



**Rohit Ferro-Tech Ltd.**

CIN No. : L27104WB2000PLC091629

*(Under Corporate Insolvency Resolution Process)*

14<sup>th</sup> October, 2020

The Listing Department <b>BSE Limited</b> P.J. Towers, 25 <sup>th</sup> Floor Dalal Street, Mumbai – 400 001  <b>BSE SCRIP CODE: 532731</b>	The Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-I, Block - G Bandra Kurla Complex Mumbai – 400 051  <b>NSE SYMBOL: ROHITFERRO</b>
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Dear Sir/Madam,

**Sub: Notice of 20<sup>th</sup> Annual General Meeting, Book Closure and Annual Report**

We wish to inform you that the 20<sup>th</sup> Annual General Meeting ("AGM") of Rohit Ferro-Tech Limited for Financial Year 2019-2020 is scheduled to be held on Friday, 6<sup>th</sup> November, 2020 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 31<sup>st</sup> October, 2020 to Friday, 6<sup>th</sup> November, 2020 (both days inclusive) for the purpose of 20<sup>th</sup> AGM of the Company as under.

Symbol	Type of security	Book Closure (both days inclusive)	Record Date	Purpose
NSE: ROHITFERRO  BSE : 532731	Equity	From 31 <sup>st</sup> October, 2020  to 6 <sup>th</sup> November, 2020	—	Annual General Meeting (AGM)

The Company has fixed Friday, 30<sup>th</sup> October, 2020 as the 'Cut-off Date' for determining shareholders entitled to vote by remote e-voting as well as e-voting during the AGM as per Regulation 44 of the SEBI (LODR) Regulations, 2015. The remote e-voting period will commence on Tuesday, 3<sup>rd</sup> November, 2020 at (9.00 a.m. IST) and will end on Thursday, 5<sup>th</sup> November, 2020 (5.00 p.m. IST).

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report of our Company for the financial year 2019-2020 containing Notice of AGM.

**Corporate & Communication Office :**

SKP HOUSE

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

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

E-mail : enquiry@rohitferrotech.com, cs@rohitferrotech.com

Web : www.rohitferrotech.com

**Works :**

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

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

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



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

Further, with regards to filing of Annual Report in XBRL mode under Regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same shall be filed in XBRL format in due course.

You are requested to kindly take the same on record.

Thanking you,  
Yours faithfully,

**For Rohit Ferro-Tech Limited**

Anil Prasad Shaw  
(Company Secretary)

*Encl: as above*

**Cc to:**

- **National Securities Depository Ltd.**, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
- **Central Depository Services (India) Ltd.**, 25<sup>th</sup> Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013
- **Maheshwari Datamatics Pvt. Ltd.**, of 23, R.N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata-700 001



**2019**  

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**2020**

# **ANNUAL** REPORT

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Rohit Ferro-Tech Limited

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## Corporate Information

### Resolution Professional

Mr. Supriyo Kumar Chaudhuri  
IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098  
BDO Restructuring Advisory LLP  
C/o BDO India LLP  
Floor 4, Duckback House  
41, Shakespeare Sarani, Kolkata - 700017

### Board of Directors (Suspended during CIRP w.e.f. 7th February, 2020)

Mr. Suresh Kumar Patni	<i>Non-Executive Chairman</i>
Mr. Ankit Patni	<i>Managing Director</i>
Mr. Ranjeet Kumar Burnwal	<i>Executive Director</i>
Mrs. Sujata Agarwal	<i>Independent/Non-Executive Director</i>
Mr. Ankit Rungta	<i>Independent/Non-Executive Director</i>
Mr. Ankit Jain	<i>Independent/Non-Executive Director</i>
Mr. Sharat Malik	<i>Independent/Non-Executive Director</i>

### Chief Financial Officer

Mr. Vipul Jain

### Company Secretary

Mr. Anil Prasad Shaw

### Statutory Auditors

M/s. R. Kothari & Co. LLP  
Chartered Accountants  
16A, Shakespeare Sarani,  
Kolkata- 700071

### Internal Auditors

M/s. NR & Associates  
Cost Accountants  
16A, Shakespeare Sarani,  
5th Floor, Kolkata - 700 071

### Cost Auditors

M/s. S.B. & Associates  
Cost Accountants  
5, Garstin Place, 1st Floor  
Kolkata - 700 001

### Secretarial Auditor

M/s. K.C Dhanuka & Co.  
Practicing Company Secretaries  
419, Centre Point, 21, Hemanata Basu Sarani,  
Kolkata- 700 001

### Bankers

State Bank of India  
United Bank of India  
UCO Bank  
Indian Bank

Bank of Baroda  
Punjab National Bank  
Central bank of India  
Andhra Bank  
Export Import Bank of India  
Canara Bank

### Registered Office

35, Chittaranjan Avenue, Kolkata - 700 012  
Phone: +91 33 2211 0225/0226

### Corporate Office

SKP House, 132A, S. P. Mukherjee Road  
Kolkata - 700 026  
Phone: +91 33 4016 8000/8100  
Fax: +91 33 4016 8191/8107  
E-mail: [cs@rohitferrotech.com](mailto:cs@rohitferrotech.com)  
Website: [www.rohitferrotech.com](http://www.rohitferrotech.com)

### Plant Information

#### Bishnupur

WBIDC Road, P.S. : Bishnupur  
P.O.: Dwarika - 722 122  
Dist: Bankura, West Bengal

#### Jajpur

Kalinganagar Industrial Complex  
P.O.: Duburi - 755 026  
Dist: Jajpur, Odisha

#### Haldia

Jaynagar, PS: Durgachak  
P.O.: Buniaraichak  
Dist: Purba Medinipur, West Bengal

### DISCLAIMER

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Notice of Annual General Meeting

The members are hereby intimated that in accordance with an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Kolkata Bench, vide order dated 7th February, 2020 in Company Petition No. 1214/KB/2018 ("Insolvency Commencement Order") has initiated Corporate Insolvency Resolution Process ("CIRP") against Rohit Ferro-Tech Limited ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) who had been appointed as Interim Resolution Professional (IRP) was subsequently confirmed as Resolution Professional to manage the affairs of the Company in accordance with the provisions of the Code.

Further, in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stand suspended and the same are vested and exercised by Mr. Supriyo Kumar Chaudhuri, Resolution Professional (RP) w.e.f. 7th February, 2020.

NOTICE is hereby given that the 20th Annual General Meeting (AGM) of the Members of the Company will be held on Friday, the 6th day of November, 2020 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - i. the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2020, together with the Reports of the Auditors and Board's' thereon.
  - ii. the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2020, together with the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. R. K. Burnwal (DIN: 07479341) who retires by rotation at the 20th Annual General Meeting of the Company, being eligible for re-appointment.
3. 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 Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s. R. Kothari & Co. LLP, Chartered Accountants, Kolkata (Firm Registration No. 307069E) be and are hereby re-appointed as the Statutory Auditors of the Company for a further period of 4 years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting to be held in the year 2024 at such remuneration as may be mutually agreed upon."

## **SPECIAL BUSINESS:**

4. 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 other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder including any amendment or modification thereof, the remuneration payable to M/s. S. B. & Associates, Cost Accountant (FRN No. 00109), to audit the cost records maintained by the Company for the Financial Year 2020-2021 amounting to ₹ 35,000/- (Rupees Thirty-Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified and confirmed."

By the Order of Resolution Professional  
For **Rohit Ferro-Tech Limited**  
(Company under Corporate Insolvency Resolution Process)

Place: Kolkata  
Date: 15th September, 2020

**Anil Prasad Shaw**  
(Company Secretary)



# Notice of Annual General Meeting

## NOTES:

1. In view of the outbreak of COVID-19 pandemic, social distancing norms to be followed and the continuous restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/CIR /P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 20th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue.
2. Pursuant to Circular No. 14/2020 dated 8th April 2020 issued by the Ministry of Corporate Affairs, facility to appoint proxy to attend and cast vote for the members will not be available for the ensuing AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join AGM in VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
4. Participation of Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [PANKS1345@gmail.com](mailto:PANKS1345@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act), relating to Business at Serial No. 3 and 4 to be transacted at the AGM is annexed hereto.
7. The re-appointment of the Directors are recommended only for the sole purpose of complying with the applicable provision(s) of the Companies Act, 2013 (as amended) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, pursuant to Section 17 of the IBC, the powers of the Board of Directors shall stand suspended during the continuance of the CIRP.
8. The information as required to be provided in terms of Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") regarding the Directors who are proposed to be re-appointed is annexed.
9. In line with the MCA Circulars and SEBI Circular, the Notice of the 20th AGM along with Annual Report will be available on the website of the Company at [www.rohitferrotech.com](http://www.rohitferrotech.com) and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com).
10. M/s. Maheshwari Datamatics Pvt Ltd having its registered office at 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 is appointed as the Company's Registrar & Transfer Agents for its share registry (both, physical as well as electronic).
11. Pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members are informed that they may nominate at any time, in the prescribed manner, a person to whom their shares in the Company shall vest in the unfortunate event of their death. Members holding shares in physical mode should file their nomination with the Company or with M/s. Maheshwari Datamatics Private Limited, the Registrar and Share Transfer Agent (RTA) of the Company, at their address given in the Annual Report, whilst those Members holding shares in demat /electronic mode should file their nomination with their Depository Participants (DPs).

# Notice of Annual General Meeting

12. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to convert their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, M/s. Maheshwari Datamatics Pvt Ltd for assistance in this regard.
13. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participants (DPs) with whom they are maintaining their Demat Accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / Company's Registrar and Share Transfer Agent.
14. Members holding shares in physical mode are advised to make nomination in respect of their shareholding in the Company. Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility.
15. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company's Registrar and Share Transfer Agent, for consolidation into a single folio.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. The Company has transferred unpaid/unclaimed Dividends for the Financial Year 2011-12 to Investor Education and Protection Fund (IEPF) established by the Central Government. It may please be noted that once the unclaimed dividend is transferred to the said Fund, as above, no claims shall lie against the Company. However, claim can be made from the Fund in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. Further, pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund (Uploading of Information Regarding Unpaid and Unclaimed Dividend Amounts Lying with Companies) Rules, 2012, the Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company [www.rohitferrotech.com](http://www.rohitferrotech.com) and also on the website of the Ministry of Corporate Affairs.
18. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Company has transferred 205,585 Equity Shares during the year under review, aggregating to 2,66,763 equity shares till date, in respect of shares on which dividends remained unpaid or unclaimed for a period of seven consecutive years or more, to the Demat Account of IEPF Authority maintained with National Securities Depository Limited (NSDL).
19. The details of the shares transferred are provided in the website of the Company [www.rohitferrotech.com](http://www.rohitferrotech.com). Shareholders may note that the shares/dividend transferred to IEPF can be claimed by making an application to the Authority in Form IEPF-5 (to be filed online) at the following link <http://iepf.gov.in/IEPFA/refund.html>.
20. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 20th AGM being held through VC.
21. Members joining the meeting through VC, who have not cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
22. To support the "Green Initiative", members who have not registered/updated their respective e-mail



# Notice of Annual General Meeting

addresses with Company's Registrar and Share Transfer Agent - if shares are held in physical mode and with their DPs - if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.

23. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at [cs@rohitferrotech.com](mailto:cs@rohitferrotech.com) and [iprft@bdo.in](mailto:iprft@bdo.in). The same will be replied by the Company suitably.
24. All documents referred to in the accompanying Notice will be available for inspection through electronics mode on receipt of request by the Company at [cs@rohitferrotech.com](mailto:cs@rohitferrotech.com).
25. Electronic copy of the Annual Report for Financial Year (FY) 2019-2020 together with a copy of the Notice of the 20th AGM of the Company inter-alia stating the process and manner of remote e-voting are being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes.
26. Friday, 30th October, 2020 has been fixed as 'Cut-off Date' for determining Members entitled to facility of voting by remote e-voting as well as e-voting at said AGM following Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
27. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 31st October, 2020 to Friday, 6th November, 2020 both days inclusive, in connection with ensuing AGM.
28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
29. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/Folio Number, PAN, Mobile Number at least 48 hours before the start of the AGM at [cs@rohitferrotech.com](mailto:cs@rohitferrotech.com). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
30. Members who need assistance before or during the AGM, can contact CDSL by sending an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

## INSTRUCTIONS FOR SHAREHOLDERS FOR VOTING THROUGH ELECTRONIC MEANS PRIOR TO AGM

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to its members to exercise their right to vote electronically at the 20th Annual General Meeting through the electronic voting (e-voting) service facilitated by the Central Depository Services (India) Limited (CDSL) vide EVSN 201005003.
- b. The remote e-voting period commences on Tuesday, 3rd November, 2020 at 9:00 a.m. and ends on Thursday, 5th November, 2020 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 30th October, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- c. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the cut-off date. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility for remote e-voting as well as voting at the meeting.
- d. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (i) Click on "Shareholders/Members" tab.

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- (ii) Now Enter your User ID (For CDSL: 16 digits Beneficiary ID; For NSDL: 8 Character DP ID followed by 8 Digits Client ID; Members holding shares in Physical Form should enter Folio Number registered with the Company) and then enter the Image Verification as displayed and Click on Login. If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first-time user, fill up the following details in the appropriate boxes and follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).

PAN*	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department.
DOB#	Enter the Date of Birth as recorded in your Demat Account or in the Company Records for the said Demat Account or Folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said Demat Account or Folio.

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8-digit sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number and enter the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Sequence number is being communicated to you.

#Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or Company please enter the Member ID/Folio No. in the Dividend Bank details field.

- (iii) After entering these details appropriately, click on "SUBMIT" tab.
- (iv) Member holding shares in Physical Form will then reach directly to the Company Selection screen. However, members holding shares in Demat Form will now reach 'Password Creation' menu wherein you are required to mandatorily enter your login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) For Members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the **EVSN : 201005003** for the relevant "ROHIT FERRO-TECH LIMITED" on which you choose to vote.
- (vii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (viii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (ix) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (x) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xii) If Demat account holder has forgotten the changed password, then enter the user ID and Image Verification and click on Forgot Password & enter details as prompted by the system.
- (xiii) Shareholders can also cast their vote using CDSL's Mobile App m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone

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users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the Mobile App while voting on your mobile.

- (xiv) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

## **General instructions/information for Members for voting on the Resolutions:**

- a. In case of any queries regarding remote e-voting you may refer to the Frequently Asked Questions ("FAQs") and User Manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact the Company or Registrar and Share Transfer Agent.
- b. Facility of e-voting shall also be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the AGM.
- c. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.
- d. Voting rights of Shareholders (for voting through remote e-voting or by e-voting at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday, 30th October, 2020 ("Cut-off Date"). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- e. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the Cut-off Date i.e. Friday, 30th October, 2020 may obtain the Login ID and Password by sending a request at [www.evotingindia.com](http://www.evotingindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
- f. Mr. Pankaj Jhawar, Proprietor of M/s. Pankaj Jhawar & Associates, Company Secretaries, (Membership No. ACS 48473, CP No. 17703) has been appointed by the Resolution Professional of the Company to act as the Scrutinizer to scrutinize the remote e-voting as well as e-voting process during the AGM in a fair and transparent manner.
- g. The Scrutinizer will make, not later than two days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Resolution Professional or a person authorized by him in writing, who shall countersign the same.
- h. The Resolution Professional or the person authorized by him in writing forthwith on receipt of the consolidated Scrutinizer's Report, declare the results of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.rohitferrotech.com](http://www.rohitferrotech.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after their declaration and communicated to the Stock Exchanges where the Company is listed viz. BSE Limited and National Stock Exchange of India Limited.
- i. Subject to receipt of requisite number of votes, the Resolution(s) set out in the Notice shall be deemed to be passed on the date of the AGM.

## **INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY DURING THE AGM**

# Notice of Annual General Meeting

- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iii. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:**

- (i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system.
- (ii) Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder/members login where the EVSN : 201005003 of Company will be displayed. Click on live streaming appearing beside the EVSN.
- (iii) The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- (v) System requirements for best VC experience:  
  
Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more  
Microphone and speakers – built-in or USB plug-in or wireless Bluetooth  
  
Browser - Google Chrome: Version 72 or latest Mozilla Firefox: Version 72 or latest Microsoft Edge Chromium: Version 72 or latest Safari: Version 11 or latest Internet Explorer: Not Supported
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Members can post questions through Q&A feature available in the VC. Members can exercise these options once the floor is open for shareholder queries.

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## **EXPLANATORY STATEMENT IN PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.3**

The tenure of M/s. R. Kothari & Co. LLP, Statutory Auditors, is expiring at the 20th Annual General Meeting. The Resolution Professional with Directors and Key Managerial Personnel (KMP) at the meeting held on Wednesday, 26th August, 2020 had re-appointed M/s. R. Kothari & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a further period of 4 years from the conclusion of this Annual General Meeting till the conclusion of 24th Annual General Meeting to be held in the year 2024.

M/s. R. Kothari & Co. LLP, Chartered Accountants, have given their consent and the eligibility certificate for the proposed re-appointment.

M/s. R. Kothari & Co. LLP was constituted on 21st November, 1986. The Registration No. of the firm is 307069E. The registered office of the firm is at 16A, Shakespeare Sarani, Kolkata - 700071.

# Notice of Annual General Meeting

M/s. R. Kothari & Co. LLP specializes in providing high-end services in Tax, Regulatory and Audit Assurance domain. Built on a foundation of quality, an ability to think out-of-the-box and a business – focused and result oriented approach.

The remuneration proposed for audit of the financial statements of the Company from the financial year 2020-21 and onward is fixed at ₹ 8.00 lakhs plus reimbursement of out of pocket expenses and applicable taxes. In addition to the above and in accordance with the provisions of the Act, the Resolution Professional may approve the fee payable to the auditors for limited reviews, certifications and other permitted services rendered by the Auditors in accordance with the provisions of Section 144 of the Act, as deemed appropriate.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise, in this resolution.

Therefore, the resolution set out at Item No. 3 of the notice is recommended to shareholders for their approval.

## Item No. 4

The Resolution Professional at its meeting with Directors and KMP held on Wednesday, 26th August, 2020 had re-appointed M/s. S. B. & Associates, Cost Accountant (FRN No. 00109), as the Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2020-2021 at a remuneration of ₹ 35,000/- plus applicable taxes and re-imbursment of out of pocket expenses.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise, in this resolution.

Therefore, the resolution set out at Item No. 4 of the notice is recommended to shareholders for their approval.

## Annexure

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

Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the Directors seeking appointment/re-appointment.

<b>Name of the Director</b>	Mr. R K Burnwal
<b>Director Identification Number (DIN)</b>	07479341
<b>Date of Birth</b>	08/01/1967
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	24/03/2016
<b>Qualification</b>	Chartered Accountant, Company Secretary and Cost Accountant
<b>Expertise in specific functional area</b>	Expertise in Finance, Legal and Commercial functions. Prior to joining Rohit Ferro-Tech Ltd, Mr. Burnwal has served companies under Maithan Group, Monnet Group and Birla Group.
<b>Shareholding in the Company</b>	NIL
<b>List of Directorships held in other Listed Companies as on 31.03.2020</b>	NIL
<b>Memberships / Chairmanships in Committee of other listed companies as on 31.03.2020*</b>	NIL
<b>Relationships between the Directors inter-se</b>	No relation with any other Director/KMP

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

# Board's Report

## *Dear Shareholders,*

Your Management are pleased to present the Twentieth Annual Report together with the Audited Financial Statements of your Company for the financial year ended on 31st March, 2020.

### **INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP):**

This is to apprise the members of Rohit Ferro-Tech Limited that the National Company Law Tribunal ("NCLT"), Kolkata Bench, vide its order dated 7th February, 2020 ("Insolvency Commencement Order") admitted the application for initiation of Corporate Insolvency Resolution Process ("CIRP") in Company Petition No. CP (IB) 1214/KB/2018 based on the petition filed by State Bank of India in accordance with Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC 2016"/"the Code"). Pursuant to the said order, Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) was appointed as the Interim Resolution Professional (IRP) and thereafter was appointed as the Resolution Professional (RP) of the Company by the Committee of Creditors (CoC) to manage the affairs of the Company as per the provisions of the Code.

In terms of Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended on commencement of the CIRP and the same are being exercised by Mr. Supriyo Kumar Chaudhuri, Resolution Professional w.e.f. 7th February, 2020. The management of the affairs of the Company has also been vested with Resolution Professional till the time the resolution plan is approved by the CoC and further, approved by the NCLT under the Code.

### **FINANCIAL HIGHLIGHTS**

(₹ in Crores)

Particulars	Standalone	
	Current Year 31-03-2020	Previous Year 31-03-2019
Revenue from Operation	738.35	892.83
Other Income	1.42	3.45
Total Revenue	739.77	896.28
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>(88.38)</b>	<b>(101.82)</b>
Depreciation & Amortisation	33.13	33.43
Finance Cost	31.54	50.10
Exceptional Item	532.54	93.09
Tax Expenses	(6.23)	-
<b>Net Profit after Tax</b>	<b>(679.36)</b>	<b>(278.44)</b>
Other Comprehensive Income/(Loss) (net of tax)	(0.24)	(0.15)
<b>Total Comprehensive Income/(Loss)</b>	<b>(679.60)</b>	<b>(278.59)</b>

### **FINANCIAL AND OPERATIONAL REVIEW**

During the year under review, the Company has achieved a total Revenue from Operation of ₹ 738.35 Crores (P.Y. ₹ 892.83 Crores) registering a decrease of 17.30% over previous year. The Company incurred a net loss of ₹ 679.36 Crores as against ₹ 278.44 Crores in previous year. The loss is mainly due to high finance cost, low capacity utilisation of plants, increase in input cost and lower realisations owing to availability of cheaper imports etc.

### **DIVIDEND**

No dividend is recommended for the financial year ended on 31st March, 2020 as the Company is under Corporate Insolvency Resolution Process and do not have adequate profits.

