31st March, 2016        | 86.16                   | 397.41            | 195.06                | 1,350.88          | 133.76                   | 3.67                 | 2.07              | 2.65         | 53.30         | 2,225.00        |
| As at 31st March, 2017        | 86.16                   | 360.17            | 183.93                | 1,245.60          | 111.47                   | 2.92                 | 1.80              | 1.75         | 36.60         | 2,030.43        |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 11. INTANGIBLE ASSETS

|                               | (₹ in Lacs)              |
|-------------------------------|--------------------------|
|                               | <b>Computer Software</b> |
| <b>Cost</b>                   |                          |
| At 1st April, 2015            | 1.75                     |
| Addition                      | 3.16                     |
| Disposals                     | -                        |
| <b>At 31st March, 2016</b>    | <b>4.91</b>              |
| Addition                      | -                        |
| Disposals                     | -                        |
| <b>At 31st March, 2017</b>    | <b>4.91</b>              |
| <b>Depreciation</b>           |                          |
| At 1st April, 2015            | 1.24                     |
| Charge for the year           | 1.14                     |
| Disposals                     | -                        |
| <b>At 31st March, 2016</b>    | <b>2.37</b>              |
| Charge for the year           | 1.00                     |
| Disposals                     | -                        |
| <b>As at 31st March, 2017</b> | <b>3.37</b>              |
| <b>Net Block</b>              |                          |
| As at 31st March, 2016        | 2.53                     |
| As at 31st March, 2017        | 1.53                     |

### 12. NON CURRENT INVESTMENTS

|                                                                                |            | (₹ in Lacs) |
|--------------------------------------------------------------------------------|------------|-------------|
|                                                                                | 31.03.2017 | 31.03.2016  |
| Trade Investments (valued at cost unless stated otherwise)                     |            |             |
| Investment in Unquoted Equity Instruments                                      |            |             |
| Investment in Associate                                                        |            |             |
| Meghalaya Power Limited                                                        |            |             |
| 83,58,998 (83,58,998 as at 31.03.16) Equity Shares of ₹10/- each fully paid up | 3,373.50   | 3,373.50    |
| Total                                                                          | 3,373.50   | 3,373.50    |

### 13. LONG TERM LOANS AND ADVANCES

|                                               | (₹ in Lacs) |            |
|-----------------------------------------------|-------------|------------|
|                                               | 31.03.2017  | 31.03.2016 |
| Capital Advance                               |             |            |
| -Unsecured, Considered Good                   | 5.00        | -          |
|                                               | 5.00        | -          |
| Security Deposits                             |             |            |
| -Unsecured, Considered Good                   | 56.43       | 56.75      |
|                                               | 56.43       | 56.75      |
| Other Loans and advances                      |             |            |
| -Unsecured considered Good                    |             |            |
| Balance with Statutory/Government Authorities | 1,740.39    | 1,400.83   |
|                                               | 1,740.39    | 1,400.83   |
| Total                                         | 1,801.83    | 1,457.58   |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 14 OTHER NON CURRENT ASSETS

|                                                                          | (₹ in Lacs) |             |
|--------------------------------------------------------------------------|-------------|-------------|
|                                                                          | 31.03.2017  | 31.03.2016  |
| -In Fixed Deposit accounts with original maturity of more than 12 months | 0.25        | 0.29        |
| <b>Total</b>                                                             | <b>0.25</b> | <b>0.29</b> |

### 15 INVENTORIES

|                                | (₹ in Lacs)     |                 |
|--------------------------------|-----------------|-----------------|
|                                | 31.03.2017      | 31.03.2016      |
| Raw Materials                  | 377.09          | 473.42          |
| Finished Goods                 | 137.29          | 181.57          |
| Fuels, packing materials, etc. | 2,290.94        | 1,394.21        |
| Stores & Spare Parts           | 311.27          | 308.61          |
| <b>Total</b>                   | <b>3,116.58</b> | <b>2,357.81</b> |

### 16 TRADE RECEIVABLES

|                        | (₹ in Lacs)     |                 |
|------------------------|-----------------|-----------------|
|                        | 31.03.2017      | 31.03.2016      |
| <b>Unsecured</b>       |                 |                 |
| <b>Over Six Months</b> |                 |                 |
| Considered Good        | 86.12           | 109.43          |
| <b>Other Debts</b>     |                 |                 |
| Considered Good        | 1,379.58        | 1,286.70        |
| <b>Total</b>           | <b>1,465.70</b> | <b>1,396.12</b> |

### 17. CASH & CASH EQUIVALENTS

|                       | (₹ in Lacs)   |               |
|-----------------------|---------------|---------------|
|                       | 31.03.2017    | 31.03.2016    |
| Cash On Hand          | 1.87          | 2.96          |
| Cheques In Hand       | 108.58        | 4.05          |
| Balance with Banks:   |               |               |
| - In current accounts | 125.45        | 484.94        |
| <b>Total</b>          | <b>235.91</b> | <b>491.95</b> |

### 18. SHORT TERM LOANS AND ADVANCES

|                                                                  | (₹ in Lacs)     |                 |
|------------------------------------------------------------------|-----------------|-----------------|
|                                                                  | 31.03.2017      | 31.03.2016      |
| Advances to suppliers                                            | 57.78           | 63.47           |
| Less : Provision for doubtful advance                            | (8.00)          | -               |
|                                                                  | <b>49.78</b>    | <b>63.47</b>    |
| Advances for Services & Expenses                                 | 311.75          | 298.15          |
| Loans & Advances to Employees                                    | 2.42            | 0.97            |
| Prepaid Expenses                                                 | 8.57            | 6.45            |
| Balances with / Receivable from Statutory/Government Authorities | 898.79          | 807.32          |
| <b>Total</b>                                                     | <b>1,271.31</b> | <b>1,176.36</b> |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 19. REVENUE FROM OPERATIONS

|                                       | (₹ in Lacs)     |                  |
|---------------------------------------|-----------------|------------------|
|                                       | 2016-17         | 2015-16          |
| Sale of products                      | 9,215.37        | 11,506.24        |
| Other Operating Revenues              | 42.09           | 22.93            |
| <b>Total</b>                          | <b>9,257.46</b> | <b>11,529.17</b> |
| <b>Details of Finished Goods Sold</b> |                 |                  |
| Ferro Silicon                         | 9,215.37        | 11,506.24        |
|                                       | <b>9,215.37</b> | <b>11,506.24</b> |

### 20. OTHER INCOME

|                                   | (₹ in Lacs) |             |
|-----------------------------------|-------------|-------------|
|                                   | 2016-17     | 2015-16     |
| Interest Income on Fixed Deposits | 1.40        | 0.33        |
| Misc receipts                     | -           | 2.43        |
| <b>Total</b>                      | <b>1.40</b> | <b>2.75</b> |

### 21. COST OF RAW MATERIALS CONSUMED

|                                         | (₹ in Lacs)     |                 |
|-----------------------------------------|-----------------|-----------------|
|                                         | 2016-17         | 2015-16         |
| Inventory at the beginning of the year  | 473.42          | 547.39          |
| Add: Purchases                          | 2,317.99        | 2,871.93        |
|                                         | <b>2,791.41</b> | <b>3,419.32</b> |
| Less: Inventory at the end of the year  | 377.09          | 473.42          |
| <b>Cost of Material Consumed</b>        | <b>2,414.32</b> | <b>2,945.90</b> |
| <b>Details of Raw Material consumed</b> |                 |                 |
| Quartz                                  | 366.98          | 487.53          |
| Lam Coke                                | 1,227.71        | 1,298.96        |
| Mill Scale                              | 239.93          | 288.79          |
| Coal & Super Screen Coal                | 453.77          | 583.10          |
| Other                                   | 125.94          | 287.52          |
| <b>Total</b>                            | <b>2,414.32</b> | <b>2,945.90</b> |

### 22. (INCREASE)/DECREASE IN INVENTORIES

|                                        | (₹ in Lacs)   |               |
|----------------------------------------|---------------|---------------|
|                                        | 2016-17       | 2015-16       |
| Inventory at the beginning of the year | 181.57        | 999.13        |
| Inventory at the end of the year       | 137.29        | 181.57        |
| <b>(Increase) /Decrease</b>            | <b>44.28</b>  | <b>817.57</b> |
| <b>Details of Finished Goods</b>       |               |               |
| Ferro Silicon                          | 136.11        | 175.16        |
| Silicon Manganese                      | 1.18          | 6.41          |
| <b>Total</b>                           | <b>137.29</b> | <b>181.57</b> |

## NOTES TO FINANCIAL STATEMENTS (contd.)

### 23. EMPLOYEE BENEFIT EXPENSES

|                                                | (₹ in Lacs)   |               |
|------------------------------------------------|---------------|---------------|
|                                                | 2016-17       | 2015-16       |
| Salaries & Wages                               | 528.42        | 500.15        |
| Contribution to Provident Fund and other Funds | 26.05         | 26.74         |
| Staff Welfare Expenses                         | 27.76         | 24.34         |
| <b>Total</b>                                   | <b>582.24</b> | <b>551.23</b> |

### 24. FINANCE COSTS

|                     | (₹ in Lacs)  |               |
|---------------------|--------------|---------------|
|                     | 2016-17      | 2015-16       |
| Interest Expenses   |              |               |
| -On Fixed Loans     | 69.77        | 280.99        |
| -On Other Loans     | 7.04         | 3.53          |
| Other Finance Costs | 22.98        | 13.24         |
| <b>Total</b>        | <b>99.79</b> | <b>297.77</b> |

### 25. OTHER EXPENSES

|                                                     | (₹ in Lacs)     |                 |
|-----------------------------------------------------|-----------------|-----------------|
|                                                     | 2016-17         | 2015-16         |
| Consumption of Stores & Spares                      | 368.89          | 504.10          |
| Packing Materials                                   | 50.06           | 74.38           |
| Power & Fuel                                        | 3,702.64        | 4,830.55        |
| Repairs & Maintenance                               |                 |                 |
| - Building                                          | 11.86           | 11.80           |
| - Plant & Machinery                                 | 77.80           | 86.62           |
| - Others                                            | 2.18            | 4.30            |
| Excise Duty variation on opening/ closing inventory | (1.90)          | (41.26)         |
| Insurance                                           | 34.38           | 32.72           |
| Rent, Rates & Taxes                                 | 73.38           | 87.74           |
| Travelling and Conveyance                           | 7.86            | 13.06           |
| Heavy Vehicle / Equipment Running Expenses          | 93.88           | 58.57           |
| Corporate Social Responsibility                     | 7.00            | 6.00            |
| Miscellaneous Expenses                              | 64.27           | 111.40          |
| Outward Freight Charges                             | 421.44          | 489.84          |
| Commission, Discount & Incentives on Sale           | 41.14           | 28.25           |
| <b>Total</b>                                        | <b>4,954.87</b> | <b>6,298.04</b> |

### 26. CONTINGENT LIABILITIES

|         |                                                                                                           | (₹ in Lacs)      |                  |
|---------|-----------------------------------------------------------------------------------------------------------|------------------|------------------|
| Sl. No. | Particulars                                                                                               | As at 31.03.2017 | As at 31.03.2016 |
| 1       | Contingent Liabilities not provided for in respect of :-                                                  |                  |                  |
|         | (a) Bills discounted with banks                                                                           | 1,228.48         | 1,192.39         |
|         | (b) Solvent surety given to Excise Department against differential excise duty refund (Refer note no. 29) | 838.71           | 606.34           |
|         | (c) Cross Subsidy charges payable to Meghalaya State Electricity Board                                    | -                | 700.08           |
|         | (d) Capital Commitment                                                                                    | 193.00           | -                |

**Note:**

Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

## NOTES TO FINANCIAL STATEMENTS (contd.)

27. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company.