### **TRANSFER TO RESERVES**

There has been no transfer of profits to General Reserve during the year under review.

# Board's Report

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 ('the Act') and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], the Consolidated Financial Statements form part of this Annual Report. The Consolidated Financial Statements are prepared in accordance with the Indian Accounting Standards (IND-AS) notified under Section 133 of the Act read with Companies (Accounts) Rules, 2014.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with provisions of sub section (6) and (7) of Section 152 of the Companies Act, 2013, Mr. R K Burnwal (DIN: 07479341), Director of the Company will be retiring by rotation at the ensuing Annual General Meeting.

Mr. Ankit Jain (DIN: 07672255) and Mr. Ankit Rungta (DIN: 06893793) Independent Directors have placed their resignation before the Company w.e.f. 7th March, 2020. Mrs. Sujata Agarwal (DIN: 06833458) and Mr. Sharat Malik (DIN: 08529458) Independent Directors have also placed their resignation before the Company w.e.f. 29th May, 2020 and 20th July, 2020 respectively. Accordingly, the Resolution Professional of the Company put the said resignations before the Committee of Creditors (CoC) but the same were not approved by CoC.

Therefore, the composition of the Board of Directors remains same and suspended during the year under review.

### Key Managerial Personnel:

Mr. Ankit Patni is the Managing Director of the Company and Mr. Vipul Jain is the Chief Financial Officer of the Company. Mr. Anil Prasad Shaw is the Company Secretary.

All of your Directors except Mr. R K Burnwal (DIN: 07479341), Mr. Ankit Jain (DIN: 07672255) and Mr. Ankit Rungta (DIN: 06893793) as on 31st March 2020 have confirmed having complied with Code of Conduct for Board of Directors including Independent Directors and Senior Management Personnel of your Company. This code has continued to help your Company maintain standard of ethics and ensure compliance of legal requirements applicable.

It may further be noted that, pursuant to the NCLT order for commencement of the CIRP and in line with the provisions of the Code, the powers of the Board of Directors and/or Board Committees stand suspended and exercised by RP.

## DIRECTORS'/MANAGEMENT RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, based on internal financial controls, work performed by the internal, statutory, cost and secretarial auditors, the reviews performed by the management and with the concurrence of the Audit Committee prior to commencement of CIRP, that for the year ended 31st March, 2020, the confirmation is hereby given for the Company having:

- a. that in the preparation of the Annual Accounts, for the year ended 31st March, 2020, the applicable Accounting Standards have been followed with proper explanation relating to material departures, if any;
- b. that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of Financial Year and of the profit or loss of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the accounts for the Financial Year ended on 31st March, 2020 on a 'Going Concern' basis;
- e. that they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



# Board's Report

## NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The details of the number of meetings of the Board of Directors held during the Financial Year 2019-2020 form part of the Corporate Governance Report. No meeting of Board of Directors or Committee was held after the commencement of Corporate Insolvency Resolution Process w.e.f. 7th February, 2020.

## DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors, except Mr. Ankit Jain (DIN: 07672255) and Mr. Ankit Rungta (DIN: 06893793) of the Company that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 with Stock Exchanges who were existing till end of Financial Year ended 31st March, 2020.

## NOMINATION & REMUNERATION POLICY

The Company's Nomination & Remuneration Policy and other matters provided under Section 178(3) of the Companies Act, 2013, has been disclosed in the Corporate Governance Report which form part of this Annual Report.

## BOARD EVALUATION

In pursuance to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc.

In the past, the exercise was carried out based on various parameters such as the composition of the Board, experience, competencies, contribution towards accurate financial reporting, strategic guidance, risk mitigation, internal controls, governance, leadership and talent development, managing external stakeholders, governance issues, etc.

Consequent to admission of the Company into CIRP, the performance annual evaluation was not carried out during the year.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (MDA)

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

## CORPORATE GOVERNANCE

Pursuant to the SEBI (LODR) Regulations, 2015, the detailed Report on Corporate Governance and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this Report.

Further, as per SEBI (LODR) Regulations, 2015, the provisions specified in Regulations 17, 18, 19 and 20 are not applicable to the Company w.e.f. 7th February, 2020 due to initiation of CIRP against the Company.

## SUBSIDIARIES

As on 31st March, 2020, the Company has 1 (one) Subsidiary i.e. M/s. SKP Overseas Pte. Ltd. (Wholly Owned Subsidiary). As per the verdict from Supreme Court of the Republic of Indonesia No. 1580K/Pdt/2018 dated 12th July, 2019, SKP Overseas Pte. Ltd., Singapore does not have legal force and is not eligible to own and/or control shares of PT. Bara Prima Mandiri, Indonesia.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing, the details of performance and financial positions of the Subsidiary Company i.e. M/s. SKP Overseas Pte. Ltd. is given in Form AOC-1 which is annexed to the Financial Statements.

As per the provisions of the Companies Act, 2013, your Company has provided the Consolidated Financial Statements as on 31st March, 2020. The Unaudited Financial Statements of the Subsidiary Company will also

# Board's Report

be available for inspection during the business hours at the Corporate Office of your Company and the same are displayed on the Company's website viz. [www.rohitferrotech.com](http://www.rohitferrotech.com).

## **PUBLIC DEPOSITS**

Your Company has not accepted any Fixed Deposit within the meaning of Chapter V of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

## **INSURANCE**

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

## **CREDIT RATING**

During the year under review, Credit Rating has not been done. The Company's credit rating for last available year for Long-Term Loans & Fund Based Limits was [ICRA] D and for Short-Term Limits was [ICRA] D, as given by ICRA Limited.

## **DIVIDEND DISTRIBUTION POLICY**

Pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015, top 500 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company is not required to formulate the Dividend Distribution Policy.

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

During the year under review, there were no changes in capital structure or Memorandum & Articles of Association of the Company.

## **EXTRACT OF ANNUAL RETURN**

An extract of Annual Return as on the Financial Year ended on 31st March, 2020 in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is set out as an **Annexure-I** to the Board's Report and form part of this Annual Report. The extract of Annual Return is also available on the website of the Company.

## **AUDITORS AND AUDITORS' REPORT-**

### **Internal Auditors**

Your Company proposes to appoint M/s. NR & Associates, Cost Accountants, to oversee and carry out the internal audit of the Company for Financial year 2020-2021.

### **Cost Auditors**

The Company has duly prepared and maintained the cost records of the business activities carried out by the Company during the financial year 2019-2020 as required pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

Further, the Company has re-appointed M/s. S. B. & Associates, Cost Accountants as Cost Auditors of the Company for conducting cost audit for the financial year 2020-2021. Accordingly, a resolution seeking approval of the members for ratifying the remuneration payable to Cost Auditors for financial year 2020-2021 will be provided in the Notice to the ensuing Annual General Meeting.

## **Secretarial Auditors, Secretarial Audit and Secretarial Compliance Report**

The Company appointed M/s K. C. Dhanuka & Co., (Prop. Mr. K. C. Dhanuka, FCS – 2204, C.P. No. 1247) as the Secretarial Auditor of your Company for the Financial Year 2019-2020 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

# Board's Report

The Secretarial Audit Report for the Financial Year ended 31st March, 2020 in Form MR-3 is annexed as **Annexure-II** and form part of the Report.

Pursuant to SEBI Circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, Secretarial Compliance Report for the Financial Year ended 31st March, 2020 issued by M/s K. C. Dhanuka & Co., (Prop. Mr. K. C. Dhanuka, FCS – 2204; C.P. No. 1247), is annexed herewith and marked as **Annexure-III** to this report. The Secretarial Compliance Report does not contain any qualifications, reservation or adverse remarks.

## **Statutory Auditors**

M/s. R. Kothari & Co. LLP, Chartered Accountants, (Firm Registration No.307069E) was appointed as the statutory auditors of the company for the Financial Year 2019-2020 at the previous Annual General Meeting of the Company held on 25th September, 2019.

In terms of Section 139 of the Companies Act, 2013, the Company has proposed re-appointment of M/s. R. Kothari & Co. LLP, Chartered Accountants, (Firm Registration No.307069E), for the period of four years subject to confirmation by members at the ensuing Annual General Meeting.

The Auditors have audited standalone and consolidated financial statements of the Company for the Financial Year ended 31st March, 2020 and no fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

## ***Managements comment on qualification, reservation or adverse remark or disclaimer in Statutory Audit Report:***

The lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non-Performing Asset. The Company has not provided accrued interest in its books as the account has been declared NPA by the respective lenders. The amount of interest has been recognised in the books of accounts to the extent the amount charged/realised by the bank till the commencement of CIRP as reflected in the bank statement. The amount of interest not so provided for the quarter and year ended 31st March, 2020 till date of commencement of CIRP stands at ₹ 1,127 lacs and ₹ 22,251 lacs respectively.

## **INTERNAL FINANCIAL CONTROLS**

The Company has adequate systems of internal financial controls in place with reference to financial statements, which is commensurate with its size and the nature of its operations.

## **BOARD COMMITTEES**

The details pertaining to composition, meetings and other matters of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Executive Committee and Corporate Social Responsibility Committee are included in the Corporate Governance Report, which form part of this report.

However, since commencement of CIRP in respect of the Company w.e.f. 7th February, 2020, the provisions specified in Regulations 17, 18, 19 and 20 of SEBI (LODR) Regulations, 2015 are not applicable to the Company w.e.f. 7th February, 2020.

## **VIGIL MECHANISM POLICY**

In compliance with provisions of the Section 177(9) of the Companies Act, 2013, and the SEBI (LODR) Regulations, 2015, the Company has formulated a Vigil Mechanism Policy for Directors and Employees to report concerns about unethical conduct and improper practices or alleged fraud or violation of Code of Conduct or Ethics Policy soon after becoming aware of the same and the details of the said policy has been given in the Corporate Governance Report annexed to this report and also hosted on the website of the Company [www.rohitferrotech.com](http://www.rohitferrotech.com).

## **RISK MANAGEMENT POLICY**

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

# Board's Report

out to the extent possible. Major risks in particular areas monitored regularly and the Board of Directors of the Company is kept abreast.

## **FAMILIARIZATION PROGRAMME**

On 22nd August, 2019, the Company had familiarised the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

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

The details of such Programmes are uploaded on the website of the Company and available at the link <https://www.rohitferrotech.com/familiarisation-programme-19-20.pdf>

However, since commencement of Corporate Insolvency Resolution Process against the Company, the powers of Board and Committee stand suspended since 7th February, 2020.

## **CONTRACT AND ARRANGEMENT WITH RELATED PARTIES**

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

The Policy on materiality of related party transaction as approved by the Board may be accessed on the Company's Website, [www.rohitferrotech.com](http://www.rohitferrotech.com). Your Management drew attention of the members to Note 32 to the Financial Statement which sets out related party disclosures.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

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

During the year under review, the Company had transferred the unpaid/unclaimed dividend amounting to ₹ 1,67,925 to Investor Education and Protection Fund (IEPF) declared at the 12th Annual General Meeting of the Company held in the year 2012.

In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Company has transferred 205,585 Equity Shares during the year under review till date in respect of shares on which dividends remained unpaid or unclaimed for a period of seven consecutive years or more, to the Demat Account of IEPF Authority maintained with National Securities Depository Limited (NSDL).

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

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

# Board's Report

## **PARTICULARS OF EMPLOYEES**

As required under provisions of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees are not applicable to the Company as there are no employees drawing remuneration in excess of the limits set out in the said Rules.

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

As stated above, the Hon'ble NCLT, Kolkata Bench vide order dated 7th February, 2020 had initiated CIRP for the Company and Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) had been appointed as Interim Resolution Professional of the Company to manage the affairs of the Company. Mr. Chaudhuri had since been confirmed as the Resolution Professional of the Company at the first meeting of the Committee of Creditors.

The Company's plant at Haldia continues to remain non-functional as the plant was shut down in July, 2015. For burglary/robbery and damages to the properties occurred in Financial Year 2016-17, the Company had filed insurance claim of ₹ 26.03 Crores and had since filed application before the National Consumer Forum for expediting the claim settlement process, pending decision on such application the financial impact thereof has not been ascertained and accounted for.

The Company had entered into an Agreement with MSTC Ltd., a Government of India enterprise for facilitating its purchases of various raw materials, including chrome ores on commercial credit terms and keeping such stocks at the Jajpur Plant of the Company under pledge with them. The stock was to be taken therefrom from time to time on 'cash and carry' basis. MSTC have filed an application before the Hon'ble High Court in Kolkata alleging unauthorised removal of stocks by the Company without payment and has referred to a shortage of 6900 Metric Tonnes in the volumetric assessment of stocks carried out on 7th November, 2019 and has demanded payment of Rs.449587123/-. They have also subsequently filed an application in the NCLT, Kolkata Bench alleging unauthorised removal of 28,189 Tonnes (approx.) of Chrome Ore valuing ₹ 33.55 Crores (approx.) without payment by the Company over an extended period since 2019 which was brought out in the volumetric assessment carried out on 26th February, 2020 with the permission of the Resolution Professional, soon after the CIRP started and seeking, inter alia, necessary direction to conduct auction of the stated physical stock of about 11,300 Tonnes of Chrome Ore lying at the said Plant. The said application was heard and dismissed by the Hon'ble NCLT, Kolkata Bench on 21st August, 2020. MSTC Ltd. has also submitted a claim of ₹ 47 Crores including interest under the provisions of the Insolvency and Bankruptcy Code, 2016. As per legal opinion, MSTC Ltd., a Creditor of the Company, is not entitled to sell the stocks pledged to it by auction and realise the value thereof during CIRP. While the claim submitted by MSTC Ltd. has been admitted to the tune of ₹ 44.32 Crores as per the provisions of the Code.

To the best of our knowledge, during the year under review, the Company has not received any other order from the Regulators, Courts or Tribunals which may impact the Going Concern status or the Company's operations in future and that the Company has complied with all the requirements of the Uniform Listing Agreement/Listing Regulations with the Stock Exchanges as well as regulations and guidelines of SEBI.

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

In the last month of Financial Year 2019-2020, the Corona Virus (COVID-19) pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. This pandemic has affected the business operations of the Company, which is already under Corporate Insolvency Resolution Process (CIRP), by way of interruption in production activities, supply chain and availability of manpower during the period. The demand for company's products and supply chain were badly hit due to lockdown causing further worsening of the liquidity position of the Company. After the lockdown norms were relaxed by the Government of India and the District Administration of respective State Governments, the manufacturing activities gradually commenced at all our plant locations with reduced manpower and keeping in view all safety precautions and measures as

# Board's Report

directed by the Government. Being a Company under CIRP and due to huge outstanding debts, the Company is in a severely stressed condition as a result of which it is continuously facing liquidity problem to keep its plants in running condition. However, the Company is trying its best to tide over the liquidity crunch as far as practicable.

## **DISCLOSURE AS REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

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

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

## **GREEN INITIATIVE**

The Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address previously registered with the DPs/Company/RTAs. Those holding shares in demat form can register their e-mail address with their concerned DPs.

The Company has made the arrangement with CDSL/NSDL/RTA for updating the email address of the concerned shareholders for supply of Annual Report in electronics means due to non-printing of Annual Report physically for the outbreak of novel Corona Virus (CoVID-19).

To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent/Depositories for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

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

As required under Section 135 of Companies Act, 2013, the Company has constituted CSR Committee. However, it is not required to spend any amount as CSR activities as the Company has been incurring losses.

## **OTHER DISCLOSURE REQUIREMENTS**

- The disclosures and reporting with respect to issue of equity shares with differential rights as to dividend, voting or otherwise is not applicable as the Company has not issued any such shares during the reporting period.
- The disclosures and reporting on issue of shares (including sweat equity shares and issue of shares under Employees Stock Option Scheme) to employees of the Company under any scheme are not applicable as the Company has not issued any such shares during the reporting period.
- As far as possible, the Company has complied with the applicable provisions of Secretarial Standards SS-1 and SS-2.
- There is no change in the nature of the business of the Company.
- Since none of the Directors were present in the Meeting of Resolution Professional with Directors and Key Managerial Personnel, the Board's Report and Annexures thereon were signed by the Key Managerial Personnel.

# Board's Report

## ACKNOWLEDGMENT

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

By the Order of Resolution Professional  
**Rohit Ferro-Tech Limited**  
(Company under Corporate Insolvency Resolution Process)

Kolkata, 15th September, 2020

**Anil Prasad Shaw**  
(Company Secretary)

**Vipul Jain**  
(Chief Financial Officer)



# Annexure to the Board's Report

Annexure - I

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2020

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

### I REGISTRATION & OTHER DETAILS

i	CIN	L27104WB2000PLC091629
ii	Registration Date	7th April, 2000
iii	Name of the Company	Rohit Ferro-Tech Limited
iv	Category/Sub-category of the Company	Public Company (Limited by Shares having Share Capital)
v	Address of the Registered Office & contact details	35, Chittaranjan Avenue, Kolkata - 700 012 Phone No.: +91 33 2211 0225/0226
vi	Whether listed company	Yes (BSE Limited & National Stock Exchange of India Limited)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R N Mukherjee Road, 5th Floor, Kolkata - 700 001 Phone : 033 22435029 / 22482248

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

Sl. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the Company
1	Ferro-alloys	24104	40%
2	Iron & Steel	24109	60%

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

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	M/s. SKP Overseas Pte. Ltd. 141, Cecil Street, #07-05, Tung Ann Association Building, Singapore-069541	200806931E	Wholly- Owned Subsidiary	100.00%	2(87)

### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2019]				No of Shares held at the end of the year [As on 31st March, 2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	6,065,638	-	6,065,638	5.33	6,065,638	-	6,065,638	5.33	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	75,852,204	-	75,852,204	66.67	75,852,204	-	75,852,204	66.67	-
e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>81,917,842</b>	<b>-</b>	<b>81,917,842</b>	<b>72.00</b>	<b>81,917,842</b>	<b>-</b>	<b>81,917,842</b>	<b>72.00</b>	<b>-</b>

# Annexure to the Board's Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2019]				No of Shares held at the end of the year [As on 31st March, 2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>81,917,842</b>	-	<b>81,917,842</b>	<b>72.00</b>	<b>81,917,842</b>	-	<b>81,917,842</b>	<b>72.00</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Fund	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	-	-	-	-	1,973	-	1,973	0.00	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	-	-	-	-	<b>1,973</b>	-	<b>1,973</b>	<b>0.00</b>	-
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	2,341,666	-	2,341,666	2.06	2,010,319	-	2,010,319	1.77	-0.29
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	14,383,852	14,652	14,398,504	12.66	14,325,235	14,550	14,339,785	12.60	-0.05
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13,733,684	-	13,733,684	12.07	14,133,071	-	14,133,071	12.42	0.35
c) Others									
1. Non Resident Indians	1,102,017	-	1,102,017	0.97	1,055,535	-	1,055,535	0.93	-0.04
2. Clearing Members	207,515	-	207,515	0.18	50,835	-	50,835	0.04	-0.14
3. NBFCs registered with RBI	13,417	-	13,417	0.01	-	-	-	-	-0.01
4. Investor Education and Protection Fund Authority	61,478	-	61,478	0.05	266,763	-	266,763	0.23	0.18
<b>Sub-total(B)(2)</b>	<b>31,843,629</b>	<b>14,652</b>	<b>31,858,281</b>	<b>28.00</b>	<b>31,841,758</b>	<b>14,550</b>	<b>31,856,308</b>	<b>28.00</b>	<b>-0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>31,843,629</b>	<b>14,652</b>	<b>31,858,281</b>	<b>28.00</b>	<b>31,843,731</b>	<b>14,550</b>	<b>31,858,281</b>	<b>28.00</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>113,761,471</b>	<b>14,652</b>	<b>113,776,123</b>	<b>100.00</b>	<b>113,761,573</b>	<b>14,550</b>	<b>113,776,123</b>	<b>100.00</b>	-

# Annexure to the Board's Report

## ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (as on 1st April, 2019)			Shareholding at the end of the year (as on 31st March, 2020)			% 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	
	<b>Directors &amp; their Relatives</b>							
1	Mr. Ankit Patni	1,128,589	0.99	100.00	1,128,589	0.99	100.00	-
2	Mr. Rohit Patni	1,200,952	1.06	100.00	1,200,952	1.06	100.00	-
3	Mr. Suresh Kumar Patni	2,186,403	1.92	100.00	2,186,403	1.92	100.00	-
4	Mrs. Sarita Patni	1,549,694	1.36	100.00	1,549,694	1.36	100.00	-
	<b>Bodies Corporate</b>							
5	M/s. Invesco Finance Pvt. Ltd.	11,039,317	9.70	100.00	11,039,317	9.70	100.00	-
6	M/s. Vasupujya Enterprises Pvt. Ltd.	11,359,538	9.98	100.00	11,359,538	9.98	100.00	-
7	M/s. Shreyansh Leafin Pvt. Ltd.	10,993,150	9.66	100.00	10,993,150	9.66	100.00	-
8	M/s. Whitestone Suppliers Pvt. Ltd.	10,907,765	9.59	100.00	10,907,765	9.59	100.00	-
9	M/s. Poddar Mech Tech Services Pvt. Ltd.	12,979,933	11.41	100.00	12,979,933	11.41	100.00	-
10	M/s. Suanvi Trading & Investment Co. Pvt. Ltd.	11,237,501	9.88	100.00	11,237,501	9.88	100.00	-
11	M/s. VNG Mercantiles Pvt. Ltd.	985,000	0.87	100.00	985,000	0.87	100.00	-
12	M/s. Nucore Exports Pvt. Ltd.	1,100,000	0.97	100.00	1,100,000	0.97	100.00	-
13	M/s. Arthodock Vinimay Pvt. Ltd.	5,250,000	4.61	100.00	5,250,000	4.61	100.00	-
	<b>Total</b>	<b>81,917,842</b>	<b>72.00</b>	<b>100.00</b>	<b>81,917,842</b>	<b>72.00</b>	<b>100.00</b>	<b>-</b>

## iii CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares held as on 1st April, 2019	% of total Shares of the Company	No. of Shares held as on 31st March, 2020	% of total Shares of the Company
	At the beginning of the year	81,917,842	72.00	81,917,842	72.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change			
	At the end of the year	81,917,842	72.00	81,917,842	72.00

# Annexure to the Board's Report

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDR's & ADR's)

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding at the End of the Year	
		No. of Shares held as on 1st April, 2019	% of total Shares of the Company	Date of transaction	No. of Shares	Reason	No. of Shares held as on 31st March, 2020	% of total Shares of the Company
1	MR. GIRDHARILAL SEKSARIA	807,512	0.71				807,512	0.71
	At the end of the Year						<b>807,512</b>	<b>0.71</b>
2	MR. MSUNILKUMAR	585,100	0.51				585,100	0.51
	At the end of the Year						<b>585,100</b>	<b>0.51</b>
3	M/S. TRINCAS MANAGEMENT PVT. LTD.	525,000	0.46				525,000	0.46
	At the end of the Year						<b>525,000</b>	<b>0.46</b>
4	MRS. SUNITHA M V	386,354	0.34				386,354	0.34
	Transfer			17-May-2019	16,555	Purchase	402,909	0.35
	Transfer			24-May-2019	10,358	Purchase	413,267	0.36
	Transfer			31-May-2019	14,921	Purchase	428,188	0.38
	Transfer			7-Jun-2019	3,395	Purchase	431,583	0.38
	At the end of the Year						<b>431,583</b>	<b>0.38</b>
5	M/S. GUINNESS SECURITIES LIMITED	327,381	0.29				327,381	0.29
	At the end of the Year						<b>327,381</b>	<b>0.29</b>
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	61,478	0.05				61,478	0.05
	Transfer			1-Nov-2019	(300)	Claimed by Shareholder	61,178	0.05
	Transfer			13-Dec-2019	205,585	As per IEPF Rule	266,763	0.23
	At the end of the Year						<b>266,763</b>	<b>0.23</b>
7	MRS. VAISHALLI ARYA	253,827	0.22				253,827	0.22
	At the end of the Year						<b>253,827</b>	<b>0.22</b>
8	MR. CHETAN AGGARWALA	209,000	0.18				209,000	0.18
	At the end of the Year						<b>209,000</b>	<b>0.18</b>
9	MRS. KIRTI RAJNIKANT SHAH	182,000	0.16				182,000	0.16
	At the end of the Year						<b>182,000</b>	<b>0.16</b>
10	MR. KAMAL CH BARMAN	180,825	0.16				180,825	0.16
	At the end of the Year						<b>180,825</b>	<b>0.16</b>

### Note

1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is ₹ 1,13,77,61,230.
2. The above details was as on 31.03.2020
3. The details of holding has been clubbed based on PAN.