### 28. PAYMENT TO AUDITORS

| Particulars                      | (₹ in Lacs) |             |
|----------------------------------|-------------|-------------|
|                                  | 31.03.2017  | 31.03.2016  |
| As Auditor                       |             |             |
| -Audit Fees                      | 1.80        | 1.25        |
| -Tax Audit Fees                  | 0.25        | 0.25        |
| In Other Capacity                |             |             |
| Certification and Other Services | 0.71        | 1.25        |
| <b>Total</b>                     | <b>2.76</b> | <b>2.75</b> |

### 29. EXCISE DUTY REFUND

Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the differential amount against furnishing of solvent surety. Based on the said judgment of Hon'ble High Court and legal opinion obtained by the Company, the differential excise duty refund of ₹222.92 Lacs (Previous Years figure ₹167.69 Lacs) has been recognized as revenue in the books of account.

### 30. EMPLOYEE DEFINED BENEFITS

- Defined Contribution Plans: The Company has recognized an expense of ₹26.05 Lacs (Previous year ₹26.74 Lacs) towards the defined contribution plans.
- The Company has a defined benefit gratuity plan. Every employee who has completed five years or more service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The following table summarizes the components of net benefit expenses recognized in the Statement of Profit & Loss and amounts recognized in the balance sheet for the Gratuity.
- Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year.
- Defined Benefit Plans – As per Actuarial Valuation as at 31st March, 2017.

| Particulars                                                                                   | (₹ in Lacs) |                  |          |                  |
|-----------------------------------------------------------------------------------------------|-------------|------------------|----------|------------------|
|                                                                                               | 2016-17     |                  | 2015-16  |                  |
|                                                                                               | Gratuity    | Leave Encashment | Gratuity | Leave Encashment |
| I. Expense recognized in the statement of Profit and Loss for the year ended 31st March, 2017 |             |                  |          |                  |
| 1. Current Service Cost                                                                       | 8.17        | 9.80             | 7.33     | 2.52             |
| 2. Interest Cost                                                                              | 3.22        | 0.82             | 2.72     | 0.86             |
| 3. Employee Contribution                                                                      | -           | -                | -        | -                |
| 4. Expected Return on Plan Assets                                                             | -           | -                | -        | -                |
| 5. Actuarial (Gains)/Losses                                                                   | 4.13        | (4.38)           | 4.48     | (0.26)           |
| 6. Actuarial (Gains)/Losses on plan Assets                                                    | -           | -                | -        | -                |
| 7. Total Expense                                                                              | 15.52       | 6.24             | 14.54    | 3.12             |
| II. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2017              |             |                  |          |                  |
| 1. Present Value of Defined Benefit Obligation                                                | 46.92       | 11.30            | 39.01    | 10.61            |
| 2. Fair Value of Plan Assets                                                                  | -           | -                | -        | -                |

## NOTES TO FINANCIAL STATEMENTS (contd.)

(₹ in Lacs)

| Particulars                                                                                         | 2016-17  |                  | 2015-16  |                  |
|-----------------------------------------------------------------------------------------------------|----------|------------------|----------|------------------|
|                                                                                                     | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| 3. Funded Status [Surplus/(Deficit)]                                                                | (46.92)  | (11.30)          | (39.01)  | (10.61)          |
| 4. Net Asset/(Liability) as at 31st March, 2017                                                     | (46.92)  | (11.30)          | (39.01)  | (10.61)          |
| III. Change in Obligation during the Year ended 31st March, 2017                                    |          |                  |          |                  |
| 1. Present value of Defined Benefit Obligation at the beginning of the year                         | 39.01    | 10.61            | 28.84    | 10.90            |
| 2. Current Service Cost                                                                             | 8.17     | 9.80             | 7.33     | 2.52             |
| 3. Interest Cost                                                                                    | 3.22     | 0.82             | 2.72     | 0.86             |
| 4. Past Service Cost                                                                                | -        | -                | -        | -                |
| 5. Employee Contribution                                                                            | -        | -                | -        | -                |
| 6. Liabilities assumed on acquisition/ (settled on divesture)                                       | -        | -                | -        | -                |
| 7. Actuarial (Gains/Losses)                                                                         | 4.13     | (4.38)           | 4.48     | (0.26)           |
| 8. Benefits Payments                                                                                | (7.62)   | (5.55)           | (4.36)   | (3.40)           |
| 9. Present Value of Defined Benefit Obligation at the end of the year                               | 46.92    | 11.30            | 39.01    | 10.61            |
| IV. Change in assets during the Year ended 31st March, 2017                                         |          |                  |          |                  |
| 1. Plan Assets at the beginning of the year                                                         | -        | -                | -        | -                |
| 2. Assets acquired on amalgamation in previous year                                                 | -        | -                | -        | -                |
| 3. Actual return on plan assets                                                                     | -        | -                | -        | -                |
| 4. Contributions by employer                                                                        | 7.62     | 5.55             | 4.36     | 3.40             |
| 5. Actual Benefit Paid                                                                              | (7.62)   | (5.55)           | (4.36)   | (3.40)           |
| 6. Actuarial Gains/(Losses)                                                                         | -        | -                | -        | -                |
| 7. Plan Assets at the end of the year                                                               | -        | -                | -        | -                |
| 8. Actual Return on plan assets                                                                     | -        | -                | -        | -                |
| V. The Principal actuarial assumptions are as follows:                                              |          |                  |          |                  |
| - Discount Rate                                                                                     | 7.50%    | 7.50%            | 8.00%    | 8.00%            |
| - Expected Return on Plan Assets                                                                    | -        | -                | -        | -                |
| - Salary increase                                                                                   | 6.00%    | 6.00%            | 6.00%    | 6.00%            |
| - Withdrawal rates (Varying between per annum depending upon the duration and age of the employees) | 1%-8%    | 1%-8%            | 1%-8%    | 1%-8%            |

## NOTES TO FINANCIAL STATEMENTS (contd.)

The details of the Experience adjustments for the current and previous periods are as follows:

| Particulars                                 | 2016-17  |                  | 2015-16  |                  |
|---------------------------------------------|----------|------------------|----------|------------------|
|                                             | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| 1. Defined Benefit Obligation               | 46.92    | 11.30            | 39.01    | 10.61            |
| 2. Plan Assets                              | -        | -                | -        | -                |
| 3. Surplus / (Deficit)                      | (46.92)  | (11.30)          | (39.01)  | (10.61)          |
| 4. Experience adjustments on plan Liability | 2.85     | 0.76             | 5.02     | 1.44             |
| 5. Experience adjustments on plan assets    | -        | -                | -        | -                |

(₹ in Lacs)

### 31. DONATIONS INCLUDE CONTRIBUTION TO POLITICAL PARTIES AS FOLLOWS:

| Particulars            | 2016-17 | 2015-16 |
|------------------------|---------|---------|
| Bharatiya Janata Party | 15.00   | -       |

(₹ in Lacs)

### 32. EARNINGS PER SHARE (EPS):

In terms of Accounting Standard - 20, the calculation of EPS is given below: -

| Particulars                                                                 | 2016-17      | 2015-16      |
|-----------------------------------------------------------------------------|--------------|--------------|
| Profit/(Loss) attributable to Equity Shareholders for basic and diluted EPS | 531.45       | 107.40       |
| Weighted average number of Equity Shares for Basic EPS                      | 22,21,72,990 | 22,21,72,990 |
| Weighted average number of Equity Shares for Diluted EPS                    | 22,21,72,990 | 22,21,72,990 |
| Nominal value of equity shares (₹)                                          | 1.00         | 1.00         |
| Basic earnings per share (EPS) (₹)                                          | 0.24         | 0.05         |
| Diluted earnings per share (DPS) (₹)                                        | 0.24         | 0.05         |

(₹ in Lacs)

### 33. RELATED PARTY DISCLOSURES

Names of the related parties and related party relationships:

| Names of the related parties where control exists                            | Nature of relationship                                                           |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| A. Star Cement Limited (Formerly Cement Manufacturing Company Limited) (SCL) | Enterprise owned/influenced by KMP                                               |
| Meghalaya Power Limited (MPL)                                                | Associate                                                                        |
| B. Key Management Personnel                                                  |                                                                                  |
| Name of the Related Party                                                    | Nature of relationship                                                           |
| Mr. Sajjan Bhajanka                                                          | Director                                                                         |
| Mr. M.V.K.Nageswara Rao                                                      | Chief Executive Officer                                                          |
| Mr. Debasis Mukhopadhyay                                                     | Chief Financial Officer (upto 21st May, 2016)                                    |
| Mr. Sunil Jha                                                                | Chief Financial Officer (w.e.f 16th November, 2016 and upto 27th February, 2017) |
| Ms. Rachna Pareek                                                            | Company Secretary (upto 18th March, 2017)                                        |

## NOTES TO FINANCIAL STATEMENTS (contd.)

Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2017 are given hereunder:

| (₹ in Lacs)                                            |           |          |                          |          |                                        |         |
|--------------------------------------------------------|-----------|----------|--------------------------|----------|----------------------------------------|---------|
|                                                        | Associate |          | Key Management Personnel |          | Enterprise Owned/<br>Influences by KMP |         |
|                                                        | 2016-17   | 2015-16  | 2016-17                  | 2015-16  | 2016-17                                | 2015-16 |
| <b>1. Purchase Transaction</b>                         |           |          |                          |          |                                        |         |
| Meghalaya Power Limited                                | 46.57     | -        | -                        | -        | -                                      | -       |
| <b>2. Sale Transaction</b>                             |           |          |                          |          |                                        |         |
| Star Cement Limited                                    | -         | -        | -                        | -        | 42.93                                  | 23.12   |
| Meghalaya Power Limited                                | 144.78    | -        | -                        | -        | -                                      | -       |
| <b>3. Remuneration Paid</b>                            |           |          |                          |          |                                        |         |
| Mr. M.V.K.Nageswara Rao                                | -         | -        | 21.58                    | 21.00    | -                                      | -       |
| Mr. Debasis Mukhopadhyay                               | -         | -        | 2.77                     | 14.18    | -                                      | -       |
| Mr. Sunil Jha                                          | -         | -        | 9.21                     | -        | -                                      | -       |
| Ms. Hasti Doshi                                        | -         | -        | -                        | 1.19     | -                                      | -       |
| Ms. Rachna Pareek                                      | -         | -        | 3.17                     | 1.96     | -                                      | -       |
| <b>4. Outstanding Balances as at 31st March, 2017:</b> |           |          |                          |          |                                        |         |
| <b>Debtor</b>                                          |           |          |                          |          |                                        |         |
| Meghalaya Power Limited                                | 98.21     | -        | -                        | -        | -                                      | -       |
| <b>Investment</b>                                      |           |          |                          |          |                                        |         |
| Meghalaya Power Limited                                | 3,373.50  | 3,373.50 |                          |          |                                        |         |
| <b>Guarantees Obtained</b>                             |           |          |                          |          |                                        |         |
| Mr. Sajjan Bhajanka                                    | -         | -        | 5,300.00                 | 5,300.00 | -                                      | -       |

### 34. Value of Imported and indigenous Raw-materials and stores, Spare parts etc. and their percentage to total consumption

| (₹ in Lacs)               |               |            |               |            |
|---------------------------|---------------|------------|---------------|------------|
|                           | 2016-17       |            | 2015-16       |            |
| Particulars               | Value         | %          | Value         | %          |
| Stores & Spare parts etc. |               |            |               |            |
| -Imported                 | -             | -          | -             | -          |
| -Indigenous               | 368.89        | 100        | 504.10        | 100        |
| <b>Total</b>              | <b>368.89</b> | <b>100</b> | <b>504.10</b> | <b>100</b> |

35. As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting, education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects.

A CSR Committee has been formed by Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the Company during the year is ₹6.94 Lacs (PY ₹5.88 Lacs)

b) Amount spent during the year :

|                |                              |  | (₹ in Lacs) |         |
|----------------|------------------------------|--|-------------|---------|
|                |                              |  | 2016-17     | 2015-16 |
| <b>Sl. No.</b> | <b>Nature of Expenditure</b> |  |             |         |
| (i)            | Education                    |  | 7.00        | 6.00    |

## NOTES TO FINANCIAL STATEMENTS (contd.)

36. The Company's segment information as at and for the Year ended 31st March, 2017 are as below:

(₹ in Lacs)

| Sl. No   | Particulars                                                                                             | 2016-17         |                 |                  | 2015-16         |                 |                  |
|----------|---------------------------------------------------------------------------------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
|          |                                                                                                         | Ferro Alloy     | Power           | Total            | Ferro Alloy     | Power           | Total            |
| <b>a</b> | <b>External sales</b>                                                                                   | 9,215.37        | 42.09           | 9,257.46         | 11,506.24       | 22.93           | 11,529.17        |
|          | Inter-segment sales                                                                                     | -               | 3,293.68        | 3,293.68         | -               | 2,305.09        | 2,305.09         |
|          | Elimination                                                                                             | -               | (3,293.68)      | (3,293.68)       | -               | (2,305.09)      | (2,305.09)       |
|          | Total Revenue (Gross)                                                                                   | 9,215.37        | 42.09           | 9,257.46         | 11,506.24       | 22.93           | 11,529.17        |
| <b>b</b> | <b>Segment Results</b>                                                                                  | 1,032.20        | 55.62           | 1,087.82         | 793.02          | (147.40)        | 645.62           |
|          | Unallocated Income/(-) Expenses (Net of unallocated Income/ (-) Expenses) (Including Exceptional Items) | -               | -               | (189.52)         | -               | -               | (189.08)         |
|          | Operating Profit/Loss (-)                                                                               | -               | -               | 898.30           | -               | -               | 456.54           |
|          | Finance Cost (Net)                                                                                      | -               | -               | (99.79)          | -               | -               | (297.77)         |
|          | Provision for Taxation                                                                                  | -               | -               | (255.92)         | -               | -               | (54.56)          |
|          | Income tax for earlier years                                                                            | -               | -               | (4.43)           | -               | -               | -                |
|          | Deferred Tax charge(-) / Credit                                                                         | -               | -               | (6.70)           | -               | -               | 3.19             |
|          | Total Profit /(-) Loss after tax                                                                        | -               | -               | 531.45           | -               | -               | 107.40           |
| <b>c</b> | <b>Other Information</b>                                                                                |                 |                 |                  |                 |                 |                  |
| i        | Segment Assets                                                                                          | 6,461.29        | 3,460.23        | 9,921.52         | 6,438.85        | 2,590.35        | 9,029.20         |
|          | Unallocated Corporate/ Other Assets                                                                     | -               | -               | 3,375.53         | -               | -               | 3,451.94         |
|          | <b>TOTAL</b>                                                                                            | <b>6,461.29</b> | <b>3,460.23</b> | <b>13,297.05</b> | <b>6,438.85</b> | <b>2,590.35</b> | <b>12,481.15</b> |
| ii       | Segment Liabilities                                                                                     | 1,383.65        | 521.97          | 1,905.62         | 988.31          | 466.61          | 1,454.92         |
|          | Unallocated Corporate/ Other Liabilities                                                                | -               | -               | 1,910.69         | -               | -               | 2,076.95         |
|          | <b>TOTAL</b>                                                                                            | <b>1,383.65</b> | <b>521.97</b>   | <b>3,816.32</b>  | <b>988.31</b>   | <b>466.61</b>   | <b>3,531.87</b>  |
| iii      | Capital Expenditure                                                                                     | 5.79            | 13.34           | 19.13            | 1.66            | 2.91            | 4.57             |
| iv       | Depreciation/Amortisation                                                                               | 144.47          | 70.22           | 214.69           | 178.34          | 115.80          | 294.14           |

### Notes:

(a) Business Segments: The business segments have been identified on the basis of the products/activities of the Company. Accordingly, the Company has identified following business segments:

Ferro-Alloys - Manufacturing of Ferro Alloy

Power - Generation of Power

Geographical Segments: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

37. The Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) would be applicable to the Company from financial year commencing on and after 1st April, 2017. Accordingly, the financial statements have been prepared in compliance with Companies (Accounting Standards) Rules, 2006.

### 38. Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) and other denomination notes (ODNs) as defined in the MCA notification no. G.S.R. 308 (E) dated March 31, 2017. The SBNs and ODNs held and transacted during the period from November 8, 2016 to December 30, 2016 are as under :

## NOTES TO FINANCIAL STATEMENTS (contd.)

(₹ in Lacs)

| Particulars                                  | SBNs* | ODNs | Total |
|----------------------------------------------|-------|------|-------|
| Closing Cash on Hand as on November 8, 2016  | 0.66  | 0.16 | 0.82  |
| Add : Permitted Receipts                     | -     | 2.35 | 2.35  |
| Less : Permitted Payments                    | -     | 1.84 | 1.84  |
| Less : Amount Deposited in bank              | 0.66  | -    | 0.66  |
| Closing Cash on Hand as on December 30, 2016 | -     | 0.67 | 0.67  |

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning as provided in notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated November 8, 2016.

39. Tax expense for earlier years represents write back upon completion of assessments and change in estimate of allowability of certain deductions.

40. Figures have been rounded off to the nearest ₹ in Lacs. Previous year's figures including those given in brackets have been rearranged and regrouped where necessary to confirm to the current year's classifications.

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

# Consolidated Financial Statements

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

**SHYAM CENTURY FERROUS LIMITED**

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Shyam Century Ferrous Limited ("the Holding Company") and an associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31st March, 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.</p> <p>(c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.</p> <p>(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>(e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.</p> <p>(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and</p> <p>(g) with respect to the other matters to be included in</p> | <p>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:</p> <ol style="list-style-type: none"> <li>i. The consolidated financial statements does not have any pending litigations on the consolidated financial position of the Group.</li> <li>ii. The Group and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and</li> <li>iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.</li> </ol> <div style="text-align: right;"> <p>For <b>KAILASH B. GOEL &amp; CO.</b><br/> Firm Registration No. 322460E<br/> Chartered Accountants</p> <p><b>CA. Arun Kumar Sharma</b><br/> Partner</p> </div> <div> <p>Place : Kolkata<br/> Date : 30th May, 2017</p> <p>Membership No. 057329</p> </div> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## ANNEXURE - A TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Shyam Century Ferrous Limited ("the Holding Company") and its associate which is a company incorporated in India, as of that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its associate company, which is a company incorporated in India, are 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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.

#### 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 Holding Company and its associate company, which is a company incorporated in India, have, 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 31st March, 2017, 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 ICAI.

For **KAILASH B. GOEL & CO.**

Firm Registration No. 322460E

Chartered Accountants

CA. **Arun Kumar Sharma**

Partner

Place : Kolkata

Date : 30th May, 2017

Membership No. 057329

## Consolidated Balance Sheet as at 31st March, 2017

|                                                   |            | (₹ in Lacs)      |                  |
|---------------------------------------------------|------------|------------------|------------------|
|                                                   | Note       | 31.03.2017       | 31.03.2016       |
| <b>EQUITY AND LIABILITIES</b>                     |            |                  |                  |
| <b>Shareholders' Funds</b>                        |            |                  |                  |
| Share Capital                                     | 2          | 2,221.73         | 2,221.73         |
| Reserves & Surplus                                | 3          | 9,780.54         | 8,661.73         |
|                                                   |            | <b>12,002.27</b> | <b>10,883.46</b> |
| <b>Non-Current Liabilities</b>                    |            |                  |                  |
| Long Term Borrowings                              | 4          | -                | 75.50            |
| Deferred Tax Liabilities                          | 5          | 76.67            | 69.96            |
| Long Term Provisions                              | 6          | 55.70            | 47.19            |
|                                                   |            | <b>132.37</b>    | <b>192.66</b>    |
| <b>Current Liabilities</b>                        |            |                  |                  |
| Short Term Borrowings                             | 7          | 1,738.42         | 1,798.55         |
| Trade Payables                                    |            | 644.10           | 532.90           |
| Other Current Liabilities                         | 8          | 1,261.52         | 920.34           |
| Short Term Provisions                             | 9          | 39.91            | 87.41            |
|                                                   |            | <b>3,683.95</b>  | <b>3,339.21</b>  |
| <b>Total</b>                                      |            | <b>15,818.59</b> | <b>14,415.33</b> |
| <b>ASSETS</b>                                     |            |                  |                  |
| <b>Non-Current Assets</b>                         |            |                  |                  |
| Fixed Assets                                      |            |                  |                  |
| -Tangible Assets                                  | 10         | 2,030.43         | 2,225.00         |
| -Intangible Assets                                | 11         | 1.53             | 2.53             |
|                                                   |            | <b>2,031.96</b>  | <b>2,227.53</b>  |
| Non Current Investments                           | 12         | 5,895.04         | 5,307.68         |
| Long Term Loans and Advances                      | 13         | 1,801.83         | 1,457.58         |
| Other Non Current Assets                          | 14         | 0.25             | 0.29             |
|                                                   |            | <b>9,729.09</b>  | <b>8,993.08</b>  |
| <b>Current Assets</b>                             |            |                  |                  |
| Inventories                                       | 15         | 3,116.58         | 2,357.81         |
| Trade Receivables                                 | 16         | 1,465.70         | 1,396.12         |
| Cash and Cash Equivalents                         | 17         | 235.91           | 491.95           |
| Short Term Loans and Advances                     | 18         | 1,271.31         | 1,176.36         |
|                                                   |            | <b>6,089.50</b>  | <b>5,422.25</b>  |
| <b>Total</b>                                      |            | <b>15,818.59</b> | <b>14,415.33</b> |
| <b>Summary of Significant accounting policies</b> | <b>1.2</b> |                  |                  |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