# Annexure to the Board's Report

## (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Reasons	Cumulative Shareholding at the end of the year	
		No. of Shares held as on 1st April, 2019	% of total Shares of the Company	Date of transaction	No. of Shares		No. of Shares held as on 31st March, 2020	% of total Shares of the Company
1	Mr. Suresh Kumar Patni (Non-Executive Promoter Director)	2,186,403	1.92	-	-	-	2,186,403	1.92
2	Mr. Ankit Patni (Managing Director)	1,128,589	0.99	-	-	-	1,128,589	0.99

## V. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (i.e. as on 01.04.2019)</b>				
i) Principal Amount	250,297.42	7,426.56	-	257,723.98
ii) Interest due but not paid	11,135.96	-	-	11,135.96
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>261,433.38</b>	<b>7,426.56</b>	-	<b>268,859.94</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	2,394.58	-	-	2,394.58
Reduction	-	-	-	-
<b>Net Change</b>	<b>2,394.58</b>	-	-	<b>2,394.58</b>
<b>Indebtedness at the end of the financial year (i.e. as on 31.03.2020)</b>				
i) Principal Amount	249,257.50	7,426.56	-	256,684.06
ii) Interest due but not paid	14,570.46	-	-	14,570.46
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>263,827.97</b>	<b>7,426.56</b>	-	<b>271,254.53</b>

# Annexure to the Board's Report

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl.No	Particulars of Remuneration	Managing Director	Whole Time Director	Manager	Total Amount
		Mr. Ankit Patni	Mr. Ranjeet Kumar Burnwal	N.A.	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	2,568,000.00	-	2,568,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others	-	-	-	-
	<b>Total (A)</b>	-	2,568,000.00	-	2,568,000.00
	Ceiling as per the Act	₹ 1,20,00,000/- p.a.			

### B. Remuneration to other Directors:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of the Directors				Total
1	<b>Independent Directors</b>	<b>Mr. Ankit Jain</b>	<b>Mr. Jatindra Nath Rudra</b>	<b>Mrs. Sujata Agarwal</b>	<b>Mr. Ankit Rungta</b>	
	(a) Fee for attending Board and Committee meetings	17,500.00	5,000.00	10,000.00	17,500.00	50,000.00
	(b) Commission	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>17,500.00</b>	<b>5,000.00</b>	<b>10,000.00</b>	<b>17,500.00</b>	<b>50,000.00</b>
2	<b>Other Non Executive Directors</b>	<b>Mr. Suresh Kumar Patni</b>	<b>Mr. Parama Bhattaraka Lahiri</b>			
	(a) Fee for attending Board and Committee meetings	20,000.00	2,500.00			22,500.00
	(b) Commission	-	-			-
	(c ) Others, please specify.	-	-			-
	<b>Total (2)</b>	<b>20,000.00</b>	<b>2,500.00</b>	-	-	<b>22,500.00</b>
	<b>Total (B)=(1+2)</b>		-	-		<b>72,500.00</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	
	<b>Overall Ceiling as per the Act.</b>	₹ 1,00,000/- (Per Meeting)				

\*\* The sitting fees has been waived off by the Director's in the meeting which was held on 16-12-2019

# Annexure to the Board's Report

## C. Remuneration to Key Managerial Personnel other than - MD/MANAGER/WTD (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	Company Secretary	CFO	
		Mr. Anil Prasad Shaw	Mr. Vipul Jain	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	580,800	813,008	1,393,808
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>580,800</b>	<b>813,008</b>	<b>1,393,808</b>

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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



# Annexure to the Board's Report

Annexure - II

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

[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,  
**M/s. Rohit Ferro-Tech Limited**  
35, Chittaranjan Avenue,  
Kolkata – 700 012

1. We have conducted the Secretarial Audit of M/s. Rohit Ferro-Tech Limited having its registered office at 35, Chittaranjan Avenue, Kolkata – 700012 and (hereinafter called “The Company”), for the Financial Year ended on 31st March, 2020 (“the period under review”). The aforesaid Secretarial Audit has been conducted pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Guidance Note on Secretarial Audit (Release-1.2) of The Institute of Company Secretaries of India, in a manner that provided us a reasonable basis for evaluating the corporate conduct and the process of statutory compliances under various statutes, rules, regulations, guidelines, as indicated here in below in the instant report and as such expressing my opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020 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.
3. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2020 and as shown to us during our audit, according to the provisions of the following laws:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (vi) Other than the fiscal, labour and environmental laws, which are generally applicable to all manufacturing, trading companies, there is no such law that applies specifically to the Company. The examination and

# Annexure to the Board's Report

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

- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the period under review:-
- a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
4. We have also examined compliance of Secretarial Standards (SS 1 and SS 2) issued by the Institute of Company Secretaries of India.
5. During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Standards, etc. mentioned as above.

We further report that:

- (a) Pursuant to an application filed by State Bank of India, The Hon'ble National Company Law Tribunal, Kolkata bench, vide its order dated 7th February, 2020 had ordered the commencement of the Corporate Insolvency Resolution Process ("CIRP") in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code"). Thereafter, in accordance with Section 17 of the Code, the powers of the Board of Directors stand suspended and Mr. Supriyo Kumar Chaudhuri was appointed as interim resolution professional of the Company who was later confirmed in the meeting of the Committee of Creditors on 5th March, 2020 as Resolution Professional (RP) of the Company.
- (b) During the period under review only (7) seven Board meetings was conducted. The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) has admitted the application filed by the Lenders and commenced Corporate Insolvency Resolution Process against the Company under the Insolvency and Bankruptcy Code, 2016 on 7th February, 2020 and, therefore, the powers of Board of Directors of the Company stand suspended and the said powers are being exercised by the RP. As a result thereof, Committee of creditors was formed and one meeting was held during the period under review.

We further report that

- i. The Plants located in Bishnupur, State of West Bengal was temporary suspension of operations due to Covid-19 upto 27th March, 2020 or such other period as may be notified by the State Government (s) where the company's plants are situated.
- ii. The Plants located in Jajpur, State of Odisha was temporary suspension of operations due to Covid-19 upto 14th April, 2020 or such other period as may be notified by the State Government (s) where the company's plants are situated.

For the compliance with the other applicable laws, we are relying on the certificate made by company and its officers for systems and mechanism set-up by the company for compliance under applicable Laws.

We further Report that:

- (a) We rely on Statutory Auditors' Report in relation to the financial statements, qualifications and accuracy of financial figures for, Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, FERA, GST etc. as disclosed under financial statements.
- (b) In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing the corporate insolvency resolution process is not required to comply with relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the

# Annexure to the Board's Report

requirements of, amongst others, composition of Board of Directors including that of independent director, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders' relationship committee.

- (c) As per the information provided, the Company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were prima facie 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.
- (d) As per the information provided, majority decision is carried through, while the dissenting members' views are prima facie captured and recorded as part of the minutes.
- (e) The management is responsible for compliances of all applicable laws including business laws. This responsibility includes maintenance of statutory registers/records/ filings and statements required by the concerned authorities and internal control of the concerned department.
- (f) We report that there are prima facie 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 subject to observations and qualifications, if any made by Statutory Auditors in their report.
- (g) During the audit period the Company has no specific events like Public/Right/Preferential issue of shares/ debentures/sweat equity/ ESOP etc.

We further report that:

- 1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for our opinion.
- 3. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 4. We have not verified the correctness and appropriateness of the books of accounts of the Company including loans and guarantees etc.
- 5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**K. C. DHANUKA & CO.**  
*Company Secretaries*

**K. C. DHANUKA**  
*Proprietor*

Place: Kolkata  
Date : 31st July, 2020

FCS-2204, CP-1247  
UDIN : F002204B000517741

# Annexure to the Board's Report

Annexure - III

## ANNUAL SECRETARIAL COMPLIANCE REPORT

### Secretarial Compliance Report of Rohit Ferro-Tech Ltd.

For the Year ended 31st March'2020

[Pursuant to the SEBI circular No.CIR/CFD/CMD1/27/2019 dated 8th February,2019]

We have examined:

- (a) all the documents and records made available to us and explanation provided by Rohit Ferro-Tech Ltd. ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March ,2020 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)*	Deviations	Observations/ Remarks of the Practicing Company Secretary
-----NIL-----			

\* The Financial Result for the quarter and nine months ended 31st December, 2019, being submitted by the Company and the meeting held on 13th February, 2020 was chaired by Mr. Ankit Patni on the request by the Interim Resolution Professional (IRP) as per the Order of the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, dated 7th February, 2020.

# Annexure to the Board's Report

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
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-----NIL-----

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March, 2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
---------	--	--	--	--

-----NIL-----

Further, in terms of SEBI circular No. CIR/CFD/CMD/114/2019 Dated 18th October, 2019 in respect of resignation of statutory auditors from listed entities and their material subsidiaries, the listed entity has suitably modified the terms of appointment of the auditor to give effect to clause 6(A) and 6(B) of the circular.

**K. C. DHANUKA & CO.**  
Company Secretaries

**K. C. DHANUKA**  
Proprietor

FCS-2204, CP-1247

UDIN : F002204B000407345

Place: Kolkata

Date : 1st July, 2020

# Annexure to the Board's Report

## Annexure - IV

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

Sr. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for Financial Year 2019-20 (₹ in Lacs)	% Increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. R. K. Burnwal (Executive Director)	25.68	NIL	10.02
2.	Mr. Anil Prasad Shaw (Company Secretary)	5.81	NIL	2.27
3.	Mr. Vipul Jain (Chief Financial Officer)	8.13	9.42	3.17

- No other Director other than Whole-Time Director received any remuneration other than sitting fees during the Financial Year 2019-20.
- In the Financial Year, there was no increase in the median remuneration of employees.
- There were 410 permanent employees on the rolls of Company as on 31st March, 2020.
- There remuneration of the Key Managerial Personnel put together is ₹ 39.62 Lacs which increased by 2.03% from ₹ 38.83 Lacs.
- The key parameter for any variable component of remuneration availed by director considered by Board of Director on recommendation of Nomination & Remuneration Committee as per Remuneration Policy of the Company.
- It is hereby declared that the remuneration of Directors/KMPs/Senior Management Personnel for the Financial Year 2019-20 are as per the Remuneration Policy of the Company.

\*Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) not applicable to the Company for the year under review.

By the Order of Resolution Professional  
**Rohit Ferro-Tech Limited**  
(Company under Corporate Insolvency Resolution Process)

Kolkata, 15th September, 2020

**Anil Prasad Shaw**  
(Company Secretary)

**Vipul Jain**  
(Chief Financial Officer)

# Annexure to the Board's Report

## Annexure - V

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

### A) Conservation of Energy

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

- Supervision of energy consumption and taking consequential action for optimisation of power consumption and better use of it;
- Using power factor controller/capacitors to maintain power factor;
- Keeping maximum demand under control by scheduling other load during equipment testing, among others;
- Effective maintenance and daily monitoring of Capacitor bank for improvement of power factor;
- Right sizing of motors;
- Suitable arrangements to switch off light when not required.

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

Due to paucity of funds, the Company has not been able to spend sufficient amount on steps needed to utilize alternate sources of energy however the company has already taken the steps for continuing the following wherever possible.

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

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

Due to huge loss for the year under review and due to commencement of the CIRP against the Company w.e.f. 7<sup>th</sup> February, 2020, the Company is not able to make any fresh capital investment on energy conservation.

### B) Technology Absorption

#### i. Efforts made towards technology absorption

The Company has adopted and is continually updating the latest available technology to extent possible including process & product development and energy savings.

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

- Improvement in the quality of its products;
- High Chromium recovery in finished goods;
- Improvement in the safe and environment friendly process.

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

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

a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R & D expenditure as a percentage of total Turnover	0.00%

### C) Foreign Exchange Earnings and Outgo for FY-2019-20

Sl. No.	Particulars	₹ in Lacs
1	Foreign exchange earned	NIL
2	Foreign exchange used	1.05

By the Order of Resolution Professional  
**Rohit Ferro-Tech Limited**  
 (Company under Corporate Insolvency Resolution Process)

Kolkata, 15th September, 2020

**Anil Prasad Shaw**  
 (Company Secretary)

**Vipul Jain**  
 (Chief Financial Officer)



# Management Discussion and Analysis Report

The members are hereby apprised that pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Kolkata Bench, vide order dated 7th February, 2020 has initiated Corporate Insolvency Resolution Process ("CIRP") for Rohit Ferro-Tech Limited ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") and appointed Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) as the Interim Resolution Professional (IRP) and was subsequently appointed as Resolution Professional (RP) by the Committee of Creditors (CoC) to manage affairs of the Company in accordance with the provisions of the Code.

Further, in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stand suspended and the same is being vested and exercised by Mr. Supriyo Kumar Chaudhuri, Resolution Professional (RP) w.e.f. 7th February, 2020.

## **Economic Overview**

Global growth of economy has decreased to a level of 2.9% in the year 2019-20 from 3.7% in 2018-19 and growth is expected to fluctuate in the upcoming years.

The India's GDP growth for Financial year 2020-2021 is expected to be negligible. The nation is currently experiencing a phase of depression because of the Covid-19 pandemic which has adversely affected all sectors and specially the steel and ferro alloy sector which is highly dependent on foreign markets like China. Growth is expected to pick up towards the end of 2020 and the market may stabilize from early 2021. India also has an opportunity to strengthen its recent economic gains by initiating more integration in the global value chain. Factors such as a young working population, improving business climate and renewed focus on export expansion would support this opportunity.

## **Ferro Alloys Industry**

Ferro chrome is an alloy of chrome and iron which is primarily used in manufacturing stainless steel.

Ferro-alloys are critical additives in the production of Iron & Steel and the fortune of Ferro Alloys Industry is directly linked with the growth of Iron & Steel Industry. The Company produces Ferro chrome-based alloys.

## **Indian Ferro Chrome Industry**

The Indian ferro chrome production is gradually on increasing track in the Year 2020-21 as compared to the Year 2019-20 after the adverse effect of the Covid-19 pandemic. The country's export of annual ferro chrome is also showing a gradual increase. The socio – political relations with neighbouring countries is also expected to play an important part in the future for ferro chrome industry.

The demand for Ferro Chrome is expected to remain on increasing trend in the near future. Due to slowly revival of world economy, high demand of infrastructure projects are expected to raise demand for Stainless Steel and Ferro Chrome.

The industry is expected to see substantial consolidations which will drive market discipline and cut down inefficiencies in the production capacity. India holds a lot of promise with government initiatives easing mining operations for consolidated Ferro Alloys producers.

## **Steel Industry**

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour.

Government of India's focus on infrastructure and undertaking road projects is aiding the boost in demand for steel and is expected to increase the demand post the pandemic from early part of the year 2021.

## **Stainless Steel Industry**

India's per capita consumption for stainless steel products is continue to be below the world average which may cause a massive unrealised potential for steel demand growth. There is an ongoing thrust for infrastructure development which will further boost the demand for stainless steel in the country post the effects of the pandemic

# Management Discussion and Analysis Report

is over. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Moreover, growing urbanisation and disposable income will also enhance demand of stainless steel. Consequently, the steel sector has been a major contributor to India's manufacturing output.

## Outlook

The steel sector has been a major contributor to India's manufacturing output which in turn depends on increase in automotive production and the development of construction sector.

The proportion of use of Ferro chrome depends upon the grade of stainless steel being produced which can be up to 30% of the total input of production. The demand for Ferro chrome is expected to increase gradually in future. Rising investment in the infrastructure and real estate sectors and increase in number of construction activities are promising a slow but gradually demand for stainless steel products.

Rohit Ferro is the one of the significant manufactures Ferro chrome in Eastern India. The Company currently operates two manufacturing complexes at Jajpur in Odisha and Bishnupur plant in West Bengal and has an integrated management system that encompasses quality, environment and occupational health and safety certification.

## Details of Significant change in Key Financial Ratio:

The significant changes in the financial ratios over 25% of the Company are summarised below:

Ratio	F.Y.2019-20	F.Y. 2018-19	Change (%)	Reason for change
Net Profit Margin (%)	(92.04)	(31.19)	(195.09)	Due to change in ECL Policy and Impairment of PPE
Current Ratio (X)	0.08	0.31	(74.19)	Due to reclassification of long-term borrowings from Non-Current Liabilities to Current Liabilities after commencement of CIRP.
Interest Coverage Ratio (X)	(3.85)	(2.70)	(42.59)	Decrease in sales and increase in raw material price.
Debtors Turnover Ratio (X)	3.19	1.91	104.71	Due to change in ECL Policy

## Risk, Opportunities and Threats

The Company manufactures ferro alloys as well as stainless steel. In Financial Year 2019-20, the overall growth of stainless-steel business was not satisfactory with slower increase in demand. Also, the effect of the Covid-19 pandemic has further put a halt on all production activities for almost four months. All construction sights and other areas of infrastructure was also put on halt and the country faced acute crisis of labour as most of them returned to their native places in view of the pandemic and lockdown being announced by the Government of India. The business was severely impacted by the increase in cost of raw material and over supply by China. The domestic consumption of steel is likely to increase 2021-22 due to Government initiatives like make in India, building Smart Cities, focus on sanitation facilities and development in areas of roads and railways etc.

The government has already initiated so many steps for the betterment of Indian economy and has also undertaken two large initiatives viz. putting more money into the rural economy especially after demonetisation and putting a renewed focus on infrastructure development and this would certainly enable the ferro alloys and steel producers to survive and grow in the markets.

Further, the electrical energy is one of the major inputs in production of ferro alloys and high-power tariff is a great threat for the ferro alloys industry. High power cost has already impacted us severely and that led to suspension of our plant at Haldia since 1st July, 2015.

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

# Management Discussion and Analysis Report

Government regulations, like reduction in import duties, anti-dumping duty and increase in power tariffs and shortage of power, may also affect the profitability of the Company, since 40% or more production costs account for power.

## **Segment-wise performance**

### **Ferro Alloys**

During the year under review, the Company has produced 56400 MT of Ferro Alloys against 63749 MT of Ferro Alloys in previous year registering a decrease of 11.52% over previous year. This is mainly account of less demand and shortage of working capital being faced by the Company. Also, the Covid-19 pandemic has dented the production during the current Financial Year.

### **Iron & Steel**

During the year under review, the Company has produced 55750 MT of Stainless Steel against 57818 MT in previous year registering a decrease of 3.5% over previous year.

## **Health, Safety and Environment**

The Company is committed to conducting its activities in a manner that promotes the health and safety of its employees, assets and the public, as well as protection of the environment. The Company's Integrated Management System comprises of quality, environment and occupational health and safety certification. New employees are being given intensive safety induction training and are being issued with "Safety Passports" related to their work area. All the statutory requirements related to safety, health and environment are being complied with.

Requirements of environmental acts and regulations are complied with. Monitoring and analysis of water, stack emissions and ambient air quality etc., are undertaken periodically to verify whether the level of environmental parameters are maintained and are well within the specified limits.