(₹ in Lacs)

|                                                                              | Note | 2016-17         | 2015-16          |
|------------------------------------------------------------------------------|------|-----------------|------------------|
| <b>INCOME</b>                                                                |      |                 |                  |
| Revenue from Operations (Gross)                                              | 19   | 9,257.46        | 11,529.17        |
| Less: Excise Duty (Net)                                                      |      | 150.16          | 168.51           |
| Revenue from Operations (Net)                                                |      | <b>9,107.30</b> | <b>11,360.66</b> |
| Other Income                                                                 | 20   | 1.40            | 2.75             |
| <b>Total Revenue</b>                                                         |      | <b>9,108.70</b> | <b>11,363.42</b> |
| <b>EXPENSES</b>                                                              |      |                 |                  |
| Cost of Materials Consumed                                                   | 21   | 2,414.32        | 2,945.90         |
| (Increase)/Decrease in Inventories                                           | 22   | 44.28           | 817.57           |
| Employee Benefit Expenses                                                    | 23   | 582.24          | 551.23           |
| Finance Costs                                                                | 24   | 99.79           | 297.77           |
| Depreciation and Amortization Expenses                                       |      | 214.69          | 294.14           |
| Other Expenses                                                               | 25   | 4,954.87        | 6,298.04         |
| <b>Total Expenses</b>                                                        |      | <b>8,310.20</b> | <b>11,204.64</b> |
| <b>Profit/(Loss) before exceptional and extraordinary items and tax</b>      |      | <b>798.51</b>   | <b>158.77</b>    |
| Exceptional Items                                                            |      | -               | -                |
| <b>Profit/(Loss) before tax</b>                                              |      | <b>798.51</b>   | <b>158.77</b>    |
| <b>Tax Expenses</b>                                                          |      |                 |                  |
| -Current Tax                                                                 |      | 255.92          | 54.56            |
| -Income Tax for earlier years                                                |      | 4.43            | -                |
| -Deferred Tax                                                                |      | 6.70            | (3.19)           |
| <b>Profit/(Loss) for the year</b>                                            |      | <b>531.45</b>   | <b>107.40</b>    |
| Share of profit/(loss) of associate                                          |      | 587.36          | 528.38           |
| <b>Net Profit/(Loss) after taxes and share of profit/(loss) of associate</b> |      | <b>1,118.81</b> | <b>635.78</b>    |
| <b>Earnings Per Equity Share (nominal value of share ₹1/-)</b>               |      |                 |                  |
| Basic Earning Per Share                                                      |      | 0.50            | 0.29             |
| Diluted Earning Per Share                                                    |      | 0.50            | 0.29             |
| <b>Summary of Significant accounting policies</b>                            | 1.2  |                 |                  |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Cash Flow Statement

for the year ended 31st March, 2017

(₹ in Lacs)

| Sl. No.                                                             | 2016-17                                    | 2015-16           |
|---------------------------------------------------------------------|--------------------------------------------|-------------------|
| <b>A</b>                                                            | <b>CASH FLOW FROM OPERATING ACTIVITIES</b> |                   |
| Net Profit / (Loss) before Tax                                      | 798.51                                     | 158.77            |
| Adjustments for:                                                    |                                            |                   |
| Depreciation/Amortisation                                           | 214.69                                     | 294.14            |
| Finance Cost                                                        | 99.79                                      | 297.77            |
| Interest and Other Income                                           | (1.40)                                     | (2.75)            |
| <b>Operating Profit before Working Capital changes</b>              | <b>1,111.59</b>                            | <b>747.93</b>     |
| Adjustments for:                                                    |                                            |                   |
| (Increase)/Decrease in Trade Receivables                            | (69.58)                                    | (169.27)          |
| (Increase)/Decrease in Inventories                                  | (758.77)                                   | 1,226.60          |
| (Increase)/Decrease in Long Term Loans & Advances                   | (344.25)                                   | (333.73)          |
| (Increase)/Decrease in Short Term Loans & Advances                  | (607.31)                                   | (116.60)          |
| Increase/(Decrease) in Long Term Provisions                         | 8.50                                       | 10.20             |
| Increase/(Decrease) in Short Term Provisions                        | (47.51)                                    | 38.40             |
| Increase/(Decrease) in Other Current Liabilities                    | 422.80                                     | 215.31            |
| Increase/(Decrease) in Trade Payables                               | 111.20                                     | (34.37)           |
| <b>Cash Generated from Operations</b>                               | <b>(173.32)</b>                            | <b>1,584.47</b>   |
| Direct Taxes Paid (Net of Refunds)                                  | 252.00                                     | (10.99)           |
| <b>Net Cash generated from Operating Activities</b>                 | <b>78.68</b>                               | <b>1,573.47</b>   |
| <b>B</b>                                                            | <b>CASH FLOW FROM INVESTING ACTIVITIES</b> |                   |
| Purchase of Fixed Assets                                            | (19.13)                                    | (7.73)            |
| Fixed Deposits/Margin Money (Given)/Refund                          | 0.04                                       | 4.20              |
| Interest Received                                                   | 1.40                                       | 2.75              |
| <b>Net Cash from Investing Activities</b>                           | <b>(17.69)</b>                             | <b>(0.78)</b>     |
| <b>C</b>                                                            | <b>CASH FLOW FROM FINANCING ACTIVITIES</b> |                   |
| Increase in Short Term Borrowings                                   | (60.13)                                    | (621.92)          |
| Repayment of Long Term Borrowings                                   | (157.12)                                   | (485.52)          |
| Interest Paid                                                       | (99.79)                                    | (297.77)          |
| <b>Net Cash used in Financing Activities</b>                        | <b>(317.04)</b>                            | <b>(1,405.20)</b> |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>(256.05)</b>                            | <b>167.50</b>     |
| <b>Cash and Cash Equivalents as on 1st April, 2016</b>              | <b>491.95</b>                              | <b>324.46</b>     |
| <b>Cash and Cash Equivalents as on 31st March, 2017</b>             | <b>235.91</b>                              | <b>491.95</b>     |

As per our report of even date

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

Place: Kolkata  
Date: 30th May, 2017

**Uday Bahadur Chetri**  
Chief Financial Officer

**Neha Agarwal**  
Company Secretary

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

# CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

## 1 BASIS OF CONSOLIDATION

Pursuant to the provision of Section 129(3) of the Companies Act, 2013, with effect from 1st April, 2015, every Company, having one or more Associate Company, needs to prepare consolidated financial statement as per the provision of Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. M/s Shyam Century Ferrous Limited (SCFL) holds 48.80% of Equity Share in M/s Meghalaya Power Limited (MPL) and as such MPL is an associate of SCFL.

### 1.1 Principles of consolidation

The Consolidated Financial Statements which relate to Shyam Century Ferrous Limited (the Company) and its associate have been prepared on the following basis:

- (a) Investment in Associate company has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying, any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the Associate Company.
- (b) The excess of Cost to the Company of its investments in Associates is recognized in Financial Statements as Goodwill which is tested for impairment on every Balance Sheet date. The excess of Company's share of equity and reserves of the associate over the cost of acquisition is treated as Capital Reserve.
- (c) The Associate company considered in the financial statements is as follows:

| Name                    | Country of Incorporation | % of Voting power as on 31.03.2017 |
|-------------------------|--------------------------|------------------------------------|
| Meghalaya Power Limited | India                    | 48.80 %                            |

### 1.2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern. The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

The Company prepares Consolidated Financial Statements using uniform accounting policies for like transaction and events in similar circumstances. In case the Associate uses Accounting policies other than those adopted for Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to the associate's financial statements when the same is being used for consolidation in applying equity method. However, if it is not practicable to do so, that fact is disclosed with a brief description of the difference in accounting policies:

#### 1.2.1 Summary of Significant Accounting Policies

##### (i) Fixed Assets

Fixed Assets of both SCFL and MPL are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortization and impairment loss, if any, except freehold land which is carried at cost. Cost comprises the purchase price inclusive of duties (net of CENVAT / VAT, wherever applicable), taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the value, is considered in the accounts and the differential amount is transferred to revaluation reserve.

However, the Associate, Meghalaya Power Limited, has adopted the provisions of Para 46A of AS-11 "The Effects of changes in Foreign Exchange Rates". Accordingly, exchange differences arising on the restatement /settlement of long term foreign currency borrowings related to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

##### (ii) Inventories

Cost of Inventories of the Company is computed on FIFO basis. However, in case of associate, Meghalaya Power Limited, cost of Inventories is computed on Weighted Average basis.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### (iii) Foreign Currency Transactions

In case of the Company, foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences on settlement / reinstatement are dealt within the Statement of Profit & Loss.

In case of the Associate, Meghalaya Power Limited, foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Exchange difference arising on settlement / reinstatement of short term foreign currency monetary asset and liabilities are recognized as income or expenses in the Statement of Profit & Loss. All long term foreign currency monetary items consisting of liabilities which relate to acquisition of depreciable capital assets at the end of the period/year are restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result is added to or deducted from the cost of the assets in accordance with para 46A of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates". Profit/ Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

## 2. SHARE CAPITAL

|                                                                                       | (₹ in Lacs)     |                 |
|---------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                       | 31.03.2017      | 31.03.2016      |
| <b>Authorised</b>                                                                     |                 |                 |
| 22,27,00,000 (22,27,00,000 as at 31.03.2016) Equity Shares of ₹1/- each fully paid up | 2,227.00        | 2,227.00        |
| <b>Total</b>                                                                          | <b>2,227.00</b> | <b>2,227.00</b> |
| <b>Issued</b>                                                                         |                 |                 |
| 22,21,72,990 (22,21,72,990 as at 31.03.2016) Equity Shares of ₹1/- each fully paid up | 2,221.73        | 2,221.73        |
| <b>Total</b>                                                                          | <b>2,221.73</b> | <b>2,221.73</b> |
| <b>Subscribed and Paid up</b>                                                         |                 |                 |
| 22,21,72,990 (22,21,72,990 as at 31.03.2016) Equity Shares of ₹1/- each fully paid up | 2,221.73        | 2,221.73        |
| <b>Total</b>                                                                          | <b>2,221.73</b> | <b>2,221.73</b> |

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

| Equity Shares                             | 31.03.2017          |                 | 31.03.2016          |                 |
|-------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                           | No. of Shares       | ₹ in Lacs       | No. of Shares       | ₹ in Lacs       |
| At the Beginning of the year              | 22,21,72,990        | 2,221.73        | 5,00,000            | 5.00            |
| Cancelled during the year                 | -                   | -               | (5,00,000)          | (5.00)          |
| Issued during the year                    | -                   | -               | 22,21,72,990        | 2,221.73        |
| <b>Outstanding at the end of the year</b> | <b>22,21,72,990</b> | <b>2,221.73</b> | <b>22,21,72,990</b> | <b>2,221.73</b> |

### b) Terms/Rights attached to the Equity Shares & Notes

The Company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

### c) Terms of issue of shares other than cash

Pursuant to the Scheme of Arrangement ("the scheme") between Star Ferro and Cement Limited (SFCL), the Company and their respective shareholders as approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31st March, 2015 with effect from 1st April, 2014 being the appointed date, the Company had issued and allotted 22,21,72,990 Equity Shares to the shareholders of SFCL in ratio of 1 (one) Equity share of ₹1/- each of the Company as fully paid-up for every 1 (one) Equity Share of ₹1/- each held by them in SFCL.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

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

| Equity Shares                            | 31.03.2017    |                        | 31.03.2016    |                        |
|------------------------------------------|---------------|------------------------|---------------|------------------------|
|                                          | No. of Shares | % holding in the class | No. of Shares | % holding in the class |
| Equity Shares of ₹1/- each fully paid-up |               |                        |               |                        |
| Shri Prem Kumar Bhajanka                 | 2,73,69,386   | 12.32%                 | 2,73,69,386   | 12.32%                 |
| Smt Santosh Bhajanka                     | 1,50,49,500   | 6.77%                  | 1,50,49,500   | 6.77%                  |
| Shri Sanjay Agarwal                      | 1,47,88,245   | 6.66%                  | 1,47,88,245   | 6.66%                  |
| Smt Divya Agarwal                        | 1,44,88,750   | 6.52%                  | 1,44,88,750   | 6.52%                  |
| Shri Sajjan Bhajanka                     | 1,18,95,675   | 5.35%                  | 1,18,95,675   | 5.35%                  |
| Shri Subham Agarwal                      | 1,19,02,567   | 5.36%                  | -             | -                      |

### 3. RESERVES & SURPLUS

|                                                        | (₹ in Lacs)     |                 |
|--------------------------------------------------------|-----------------|-----------------|
|                                                        | 31.03.2017      | 31.03.2016      |
| <b>Capital Reserves</b>                                |                 |                 |
| Balance as per last account                            | 7,227.80        | 7,227.80        |
| Addition/(Deduction) during the year                   | -               | -               |
| <b>Closing Balance</b>                                 | <b>7,227.80</b> | <b>7,227.80</b> |
| <b>Surplus as per Statement of Profit &amp; Loss</b>   |                 |                 |
| Balance as per the last Financial Statements           | 1,433.93        | 798.15          |
| Add: Profit /(Loss) for the year                       | 1,118.81        | 635.78          |
| <b>Net Surplus in the Statement of Profit and Loss</b> | <b>2,552.74</b> | <b>1,433.93</b> |
| <b>Total Reserves and Surplus</b>                      | <b>9,780.54</b> | <b>8,661.73</b> |

### 4. LONG TERM BORROWINGS

|                                                 | (₹ in Lacs) |              |
|-------------------------------------------------|-------------|--------------|
|                                                 | 31.03.2017  | 31.03.2016   |
| <b>Term Loans (Secured)</b>                     |             |              |
| -Rupee Term Loan from a Financial Institution   | 75.50       | 232.62       |
| Less: Current Maturities of Long Term Borrowing | 75.50       | 157.12       |
| <b>Total</b>                                    | <b>-</b>    | <b>75.50</b> |

#### Note :

Rupee Term Loan from financial institution is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit. The Loan is to be repaid in further 2 quarterly instalments.

### 5. DEFERRED TAX ASSET / (LIABILITY) (NET)

|                                                                                                                                   | (₹ in Lacs)    |                |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                   | 31.03.2017     | 31.03.2016     |
| <b>Deferred Tax Asset</b>                                                                                                         |                |                |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes upon payment | 17.99          | 16.41          |
|                                                                                                                                   | <b>17.99</b>   | <b>16.41</b>   |
| <b>Deferred Tax Liability</b>                                                                                                     |                |                |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged                                | 94.66          | 86.37          |
|                                                                                                                                   | <b>94.66</b>   | <b>86.37</b>   |
| <b>Net Deferred Tax Asset / (Liability)</b>                                                                                       | <b>(76.67)</b> | <b>(69.96)</b> |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 6. LONG TERM PROVISIONS

|                                         | (₹ in Lacs)  |              |
|-----------------------------------------|--------------|--------------|
|                                         | 31.03.2017   | 31.03.2016   |
| <b>Provisions for employee benefits</b> |              |              |
| -Gratuity                               | 45.26        | 37.33        |
| -Leave Encashment                       | 10.44        | 9.86         |
| <b>Total</b>                            | <b>55.70</b> | <b>47.19</b> |

### 7. SHORT TERM BORROWINGS

|                                    | (₹ in Lacs)     |                 |
|------------------------------------|-----------------|-----------------|
|                                    | 31.03.2017      | 31.03.2016      |
| <b>Working Capital Facilities</b>  |                 |                 |
| -Cash Credit from a bank (Secured) | 1,738.42        | 1,798.55        |
| <b>Total</b>                       | <b>1,738.42</b> | <b>1,798.55</b> |

#### Note :

Working Capital facility from bank is secured by first charge on the current assets and second charge on the fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya. The said facility has also been guaranteed by a Director of the Company.

### 8. OTHER CURRENT LIABILITIES

|                                              | (₹ in Lacs)     |               |
|----------------------------------------------|-----------------|---------------|
|                                              | 31.03.2017      | 31.03.2016    |
| Current Maturities of long term borrowings   | 75.50           | 157.12        |
| <b>Other Payables</b>                        |                 |               |
| -Statutory Liabilities                       | 35.03           | 67.97         |
| -Creditors-Micro, Small & Medium Enterprises | -               | -             |
| -Advances from customer                      | 17.93           | 9.01          |
| -Salary & Bonus Payable to Employees         | 62.50           | 54.92         |
| -Other Liabilities                           | 1,070.57        | 631.31        |
| <b>Total</b>                                 | <b>1,261.52</b> | <b>920.34</b> |

### 9. SHORT TERM PROVISIONS

|                                              | (₹ in Lacs)  |              |
|----------------------------------------------|--------------|--------------|
|                                              | 31.03.2017   | 31.03.2016   |
| <b>Provisions for employee benefits</b>      |              |              |
| -Gratuity                                    | 1.66         | 1.68         |
| -Leave Encashment                            | 0.86         | 0.75         |
| <b>Other Provisions</b>                      |              |              |
| -Provision for Taxation (Net of Advance Tax) | 37.38        | 84.98        |
| <b>Total</b>                                 | <b>39.91</b> | <b>87.41</b> |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 10. TANGIBLE ASSETS

|                               | (₹ in Lacs)             |                   |                       |                   |                          |                      |                   |              |               |                 |
|-------------------------------|-------------------------|-------------------|-----------------------|-------------------|--------------------------|----------------------|-------------------|--------------|---------------|-----------------|
|                               | Land & Site Development | Factory Buildings | Non-Factory Buildings | Plant & Machinery | Electrical Installations | Furniture & Fixtures | Office Equipments | Computers    | Vehicles      | Total           |
| <b>Cost</b>                   |                         |                   |                       |                   |                          |                      |                   |              |               |                 |
| At 1st April, 2015            | 86.16                   | 1,026.71          | 387.17                | 4,599.81          | 1,119.63                 | 35.10                | 13.32             | 30.68        | 322.91        | 7,621.49        |
| Addition                      | -                       | -                 | -                     | 0.10              | 2.91                     | 0.20                 | 0.54              | 0.82         | -             | 4.57            |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>At 31st March, 2016</b>    | <b>86.16</b>            | <b>1,026.71</b>   | <b>387.17</b>         | <b>4,599.91</b>   | <b>1,122.53</b>          | <b>35.30</b>         | <b>13.86</b>      | <b>31.51</b> | <b>322.91</b> | <b>7,626.06</b> |
| Addition                      | -                       | -                 | -                     | 12.87             | 5.54                     | 0.08                 | 0.63              | -            | -             | 19.13           |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>At 31st March, 2017</b>    | <b>86.16</b>            | <b>1,026.71</b>   | <b>387.17</b>         | <b>4,612.78</b>   | <b>1,128.08</b>          | <b>35.38</b>         | <b>14.49</b>      | <b>31.51</b> | <b>322.91</b> | <b>7,645.18</b> |
| <b>Depreciation</b>           |                         |                   |                       |                   |                          |                      |                   |              |               |                 |
| At 1st April, 2015            | -                       | 588.20            | 177.44                | 3,117.10          | 914.16                   | 30.09                | 10.27             | 27.04        | 243.76        | 5,108.06        |
| Charge for the year           | -                       | 41.09             | 14.67                 | 131.93            | 74.61                    | 1.54                 | 1.51              | 1.81         | 25.84         | 293.00          |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>At 31st March, 2016</b>    | <b>-</b>                | <b>629.30</b>     | <b>192.11</b>         | <b>3,249.03</b>   | <b>988.77</b>            | <b>31.63</b>         | <b>11.79</b>      | <b>28.86</b> | <b>269.60</b> | <b>5,401.06</b> |
| Charge for the year           | -                       | 37.24             | 11.13                 | 118.16            | 27.83                    | 0.83                 | 0.90              | 0.90         | 16.70         | 213.69          |
| Disposals                     | -                       | -                 | -                     | -                 | -                        | -                    | -                 | -            | -             | -               |
| <b>As at 31st March, 2017</b> | <b>-</b>                | <b>666.54</b>     | <b>203.24</b>         | <b>3,367.19</b>   | <b>1,016.60</b>          | <b>32.45</b>         | <b>12.68</b>      | <b>29.76</b> | <b>286.31</b> | <b>5,614.75</b> |
| <b>Net Block</b>              |                         |                   |                       |                   |                          |                      |                   |              |               |                 |
| As at 31st March, 2016        | 86.16                   | 397.41            | 195.06                | 1,350.88          | 133.76                   | 3.67                 | 2.07              | 2.65         | 53.30         | 2,225.00        |
| As at 31st March, 2017        | 86.16                   | 360.17            | 183.93                | 1,245.60          | 111.47                   | 2.92                 | 1.80              | 1.75         | 36.60         | 2,030.43        |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 11. INTANGIBLE ASSETS