## **Internal Controls Systems and their adequacy**

Your Company maintains adequate Internal Control Systems in all areas of operation. Services of Internal and External Auditors are utilized from time to time, as also in-house expertise and resources. The Company continuously upgrade these systems in line with the best available practices. Some significant features of Internal Control Systems are:

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

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

However, pursuant to commencement of the CIRP against the Company w.e.f. 7th February, 2020, the powers of the Board along with Audit Committee of Directors stood suspended and are exercised by the Resolution

# Management Discussion and Analysis Report

Professional in accordance with the provisions of the Code and accordingly the aforementioned functions are not being exercised by the Audit Committee since 7th February, 2020.

## **Discussion on financial performance with respect to operational performance**

This has been dealt within the Board's Report.

## **Industrial Relations and Human Resources**

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

## **Cautionary Statement**

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

Since none of the Directors were present in the Meeting of Resolution Professional with Directors and Key Managerial Personnel, the Management Discussion and Analysis Report was signed by the Key Managerial Personnel.

By the Order of Resolution Professional  
**Rohit Ferro-Tech Limited**  
(Company under Corporate Insolvency Resolution Process)

Kolkata, 15th September, 2020

**Anil Prasad Shaw**  
(Company Secretary)

**Vipul Jain**  
(Chief Financial Officer)

# Corporate Governance Report

Pursuant to Regulation 34(3) read with Schedule V(C) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 [hereinafter referred as “SEBI (LODR) Regulations, 2015”], the Company hereby presents its Report on Corporate Governance as under:

## COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company has always been taking the spirit of various legislations as guiding principles and proposes to go well beyond statutory compliance by establishing such systems and procedures as are required to make the management completely transparent and institutionally sound. The Board of Directors of the Company (the “Board”) is at the core of our corporate governance practice and verify how the management serves and protects the long-term interests of all our stakeholders.

The members are apprised that in accordance with an application made by State Bank of India, the Hon’ble National Company Law Tribunal, Kolkata Bench, vide order dated 7th February, 2020 in Company Petition No. 1214/KB/2018 (“Insolvency Commencement Order”) has initiated Corporate Insolvency Resolution Process (“CIRP”) against the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“the Code”). Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) who had earlier been appointed as Interim Resolution Professional (IRP) was subsequently appointed as Resolution Professional (RP) by the Committee of Creditors (CoC) to manage affairs of the Company in accordance with the provisions of the Code.

Further, in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stand suspended and the same are being vested and exercised by Mr. Supriyo Kumar Chaudhuri, Resolution Professional (RP) w.e.f. 7th February, 2020.

The company being under CIRP, is exempted from the provisions of Regulations 17, 18, 19 and 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations, 2015”).

## BOARD OF DIRECTORS

The Company is undergoing Corporate Insolvency Resolution Process by the order dated 7th February, 2020 of the Hon’ble Tribunal, Kolkata Bench. The powers of the Board of Directors stand suspended and such powers shall be vested with Resolution Professional.

### A. Board composition and category of Directors

The composition of the Board of Directors along with category as on 31st March, 2020 is as follows:

Category	Name of Directors
Non-Executive Non-Independent Director	1. Mr. S. K. Patni (Chairman)
Executive Directors	1. Mr. Ankit Patni (Managing Director) 2. Mr. R. K. Burnwal (Whole-time Director)
Independent Directors	1. Mr. Ankit Rungta* 2. Mrs. Sujata Agarwal** 3. Mr. Ankit Jain* 4. Mr. Sharat Malik***

\*placed resignation w.e.f. 7th March, 2020 but their resignation was not approved by Committee of Creditors (CoC)

\*\*placed resignation w.e.f. 29th May, 2020 but her resignation was not approved by Committee of Creditors (CoC)

\*\*\*placed resignation w.e.f. 20th July, 2020 but the same was not approved by Committee of Creditors (CoC)

None of the Directors on the Board are Member of more than 10 (ten) Committees and they do not act as Chairman of more than 5 (five) Committees as specified in Regulation 26 of SEBI (LODR) Regulations, 2015, across all the companies in which they are the Directors. The Directors regularly inform the Company about

# Corporate Governance Report

the changes in their positions as and when changes take place, apart from the annual disclosures.

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

The details of familiarization programmes have been placed on the website of the Company under the web link: <https://www.rohitferrotech.com/familiarization-programme.html>.

The Board had identified the following skills/expertise/competencies so far with the directors responsible in respective areas required for effective functioning of the Company:

1. Business Experience - Mr. S. K. Patni, Mr. Ankit Patni and Mr. Sharat Malik
2. Financial experience and risk oversight - Mr. Ankit Patni, Mr. Ankit Jain and Mr. Ankit Rungta
3. Banking & Finance - Mr. Ankit Patni and Mr. S. K. Patni
4. Sales & Marketing - Mr. Ankit Patni and Mr. S. K. Patni
5. Governance and regulatory oversight - Mr. R.K. Burnwal, and Mr. Ankit Patni
6. Managerial & Entrepreneurial skills - Mr. Ankit Patni, Mr. R. K. Burnwal, Mrs. Sujata Agarwal and Mr. Ankit Rungta

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

The composition and category of the Board of Directors of the Company as on 31st March, 2020 along with the number of Board meetings attended by the Directors during the year 2019-2020 are given below:

Name of the Director	No. of Board Meetings Attended	No. of Directorship in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$1		No. of Shares held	Whether attended the Last AGM	Directorship in other listed companies
			As Member	As Chairman			
Mr. Suresh Kumar Patni	7	5	1	-	2186403	Yes	In Ankit Metal and Power Ltd. as Chairman cum Non executive Director and in Impex Ferro Tech Ltd. as Chairman cum Managing Director.
Mr. Ankit Patni	7	5	2	-	1128589	No	In Ankit Metal and Power Ltd. as Managing Director and in Impex Ferro Tech Ltd. as Non-Executive Director.
Mr. Jatindra Nath Rudra*	1	-	-	-	-	N.A.	N. A.
Mr. Ankit Rungta**	3	1	-	-	-	Yes	NIL
Mrs. Sujata Agarwal #	2	3	-	2	-	No	As Independent Director both in Ankit Metal and Power Ltd. and Impex Ferro Tech Ltd.
Mr. R. K. Burnwal	4	-	-	-	-	No	NIL
Mr. P. B. Lahiri #1	1	-	-	-	-	N.A.	N. A.

# Corporate Governance Report

Name of the Director	No. of Board Meetings Attended	No. of Directorship in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$1		No. of Shares held	Whether attended the Last AGM	Directorship in other listed companies
			As Member	As Chairman			
Mr. Ankit Jain **	6	1	1	1	-	Yes	In Ankit Metal and Power Ltd. as an Independent Director.
Mr. Sharat Malik***	1	2	2	1	-	No	As Independent Director both in Ankit Metal and Power Ltd. and Impex Ferro Tech Ltd.

Notes:

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

\* Resigned w.e.f. 14th August, 2019.

\*\* Placed resignation w.e.f. 7th March, 2020 but the same was not approved by Committee of Creditors (CoC).

# Placed resignation w.e.f. 29th May, 2020 but the same was not approved by Committee of Creditors (CoC).

#1 Resigned w.e.f. 30th May, 2019.

\*\*\* Placed resignation w.e.f. 20th July, 2020 but the same was not approved by Committee of Creditors (CoC).

7 (Seven) Board Meetings were held during the year 2019-2020 and the gap between two meetings has not exceeded one hundred and twenty days. The dates on which the Board Meetings were held are as follows:

28 <sup>th</sup> May, 2019	30 <sup>th</sup> July, 2019	14 <sup>th</sup> August, 2019
25 <sup>th</sup> September, 2019	14 <sup>th</sup> November, 2019	16 <sup>th</sup> December, 2019
18 <sup>th</sup> January, 2020		

During the year under review, one meeting of Resolution Professional with Directors and Key Managerial Personnel of the Company was held on 13th February, 2020 for approval of Financial Results for the Quarter ended 31st December, 2019 as the powers of Board had been suspended with initiation of CIRP against Company w.e.f. 7th February, 2020.

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

## C. Terms and Conditions of appointment of Independent Directors:

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his/her appointment/re-appointment as an Independent Non-Executive Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the company's website <https://www.rohitferrotech.com/draft-letter.html>

## D. Fulfillment of the criteria of Independence by the Independent Directors:

Based on the declarations received from the Independent Directors (except Mr Ankit Jain and Mr Ankit Rungta), the Board of Directors (suspended during CIRP) has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that they

# Corporate Governance Report

are Independent of the management. In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

## **E. Information placed before the Board of Directors:**

The Company has complied with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

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

## **F. Meeting of Independent Directors:**

No meeting of Independent Directors was held during the period under review.

## **G. Code of Conduct:**

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

The Company has received confirmation of Code of Conduct majority of Board Members and Senior Management except from Mr. R K Burnwal (DIN: 07479341), Mr. Ankit Jain (DIN: 07672255) and Mr. Ankit Rungta (DIN: 06893793).

A declaration signed by Key Managerial Personnel of the Company is attached and forms part of the Annual Report of the Company.

## **H. Code of Conduct of Independent Directors:**

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

## **COMMITTEES OF DIRECTORS:**

### **1. AUDIT COMMITTEE**

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

The composition of the Audit Committee and the details of meetings attended by the Committee Members during year under review are given below:

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Ankit Jain*	Chairman	Independent/Non-Executive	2
Mr. Ankit Rungta*	Member	Independent/Non-Executive	3
Mrs. Sujata Agarwal**	Member	Independent/Non-Executive	1

\* Placed resignation w.e.f. 7th March, 2020 but the same was not approved by Committee of Creditors (CoC)

\*\* Placed resignation w.e.f. 29th May, 2020 but the same was not approved by Committee of Creditors (CoC)

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



# Corporate Governance Report

The Committee was governed by the terms of references which are wide enough covering the matters specified under Regulation 18 read with Part C of Schedule II to the SEBI LODR Regulations 2015, and Section 177 of the Companies Act, 2013.

During the Financial Year ended 31st March, 2020, 3 (three) Audit Committee Meetings were held on 28th May, 2019, 14th August, 2019, and 14th November, 2019. The Chairman of the Audit Committee was present at the 19th Annual General Meeting, held on 25th September, 2019.

In terms of the SEBI LODR Regulations 2015, a company undergoing CIRP is not required to comply with Regulation 18 of the SEBI (LODR) Regulations, 2015 dealing with the requirement of constitution, meetings and terms of reference of the Audit Committee.

## NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination & Remuneration Committee having terms of reference & constitution in accordance with the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the Financial Year ended 31st March, 2020, one meeting of Nomination and Remuneration Committee was held on 1st August, 2019.

The Nomination and Remuneration Committee was re-constituted on 14th August, 2019 due to resignation of Mr. Jatindra Nath Rudra, Chairman. Mr. Sharat Malik was inducted as a new member and Mr. Ankit Rungta was assigned to the Chairman by the Board.

The composition of the Nomination and Remuneration Committee and details of the meeting attended by the member during year under review are given below:

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Jatindra Nath Rudra*	Chairman	Independent/Non-Executive	1
Mr. Ankit Rungta**	Chairman	Independent/Non-Executive	1
Mr. Ankit Jain**	Member	Independent/Non-Executive	1
Mr. Sharat Malik***	Member	Independent/Non-Executive	Nil

\* Resigned w.e.f. 14th August, 2019

\*\* Placed resignation w.e.f. 7th March, 2020 but the same was not approved by Committee of Creditors (CoC).

\*\*\* Appointed w.e.f. 14th August, 2019 and placed resignation w.e.f. 20th July, 2020 but the same was not approved by CoC.

The Chairman of Nomination and Remuneration Committee, Mr. Ankit Rungta was present at the 19th Annual General Meeting of the Company held on 25th September, 2019.

In terms of the SEBI LODR Regulations 2015, a company undergoing CIRP is not required to comply with Regulation 19 of the SEBI (LODR) Regulations, 2015 dealing with the requirement of constitution, meetings and terms of reference of the Nomination and Remuneration Committee.

## Remuneration Policy of the Company:

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

#### i) Fixed pay:

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

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

# Corporate Governance Report

## ii) Minimum Remuneration:

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

## iii) Provisions for excess remuneration:

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

## B. Remuneration to Non- Executive / Independent Director:

### Sitting fees

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

### Commission:

No Commission shall be paid.

### Stock Options:

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

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

### Remuneration of Executive Directors

The Company has paid remuneration only by way of salary to its Executive Directors and the same is within the limits specified under Schedule V of the Companies Act, 2013 which was duly approved by the Board as well as by the shareholders of the Company. Details of remuneration paid during 2019-2020 are as follows:

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Ankit Patni (Managing Director) *	N.A.	29.08.2019	28.08.2022	2 months
Mr. R.K. Burnwal (Executive Director / Whole-time Director)	25,68,000	24.03.2019	23.03.2022	1 month

\* Re-appointed w.e.f. 29th August, 2019 for a further period of 3 years and currently not in receipt of any remuneration from the Company.

### Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists of only sitting fees @ ₹ 2,500/- for attending each meeting of the Board of Directors or a Committee thereof. However, the Directors at their meeting held on 16th December, 2019 waived the sitting fees in future. The sitting fees for the Board meeting held on 16th December, 2019 was not paid to any directors as it is a pre-CIRP cost and can only be paid after submitting a claim to RP. The details of fees paid during the year and the equity shares held by them as on 31st March, 2020 are as follows:

# Corporate Governance Report

Name of the Member	Sitting Fee paid (₹)	No. of Shares held as on 31 <sup>st</sup> March, 2019
Mr. Suresh Kumar Patni	17,500	21,86,403
Mr. Ankit Rungta#	17,500	Nil
Mrs. Sujata Agarwal \$	10,000	Nil
Mr. Jatindra Nath Rudra*	5,000	Nil
Mr. P. B. Lahiri**	2,500	Nil
Mr. Ankit Jain#	17,500	Nil
Mr. Sharat Malik***	5,000	Nil

\*Resigned w.e.f. 14th August, 2019

\*\*Resigned w.e.f. 30th May, 2019

# Placed resignation w.e.f. 7th March, 2020 but the same was not approved by Committee of Creditors (CoC).

\$ Placed resignation w.e.f. 29th May, 2020 but the same was not approved by Committee of Creditors (CoC).

\*\*\* Placed resignation w.e.f. 20th July, 2020 but the same was not approved by Committee of Creditors (CoC).

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee has delegated the authority to approve the requests for transfers/transmission, to deal with complaints, split and remat/demat of shares to the Company Secretary. The Committee reviews the transfer/demat/remat approved by the Company Secretary and take note thereof in their subsequent meeting. During the Financial Year ended 31st March, 2020, the Company has received only 7 complaints from the shareholders and the same were resolved within prescribed time. There was no complaint pending for the year 2019-2020.

The Stakeholders Relationship Committee was re-constituted on 14.08.2019 due to resignation of Mr. Jatindra Nath Rudra and Mr. Sharat Malik was inducted as a new member of the Committee.

In terms of the SEBI LODR Regulations, 2015 a company undergoing CIRP is not required to comply with Regulation 20 of the SEBI (LODR) Regulations, 2015 dealing with the requirements of constitution, minimum members, meetings and role of Stakeholders' Relationship Committee.

During the year under review, the Committee has met 2 (two) times on 12th June, 2019 and 19th September, 2019.

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

Name of the Member	Designation	Category	No. of Meeting Attended
Mrs. Sujata Agarwal#	Chairman	Independent/Non-Executive	1
Mr. Jatindra Nath Rudra*	Member	Independent/Non-Executive	Nil
Mr. Suresh Kumar Patni	Member	Promoter/Non-Executive	2
Mr. Sharat Malik**	Member	Independent/Non-Executive	1

#Placed resignation w.e.f. 29th May, 2020 but the same was not approved by Committee of Creditors (CoC)

\*Resigned w.e.f. 14th August, 2019

\*\*Appointed w.e.f. 14th August, 2019 and placed resignation w.e.f., 20th July, 2020 which is yet to be considered by CoC.

The chairman of the Stakeholders' Relationship Committee was not present at the 19th Annual General Meeting, held on 25th September, 2019.

# Corporate Governance Report

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### a. Policy Objective:

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

### b. Role:

The Committee, referred above, shall:

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

### c. Activities/Projects

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

The composition of the Committee is as under:

Name of the Member	Designation	Category	No. of Meeting attended
Mrs. Sujata Agarwal#	Chairman	Independent/Non-Executive	-
Mr. Suresh Kumar Patni	Member	Promoter/Non-Executive	-
Mr. R.K. Burnwal	Member	Executive	-

#Placed resignation w.e.f. 29th May, 2020 but the same was not approved by Committee of Creditors (CoC)

Due to the losses incurred by the Company during year under review, the obligations of making expenditure on account of CSR do not arise.

No committee meeting was held during the year under review.

## 5. EXECUTIVE COMMITTEE:

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

Name of the Member	Designation	Category
Mr. Suresh Kumar Patni	Chairman	Non-Executive
Mr. Ankit Patni	Member	Executive
Mr. R. K. Burnwal	Member	Executive

# Corporate Governance Report

The Company Secretary acts as Secretary to the Committee.

Pursuant to commencement of the CIRP against the Company w.e.f. 7th February, 2020, the powers of the Board of Directors stood suspended and are exercised by the Resolution professional in accordance with the provisions of the Code and accordingly the powers and functions of Executive Committee was also suspended.

There was no committee meeting held during the year under review.

## PROHIBITION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prohibition of Insider Trading under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in the equity shares of the Company by the directors and designated employees. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Board has approved and adopted a code of conduct governing all the directors, senior management and other employees at all locations of the Company. Mr. A. P. Shaw, Company Secretary has been designated as Compliance Officer in respect of compliance of the Code. Code of Conduct is posted on the Company's website.

## COMPLIANCE OFFICER:

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

## GENERAL BODY MEETING:

The last three Annual General Meetings were held as under:

Financial Year	Date	Place	Time
2018-19	25 <sup>th</sup> September, 2019	Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020	11.00 a.m.
2017-18	27 <sup>th</sup> September, 2018	Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020	11.00 a.m.
2016-17	21 <sup>st</sup> September, 2017	Paschim Banga Bangla Academy, Rabindra-Okakura Bhawan, DD-27/A/1, DD Block, Salt Lake, Sector-I, Kolkata - 700 064	11.00 a.m.

## Special Resolutions passed at the last three AGMs:

Financial Year	Items
2018-19	i) Approval for re-appointment of Mr. R. K. Burnwal as Whole-time Director of the Company for the period of further 3 years. ii) Approval for re-appointment of Mr. Ankit Patni as Managing Director of the Company for the period of further 3 years. iii) Approval for re-appointment of Mr. Ankit Rungta as an Independent Director of the Company for a period of further 5 consecutive years. iv) Approval for re-appointment of Mrs. Sujata Agarwal as an Independent Director for a period of further 5 consecutive years.
2017-18	Approval for continuation of directorship of Mr. J.N. Rudra who had already attained the age of 75 Years in terms of amended Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2016-17	NIL

No Special Resolution was passed through Postal Ballot in the last year AGM and also during financial year 2019-20. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

# Corporate Governance Report

## MEANS OF COMMUNICATION:

### Financial Results

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

## GENERAL SHAREHOLDER INFORMATION:

### 1. Annual General Meeting (AGM):

<b>Day, Date and Time</b>	:	Friday, 6th November, 2020 at 11.00 A.M.
<b>Mode</b>	:	Through Video Conferencing/Other Audio Visual Means

### 2. Dividend payment date :

N.A.

### 3. Book Closure Period :

Saturday, 31st October, 2020 to Friday, 6th November, 2020

### 4. Financial Calendar

Indicative calendar of events for the Financial Year 2020-2021 is as under:

**Financial Year** : 1st April to 31st March

### Financial Reporting for the Quarters

First Quarter	Within 15th September, 2020
Second Quarter and Half Yearly	Within 45 days from the end of the quarter
Third Quarter and Nine Months	Within 45 days from the end of the quarter
Fourth Quarter and Annual (Audited)	Within 60 days from the end of the quarter/Financial year
Annual General Meeting	On or before 30th September, 2021

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

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

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

The Company has paid the Listing Fee for the year 2020-2021 to the Stock Exchanges where the shares of the Company are listed.

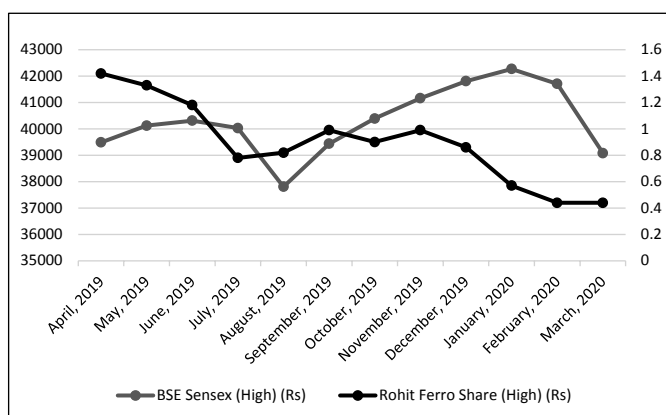
# Corporate Governance Report

## 6. Market Price Data

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

Month	National Stock Exchange of India Limited (₹)		BSE Limited (₹)	
	HIGH	LOW	HIGH	LOW
April, 2019	1.00	0.85	1.42	1.14
May, 2019	1.55	0.85	1.33	1.00
June, 2019	1.45	0.95	1.18	0.73
July, 2019	1.00	0.55	0.78	0.67
August, 2019	1.05	0.80	0.82	0.73
September, 2019	1.05	0.70	0.99	0.72
October, 2019	0.95	0.40	0.90	0.78
November, 2019	0.95	0.45	0.99	0.75
December, 2019	0.90	0.65	0.86	0.57
January, 2020	0.75	0.40	0.57	0.39
February, 2020	0.55	0.30	0.44	0.37
March, 2020	0.40	0.25	0.44	0.38

### Performance of the Rohit Ferro- Tech Limited in comparison to BSE Sensex



## 7. Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd. of 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001 is the Registrar and Share Transfer Agent of the Company, both for Physical and Demat segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

## 8. Share Transfer System

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

# Corporate Governance Report

## 9. Distribution of Shareholding as on 31st March, 2020

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total
Upto 500	10,973	64.33	2,04,5520	1.80
501 to 1000	2,398	14.06	20,99,566	1.85
1001 to 2000	1,419	8.32	22,67,822	1.99
2001 to 3000	584	3.42	15,34,779	1.35
3001 to 4000	307	1.80	11,15,970	0.98
4001 to 5000	315	1.85	15,12,437	1.33
5001 to 10000	547	3.21	41,27,701	3.63
10001 and above	514	3.01	9,90,72,328	87.08
<b>Total</b>	<b>17,057</b>	<b>100.00</b>	<b>11,37,76,123</b>	<b>100.00</b>

## Category & Shareholding Pattern as on 31st March, 2020

Category	No. of Shares	% of holding
Promoter & Promoter Group	8,19,17,842	72.00
Individuals	2,84,72,856	25.03
Bank/Financial Inst.	1,973	0.00
NBFC registered with RBI	0.00	0.00
Bodies Corporate	20,10,319	1.77
Non-Resident Individuals	10,55,535	0.93
Clearing Member	50,835	0.04
IEPF Authority	2,66,763	0.23
<b>Total</b>	<b>11,37,76,123</b>	<b>100.00</b>

## 10. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2020, 11,37,61,573 Equity Shares representing 99.99 % of the share capital are held in dematerialised form viz., CDSL- 9,47,91,725 Equity Shares and NSDL – 1,89,69,848 Equity Shares.