(₹ in Lacs)

|                               | Computer Software |
|-------------------------------|-------------------|
| <b>Cost</b>                   |                   |
| At 1st April, 2015            | 1.75              |
| Addition                      | 3.16              |
| Disposals                     | -                 |
| <b>At 31st March, 2016</b>    | <b>4.91</b>       |
| Addition                      | -                 |
| Disposals                     | -                 |
| <b>At 31st March, 2017</b>    | <b>4.91</b>       |
| <b>Depreciation</b>           |                   |
| At 1st April, 2015            | 1.24              |
| Charge for the year           | 1.14              |
| Disposals                     | -                 |
| <b>At 31st March, 2016</b>    | <b>2.37</b>       |
| Charge for the year           | 1.00              |
| Disposals                     | -                 |
| <b>As at 31st March, 2017</b> | <b>3.37</b>       |
| <b>Net Block</b>              |                   |
| As at 31st March, 2016        | 2.53              |
| As at 31st March, 2017        | 1.53              |

### 12. NON CURRENT INVESTMENTS

(₹ in Lacs)

|                                                                                | 31.03.2017      | 31.03.2016      |
|--------------------------------------------------------------------------------|-----------------|-----------------|
| Trade Investments (valued at cost unless stated otherwise)                     |                 |                 |
| Investment in Unquoted Equity Instruments                                      |                 |                 |
| Investment in Associate                                                        |                 |                 |
| <b>Meghalaya Power Limited</b>                                                 |                 |                 |
| 83,58,998 (83,58,998 as at 31.03.16) Equity Shares of ₹10/- each fully paid up | 5,307.08        | 4,779.30        |
| Add : Share of Profit in Associate                                             | 587.36          | 528.38          |
| <b>Total</b>                                                                   | <b>5,895.04</b> | <b>5,307.68</b> |

Details of Equity Accounted Associate are as follows :

(₹ in Lacs)

| Name of the Company     | Original Cost of Investment | Capital Reserve | Accumulated Profit as at 31.03.2017 | Carrying amount of Investments as at 31.03.2017 |
|-------------------------|-----------------------------|-----------------|-------------------------------------|-------------------------------------------------|
| Meghalaya Power Limited | 3,373.50                    | 1,140.03        | 1,381.51                            | 5,895.04                                        |
|                         | <b>3,373.50</b>             | <b>1,140.03</b> | <b>1,381.51</b>                     | <b>5,895.04</b>                                 |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 13. LONG TERM LOANS AND ADVANCES

|                                               | (₹ in Lacs)     |                 |
|-----------------------------------------------|-----------------|-----------------|
|                                               | 31.03.2017      | 31.03.2016      |
| <b>Capital Advance</b>                        |                 |                 |
| -Unsecured, Considered Good                   | 5.00            | -               |
|                                               | <b>5.00</b>     | <b>-</b>        |
| <b>Security Deposits</b>                      |                 |                 |
| -Unsecured, Considered Good                   | 56.43           | 56.75           |
|                                               | <b>56.43</b>    | <b>56.75</b>    |
| <b>Other Loans and advances</b>               |                 |                 |
| -Unsecured considered Good                    |                 |                 |
| Balance with Statutory/Government Authorities | 1,740.39        | 1,400.83        |
|                                               | <b>1,740.39</b> | <b>1,400.83</b> |
| <b>Total</b>                                  | <b>1,801.83</b> | <b>1,457.58</b> |

### 14 OTHER NON CURRENT ASSETS

|                                                                          | (₹ in Lacs) |             |
|--------------------------------------------------------------------------|-------------|-------------|
|                                                                          | 31.03.2017  | 31.03.2016  |
| -In Fixed Deposit accounts with original maturity of more than 12 months | 0.25        | 0.29        |
| <b>Total</b>                                                             | <b>0.25</b> | <b>0.29</b> |

### 15 INVENTORIES

|                                | (₹ in Lacs)     |                 |
|--------------------------------|-----------------|-----------------|
|                                | 31.03.2017      | 31.03.2016      |
| <b>Inventories</b>             |                 |                 |
| Raw Materials                  | 377.09          | 473.42          |
| Finished Goods                 | 137.29          | 181.57          |
| Fuels, packing materials, etc. | 2,290.94        | 1,394.21        |
| Stores & Spare Parts           | 311.27          | 308.61          |
| <b>Total</b>                   | <b>3,116.58</b> | <b>2,357.81</b> |

### 16 TRADE RECEIVABLES

|                        | (₹ in Lacs)     |                 |
|------------------------|-----------------|-----------------|
|                        | 31.03.2017      | 31.03.2016      |
| <b>Unsecured</b>       |                 |                 |
| <b>Over Six Months</b> |                 |                 |
| Considered Good        | 86.12           | 109.43          |
|                        | <b>86.12</b>    | <b>109.43</b>   |
| <b>Other Debts</b>     |                 |                 |
| Considered Good        | 1,379.58        | 1,286.70        |
|                        | <b>1,379.58</b> | <b>1,286.70</b> |
| <b>Total</b>           | <b>1,465.70</b> | <b>1,396.12</b> |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 17. CASH & CASH EQUIVALENTS

|                       | (₹ in Lacs)   |               |
|-----------------------|---------------|---------------|
|                       | 31.03.2017    | 31.03.2016    |
| Cash On Hand          | 1.87          | 2.96          |
| Cheques In Hand       | 108.58        | 4.05          |
| Balance with Banks:   |               |               |
| - In current accounts | 125.45        | 484.94        |
| <b>Total</b>          | <b>235.91</b> | <b>491.95</b> |

### 18. SHORT TERM LOANS AND ADVANCES

|                                                                  | (₹ in Lacs)     |                 |
|------------------------------------------------------------------|-----------------|-----------------|
|                                                                  | 31.03.2017      | 31.03.2016      |
| Advances to suppliers                                            | 57.78           | 63.47           |
| Less : Provision for doubtful advance                            | (8.00)          | -               |
|                                                                  | <b>49.78</b>    | <b>63.47</b>    |
| Advances for Services & Expenses                                 | 311.75          | 298.15          |
| Loans & Advances to Employees                                    | 2.42            | 0.97            |
| Prepaid Expenses                                                 | 8.57            | 6.45            |
| Balances with / Receivable from Statutory/Government Authorities | 898.79          | 807.32          |
| <b>Total</b>                                                     | <b>1,271.31</b> | <b>1,176.36</b> |

### 19. REVENUE FROM OPERATIONS

|                                       | (₹ in Lacs)     |                  |
|---------------------------------------|-----------------|------------------|
|                                       | 2016-17         | 2015-16          |
| Sale of products                      | 9,215.37        | 11,506.24        |
| Other Operating Revenues              | 42.09           | 22.93            |
| <b>Total</b>                          | <b>9,257.46</b> | <b>11,529.17</b> |
| <b>Details of Finished Goods Sold</b> |                 |                  |
| Ferro Silicon                         | 9,215.37        | 11,506.24        |
|                                       | <b>9,215.37</b> | <b>11,506.24</b> |

### 20. OTHER INCOME

|                                   | (₹ in Lacs) |             |
|-----------------------------------|-------------|-------------|
|                                   | 2016-17     | 2015-16     |
| Interest Income on Fixed Deposits | 1.40        | 0.33        |
| Misc receipts                     | -           | 2.43        |
| <b>Total</b>                      | <b>1.40</b> | <b>2.75</b> |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 21. COST OF RAW MATERIALS CONSUMED

|                                         | (₹ in Lacs)     |                 |
|-----------------------------------------|-----------------|-----------------|
|                                         | 2016-17         | 2015-16         |
| Inventory at the beginning of the year  | 473.42          | 547.39          |
| Add: Purchases                          | 2,317.99        | 2,871.93        |
|                                         | <b>2,791.41</b> | <b>3,419.32</b> |
| Less: Inventory at the end of the year  | 377.09          | 473.42          |
| <b>Cost of Material Consumed</b>        | <b>2,414.32</b> | <b>2,945.90</b> |
| <b>Details of Raw Material consumed</b> |                 |                 |
| Quartz                                  | 366.98          | 487.53          |
| Lam Coke                                | 1,227.71        | 1,298.96        |
| Mill Scale                              | 239.93          | 288.79          |
| Coal & Super Screen Coal                | 453.77          | 583.10          |
| Other                                   | 125.94          | 287.52          |
| <b>Total</b>                            | <b>2,414.32</b> | <b>2,945.90</b> |

### 22. (INCREASE)/DECREASE IN INVENTORIES

|                                        | (₹ in Lacs)   |               |
|----------------------------------------|---------------|---------------|
|                                        | 2016-17       | 2015-16       |
| Inventory at the beginning of the year | 181.57        | 999.13        |
| Inventory at the end of the year       | 137.29        | 181.57        |
| <b>(Increase) /Decrease</b>            | <b>44.28</b>  | <b>817.57</b> |
| <b>Details of Finished Goods</b>       |               |               |
| Ferro Silicon                          | 136.11        | 175.16        |
| Silicon Manganese                      | 1.18          | 6.41          |
| <b>Total</b>                           | <b>137.29</b> | <b>181.57</b> |

### 23. EMPLOYEE BENEFIT EXPENSES

|                                                | (₹ in Lacs)   |               |
|------------------------------------------------|---------------|---------------|
|                                                | 2016-17       | 2015-16       |
| Salaries & Wages                               | 528.42        | 500.15        |
| Contribution to Provident Fund and other Funds | 26.05         | 26.74         |
| Staff Welfare Expenses                         | 27.76         | 24.34         |
| <b>Total</b>                                   | <b>582.24</b> | <b>551.23</b> |

### 24. FINANCE COSTS

|                     | (₹ in Lacs)  |               |
|---------------------|--------------|---------------|
|                     | 2016-17      | 2015-16       |
| Interest Expenses   |              |               |
| -On Fixed Loans     | 69.77        | 280.99        |
| -On Other Loans     | 7.04         | 3.53          |
| Other Finance Costs | 22.98        | 13.24         |
| <b>Total</b>        | <b>99.79</b> | <b>297.77</b> |