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

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

## 12. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company being sizable user of commodities, exposes it to the price on account of procurement of commodities. There are no other commodity prices / foreign exchange risks or commodity hedging activities involved.



# Corporate Governance Report

## 13. Plant Locations

<b>Bishnupur</b>	WBIIDC Road, P.O. Dwarika Bishnupur – 722 122, Dist: Bankura (West Bengal)
<b>Jajpur</b>	Kalinganagar Industrial Complex Duburi – 755 026, Dist: Jajpur (Odisha)
<b>Haldia</b>	Jaynagar, P.O.: Buniaraichak, PS: Durgachak Dist: Purba Medinipur (West Bengal)

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

### Mr. Anil Prasad Shaw

Company Secretary, Compliance and Nodal Officer  
Rohit Ferro-Tech Limited  
SKP House,  
132A, S.P. Mukherjee Road, Kolkata – 700 026  
Ph: +91 33-4016 8000/8100  
Fax: +91 33-4016 8107  
Email Id: cs@rohitferrotech.com

### Address for Correspondence

#### Registered Office:

Rohit Ferro-Tech Limited  
35, C. R. Avenue,  
Kolkata – 700 012  
Phone: +91 33 2211 0225/26  
Email Id: grievance@rohitferrotech.com/ cs@rohitferrotech.com  
CIN: L27104WB2000PLC091629

#### Corporate Office:

Rohit Ferro-Tech Limited  
SKP House,  
132A, S. P. Mukherjee Road,  
Kolkata – 700 026  
Phone: +91 33 4016 8000/8100  
Fax : +91 33 4016 8191/8107

## 15. Credit Rating

During the year under review Credit Rating has not been done. The Company's credit rating for last available year for Long-Term Loans & Fund Based Limits was [ICRA] D and for Short-Term Limits was [ICRA] D, as given by ICRA Limited.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Management Discussion and Analysis Report is given separately, and forms part of Annual Report.

## CFO CERTIFICATION

The requisite certificate from the Chief Financial Officer of the Company for the Financial Year ended 31st March, 2020 required to be given pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Resolution Professional in presence of Key Managerial Personal (KMP) in their meeting held on 15th September, 2020.

## RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by Securities and Exchange Board of India (SEBI), a practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository

# Corporate Governance Report

Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors.

## PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

## OTHER INFORMATION

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

### Other Disclosures

- There are no materially significant Related Party Transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee and Audit committee has approved the omnibus resolution for related party transactions during the year under review. The pricing of all the transactions with the related parties were on an arm's length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the notes to the Financial Statement in the Annual Accounts of the Company.
- The Company has complied with all the requirements of the Uniform Listing Agreement/Listing Regulations with the Stock Exchanges as well as regulations and guidelines of SEBI. The Company had paid penalty of ₹ 30000.00 to NSE in the Year 2017-18 for the late submission of Financial Result for the quarter ended 30th June, 2016. Further, SEBI vide its circular dated 7th August, 2017 declares 331 companies as Shell company including our company without giving any notice and information. Subsequently the both Stock exchanges i.e. NSE and BSE had restricted the trading of the Security of the Company on instruction of SEBI on account of suspect of a Shell Company w.e.f. 8th August, 2017. However, both NSE and BSE has withdrawn the restrictions on the trading of the Security of the Company vide letter dated 31.01.2018 subject to certain audit to be conducted by the NSE in consultation with SEBI. NSE vide its communication dated July 12 2019 informed us that SEBI had revoked, all the actions/ directions/ order/ limitations issued by them in its letter dated August 7, 2017 against the Company. No other strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years.
- **Vigil Mechanism/Whistle Blower Policy:**

In order to strengthen the process of conducting the business in a fair, transparent and ethical manner, the Company has set up a Vigil Mechanism. The policy is intended to establish a mechanism for employees to report to the management genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics, for which a dedicated e-mail id [vigil.mechanism@rohitferrotech.com](mailto:vigil.mechanism@rohitferrotech.com) has been established. Mr. Ankit Jain, Chairman of the Audit Committee of the Company has been nominated by the Board as Ombudsperson for this purpose. The mechanism provides adequate safeguard against victimization of the persons using this mechanism. No employee was denied access to the Audit Committee. There has been no incidence reported to the Chairman of the Audit Committee during the period under review.
- The Company does not have any material subsidiary.

# Corporate Governance Report

- The web link for policy on dealing with related party transactions is <https://www.rohitferrotech.com/Policy-on-Materiality-of-Related-party-Transactions-and-on-dealing-with-RPT.pdf>
- The Company is not involved in commodity price risks or commodity hedging activities.
- The company did not raised any fund through preferential allotment during the year.
- Certificate from Mr. K. C. Dhanuka, a practicing Company Secretary, certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- The board had accepted all recommendation of mandatory requirement of the committees during the financial year 2019-20.
- Total fees paid by the Company to the Statutory Auditors during year under review was ₹ 14.35 lacs for Accounts and Tax Audit only.
- The Company has adopted a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the SEBI (LODR) Regulation, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services.
- **Disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015:**

Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:

- Board of Directors
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee: Not Applicable
- Vigil Mechanism
- Related Party Transactions
- Corporate Governance requirements with respect to Subsidiary of Company and Annual Secretarial Audit: The Company has no material Subsidiary.
- Obligations with respect to Independent Directors.
- Obligations with respect to Directors and Senior Management.
- Other Corporate Governance requirements as stipulated under the Regulations.
- Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

# Corporate Governance Report

- **Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

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

- (a) **The Board**

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

- (b) **Separate posts of Chairperson and Chief Executive Officer**

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

- (c) **Shareholder's Rights**

The Company publishes quarterly unaudited financial results in the newspapers and is also displayed it on the Company's website [www.rohitferrotech.com](http://www.rohitferrotech.com) and also on the website of BSE and NSE. Therefore, it does not envisage sending the same separately to the shareholders.

- (d) **Reporting to Internal Auditor**

The internal auditors may report directly to the Audit Committee.

- **Subsidiary Companies**

The Company does not have any material unlisted Indian Subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company.

- **Others**

- i. The Company has complied with all the mandatory requirements as mandated under Listing Agreement/Listing Regulations with Stock Exchanges. A certificate from the Practicing Company Secretary to this effect has been included in this report.
- ii. The Management confirms that the Financial Statements of the Company for Financial Year ended 31st March, 2020 have been prepared in accordance with the applicable Accounting principles in India and Indian Accounting Standard (Ind AS), as prescribed under provisions of Companies Act, 2013 read with the rules made thereunder.
- iii. Risk Management Policy has been formed by the Company on 30th May, 2014. The risk assessment and minimization procedures are in place and the Board is regularly informed by the Senior Executives about the business risks, if any occurs, and the steps taken to mitigate the same.
- iv. Since none of the Directors were present in the Meeting of Resolution Professional with Directors and Key Managerial Personnel, the Corporate Governance Report was signed by the Key Managerial Personnel.

By the Order of Resolution Professional

**Rohit Ferro-Tech Limited**

(Company under Corporate Insolvency Resolution Process)

**Anil Prasad Shaw**

(Company Secretary)

**Vipul Jain**

(Chief Financial Officer)

Kolkata, 15th September, 2020

## DECLARATION ON CODE OF CONDUCT

In accordance with Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members\* and Senior Management Personnel of the Company have affirmed compliance with code of conduct of the Company for the Financial Year ended on 31.03.2020.

By the Order of Resolution Professional  
**Rohit Ferro-Tech Limited**  
(Company under Corporate Insolvency Resolution Process)

Kolkata, 15th September, 2020

**Anil Prasad Shaw**  
(Company Secretary)

**Vipul Jain**  
(Chief Financial Officer)

\* Except Mr. R. K. Burnwal, Mr. Ankit Jain and Mr. Ankit Rungta

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Rohit Ferro-Tech Limited ('the Company'), for the year ended on 31st March, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

**K. C. Dhanuka & Co.**  
Company Secretaries

**K. C Dhanuka**  
Proprietor

Place : Kolkata  
Date : 28th July, 2020

FCS – 2204 C.P. No. – 1247  
UDIN : F002204B000516663

# Independent Auditor's Report

To

The Members of

Rohit Ferro – Tech Limited

(A company under Corporate Insolvency Resolution Process vide NCLT Order)

## Report on the Audit of Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **ROHIT FERRO – TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

The Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a Financial Creditor of Rohit Ferro Tech Limited (the Company) and appointed an Interim Resolution Professional (RP), in terms of the Insolvency and Bankruptcy Code, 2016 (the Code) vide order dated 7th February, 2020 and was subsequently confirmed by the Committee of Creditors (CoC) as the Resolution Professional (RP) in its 1st CoC meeting held on 5th March, 2020 as approved by virtue of e-voting by the CoC members on 13th March, 2020. In view of pendency of CIRP, the management of the affairs of the company and power of the Board of Directors are now vested with RP. These standalone financial statements have been prepared by the management of the company and certified by CFO and approved by RP.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- i. We draw your attention to **Note No. 40** of the accompanying Standalone Financial Statement regarding non provision of interest expense on the borrowings of the Company for the year ended 31st March, 2020 till date of commencement of CIRP for ₹ 22,251.41 lakhs. (Cumulative Non Provisioning of ₹ 1,08,797.67 lakhs till 31.03.2020) and penal interest and charges thereof (amount remaining unascertained) which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.

Had the aforesaid interest expense been recognized, the finance cost for the year ended 31st March, 2020 would have been ₹ 25,405.36 lakhs instead of ₹ 3,153.94 lakhs. The total expenses for the year ended 31st March, 2020 would have been ₹ 1,64,786.02 lakhs instead of ₹ 1,42,534.61 lakhs. The Net Loss after tax for the year ended 31st March, 2020 would have been ₹ 90,186.91 lakhs instead of reported amount of ₹ 67,935.50 lakhs. Total comprehensive Loss for the year ended 31st March, 2020 would have been ₹ 90,211.13 lakhs instead of reported amount of ₹ 67,959.72 lakhs. Other equity as on 31.03.2020 would have been ₹ (3,09,461.49 lakhs) instead of reported amount of ₹ (2,00,663.82 lakhs) and current financial Liability as on 31st March, 2020 would have been ₹ 2,61,839.94 lakhs instead of reported amount of ₹ 1,53,042.27 lakhs.

The above reported interest has been calculated using Simple Interest rate.

- ii. **Note No. 37(a)** "Exceptional items" includes provision for impairment of ₹ 13,789.35 Lakhs with respect to Property Plant and Equipment at Haldia Plant as decided by the management without any reference to determination of 'value-in-use through any valuation and physical verification report. This is contrary to the

# Independent Auditor's Report

requirements of Ind AS 36 'Impairment of Assets'. The monetary impact of such valuation report on the provision so made remains unascertained and would be provided upon such ascertainment by the valuer.

- iii. **Note No. 37(b)** "Exceptional items" includes provisioning of expected credit loss (ECL) on Trade Receivable amounting to ₹ 39,464.41 lakhs as considered prudent by the management, in view of recent downturn caused by the COVID 19 Pandemic and non realisations, to change the ECL policy of the company which has resulted in excess provision by ₹ 29,463.00 lakhs. In the absence of other corroborative evidence in the prevailing Pandemic Covid 19 situation, we are unable to comment on carrying amount of such receivable on which ECL has been provided.
- iv. As referred in **Note No 29** of the Standalone Financial Statements, "Trade Receivables", "Trade Payables", "Advances from Customer", "Advances Recoverable In Cash or Kind" and "Advance to Suppliers and Other Parties" etc includes balances remaining outstanding for a substantial period. The balances are subject to confirmation/reconciliation. In the absence of above and other corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. The reported Standalone Financials might have consequential impact which remains unascertained.
- v. As a part of CIRP, creditors were called upon to submit their claims. In aggregate the claim submitted by the financial creditors as well as operational creditors exceeded the amount as appearing in the books of account. The process of submitting claims is still going on and it is also under verification and reconciliation by RP with amount as appearing in books. Pending reconciliation and final outcome of such process, no accounting impact in the books of account has been made in respect of excess, shortage, non receipt of claims from operational and financial creditors. Hence, consequential impact if any on the reported financial is currently not ascertainable.
- vi. We have been informed by RP that certain information including minutes of CoC meeting and the outcome of certain procedures carried out as part of CIRP process are confidential in nature and could not be shared with anyone other than Committee of Creditors and NCLT. Accordingly we are unable to comment on the possible impact, presentation and disclosures, if any on aforesaid information not provided to us.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Material Uncertainty Relating to Going Concern

We draw attention to the **Note 39** to the standalone financial statements regarding preparation of the financial statements on going concern basis which states that the company has incurred cash losses, its liabilities exceeded its total assets and its net worth has been fully eroded as on 31.03.2020. In view of continuing default in payment of dues, certain lenders have sent notices, letters recalling their loans given and called upon the company to pay entire dues and other liabilities and Corporate Insolvency Resolution Process against the company is in process. Since, the CIRP is currently in process as per the IBC Code, it is required that the company be managed as going concern during the CIRP. The standalone financial statements is continued to be prepared on going concern basis. However there exists material uncertainty about the company's ability to continue as a going concern since the same is dependent upon the resolution plan to be formulated and approved by NCLT. The appropriateness of preparation of the standalone financial statements on going concern basis is critically dependent upon CIRP as specified in the IBC Code.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of

# Independent Auditor's Report

our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key Audit Matter	How our audit addressed the key Audit Matter
1	<b>Claim and exposure relating to taxation and litigation</b>  The Company has material uncertain tax positions including matters in respect of disputed claims / levies under various taxes and legal matters. The taxes and litigation exposures have been identified as key audit matter due to: i. Litigation cases require significant judgement due to complexity of the case and involvement of various authorities. ii. These involve significant management judgment to determine the possible outcome of the uncertain tax positions.	<b>Our audit procedures included the following:</b>  Our audit procedures include the following substantive procedures: <ul style="list-style-type: none"><li>• Obtained understanding of key uncertain tax positions;</li><li>• We have reviewed and analysed key correspondences relating to dispute;</li><li>• We have discussed the matter for key uncertain tax positions with appropriate senior management;</li><li>• We have evaluated management's underlying key assumptions in estimating the tax provisions; and Assessed management's estimate of the possible outcome of the disputed cases;</li></ul>

## Emphasis of Matter

- We draw your attention to **Note 36** to the standalone financial statements which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- Substantial amount of statutory dues amounting to ₹ 3120.75 lakhs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

Our opinion is not modified in respect of this matter.

## Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the Company's Annual Return but does not include the Standalone Financial Statements and our Auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibility of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position and financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes 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; selection and application of appropriate implementation and maintenance of accounting policies;



# Independent Auditor's Report

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

As The Corporate Insolvency Resolution Process has been initiated in respect of the company under the provision of the Insolvency and Bankruptcy Code, 2016 (The Code) by the National Company Law Tribunal (NCLT) Kolkata Bench, vide its order dated 7th February, 2020, the powers of the Board of Directors stand suspended as per section 17 of the Code and such power is being exercised by the Resolution Professional appointed by the NCLT by the said order under the provisions of the Code.

This statement which is the responsibility of the company's management and has been signed by Chief Financial Officer (CFO) of the company and taken on record by the Resolution Professional.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of the material misstatement of the standalone financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Independent Auditor's Report

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- I. 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 Companies Act, 2013, we give in the **Annexure A**, a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that:
  - a) **Except for the possible effect of the matter described in the basis for qualified opinion section of our report**, 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) **Except for the possible effect of the matter described in the basis for qualified opinion section of our report**, 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 including other comprehensive income, the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts.
  - d) **Except for the possible effect of the matter described in the basis for qualified opinion section of our report**, 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) **The matter described in the basis for qualified opinion section of our report, may have adverse effect on the functioning of the company.**
  - f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) 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**".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

# Independent Auditor's Report

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) 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:
  - a) The Company has disclosed the impact of pending litigations on the financial position in the Standalone Financial Statements. Refer **Note 28** to its standalone financial statements.
  - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - c) During the year, the company has transferred an amount of ₹ **1.68 lakhs** to Investor Education and Protection Fund pertaining to unpaid dividend for the year 2011-12.

Date: 26th August, 2020  
Place: Kolkata  
UDIN: 20064308AAAACB7003

For **R Kothari & Co LLP**  
*Chartered Accountants*  
FRN: 307069E/E300266

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

# “Annexure A” to Independent Auditors’ Report

The Annexure A referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2020, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (b) The Property, plant and equipment of the Company have been physically verified by the management in a phased manner which in our opinion is reasonable considering the size of the company and nature of the 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 has been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operation of the Company and the same have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore the reporting under Paragraph 3(iii) is not applicable to the company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of manufacture of Ferro alloys & Minerals and Iron & steel pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and we are of the opinion that prima facie, the records have been maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate and complete.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the books of account, the Company has generally delayed in depositing undisputed statutory dues including Provident Fund, Income tax, sales tax, Service Tax, Duty of customs, value added tax, GST, cess and other statutory dues during the year with appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable except the following :

# "Annexure A" to Independent Auditors' Report

## Statutory Liabilities unpaid for a period exceeding six months as on 31.03.2020

Sl. No.	Nature of dues	Amount Involved (in Lacs)
1.	Excise Duty	610.28
2.	Service Tax	552.97
3.	Entry Tax	92.22
4.	TDS	77.25
5.	VAT	31.95
6.	STDS	41.64
7.	Welfare Cess	5.57
8.	GST	544.60
<b>Total</b>		<b>1,956.48</b>

- (b) According to the information and explanations given to us and records of the company examined, there were no dues in respect of provident fund, employees state insurance, income taxes, sales taxes/ value added taxes, service taxes, duty of customs, excise duties, GST, cess etc. which have not been deposited with the appropriate authorities on account of any dispute except the followings:

## Disputed Liabilities remain unpaid as on 31.03.2020

Name of the Statute	Nature of Dues	Amount in lacs	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1994	Cenvat credit	409.59	Feb 05-Jun 09	CESTAT
	Cenvat credit	51.81	2007-08	Commissioner Appeal
	Cenvat credit	108.80	Sep 2012-Aug 2014	CESTAT
	Cenvat credit	6.85	2012-13	Commissioner (Appeal)
	Cenvat credit	547.89	2014-15, 15-16	BOLPUR Commissionerate
<b>Sub Total</b>		<b>1,124.93</b>		
	Excise Duty	1,259.04	2014-15	CESTAT
	Excise Duty	48.95	2008-2013	CESTAT
	Excise Duty	2.71	April, 2013 - December, 2013	CESTAT
	Excise Duty	75.08	January, 2014-September, 2014	CESTAT
	Excise Duty	7.47	October, 2014 to November, 2014	CESTAT
	Excise Duty	17.31	December, 2014 to May 2015	CESTAT
	Excise Duty	15.83	2014-15	CESTAT
	Excise Duty	3.65	2004-05	CESTAT
	Excise Duty	0.10	2005-07	CESTAT
	Excise Duty	84.86	January, 2008 to March 2008	CESTAT
	Excise Duty	4.22	October, 2009 to July, 2010	CESTAT
	Excise Duty	4.31	2006-2009	CESTAT
	Excise Duty	14.56	2006-07	Commissioner of Central Excise

## “Annexure A” to Independent Auditors’ Report

Name of the Statute	Nature of Dues	Amount in lacs	Period to which the amount relates	Forum where the dispute is pending
	Excise Duty	1,068.43	December, 2013 to June, 2017	Commissioner of CGST & Central Excise, Bhubaneswar Commissionerate, Bhubaneswar-751007 Mr. Deep Shekhar.
<b>Sub Total</b>		<b>2,606.50</b>		
Finance act, 1994	Service Tax	2.59	2012-13 to 2015-16	Commissioner (Appeal), siliguri Appeal GST Taxpayer services Commissionerate
	Service Tax	452.80	2012-13 to 2016-17	Commissioner Appeal
	Service Tax	56.82	2007-08 to 2011-12	CESTAT
	Service Tax	5.09	29.03.2014 to 12.06.2014	Assistant Commissioner of Service Tax Division, Haldia Commissionerate
	Service Tax	128.50	2012-13 to 2015-16	BOLPUR COMMISSIONERATE
	Service Tax	186.45	2012-13 to 2016-17	BOLPUR COMMISSIONERATE
	Service Tax	18.79	2012-13	Durgapur Audit Commissionerate
	Service Tax	27.17	April 2006 to Dec 2008	Commissioner of Central Excise
	Service Tax	1.20	2012-13 To 2015-16	Durgapur Commissionerate
	Service Tax	3.50	2015-16, 16-17	Bankura Division
	Service Tax	5.04	2012-13	Asst. Commissioner of CGST & Central Excise, Jajpur Division, Jajpur
<b>Sub Total</b>		<b>887.94</b>		
Odisha Vat Act, 2004	Odisha VAT	49.35	2008-09	Commissioner of Commercial Tax
	Odisha VAT	23.58	01.04.2013 - 30.09.2015	JCCT
The Central Sales Tax Act, 1956 & West Bengal Vat Act, 2005	WB VAT & CST	89.19	2006-07	Hon'ble Members of the West Bengal Taxes Appellate Board, Kolkata
	WB VAT & CST	219.45	2007-08	Hon'ble Members of the West Bengal Taxes Appellate Board, Kolkata
	WB VAT & CST	91.74	2016-17	Additional Joint Commissioner of Commercial Tax, West Bengal
Central Sales Tax Act, 1956	Sales Tax	11.90	01.04.13 to 30.09.15	JCCT
Central Sales Tax Act, 1956	Sales Tax	14.15	01.04.13 to 30.09.15	JCCT

## “Annexure A” to Independent Auditors’ Report

Name of the Statute	Nature of Dues	Amount in lacs	Period to which the amount relates	Forum where the dispute is pending
West Bengal Vat Act, 2005	WB VAT	59.34	2014-15	Additional Commissioner of Commercial Tax, West Bengal
	WB VAT	210.61	2015-16	Additional Commissioner of Commercial Tax, West Bengal
	WB VAT	9.11	2017-18	Sr. Joint Commissioner of Commercial Tax, West Bengal
<b>Sub Total</b>		<b>778.42</b>		
The Central Sales Tax Act, 1956 & West Bengal Vat Act, 2005	Entry Tax	823.88	2012-13	Hon'ble Members of the West Bengal Taxes Appellate Board, Kolkata
	Entry Tax	1,201.37	2013-14	Hon'ble Members of the West Bengal Taxes Appellate Board, Kolkata
	Entry Tax	884.86	2014-15	Hon'ble Members of the West Bengal Taxes Appellate Board, Kolkata
	Entry Tax	402.41	2015-16	Hon'ble Members of the West Bengal Taxes Appellate Board, Kolkata
	Entry Tax	152.51	2016-17	Joint Commissioner of Commercial Tax, West Bengal
<b>Sub Total</b>		<b>3,465.03</b>		
Income Tax Act, 1961	Income Tax	929.96	A.Y. 2014-15	CIT(A)
	Income Tax	13,464.26	A.Y. 2013-14	CIT(A)
	Income Tax	17.33	A.Y. 2012-13	CIT(A)
	Income Tax	2,098.99	A.Y. 2011-12	CIT(A)
	Income Tax	58.07	A.Y. 2010-11	CIT(A)
<b>Sub Total</b>		<b>16,568.61</b>		
DRI, Kolkata	Customs duty	40.35	2015-16	DRI, Kolkata
	Customs duty on ship demurrage charges	500.00	2007- 2017	
<b>Sub Total</b>		<b>540.35</b>		
<b>Total</b>		<b>25,973.58</b>		

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

## “Annexure A” to Independent Auditors’ Report

RUPEE TERM LOAN			(₹ in lakhs)
Particulars	Amount of default as on 31.03.2020		Period of default
	Principal Repayment	Interest (Net of Reversals)	
ALLAHABAD BANK	6,716.62	486.88	Quarter ending 31st Dec, 2015 to 31st March 2020
CANARA BANK	2,251.00	1,661.92	
EXIM BANK	8,748.12	5,121.95	
STATE BANK OF INDIA	32,501.72	270.40	
UNITED BANK OF INDIA	7,860.96	920.43	
<b>TOTAL</b>	<b>58,078.42</b>	<b>8,461.58</b>	
WORKING CAPITAL TERM LOAN			
Particulars	Amount of default as on 31.03.2020		Period of default
	Principal Repayment	Interest (Net of Reversals)	
ALLAHABAD BANK	1,468.00	106.00	Quarter ending 31st Dec, 2015 to 31st March 2020
ANDHRA BANK	1,191.00	756.90	
BANK OF BARODA	4,450.00	-	
CENTRAL BANK OF INDIA	231.00	-	
PUNJAB NATIONAL BANK	4,256.00	-	
STATE BANK OF INDIA	24,120.21	-	
UNITED BANK OF INDIA	11,898.00	1,262.54	
UCO BANK	2,596.41	305.79	
<b>TOTAL</b>	<b>50,210.61</b>	<b>2,431.23</b>	
FUNDED INTEREST TERM LOAN			
Particulars	Amount of default as on 31.03.2020		Period of default
	Principal Repayment	Interest (Net of Reversals)	
ALLAHABAD BANK	2,111.87	-	Quarter ending 31st Dec, 2015 to 31st March 2020
ANDHRA BANK	409.25	294.47	
BANK OF BARODA	1,048.68	-	
CANARA BANK	495.21	341.63	
CENTRAL BANK OF INDIA	220.11	-	
EXIM BANK	1,905.41	996.70	
PUNJAB NATIONAL BANK	1,537.70	1.00	
STATE BANK OF INDIA	14,573.39	148.98	
UNITED BANK OF INDIA	5,218.73	557.16	
UCO BANK	733.86	105.16	
<b>TOTAL</b>	<b>28,254.20</b>	<b>2,445.09</b>	
<b>GRAND TOTAL</b>	<b>1,36,543.23</b>	<b>13,337.90</b>	



# "Annexure A" To Independent Auditors' Report

WORKING CAPITAL LOAN		
Particulars	Amount of default as on 31.03.2020	Period of default
	Principal Repayment	
ALLAHABAD BANK (CC)	5,730.99	Quarter ending 31st Dec, 2015 to 31st March 2020
ANDHRA BANK (CC)	5,679.15	
BANK OF BARODA (CC)	9,601.95	
CENTRAL BANK OF INDIA (CC)	3,090.14	
PUNJAB NATIONAL BANK (CC)	12,904.55	
STATE BANK OF INDIA (CC)	59,649.65	
UNITED BANK OF INDIA (CC)	13,906.99	
UCO BANK (CC)	2,603.34	
SBI GLOBAL FACTORS LIMITED	636.28	
<b>TOTAL</b>	<b>1,13,803.04</b>	

The non provision of interest expenses amounting to ₹ 1,08,798 lakhs as referred in **Note No. 40** of the Standalone Financial Statements continued to be a default. The company does not have any loans or borrowings from the government and has not issued any Debentures.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public issue/ follow-on offer (including debt instruments) and term loans.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the reporting under Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanation 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 of fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the reporting under Paragraph 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

Date: 26th August, 2020  
Place: Kolkata  
UDIN: 20064308AAAACB7003

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

# “Annexure B” to Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of M/s. ROHIT FERRO-TECH LIMITED (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

# "Annexure B" to Independent Auditors' Report

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R Kothari & Co LLP**  
*Chartered Accountants*  
FRN: 307069E/E300266

Date: 26th August, 2020  
Place: Kolkata  
UDIN: 20064308AAAACB7003

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

# Balance Sheet as at 31st March, 2020

(₹ in Lacs)

Sl. No.	Particulars	Note No.	As at 31-03-2020 Audited	As at 31-03-2019 Audited
<b>I</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Property, Plant and Equipment	1	45,290.55	62,400.05
	(b) Capital work-in-progress	2	44,811.58	44,809.82
	(c) Financial Assets			
	(i) Investments	3	-	-
	(ii) Loans	4	3,135.97	3,148.57
	(d) Other Non-Current Assets	5	417.56	415.37
			<b>93,655.66</b>	<b>110,773.81</b>
	<b>(2) Current Assets</b>			
	(a) Inventories	6	5,799.88	9,130.38
	(b) Financial Assets			
	(i) Trade Receivables	7	4,339.21	41,904.83
	(ii) Cash and Cash equivalents	8	155.45	120.06
	(iii) Other Bank Balances	9	49.32	44.85
	(iv) Other Current Financial Assets	10	6,029.84	6,037.01
	(c) Current Tax Assets (Net)	18	258.47	-
	(d) Other Current Assets	11	8,893.91	8,879.21
			<b>25,526.08</b>	<b>66,116.34</b>
	<b>TOTAL</b>		<b>119,181.74</b>	<b>176,890.15</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	12	11,377.61	11,377.61
	(b) Other Equity	13	(200,663.82)	(132,704.10)
			<b>(189,286.21)</b>	<b>(121,326.49)</b>
	<b>Liabilities</b>			
	<b>(1) Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14.1	7,426.56	83,577.44
	(b) Deferred Tax Liabilities (Net)	15	-	-
	(c) Other Non-Current Liabilities	19	81.54	89.70
			<b>7,508.10</b>	<b>83,667.14</b>
	<b>(2) Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14.2	112,705.02	112,730.42
	(ii) Trade Payables	16		
	-Micro & Small Enterprises		25.11	18.46
	-Other than Micro & Small Enterprises		30,251.16	21,480.61
	(iii) Other Current Financial Liabilities	17	153,042.27	74,949.01
	(b) Current Tax Liabilities (Net)	18	-	373.62
	(c) Other Current Liabilities	19	4,936.29	4,997.37
			<b>300,959.85</b>	<b>214,549.50</b>
	<b>TOTAL</b>		<b>119,181.74</b>	<b>176,890.15</b>
	Significant Accounting Policies	C		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Statement of Profit & Loss for the year ended 31st March, 2020

(₹ in Lacs)

Sl. No.	Particulars	Note No.	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>I</b>	<b>INCOME:</b>			
	Revenue From Operations	20	73,834.55	89,282.99
<b>II</b>	<b>Other Income</b>	21	141.77	345.37
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>73,976.32</b>	<b>89,628.36</b>
<b>IV</b>	<b>EXPENSES:</b>			
	Cost of Materials Consumed	22	52,660.87	66,238.10
	Changes in Inventories of Finished Goods & Work-in-Progress	23	2,202.56	(1,282.71)
	Employee Benefits Expense	24	1,480.38	1,702.41
	Finance Costs	25	3,153.94	5,010.46
	Depreciation and Amortization Expense	1	3,312.78	3,343.39
	Other Expenses	26	26,470.32	33,152.16
	<b>Total Expenses (IV)</b>		<b>89,280.85</b>	<b>108,163.83</b>
<b>V</b>	<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS &amp; TAX (III-IV)</b>		<b>(15,304.53)</b>	<b>(18,535.48)</b>
<b>VI</b>	<b>EXCEPTIONAL ITEMS</b>	37	53,253.76	9,309.00
<b>VII</b>	<b>PROFIT/(LOSS) BEFORE TAX (V-VI)</b>		<b>(68,558.29)</b>	<b>(27,844.48)</b>
<b>VIII</b>	<b>TAX EXPENSES</b>			
	Current Tax		-	-
	MAT Credit Entitlement		-	-
	Adjustment for Earlier Years' Tax		(622.79)	-
	Deferred Tax		-	-
<b>IX</b>	<b>PROFIT/ (LOSS) FOR THE YEAR (VII - VIII)</b>		<b>(67,935.50)</b>	<b>(27,844.48)</b>
<b>X</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
	A. (i) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans		(24.22)	(14.88)
	(ii) Income taxes on items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income taxes on items that will be reclassified to profit or loss		-	-
	<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAXES</b>		<b>(24.22)</b>	<b>(14.88)</b>
<b>XI</b>	<b>Total Comprehensive Income/ (Loss) for the year (IX + X)</b>		<b>(67,959.72)</b>	<b>(27,859.36)</b>
<b>XII</b>	<b>Earnings per Equity Share [Nominal Value of Share - ₹ 10]</b>			
	Basic & Diluted	27	(59.71)	(24.47)
	Significant Accounting Policies	C		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **R Kothari & Co LLP**

Chartered Accountants

FRN: 307069E/E300266

**CA Manoj Kumar Sethia**

Partner

Membership No: 064308

Place: Kolkata

Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**

Resolution Professional

**Anil Prasad Shaw**

Company Secretary

**Vipul Jain**

Chief Financial Officer

# Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lacs)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(68,558.29)	(27,844.48)
Adjustments for :		
Depreciation	3,312.78	3,343.39
Interest Income	(123.27)	(158.37)
Finance Costs	3,153.94	5,010.46
Provision/(Reversal) for supplement payments on retirement	(24.22)	(14.88)
Exchange Fluctuation Loss/(Gain)	248.50	381.60
Loss/(Profit) on sale of Fixed Assets	(5.11)	(26.64)
Provision for Impairment of PPE	13,789.36	-
Sundry Balances written off / (back)	221.72	115.31
	<b>20,573.70</b>	<b>8,650.87</b>
<b>Operating Profit before Working Capital Changes</b>	<b>(47,984.59)</b>	<b>(19,193.61)</b>
Adjustments for :		
(Increase)/Decrease in Inventories	3,330.50	2,962.31
(Increase)/Decrease in Trade Receivables	37,343.90	9,440.57
(Increase)/Decrease in Non Current Financial Assets	12.60	(64.03)
(Increase)/Decrease in Current & Other Current Financial Assets	0.25	344.14
(Increase)/Decrease in Other Current Assets	(14.70)	1,847.54
Increase/(Decrease) in Trade Payables	8,777.20	(274.87)
Increase/(Decrease) in Deferred Government Grants	(8.16)	(8.15)
Increase/(Decrease) in Other Current Liabilities and Provisions	(61.08)	(996.66)
	<b>49,380.51</b>	<b>13,250.84</b>
<b>Cash generated from operations</b>	<b>1,395.92</b>	<b>(5,942.77)</b>
Direct Tax Paid	(9.30)	(15.87)
Exchange Fluctuation Loss/(Gain)	(248.50)	(381.60)
<b>Net Cash from Operating Activities</b>	<b>1,138.12</b>	<b>(6,340.24)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including Capital Work-in-Progress and Capital Advances)	(0.22)	(7.17)
Sale of property, plant and equipment	10.91	40.41
Interest Received	130.20	156.57
(Increase)/Decrease in Non-Current Financial Assets	-	7,724.41
(Increase)/Decrease in Other Non-Current Assets	(2.19)	349.63
(Increase) / Decrease in Fixed Deposits with Banks	(4.47)	(27.67)
<b>Net Cash used in Investing Activities</b>	<b>134.23</b>	<b>8,236.18</b>

# Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lacs)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Long Term Borrowings-Non Current	(76,150.88)	(13,539.30)
Increase/ (Decrease) in Long Term Borrowings-Current	(75,136.37)	13,539.30
Increase/ (Decrease) in Short Term Borrowings	(25.40)	(1,341.63)
Increase/(Decrease) in Current Financial Liabilities	149,396.34	(328.52)
Diminution in the value of loans given	-	1,572.14
Interest Paid	679.34	(2,704.95)
<b>Net Cash from Financing Activities</b>	<b>(1,236.97)</b>	<b>(2,802.96)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	35.38	(907.01)
Cash & Cash Equivalents at the beginning of the year	120.06	1,027.07
Cash & Cash Equivalents at the end of the year	155.45	120.06

See accompanying notes to the financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Statement of Changes in Equity for the year ended 31st March, 2020

## A. EQUITY SHARE CAPITAL

(₹ In Lacs)

Particulars	Numbers	Amount
Balance as at 1 April 2018	1,137.76	11,377.61
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2019</b>	<b>1,137.76</b>	<b>11,377.61</b>
Changes in equity share capital during 2019-20	-	-
<b>Balance as at 31 March 2020</b>	<b>1,137.76</b>	<b>11,377.61</b>

## B. OTHER EQUITY

For the year ended 31 March 2020

(₹ In Lacs)

Particulars	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1 April 2019</b>	128.14	42,403.10	450.00	(175,685.35)	(132,704.10)
Profit/(Loss) for the year				(67,935.50)	(67,935.50)
<b>Movement during the year</b>					
Other Comprehensive Income				(24.22)	(24.22)
<b>Total Comprehensive Income</b>	<b>128.14</b>	<b>42,403.10</b>	<b>450.00</b>	<b>(243,645.07)</b>	<b>(200,663.82)</b>
Depreciation charge	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>128.14</b>	<b>42,403.10</b>	<b>450.00</b>	<b>(243,645.07)</b>	<b>(200,663.82)</b>

For the year ended 31 March 2019

(₹ In Lacs)

Particulars	Reserve and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April 2018</b>	128.14	42,403.10	450.00	(147,825.98)	(104,844.74)
Profit/(Loss) for the year				(27,844.48)	(27,844.48)
<b>Movement during the year</b>					
Other Comprehensive Income				(14.88)	(14.88)
<b>Total Comprehensive Income</b>	<b>128.14</b>	<b>42,403.10</b>	<b>450.00</b>	<b>(175,685.34)</b>	<b>(132,704.10)</b>
Depreciation charge	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>128.14</b>	<b>42,403.10</b>	<b>450.00</b>	<b>(175,685.34)</b>	<b>(132,704.10)</b>

Significant accounting policies: Note C

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

For **Rohit Ferro-Tech Limited**

**CA Manoj Kumar Sethia**  
Partner

**Supriyo Kumar Chaudhuri**  
Resolution Professional

Membership No: 064308

Place: Kolkata

Date: The 26th day of August, 2020

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer



# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## A Company Overview

Rohit Ferro-Tech Limited ("the Company") is a well-differentiated player in the Ferro Alloy manufacturing sector. Since its inception, the Company has come a long way to position itself as one of the leading producer of High Carbon Ferro Chrome. The company has accreditation like ISO 9001:2000, a Two Star Export House Status, award for Export Excellence by EEPC, Membership of ICDA (International Chrome Development Association), IMNI (International Manganese Institute) etc. The company is listed with the two major stock exchanges of India – National Stock Exchange of India and Bombay Stock Exchange Limited.

The Company is a public company incorporated in India on 7th April, 2000. The address of its registered office is 35, Chittaranjan Avenue, Kolkata - 700012.

## B Basis of preparation of Financial Statements

### a) Statement of Compliance

These Financial Statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

### b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('₹') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('₹').

### c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### **Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-**

##### **(i) Useful lives of Property, plant and equipment:**

The Company reviews the estimated useful lives and residual values of property, plant and

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

equipment at the end of each reporting period. During the current Financial Year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

**(ii) Allowances for doubtful debts:**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

**(iii) Allowances for inventories:**

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the Financial Statements for any obsolete and slow-moving items.

**(vi) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(v) Defined benefit plans:**

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(vi) Recognition and measurement of provisions and contingencies:**

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

**e) Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### C Significant accounting policies

#### a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### b) Financial instruments

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

##### i. Financial Assets

###### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

###### Subsequent measurement

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

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

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

###### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

###### Financial assets at FVTOCI

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

### **Financial assets at FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

### **Investment in Subsidiary**

The Company has accounted for its investments in its subsidiary at cost/deemed cost.

### **Other equity investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### **Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

## **ii. Financial liability**

### **Initial recognition and measurement**

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

### **Financial liabilities through FVTPL**

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

### **Financial liabilities at amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## **Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

## **Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

## **Derecognition**

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

### c) **Property, plant and equipment**

#### i. **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Property, plant & equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Cost of the tangible assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

#### ii. **Subsequent expenditure**

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

#### iii. **Depreciation and amortisation**

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss. Depreciation on Property, Plant & Equipment are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates. Freehold land is not depreciated. Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except land acquired on perpetual lease. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

### d) **Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. The cost of Work-In-Progress and finished goods includes the cost of labour, material and a proportion of manufacturing overheads.

### e) **Impairment**

#### i. **Impairment of financial instruments: financial assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### f) Foreign Currency Transactions

#### (a) Initial Recognition

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

#### (b) Conversion

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

#### (c) Exchange Differences

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

#### (d) Forward Exchange Contracts

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

### g) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

### h) Employee Benefits

#### i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

the services rendered by employees are recognised as an expense during the period when the employees render the services.

### ii. Defined contribution plans

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

### iii. Defined benefit plans

The Company has an Employees Gratuity Fund managed by the Life Insurance Corporation of India.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Short-Term Compensated Absences are provided for based on estimates.