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 25. OTHER EXPENSES

|                                                     | (₹ in Lacs)     |                 |
|-----------------------------------------------------|-----------------|-----------------|
|                                                     | 2016-17         | 2015-16         |
| Consumption of Stores & Spares                      | 368.89          | 504.10          |
| Packing Materials                                   | 50.06           | 74.38           |
| Power & Fuel                                        | 3,702.64        | 4,830.55        |
| Repairs & Maintenance                               |                 |                 |
| - Building                                          | 11.86           | 11.80           |
| - Plant & Machinery                                 | 77.80           | 86.62           |
| - Others                                            | 2.18            | 4.30            |
| Excise Duty variation on opening/ closing inventory | (1.90)          | (41.26)         |
| Insurance                                           | 34.38           | 32.72           |
| Rent, Rates & Taxes                                 | 73.38           | 87.74           |
| Travelling and Conveyance                           | 7.86            | 13.06           |
| Heavy Vehicle / Equipment Running Expenses          | 93.88           | 58.57           |
| Corporate Social Responsibility                     | 7.00            | 6.00            |
| Miscellaneous Expenses                              | 64.27           | 111.40          |
| Outward Freight Charges                             | 421.44          | 489.84          |
| Commission, Discount & Incentives on Sale           | 41.14           | 28.25           |
| <b>Total</b>                                        | <b>4,954.87</b> | <b>6,298.04</b> |

### 26. EARNINGS PER SHARE (EPS):

In terms of Accounting Standard - 20, the calculation of EPS is given below: -

|                                                                             | (₹ in Lacs)  |              |
|-----------------------------------------------------------------------------|--------------|--------------|
|                                                                             | 2016-17      | 2015-16      |
| Profit/(Loss) attributable to Equity Shareholders for basic and diluted EPS | 1,118.81     | 635.78       |
| Weighted average number of Equity Shares for Basic EPS                      | 22,21,72,990 | 22,21,72,990 |
| Weighted average number of Equity Shares for Diluted EPS                    | 22,21,72,990 | 22,21,72,990 |
| Nominal value of equity shares (₹)                                          | 1.00         | 1.00         |
| Basic earnings per share (EPS) (₹)                                          | 0.50         | 0.29         |
| Diluted earnings per share (DPS) (₹)                                        | 0.50         | 0.29         |

27. In line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the associate Meghalaya Power Limited has availed the option given in paragraph 46A of the Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates”. Accordingly it has, with effect from 1st April, 2013, depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The share of SCFL in MPL's depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31st March, 2017 is ₹92.57 (PY ₹67.97) lacs. The share of SCFL in MPL's unamortized portion carried forward as at 31st March, 2017 is ₹929.89 (₹1,212.56) lacs.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (contd.)

### 28. Additional Information pursuant to Schedule III of the Companies Act, 2013

(₹ in Lacs)

| Name of the entity                                  | Net Assets i.e. total assets minus total liabilities |             |                    |                  | Share in profit or loss             |             |                    |               |
|-----------------------------------------------------|------------------------------------------------------|-------------|--------------------|------------------|-------------------------------------|-------------|--------------------|---------------|
|                                                     | As % of consolidated net assets                      |             | Amount (₹ in Lacs) |                  | As % of consolidated profit or loss |             | Amount (₹ in Lacs) |               |
|                                                     | 2016-17                                              | 2015-16     | 2016-17            | 2015-16          | 2016-17                             | 2015-16     | 2016-17            | 2015-16       |
| Parent                                              |                                                      |             |                    |                  |                                     |             |                    |               |
| Shyam Century Ferrous Limited                       | 78.99%                                               | 82.23%      | 9,480.73           | 8,949.28         | 47.50%                              | 16.89%      | 531.45             | 107.40        |
| Associates<br>(Investment as per the equity method) |                                                      |             |                    |                  |                                     |             |                    |               |
| Indian:                                             |                                                      |             |                    |                  |                                     |             |                    |               |
| Meghalaya Power Limited                             | 21.01%                                               | 17.77%      | 2,521.54           | 1,934.18         | 52.50%                              | 83.11%      | 587.36             | 528.38        |
| Foreign : None                                      |                                                      |             |                    |                  |                                     |             |                    |               |
| Joint Ventures : None                               |                                                      |             |                    |                  |                                     |             |                    |               |
| <b>Total</b>                                        | <b>100%</b>                                          | <b>100%</b> | <b>12,002.27</b>   | <b>10,883.46</b> | <b>100%</b>                         | <b>100%</b> | <b>1,118.81</b>    | <b>635.78</b> |

### 29. CONTINGENT LIABILITIES

(₹ in Lacs)

| Sl. No | Particulars                                                                           | As at 31.03.2017 | As at 31.03.2016 |
|--------|---------------------------------------------------------------------------------------|------------------|------------------|
| 1      | Contingent Liabilities not provided for in respect of :-                              |                  |                  |
|        | (a) Bills discounted with banks                                                       | 1,222.48         | 1,192.39         |
|        | (b) Solvent surety given to Excise Department against differential excise duty refund | 838.71           | 606.34           |
|        | (c) Cross Subsidy charges payable to Meghalaya State Electricity Board                | -                | 730.18           |
|        | (d) Capital                                                                           | 193.00           | -                |

Note: Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

30. The Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) would be applicable to the Company from financial year commencing on and after 1st April, 2017. Accordingly, the financial statements have been prepared in compliance with Companies (Accounting Standards) Rules, 2006.

31. Figures have been rounded off to the nearest ₹ in Lacs.

For **Kailash B. Goel & Co.**  
Firm Registration No. 322460E  
Chartered Accountants

For and on behalf of the Board of Directors

**CA. Arun Kumar Sharma**  
Partner  
Membership No : 057329

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 30th May, 2017

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## SHYAM CENTURY FERROUS LIMITED

CIN-L27310ML2011PLC008578

**Regd. Office:** Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

**Corporate Office:** Satyam Towers, Unit No. 9B, 1st Floor, 3 Alipore Road, Kolkata - 700027

Tel: 03655 – 278215/16/18, Fax: 03655-278217, Email: investors@shyamcenturyferrous.com

Website: www.shyamcenturyferrous.com

# Notice to the shareholders

**NOTICE** is hereby given that the SIXTH ANNUAL GENERAL MEETING of the Members of **Shyam Century Ferrous Limited** will be held on Monday, 11th September, 2017 at 04:00 P.M. at "Star Club", Vill: Lumshnong, P.O: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aditya Vimalkumar Agarwal (DIN: 03330313), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed by the Members at the Annual General Meeting held on 4th July, 2014, the appointment of M/s. Kailash B. Goel & Co., Chartered Accountants (Firm's Registration No. 322460E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, be and is hereby ratified at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

### SPECIAL BUSINESS:

4. **Ratification of remuneration payable to the Cost Auditors.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time

being in force), the remuneration of ₹50,000/- (Rupees fifty thousand only) per annum payable to M/s. B. G. Chowdhury & Co., Cost Accountants (Firm Registration No. 000064), 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 March 31, 2018 be and is hereby ratified and confirmed;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient for giving effect to the resolution."

5. **Adoption of New Set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.**

To consider and if, thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

By Order of the Board  
For **Shyam Century Ferrous Limited**

Date: 3rd August, 2017  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

## NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rules made thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing the proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. Members holding shares in the physical form are requested to notify change in address, email id, bank mandate and bank particulars, if any, under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers. Members holding shares in electronic form may update such information with their respective Depository Participants.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now register the same by writing to the Registrar of the Company at the following address:-  
  
Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata - 700001
- Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the RTA. Nomination form can be downloaded from the Company's website [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) under the section 'Investors'. In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.
8. Members seeking information regarding financial accounts of the Company are requested to write to the Company at least 7 (seven) days before the date of meeting so as to enable the management to keep the information ready.
9. All documents meant for inspection and referred to in the Notice and accompanying Annual Report are open for inspection at the Registered Office as well as Corporate Office of the Company during office hours between 11:00 A.M to 1:00 P.M on all working days till the date of the Annual General Meeting (AGM) and will be also available for inspection at the Meeting.
10. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM. Members are requested to bring their admission slip along with

the copy of the Annual Report at the Annual General Meeting.

11. Additional information in respect of the Director seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting are furnished as an Annexure and forms a part of the Notice. The Director has furnished the requisite consents/ declarations for his appointment/ re-appointment.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 8th September, 2017 to Monday, 11th September, 2017 (both days inclusive).
13. Members may also note that the Notice of the AGM and the Annual Report will also be available on the Company's website, [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) for their download.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
15. In compliance with the provision of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all the Members to enable them to cast their vote electronically in respect of business to be transacted at the Meeting, for which the Company has engaged the services of National Securities Depository Limited (NSDL). The Members holding shares either in physical form or in dematerialized form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
16. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members who have not cast their votes by remote e-voting as on **Cut-off date i.e. Monday, 4th September, 2017** shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who cast their votes by remote e-voting prior to the meeting, may attend the meeting but will not be entitled to cast their vote again.
17. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Monday, 4th September, 2017**, are entitled to vote on the Resolutions set forth in this Notice and a person who is not a Member

as on cut-off date should treat this notice for information purpose only. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

18. The remote e-voting period will commence at **9.00 a.m. on Friday, 8th September, 2017 and will end at 5.00 p.m. on Sunday, 10th September, 2017**. The Company has appointed Mr. Sourav Kedia, Practicing Company Secretary (Membership no. ACS 40951), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting.
19. The Route map of the venue of Annual General Meeting i.e. "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 is annexed at the end of this Notice.
20. **PROCEDURE FOR REMOTE E-VOTING**

The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for remote e-voting are as under:

- A. In case of Members who receive the Notice in electronic mode:
  1. Open the PDF file 'SCFL e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
  2. Launch an internet browser and open <https://www.evoting.nsdl.com>
  3. Click on Shareholder - Login.
  4. Insert 'User ID' and 'Initial Password' as noted in step (1) above and click 'Login'.
  5. Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
  6. Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
  7. Select the 'EVEN' (E-Voting Event Number) of Shyam Century Ferrous Limited.
  8. Now you are ready for e-voting as 'Cast Vote' page opens.

9. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
10. Upon confirmation, the message 'Vote cast successfully' will be displayed.
11. Once you have voted on the resolution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer by an e-mail at [souravkedia@gmail.com](mailto:souravkedia@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case of Members who receive Physical copy of the Notice of the AGM and Attendance Slip:

1. Initial Password is provided, as follows, at the bottom of the Attendance Slip.

| EVEN (E-voting Event Number) | USER ID | PASSWORD |
|------------------------------|---------|----------|
| -                            | -       | -        |

2. Please follow all steps from Sl. No. 2 to Sl. No. 12 above, to cast your vote.

C. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for members and the 'e-voting user manual' available in the download section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

- D. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- E. The voting rights of members shall be as per the number of equity share held by the Member(s) as on 4th September, 2017. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- F. The Companies (Management and Administration) Rules, 2014, as amended provides that the electronic voting period shall remain open for at least three days and shall close at 5.00 p.m. on the date preceding the date of the AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Friday, 8th September, 2017 and will end at 5.00 p.m. on Sunday, 10th September, 2017.
- G. The results shall be declared within 48 hours from the conclusion of the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company and on the website of NSDL and such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

By Order of the Board  
For **Shyam Century Ferrous Limited**

Date: 3rd August, 2017  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

## EXPLANATORY STATEMENT (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

### Item No. 4

The Board of Directors on the recommendation of Audit Committee has appointed M/s. B. G. Chowdhury & Co., Cost Accountants (Firm Registration No. 000064) as the Cost Auditors of the Company to conduct the Cost Audit of the Company for the Financial Year 2017-18 at a remuneration of ₹50,000/- (Rupees fifty thousand only) per annum.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2018.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Shareholders.