### i) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### j) Revenue Recognition

i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from sales of goods is recognised when all significant risks and rewards of ownership of goods are transferred to the customer, which generally coincides with delivery.

ii) Revenue from rendering of services is recognised in the periods in which the services are rendered.

iii) Export entitlements in the form of Duty Drawback and MEIS scheme are recognised in the Statement of Profit and Loss Account when right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant exports proceeds.

iv) Interest Income is recognised using the effective interest rate method. Dividend Income is recognised only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

### k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.



## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

### **l) Income tax**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### **i. Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### **ii. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### **n) Research and Development Expenses**

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

### **o) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

### **p) Earnings per Share**

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

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

### **q) Expenditure on new projects & substantial expansion**

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

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ In Lacs)

## NOTE 1 - Property, Plant and Equipment

Particulars	Land		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Freehold	Leasehold						
<b>Cost or deemed cost (Gross carrying amount)</b>								
As at 1st April, 2018	1,081.50	4,104.42	15,992.87	67,914.89	446.18	259.73	422.74	90,222.33
Additions	-	-	-	-	-	-	7.17	7.17
Disposals	-	-	17.26	-	-	4.75	-	22.01
As at 31st March, 2019	1,081.50	4,104.42	15,975.61	67,914.89	446.18	254.98	429.91	90,207.49
Additions	-	-	-	-	-	-	0.22	0.22
Disposals	-	-	-	-	-	31.28	-	31.28
As at 31st March, 2020	1,081.50	4,104.42	15,975.61	67,914.89	446.18	223.70	430.13	90,176.43
<b>Depreciation &amp; Amortisation</b>								
As at 1st April, 2018	-	103.22	3,926.45	19,515.95	322.91	196.92	392.82	24,458.27
For the year (Note-a)	-	51.61	495.69	2,746.08	36.70	22.29	5.04	3,357.42
Deductions	-	-	3.87	-	-	4.37	-	8.24
As at 31st March, 2019	-	154.82	4,418.27	22,262.03	359.61	214.84	397.86	27,807.44
For the year (Note-a)	-	51.61	496.71	2,712.82	35.09	14.37	3.95	3,314.54
Transfer to Retained Earnings	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	25.47	-	25.47
As at 31st March, 2020	-	206.43	4,914.98	24,974.84	394.70	203.74	401.81	31,096.51
<b>Provision for Impairment (Refer Note No. 37 (a))</b>								
Carrying amounts (net)	-	-	2,170.65	11,569.15	39.21	4.48	5.87	13,789.36
As at 31st March, 2019	1,081.50	3,949.59	11,557.34	45,652.86	86.57	40.14	32.05	62,400.05
As at 31st March, 2020	1,081.50	3,897.98	8,889.98	31,370.90	12.27	15.47	22.45	45,290.55

### NOTE:

- Includes ₹ 1.76 Lacs (P.X.: ₹ 14.03 Lacs) debited to Capital Work-in-Progress.
- For the charges and equitable mortgage of Property, Plant & Equipment against the secured borrowings refer note 14 (A)
- The management has evaluated and is of opinion that there are no major components of the fixed assets for adopting components based accounting as per IND-AS-16.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 2 - Capital Work-in-Progress

(₹ In Lacs)

	As at 31-03-2020	As at 31-03-2019
At the beginning of the year	44,809.82	44,795.79
Add: Incurred during the year	1.76	14.03
Less: Capitalised during the year	-	-
<b>At the end of the year</b>	<b>44,811.58</b>	<b>44,809.82</b>
Capital work-in-progress includes Pre Operative Expenses as below relating to project under implementation, pending allocation to Fixed Assets:		
<b>Opening Balance</b>	<b>15,487.38</b>	<b>15,473.35</b>
<b>Add: Expenditure incurred during the period</b>		
Depreciation	1.76	14.03
<b>Total</b>	<b>15,489.14</b>	<b>15,487.38</b>

## NOTE 3 - Non-Current Financial Investments

	As at 31-03-2020	As at 31-03-2019
<b>Investments in Equity Instruments– unquoted</b>		
<b>Investments in subsidiary - At cost</b>	-	7,724.41
210.75 (31st March 2019: 210.75) shares of SKP Overseas Pte Ltd (Face value of US\$ 1 each fully paid up)		
Less: Impairment of Investment in Subsidiary	-	(7,724.41)
<b>Total of Non Current Investments</b>	-	-
Aggregate value of unquoted equity Investments	-	7,724.41
Aggregate value of diminution other than temporary in value of Investments	-	(7,724.41)

## NOTE 4 - Loans

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
<b>Non-Current</b>		
Security Deposits		
- Parties other than Related Parties	3,135.97	3,148.57
<b>Total</b>	<b>3,135.97</b>	<b>3,148.57</b>

## NOTE 5 - Other Non-Current Assets

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
Capital Advances (Refer Note No. 28 (ii))		
- Parties other than Related Parties	417.56	415.37
<b>Total</b>	<b>417.56</b>	<b>415.37</b>

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 6 - Inventories

(₹ In Lacs)

	As at 31-03-2020	As at 31-03-2019
(As taken, valued and certified by the management)		
Raw Materials	2,346.96	3,521.33
Work In Process	1,070.07	2,225.13
Finished Goods (Including In-Transit)	1,185.77	2,233.28
Stores & Spares	1,181.20	958.39
Packing Materials	15.88	15.88
Intermediates	-	176.37
<b>Total</b>	<b>5,799.88</b>	<b>9,130.38</b>

### Notes:

- Finished goods includes in transit ₹ 119.88 Lacs (P.Y.: ₹ 785.60 Lacs)
- For details of inventory hypothecated as security against secured borrowings refer note 14 (A)

## NOTE 7 - Trade Receivables

	As at 31-03-2020	As at 31-03-2019
<b>Unsecured</b>		
- Considered good	4,339.21	41,904.83
- Considered doubtful	46,339.05	6,874.65
	50,678.26	48,779.48
Less: Allowances for expected credit losses (Refer Note No. 37(b))	(46,339.05)	(6,874.65)
	<b>4,339.21</b>	<b>41,904.83</b>
<b>Age analysis of trade receivables</b>		
Debtors outstanding for a period exceeding Six months from the date they were due for payment	24.04	40,983.74
Other receivables	4,315.17	921.09
<b>Total</b>	<b>4,339.21</b>	<b>41,904.83</b>

### Notes:

- Trade Receivables includes ₹ 16.01 Lacs (P.Y.: ₹ 873.40 Lacs) due from Related Party.
- For details of book debts hypothecated as security against secured borrowings refer note 14 (A)
- The Company's exposure to credit risk and loss allowance to trade receivables is disclosed in note no. 42.3

## NOTE 8 - Cash and Cash Equivalents

	As at 31-03-2020	As at 31-03-2019
Cash In Hand (as certified by the management)	1.30	4.66
Balances With Banks		
- In Current Accounts	154.15	115.40
<b>Total</b>	<b>155.45</b>	<b>120.06</b>

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 9 - Other Bank Balances

(₹ In Lacs)

	As at 31-03-2020	As at 31-03-2019
(A) Term Deposits with Banks		
with maturity more than 3 months but less than 12 months	3.98	14.53
with maturity more than 12 months	45.34	28.61
(B) Earmarked Balances with Banks	-	1.71
<b>Total</b>	<b>49.32</b>	<b>44.85</b>

## NOTE 10 - Other Current Financial Assets

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered Good, unless otherwise stated)		
Accrued Interest on Deposits	4.14	4.08
Insurance Claim Receivable	1,898.43	1,902.12
Export Incentive Receivable:		
Considered Good	1.26	4.80
Considered doubtful	171.29	171.29
Less: Allowance for doubtful receivables	(171.29)	(171.29)
Subsidy/Power Incentive Receivable	4,126.01	4,126.01
<b>Total</b>	<b>6,029.84</b>	<b>6,037.01</b>

## NOTE 11 - Other Current Assets

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered Good)		
Advances		
To Related Parties	-	70.00
To Others	7,296.51	6,938.75
Balance with Statutory/Government Authority	1,595.44	1,868.58
Prepaid Expenses	1.96	1.88
<b>Total</b>	<b>8,893.91</b>	<b>8,879.21</b>

## NOTE 12 - Equity Share Capital

	As at 31-03-2020	As at 31-03-2019
<b>Authorised</b>		
1850.00 lacs (P.Y.: 1850.00 lacs) Equity Shares of ₹ 10/- each	18,500.00	18,500.00
<b>Issued, Subscribed and Paid-up</b>		
1137.76 lacs (P.Y.: 1137.76 lacs) Equity Shares of ₹ 10/- each fully paid up	<b>11,377.61</b>	<b>11,377.61</b>

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

Equity Shares	As at 31-03-2020		As at 31-03-2019	
	Nos. (in lacs)	(₹ in Lacs.)	Nos. (in lacs)	(₹ in Lacs.)
At the beginning of the Period	1,137.76	11,377.61	1,137.76	11,377.61
Issued during the Period	-	-	-	-
At the end of the Period	<b>1,137.76</b>	<b>11,377.61</b>	<b>1,137.76</b>	<b>11,377.61</b>

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ In Lacs)

## b) Terms/Rights attached to Equity Shares

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

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares (in lacs )	% holding	No. of Shares (in lacs )	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Suanvi Trading and Investment Co. Pvt. Ltd.	112.38	9.88	112.38	9.88
Vasupujya Enterprises Pvt. Ltd	113.60	9.98	113.60	9.98
Invesco Finance Pvt Ltd	110.39	9.70	110.39	9.70
Poddar Mech Tech Services (P) Ltd.	129.80	11.41	129.80	11.41
Shreyansh Leafin Pvt. Ltd.	109.93	9.66	109.93	9.66
Whitestone Suppliers Pvt. Ltd	109.08	9.59	109.08	9.59

## NOTE 13 - Other Equity

Below are the other components of other equity:

Components	Note No.	1st April 2019	Movement during the year	31st March 2020	1st April 2018	Movement during the year	31st March 2019
Capital Reserve	a	128.14	-	128.14	128.14	-	128.14
Securities Premium	b	42,403.10	-	42,403.10	42,403.10	-	42,403.10
General Reserve	c	450.00	-	450.00	450.00	-	450.00
Retained Earnings	d	(175,560.04)	(67,935.50)	(243,495.54)	(147,715.56)	(27,844.48)	(175,560.04)
Other Comprehensive Income		(125.30)	(24.22)	(149.52)	(110.42)	(14.88)	(125.30)
		<b>(132,704.10)</b>	<b>(67,959.72)</b>	<b>(200,663.82)</b>	<b>(104,844.74)</b>	<b>(27,859.36)</b>	<b>(132,704.10)</b>

(a) Capital reserve: Capital reserves consists of Deposits forfeited against share warrants

(b) Securities Premium: Securities premium represents the premium received on issue of equity shares and the same can be utilised in accordance with the provisions of the Companies Act, 2013.

(c) General reserve: The general reserve is created from time to time by way of appropriation of profits from retained earnings.

(d) Retained earnings: It comprise of accumulated profit/ (loss) of the Company. The movement is on account of losses incurred during the year.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 14 - Borrowings

(₹ In Lacs)

Borrowings consist of the following:

### NOTE 14.1 - Non-Current Borrowings

Particulars	Non-Current		Current	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Term Loans from Banks (Secured)</b>				
Rupee Term Loans	-	37,966.02	58,078.42	20,967.94
Working Capital Term Loan (WCTL)	-	38,111.59	50,210.62	12,147.84
Funded Interest Term Loan (FITL)	-	73.27	28,254.21	28,291.11
	-	<b>76,150.88</b>	<b>136,543.25</b>	<b>61,406.88</b>
<b>Loans from Related Parties (Unsecured)</b>				
from Body Corporates	7,280.00	7,280.00	-	-
	<b>7,280.00</b>	<b>7,280.00</b>	-	-
<b>Other Loans and Advances</b>				
Loans from Body Corporates (Unsecured)	146.56	146.56	-	-
	<b>146.56</b>	<b>146.56</b>	-	-
	<b>7,426.56</b>	<b>83,577.44</b>	<b>136,543.25</b>	<b>61,406.88</b>
<b>The above amount includes</b>				
Secured Borrowings	-	76,150.88	136,543.25	61,406.88
Unsecured Borrowings	7,426.56	7,426.56	-	-
Amount disclosed under the head - "Other Current Financial Liabilities" (Refer Note 17)			(136,543.25)	(61,406.88)
<b>Total</b>	<b>7,426.56</b>	<b>83,577.44</b>	-	-

### NOTE 14.2 - Current Borrowings

	As at 31-03-2020	As at 31-03-2019
<b>Working Capital Loans (Secured)</b>		
From Banks:		
-Rupee Loans	112,068.74	112,094.14
From Financial Institution:		
-SBI Global Factors Limited under factoring facility secured against specific debts	636.28	636.28
<b>Total</b>	<b>112,705.02</b>	<b>112,730.42</b>

#### (A) Details of security against borrowings:

Rupee Term Loans, Working Capital Term Loans, Funded Interest Term Loans and Working Capital Loan are pooled together and secured as under:

- First pari-passu charge on the entire Fixed Assets of the Company (excluding value of vehicles), both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal). Also, secured by way of mortgage on Freehold land at New Town, District: North 24 Parganas measuring 50 Cottahs.
- First pari-passu charge on the entire Current Assets of the Company comprised of stock of raw materials, semi finished and finished goods and book debts, outstanding moneys, receivables, both present and future pertaining to the Company's manufacturing units/divisions at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and at other Units.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- c) Collateral security by equitable mortgage on Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd., Office space measuring 835 sq. ft. located at Flat No. 21B, 4th Floor, Bowbazar, 35, C.R. Avenue, Kolkata-12, held in the name of Mr. S. K. Patni and Flat No. A-52, Block-A, 35, Dr. Abani Dutta Road, Salkia, Howrah, held in the name of Mr. Rohit Patni.
- d) Pledge of 100% of the promoter's shares representing 72% of the paid up Capital of the company on pari passu basis.
- e) Personal Guarantee of the Promoters - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.
- f) Corporate Guarantee of the Group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.

### (B) Amount of Default as at the Balance Sheet date : (₹ in Lacs)

	Amount of default as at the balance sheet date (₹ in Lacs)		Period of default
	Principal Repayment	Interest (Net of Reversals)	
<b>RUPEE TERM LOAN</b>			Quarter ending 31st Dec, 2015 to 31st March 2020
ALLAHABAD BANK	6,716.62	486.88	
CANARA BANK	2,251.00	1,661.92	
EXIM BANK	8,748.12	5,121.95	
STATE BANK OF INDIA	32,501.72	270.40	
UNITED BANK OF INDIA	7,860.96	920.43	
<b>SUB TOTAL</b>	<b>58,078.42</b>	<b>8,461.58</b>	
<b>WORKING CAPITAL TERM LOAN</b>			Quarter ending 31st Dec, 2015 to 31st March 2020
ALLAHABAD BANK	1,468.00	106.00	
ANDHRA BANK	1,191.00	756.90	
BANK OF BARODA	4,450.00	-	
CENTRAL BANK OF INDIA	231.00	-	
PUNJAB NATIONAL BANK	4,256.00	-	
STATE BANK OF INDIA	24,120.21	-	
UNITED BANK OF INDIA	11,898.00	1,262.54	
UCO BANK	2,596.41	305.79	
<b>SUB TOTAL</b>	<b>50,210.62</b>	<b>2,431.23</b>	
<b>FUNDED INTEREST TERM LOAN</b>			Quarter ending 31st Dec, 2015 to 31st March 2020
ALLAHABAD BANK	2,111.87	-	
ANDHRA BANK	409.25	294.47	
BANK OF BARODA	1,048.68	-	
CANARA BANK	495.21	341.63	
CENTRAL BANK OF INDIA	220.11	-	
EXIM BANK	1,905.41	996.70	
PUNJAB NATIONAL BANK	1,537.70	1.00	
STATE BANK OF INDIA	14,573.39	148.98	
UNITED BANK OF INDIA	5,218.73	557.16	
UCO BANK	733.86	105.16	
<b>SUB TOTAL</b>	<b>28,254.21</b>	<b>2,445.10</b>	
<b>GRAND TOTAL</b>	<b>136,543.25</b>	<b>13,337.91</b>	



## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

	Outstanding Including Interest	Period of default
<b>WORKING CAPITAL LOAN</b>		
ALLAHABAD BANK (CC)	5,730.99	
ANDHRA BANK (CC)	5,679.15	
BANK OF BARODA (CC)	9,601.95	
CENTRAL BANK OF INDIA (CC)	3,090.14	
PUNJAB NATIONAL BANK (CC)	12,904.55	
STATE BANK OF INDIA (CC)	59,649.65	
UNITED BANK OF INDIA (CC)	13,906.99	
UCO BANK (CC)	2,603.34	
SBI GLOBAL FACTORS LIMITED	636.28	
<b>TOTAL</b>	<b>113,803.04</b>	Quarter ending 31st Dec, 2015 to 31st March 2020

### Notes:

The above disclosure is as per provision made in books. The unprovided liability in respect of interest on current borrowings till the date of commencement of CIRP amounting to ₹ 1,08,798 Lacs as per notes no. 40 also continued to be in default. The Company has reclassified all its long term borrowings from Non Current Liabilities to Current Liabilities due to commencement of CIRP.

### NOTE 15 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
Deferred tax liabilities	9,801.92	10,312.04
Deferred tax assets	(81,413.97)	(65,501.59)
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(71,612.05)</b>	<b>(55,189.55)</b>

### 2019-20

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit & Loss	Closing Balance
Property, plant & equipment (PPE)	10,312.04	(510.12)	9,801.92
Provision for doubtful debts and advances/other write offs	(2,124.27)	(12,333.51)	(14,457.78)
Unabsorbed Depreciation	(11,105.93)	(515.07)	(11,621.00)
Unabsorbed business Loss	(52,271.39)	(3,063.80)	(55,335.19)
<b>Total</b>	<b>(55,189.55)</b>	<b>(16,422.50)</b>	<b>(71,612.05)</b>

### 2018-19

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit & Loss	Closing Balance
Property, plant & equipment (PPE)	10,806.98	(494.94)	10,312.04
Provision for doubtful debts and advances/other write offs	4,293.27	(6,417.54)	(2,124.27)
Unabsorbed Depreciation	(12,968.82)	1,862.89	(11,105.93)
Unabsorbed business Loss	(64,664.24)	12,392.85	(52,271.39)
<b>Total</b>	<b>(62,532.81)</b>	<b>7,343.26</b>	<b>(55,189.55)</b>

Net Deferred Tax Asset has not been recognised as a matter of Prudence, in accordance with the Ind AS-12 (Income Taxes) issued by The Institute of Chartered Accountants of India.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 16 - Trade Payables

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
Due to Micro, Small & Medium Enterprises	25.11	18.46
Due to others	30,251.16	21,480.61
<b>Total</b>	<b>30,276.27</b>	<b>21,499.08</b>

**Note:**

**Trade Payable Includes Amount Payable to Micro, Small and Medium Enterprises as Follows:**

	As at 31-03-2020	As at 31-03-2019
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year	18.46	18.46
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	6.65	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2000	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

## NOTE 17 - Other Current Financial Liabilities

	As at 31-03-2020	As at 31-03-2019
Current maturities of long-term debt (Refer Note 14.1)	136,543.25	61,406.88
Interest Accrued and due on Borrowings	14,570.46	11,135.97
Unclaimed Dividend *	-	1.71
Other Payables		
For Capital Goods	1,475.01	1,475.01
For Accrued Expenses & Others	453.55	929.45
<b>Total</b>	<b>153,042.27</b>	<b>74,949.01</b>

\*An amount of ₹ 1.68 lacs (P.Y.: ₹ 1.46 lacs) has been transferred during the year to Investor Education & Protection Fund.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 18 - Current Tax Liabilities (Net)

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
<b>Tax Liabilities:</b>		
-Provision For Taxation	-	871.17
<b>Tax Assets:</b>		
-Income Tax Payments (Including TDS)	(258.47)	(474.45)
-Income Tax Refundable	-	(23.10)
<b>Total</b>	<b>(258.47)</b>	<b>373.62</b>

## NOTE 19 - Other Liabilities

	As at 31-03-2020	As at 31-03-2019
<b>Non Current</b>		
Deferred Government Grant	81.54	89.70
	<b>81.54</b>	<b>89.70</b>
<b>Current</b>		
Advance from Parties*	1,807.39	772.60
Deferred Government Grant	8.15	8.15
Liabilities against statutory dues	3,120.75	4,216.63
	<b>4,936.29</b>	<b>4,997.37</b>
<b>Total</b>	<b>5,017.83</b>	<b>5,087.08</b>

\*Advance from Parties includes ₹ 72.70 lacs (P.Y.: ₹ 80.35 lacs) being certain receipts lying under suspense account in absence of information as to the credits in the bank account.

## NOTE 20 - Revenue From Operations

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Sale of Products</b>		
Sale of Manufactured Goods		
Domestic Sales	68,639.44	82,593.80
Sale of Raw Materials	5,195.11	6,689.19
<b>Total</b>	<b>73,834.55</b>	<b>89,282.99</b>

## NOTE 21- Other Income

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Interest Income</b>		
- On Fixed Deposits	2.51	1.99
- Other Deposits	120.76	156.38
Lease Rent Received	-	0.30
Miscellaneous Income	10.35	28.55
Insurance Claim Received	-	150.00
Amortisation of Deferred Government Grant	8.15	8.15
<b>Total</b>	<b>141.77</b>	<b>345.37</b>

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 22 - Cost of Materials Consumed

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>(including cost of Raw Materials sold)</b>		
Opening Stock of Raw Materials (including intermediates)	3,697.70	8,467.55
Purchases during the year (including freight)	51,310.13	61,468.25
	55,007.83	69,935.80
Less: Closing Stock of Raw Materials	2,346.96	3,521.33
<b>Cost of Raw Materials consumed</b>	<b>52,660.87</b>	<b>66,414.47</b>
Less: Closing Stock of Intermediates	-	176.37
<b>Cost of Materials consumed</b>	<b>52,660.87</b>	<b>66,238.10</b>

## NOTE 23 - Changes in Inventories of Finished Goods & Work-in-Progress

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Opening Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	348.87	425.25
Iron & Steel Products	1,884.41	567.96
<b>Work-In-Progress</b>		
Ferro Alloys	1,612.65	1,686.46
Iron & Steel Products	612.47	496.04
	<b>4,458.40</b>	<b>3,175.71</b>
<b>Closing Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	370.63	348.87
Iron & Steel Products	815.14	1,884.41
<b>Work-In-Progress</b>		
Ferro Alloys	1,070.07	1,612.65
Iron & Steel Products	-	612.47
	<b>2,255.84</b>	<b>4,458.40</b>
	<b>2,202.56</b>	<b>(1,282.69)</b>

## NOTE 24 - Employee Benefits Expense

	Year Ended 31-03-2020	Year Ended 31-03-2019
Salaries, Wages, Bonus & Allowances	1,370.70	1,511.47
Contribution to Provident & Other Funds	91.66	87.42
Gratuity (Refer Note 30)	31.95	32.07
Directors' Remuneration *	(36.12)	49.68
Welfare Expenses	22.19	21.78
<b>Total</b>	<b>1,480.38</b>	<b>1,702.42</b>

\*Director Remuneration includes reversal of ₹ 61.80 Lacs on account of amount no longer payable to Mr. Ankit Patni (Director)

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 25 - Finance Costs

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
Interest Expense:		
To Banks (Refer Note 40)	3,128.26	4,442.95
To Others	7.58	558.10
Other Borrowing Costs	18.10	9.41
<b>Total</b>	<b>3,153.94</b>	<b>5,010.46</b>

## NOTE 26 - Other Expenses

	Year Ended 31-03-2020	Year Ended 31-03-2019
Labour Charges	1,758.94	1,805.04
Power & Fuel (Refer Note a below)	16,870.18	18,950.36
Water Supply Charges	61.38	101.68
Stores, Spares and Consumables	4,362.17	5,624.10
Material Handling Expenses	438.25	519.33
Repairs		
- To Factory Shed & Building	19.71	27.94
- To Plant & Machinery	38.51	116.84
Rent	16.21	27.88
Rates & Taxes	0.41	33.59
Insurance	53.65	75.24
Printing and Stationery	5.73	7.33
Postage and Courier	2.58	4.88
Telephone Charges	17.13	18.58
Travelling & Conveyance	31.18	73.88
Car Running and Maintenance	73.81	54.06
Other Repairs and Maintenance	41.45	48.20
Security Service Charges	216.11	225.79
Membership and Subscription	13.16	5.82
Internal Audit Fees	2.00	2.00
Legal and Professional Charges	108.74	182.63
Auditors' Remuneration (Refer Note b below)	14.80	13.45
Directors' Sitting Fees	0.80	1.08
Claim against quality & quantity	290.56	-
Miscellaneous Expenses	57.71	79.25
Short Realisation/ Loss on sale of DEPB	0.23	0.51
Testing & Inspection Charges	9.50	22.71
Donations	1.37	2.22
Advertisement & Sales Promotion	32.91	47.54
Freight & Forwarding on Export	0.02	0.56
Transportation & Delivery Charges	1,418.92	1,826.65
Commission on Sales	-	2.12
Corporate Social Responsibility	-	1.31
CIRP Cost (Refer Note c below)	41.98	-
Sundry Balances Written Off (Net)	221.72	97.61
Allowances for expected credit losses	-	2,770.37
Foreign Exchange Fluctuation Loss	248.50	381.60
<b>Total</b>	<b>26,470.32</b>	<b>33,152.16</b>

### Notes:

(a) Power cost for the year includes reversal of ₹ 512.65 Lacs on account of excess estimated liability booked in earlier period.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## NOTE 26 - Other Expenses (Contd.)