### Item No. 5

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to adopt a new set of Articles of Association. The new AoA to be substituted in place of the existing AoA are based on Table

'F' of the Act which sets out the model AoA for a company limited by shares.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, the amendment of Articles of Association requires approval of members by way of special resolution. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to

the extent of their shareholding in the Company.

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

By Order of the Board  
For **Shyam Century Ferrous Limited**

Date: 3rd August, 2017  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

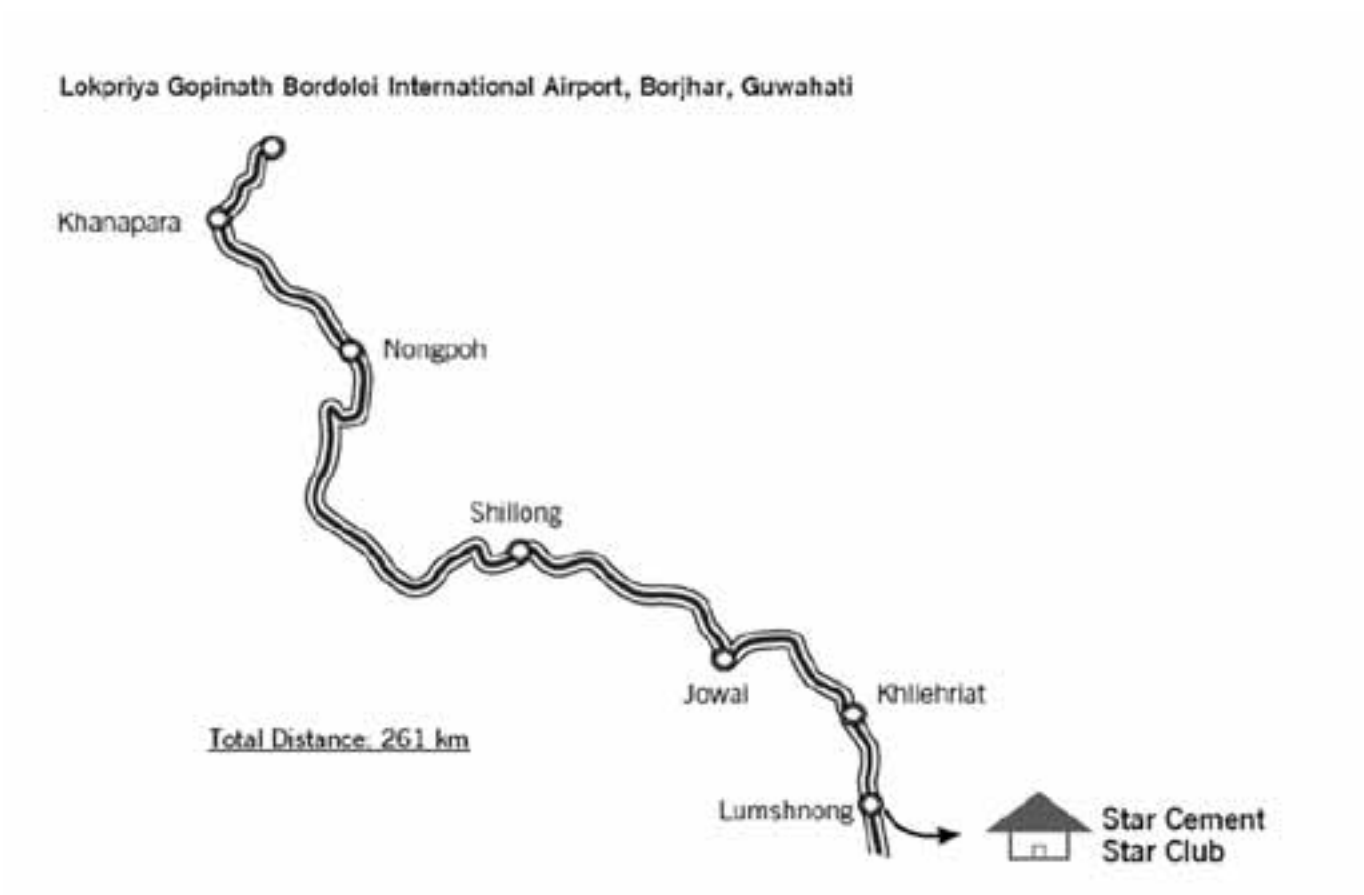
## ANNEXURE TO ITEM NO. 2 OF THE NOTICE

### Details of Director seeking re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting]

|                                                                                                                                                           |                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Name of the Director                                                                                                                                      | Aditya Vimalkumar Agrawal                                             |
| DIN                                                                                                                                                       | 03330313                                                              |
| Age                                                                                                                                                       | 28 years                                                              |
| Nationality                                                                                                                                               | Indian                                                                |
| Qualification                                                                                                                                             | Commerce Graduate, MBA                                                |
| Experience (years)                                                                                                                                        | 5                                                                     |
| Expertise in special functional Area                                                                                                                      | Commercial, Operational, Planning and Business Development            |
| Date of First Appointment on the Board of the Company                                                                                                     | 1st April, 2015                                                       |
| Terms & condition of re-appointment                                                                                                                       | Non-Executive Non Independent Director, liable to retire by rotation. |
| Details of remuneration sought to be paid and remuneration last drawn                                                                                     | Not Applicable                                                        |
| Shareholding in the Company<br>[Equity share of face value ₹1/- each]<br>(as at 28th July, 2017)                                                          | 19,843                                                                |
| Relationship between the Directors inter se and other Key Managerial Person                                                                               | Nil                                                                   |
| No. of Board Meetings attended during the year                                                                                                            | 4                                                                     |
| List of Directorship held in other Companies<br>(excluding Foreign Company)                                                                               | 1. Shyam Ferro Alloys Limited<br>2. Subham Buildwell Private Limited  |
| Membership/ Chairmanships of Committees of Boards of other Companies. (only Audit Committee and Stakeholders Relationship Committee has been considered ) | Nil                                                                   |

ROUTE MAP



**Venue:** "Star Club", Vill: Lumshnong, P.O.: Khliehriat, Dist.: East Jaintia Hills, Meghalaya- 793210



# SHYAM CENTURY FERROUS LIMITED

CIN-L27310ML2011PLC008578

**Regd. Office:** Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

**Corporate Office:** Satyam Towers, Unit No. 9B, 1st Floor, 3 Alipore Road, Kolkata - 700027

Tel: 03655 – 278215/16/18, Fax: 03655-278217, Email: investors@shyamcenturyferrous.com

Website: www.shyamcenturyferrous.com

## PROXY FORM No. MGT - 11

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

|                                |  |
|--------------------------------|--|
| Name of the Member(s):         |  |
| Registered Address:            |  |
| Email Id:                      |  |
| Folio No./DP ID and Client ID: |  |

I/We, being the member(s) of the Company and holding ..... shares of the Company, hereby appoint:-

1. Name:....., Address:.....  
Email:....., Signature:....., or failing him/her
2. Name:....., Address:.....  
Email:....., Signature:....., or failing him/her
3. Name:....., Address:.....  
Email:....., Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company, to be held on **Monday, 11th day of September, 2017** at 04:00 P.M. at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No.           | RESOLUTIONS                                                                                                                                                                                                     | Optional* |         |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
|                   |                                                                                                                                                                                                                 | For       | Against |
| Ordinary Business |                                                                                                                                                                                                                 |           |         |
| 1                 | Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017 and the Reports of Board of Directors and Auditors thereon. |           |         |
| 2                 | Re-appointment of Mr. Aditya Vimalkumar Agarwal (DIN: 03330313) as a Director of the Company, liable to retire by rotation.                                                                                     |           |         |
| 3                 | Ratification of the appointment of M/s. Kailash B. Goel & Co., Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration.                                                        |           |         |
| Special Business  |                                                                                                                                                                                                                 |           |         |
| 4                 | Ratification of remuneration payable to Cost Auditors.                                                                                                                                                          |           |         |
| 5                 | Adoption of New Set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.                                                                                |           |         |

Signed this.....day of....., 2017

Signature of the shareholder.....

Signature of the proxy holder.....

Affix  
Revenue  
Stamp of  
₹1/-

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 6th Annual General Meeting.
3. \* It is optional to put 'X' in the appropriate column against the Resolutions indicated in 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.
4. Please complete all details including details of member(s) in the above box before submission.



## SHYAM CENTURY FERROUS LIMITED

CIN-L27310ML2011PLC008578

**Regd. Office:** Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210

**Corporate Office:** Satyam Towers, Unit No. 9B, 1st Floor, 3 Alipore Road, Kolkata - 700027

Tel: 03655 – 278215/16/18, Fax: 03655-278217, Email: investors@shyamcenturyferrous.com

Website: www.shyamcenturyferrous.com

# ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

## ANNUAL GENERAL MEETING - 11th day of September, 2017 at 04:00 P.M.

|                                 |  |
|---------------------------------|--|
| Folio No./ DP ID and Client ID: |  |
| Name:                           |  |
| Address:                        |  |
| No. of Shares held :            |  |

I/We certify that I/We am/are a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our attendance at the Sixth Annual General Meeting of the Company at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 on **Monday, 11th day of September, 2017 at 04:00 P.M.**

-----  
*Member's/Proxy's name in block letters*

-----  
*Member's/Proxy's signature*

### Notes:

1. Registration will start at 03:00 P.M. and close at 03:55 P.M. on the day of Annual General Meeting.
2. The members are required to produce their duly signed Attendance Slips and get their entry passes from the registration counter.
3. The members should produce their entry passes at the entrance of the AGM Hall for attending the AGM.
4. The Members are informed that in case of joint holders attending the meeting, only such joint holder whose name appears in the chronological order in the Demat account /Folio will be entitled to vote.
5. This Attendance Slip is valid only in case shares are held on the date of the Annual General Meeting.
6. The Members who have received Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.



## NOTES

## NOTES





## SHYAM CENTURY FERROUS LIMITED

### Regd. Office & Works:

Vill: Lumshnong, PO. Khaliehriat,  
District - East Jaintia Hills, Meghalaya - 793 210  
Phone: +91 3655 278215/16/18  
[www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com)

CIN: L27310ML2011PLC008578