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>(b) Auditors' Remuneration:</b>		
<b>Statutory Auditor</b>		
i) For Statutory Audit	8.00	8.00
ii) For Tax Audit	2.00	2.00
iii) For Limited Review	3.75	3.00
iv) For Other services	0.60	-
<b>Sub Total</b>	<b>14.35</b>	<b>13.00</b>
<b>Cost Auditor</b>		
i) As Cost Auditor	0.35	0.35
ii) For Reimbursement of Expenses	0.10	0.10
<b>Sub Total</b>	<b>0.45</b>	<b>0.45</b>
<b>Total</b>	<b>14.80</b>	<b>13.45</b>
<b>(c) CIRP Cost includes:</b>		
i) Legal & Professional Charges	36.25	-
ii) Advertisement	4.83	-
iii) Travelling & Conveyance	0.36	-
iv) Meeting Expenses	0.32	-
v) Others	0.22	-
<b>Total</b>	<b>41.98</b>	<b>-</b>

## NOTE 27 - Earnings Per Share

	Year Ended 31-03-2020	Year Ended 31-03-2019
Weighted average number of Equity Shares outstanding during the year	1,137.76	1,137.76
Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	1,137.76	1,137.76
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	(67,935.50)	(27,844.48)
Nominal Value of Ordinary Shares (₹)	10	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>(59.71)</b>	<b>(24.47)</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>(59.71)</b>	<b>(24.47)</b>

## NOTE 28 - Contingent Liabilities and Commitments

- (i) Contingent Liabilities not provided for in the books of accounts in respect of :
- Corporate Guarantee to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte Ltd, a Wholly Owned Subsidiary. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March 2020 is USD. 6.06 Million (P.Y.:USD. 6.06 Million).
  - Claims against the company not acknowledged as debt:

	Year Ended 31-03-2020	Year Ended 31-03-2019
Disputed Excise Duty under appeal	3,731.44	3,236.60
Service Tax	887.94	879.40
Disputed Sales Tax/ VAT under appeal	778.43	675.54
Disputed Entry Tax under appeal	3,465.03	3,629.03
Disputed Provident Fund demand under appeal	1.80	1.80
Customs	540.39	540.39
Income Tax	16,568.62	6,217.42
Dispute with parties not acknowledged as debt	3,945.53	2,463.19

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

- (ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 1,917.93 Lacs (P.Y.: ₹ 1,917.93 Lacs).

**NOTE 29** - In the opinion of the management, current and non-current assets have a value of realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. The balance of "Trade Receivables", "Trade Payables", "Advances from Customers", "Advances Recoverable in Cash or Kind" and "Advances to Suppliers and Other Parties" includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliations. The Balance with revenue authorities are subject to final assessment order and/or submission of returns. The reported financials might have consequential impact upon the confirmations are received and reconciliation, if any, is made.

### NOTE 30 - Employee Benefits

#### a. Defined benefits - Gratuity

The Company's gratuity benefit scheme for its employees in India is a defined benefit plan (unfunded).

The Company provides for gratuity from employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of completed service.

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2020 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company's gratuity expense is recognized under the head – "Employee Benefit Expense" in Note 24.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, liquidity risk, salary escalation risk and regulatory risk.

#### b. Defined Benefit Plan:

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
<b>Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:</b>		
Present Value of funded obligation at the end of the year	326.39	268.17
Fair Value of Plan Assets at the end of the year	301.65	264.35

#### Net Asset / ( Liability) recognised in the Balance Sheet

#### (i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :

	Year Ended 31-03-2020	Year Ended 31-03-2019
(a) Balance at the beginning of the year	268.17	231.13
(b) Current service cost	31.65	30.12
(c) Interest cost	20.69	18.02
(d) Actuarial (gains) / losses recognised in other comprehensive income		
- demographic assumptions	(0.04)	-
- financial assumptions	31.92	3.28
- experience adjustment	(8.62)	2.51
(e) Benefits paid	(17.38)	(16.88)
<b>Balance at the end of the year</b>	<b>326.39</b>	<b>268.17</b>

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## (ii) Changes in the Fair Value of Plan Assets and reconciliation thereof:

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
(a) Balance at the beginning of the year	264.35	206.18
(b) Interest income	20.40	16.07
(c) Remeasurements due to: Actual return on plan asset less interest on plan asset		
(d) Contributions by the employer	35.25	68.08
(e) Benefits paid	(17.38)	(16.88)
(f) Return on plan assets, excluding amount recognised in net interest expense	(0.96)	(9.10)
<b>Fair Value of Plan Assets at the close of the year</b>	<b>301.65</b>	<b>264.35</b>

## (iii) Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

	As at 31-03-2020	As at 31-03-2019
Present value of defined benefit obligation	(326.39)	(268.17)
Fair value of plan assets	301.65	264.35
<b>Net defined benefit obligations in the Balance Sheet</b>	<b>(24.74)</b>	<b>(3.82)</b>

## (iv) Amount recognised in the Profit and Loss Account are as follows :

	Year Ended 31-03-2020	Year Ended 31-03-2019
Current service cost	31.65	30.12
Interest cost	0.29	1.94
Past Service Cost	-	-
Expected return on plan assets	-	-
<b>Amount charged to Statement of Profit and Loss</b>	<b>31.95</b>	<b>32.07</b>

## (v) Remeasurements recognised in other comprehensive income

	Year Ended 31-03-2020	Year Ended 31-03-2019
Actuarial loss (gain) arising on defined benefit obligation from		
- demographic assumptions	(0.04)	-
- financial assumptions	31.92	3.28
- experience adjustment	(8.62)	2.51
Actual return on plan asset less interest on plan asset	0.96	9.09
<b>Amount recognised in other comprehensive income</b>	<b>24.22</b>	<b>14.88</b>

## (vi) Maturity profile of defined benefit obligation

	As at 31-03-2020	As at 31-03-2019
Within the next 12 months	26.44	21.15
Between 1 and 5 years	57.69	50.05
Between 5 and 10 years	112.34	98.39
More than 10 years	723.56	707.18



# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## (vii) Sensitivity analysis

(₹ in Lacs)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at 31-03-2020	As at 31-03-2019
Defined benefit obligation on discount rate plus 100 basis points	289.24	237.92
Defined benefit obligation on salary growth rate plus 100 basis points	370.70	304.53
Attrition Rate(+50%)	327.12	270.72
Mortality Rate(+10%)	326.43	268.31
Defined benefit obligation on discount rate minus 100 basis points	370.99	304.46
Defined benefit obligation on salary growth rate minus 100 basis points	288.81	237.35
Attrition Rate(-50%)	325.58	265.33
Mortality Rate(-10%)	326.35	268.03

## (viii) Broad Categories of Plan Assets as a percentage of Total Assets

	As at 31-03-2020	As at 31-03-2019
Qualifying Insurance Policy	100.00%	100.00%

## (ix) Actuarial assumptions

	As at 31-03-2020	As at 31-03-2019
a. Discount Rate	6.85%	7.70%
b. Salary Escalation Rate	6.50%	6.50%
c. Mortality Rate	100% of IALM 2012-14	100% of IALM 2006-08

## NOTE 31 - Segment Reporting

### A. Basis of segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which is the Company's strategic business units. These business units are managed separately because they require different technology and marketing strategies. For these business units, the Company's management reviews internal reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

Reportable segment	Operations
Ferro Alloys and Minerals	Manufacturing
Iron and Steel	Manufacturing

### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
<b>Segment Revenue</b>		
Ferro Alloys and Minerals	37,374.75	57,769.01
Iron and Steel	44,100.04	39,818.16
Inter Segment Revenue	(7,640.24)	(8,304.18)
<b>Total</b>	<b>73,834.55</b>	<b>89,282.99</b>

	As at 31-03-2020	As at 31-03-2019
<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
Ferro Alloys and Minerals	(3,119.21)	(8,155.12)
Iron and Steel	(9,041.76)	(5,370.74)
Unallocated	10.38	0.84
<b>Total</b>	<b>(12,150.59)</b>	<b>(13,525.02)</b>
Finance Cost	3,153.94	5,010.46
Exceptional Items	53,253.76	9,309.00
<b>Profit before tax</b>	<b>(68,558.29)</b>	<b>(27,844.47)</b>
Less: Tax adjustment for earlier years	(622.79)	-
<b>Profit after tax</b>	<b>(67,939.50)</b>	<b>(27,844.47)</b>

## Other information

	Year Ended	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Exps (other than Depreciation)
Ferro Alloys and Minerals	As at 31-03-2020	52,554.34	22,505.92	1.76	2,893.01	-
	As at 31-03-2019	82,090.41	16,832.95	14.03	2,924.72	-
Iron and Steel	As at 31-03-2020	66,368.93	14,716.73	-	419.77	-
	As at 31-03-2019	94,302.18	12,298.09	-	418.67	-
Unallocated	As at 31-03-2020	258.47	-	-	-	-
	As at 31-03-2019	497.55	871.17	-	-	-
<b>Total (31-03-2020)</b>		<b>119,181.74</b>	<b>37,222.65</b>	<b>1.76</b>	<b>3,312.78</b>	<b>-</b>
<b>Total (31-03-2019)</b>		<b>176,890.15</b>	<b>30,002.21</b>	<b>14.03</b>	<b>3,343.39</b>	<b>-</b>

## Secondary segment information (geographical segment)

Segment	Period		External revenue by location of customers	Carrying amount of segment assets by location of assets	Cost incurred on acquisition of tangible and intangible fixed assets
Within India	Year ended	As at 31-03-2020	73,834.55	119,039.84	1.76
	Year ended	As at 31-03-2019	89,282.99	176,753.04	14.03
Outside India	Year ended	As at 31-03-2020	-	141.90	-
	Year ended	As at 31-03-2019	-	137.11	-
<b>Total</b>	Year ended	As at 31-03-2020	<b>73,834.55</b>	<b>119,181.74</b>	<b>1.76</b>
	Year ended	As at 31-03-2019	<b>89,282.99</b>	<b>176,890.15</b>	<b>14.03</b>

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

**NOTE 32 - Related Party Disclosure** (As per Ind AS 24, the disclosures of transactions with the related parties are given below):

<b>1. Related Parties where control exists</b>	1. SKP Overseas PTE Ltd.	- Wholly owned Subsidiary
	2. PT Bara Prima Mandiri	- Subsidiary of SKP Overseas PTE Ltd.*
<b>2. (a) Key Managerial Personnel</b>	1. Mr. Ankit Patni	- Managing Director
	2. Mr. Suresh Kumar Patni	- Non-Executive Director
	3. Mr. R.K. Burnwal	- Executive Director
	4. Mr. Ankit Jain	- Independent Director
	5. Mr. Ravindra Kumar Mehra	- Independent Director
	6. Mrs. Sujata Agarwal	- Independent Director
	7. Mr. Ankit Rungta	- Independent Director
	8. Mr. Parama Bhattaraka Lahiri	- Nominee Director
	9. Mr. Vipul Jain	- Chief Financial Officer
	10. Mr. Anil Prasad Shaw	- Company Secretary
<b>(b) Enterprises in which director is interested</b>	1. M/s. Ankit Metal & Power Ltd	
	2. M/s. Impex Ferro Tech Ltd.	
	3. M/s. Impex Metal & Ferro Alloys Ltd.	
	4. M/s. Relybulls Stock Broking Pvt. Ltd.	
	5. M/s. Relybulls Derivatives and Commodities Pvt. Ltd	
<b>(c) Enterprise owned or significantly influenced by the Key Managerial Personnel or their relatives</b>	1. M/s. Nucore Exports Pvt. Ltd.	
	2. M/s. Arthodock Vinimay Pvt. Ltd.	
	3. M/s. Gajkarna Merchandise Pvt. Ltd.	
	4. M/s. SBM Steels Pvt. Ltd.	
	5. Marble Arch Properties Pvt. Ltd.	
	6. M/s. Shubham Complex Pvt. Ltd.	
	7. M/s. Relybulls Stock Broking Pvt. Ltd.	
	8. M/s. Relybulls Derivatives and Commodities Pvt. Ltd	
	9. M/s. SKP Overseas PTE. Ltd.	

\*As per recent verdict from Supreme Court of the Republic of Indonesia No. 1580K/Pdt/2018, SKP Overseas Pte. Ltd., Singapore does not have legal force and is not eligible to own and/or control shares of PT. Bara Prima Mandiri., Indonesia.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

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

Nature of Transactions	As at 31-03-2020	As at 31-03-2019
<b>Purchases</b>		
Impex Metal & Ferro Alloys Ltd.	-	32.57
<b>Sales of Goods</b>		
Impex Ferro Tech Ltd.	-	41.63
Impex Metal & Ferro Alloys Ltd.	-	2.55
Ankit Metal & Power Ltd.	16.01	-
<b>DEPB/IEIS/MEIS/Focus Licence Purchased</b>		
Impex Ferro Tech Ltd.	-	12.47
<b>DEPB/IEIS/MEIS/Focus Licence Sold</b>		
Impex Ferro Tech Ltd.	-	23.28
<b>Rent Paid</b>		
Marble Arch Properties Pvt.Ltd.	4.07	3.54
<b>Advance to</b>		
Marble Arch Properties Pvt.Ltd.	-	12.95
<b>Managerial Remuneration</b>		
Ankit Patni	-	24.00
R.K.Burnwal	25.68	25.68
<b>Sitting Fees</b>		
Suresh Kumar Patni	0.20	0.23

### e) Outstanding Balances

Nature of Transactions	As at 31-03-2020	As at 31-03-2019
<b>Trade Receivables</b>		
Impex Ferro Tech Ltd.	-	754.81
Ankit Metal & Power Ltd.	15.38	118.59
<b>Loan Taken</b>		
Suanvi Trading & Investment Co.Pvt. Ltd	150.00	150.00
Shreyansh Leafin Pvt. Ltd.	1,498.50	1,498.50
Vasupujya Enterprises (P) Ltd.	1,613.00	1,613.00
Whitestone Suppliers Pvt.Ltd.	1,467.00	1,467.00
Gajkarna Merchandise Pvt Ltd.	1,459.00	1,459.00
Astabhuja Properties Pvt. Ltd.	1,010.50	1,010.50
Poddar Mech Tech Services (P) Ltd.	82.00	82.00
<b>Advances / Deposits Given</b>		
Marble Arch Properties Pvt.Ltd.	9.22	12.95
Sarita Steel & Power Ltd.	-	70.00
<b>Advances / Deposits taken</b>		
Sarita Patni	1.00	1.00
<b>Managerial Remuneration</b>		
Ankit Patni	-	61.80
R. K. Burnwal	4.17	-

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

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

Corporate Guarantee to Indian Overseas Bank, Hongkong has been given to secure the financial assistance to SKP Overseas Pte Ltd. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March 2020 is USD. 6.06 Million (P.Y. USD. 6.06 Million).

### NOTE 33 - Information pursuant to clause 32 of the listing agreements with stock exchanges (₹ in lacs)

Particulars	As at 31-03-2020	As at 31-03-2019	Maximum balance during the current year	Maximum balance during the previous year
Loans and advances in the nature of loans to subsidiary company*				
SKP Overseas PTE Ltd.	-	-	-	-

(\*Including accrued interest)

### NOTE 34 - Amounts Receivable / Payable In Foreign Currency

Forward contracts/ hedging instruments outstanding as at the Balance Sheet date are ₹ Nil (P.Y. ₹ Nil).

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

Particulars	Currency	As at 31-03-2020	As at 31-03-2019
a) Amount receivable in foreign currency	EURO	-	-
a) Amount receivable in foreign currency	USD	1.88	1.88
b) Amount payable in foreign currency	EURO	0.20	0.20
c) Amount payable in foreign currency	USD	41.70	40.20

**NOTE 35** - Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide order dated 07th February, 2020 has commenced Corporate Insolvency Resolution Process (CIRP) against the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed by State Bank Of India, Financial Creditor of the Company. Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) has been appointed as Interim Resolution Professional (IRP) with effect from 07th February, 2020 under the provision of IBC. It may be further noted that Mr. Supriyo Kumar Chaudhuri has been appointed as Resolution Professional w.e.f 13th March 2020 by voting from majority of the COC members. The above financial statement has been reviewed and signed by Resolution Professional as the power of the boards are suspended due to commencement of the CIRP process.

**NOTE 36** - The COVID-19 pandemic has adversely impacted the economy and business Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown to curb the spread of COVID-19. Due to this, the manufacturing operations of the company along with supply and distribution got temporarily disrupted. In the light of these circumstances, the management has evaluated the impact on the carrying amounts and recoverability of its assets including financial assets, inventory, property plant and equipment, Intangibles etc. as at the balance sheet date, and has concluded that there are no material adjustments required in the financial statement except as disclosed in exceptional items. Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statement upto the date of approval of accounts. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

**NOTE 37 -** (a) The Company's Factory at Haldia (West Bengal) is suspended since 01 July 2015 on account of depressed domestic and global market conditions in steel industry and excess procurement cost of Electricity. Robbery/Damages to certain properties had occurred in the year 2016-17 and the Company had filed insurance claim of ₹ 2,603 Lacs which is under process and additionally the Company has also filed an application in the consumer forum for expediting the insurance claim process. Pending claim settlement, the financial impact of such insurance claim (Burglary/Robbery) on the reported financial remains unascertained and unquantified. Information about thefts taking place at Haldia plant was received and relevant authority were notified. Extensive damages are also seen and the plant has been subjected to theft by the local thieves. Many losses may be post balance sheet date however at present the management has not been able to assess the exact quantum of loss so an impairment on all the assets (except land) at Haldia Plant has been provided keeping salvage value of ₹ 50 lacs for plant and machinery. The same shall be subject to revision on actual valuations being done. Accordingly the Company has provided impairment of ₹ 13,789 lacs and included it in the Exceptional Items during the current financial year.

(b) Owing to recent downturn caused by the Covid 19 pandemic in the economy and industries across which has severely impacted the businesses liquidity. Based on evaluation and age wise analysis of trade receivable, it is observed that the credit risk on the aforesaid financial instrument has increased significantly and the management has decided to revise the expected credit loss policy and make 100% provision as a precautionary measures on all the Pre CIRP debtors outstanding for a period exceeding one year. Accordingly, an amount of ₹ 39,464 Lacs has been provided during the financial year for Expected Credit Loss (ECL) and is shown as Exceptional Items to the statement of profit and loss. The financial impact on account of change of ECL Policy is ₹ 29,463 Lacs.

**NOTE 38 -** As a part of Corporate Insolvency Resolution Process (CIRP), creditors of the company were called to submit their claims to the Resolution Professional (RP). The summary of claim till 14th August 2020 is shown hereunder:

₹ In Lacs

Particulars	Amount of Claims submitted	Amount of Claims admitted by Resolution Professional	Excess of claims submitted over claims admitted
Financial Creditors	4,02,235.24	3,87,736.46	14,498.77
Operational Creditors	37,573.17	12,612.83	24,960.33
Other Claims	7,426.56	-	7,426.56

The party-wise reconciliation of outstanding balances appearing in books of account vis-a-vis claims submitted and admission of claim by RP is pending. This is an ongoing process till the approval of the resolution plan and the balances are subject to updation and reconciliations. Hence consequential impact if any on the financials is not currently ascertainable and no accounting adjustment has been made in the books of accounts for differences.

**NOTE 39 -** The Company has been referred to NCLT by one of its lenders and consequently CIRP has been initiated, as detailed in Note 35. The Company has incurred loss of ₹ 67,960 lacs for the year ended 31st March, 2020 and accumulated loss as on 31st March, 2020 is ₹ 2,43,645 lacs which is in excess of the entire net worth of the company. The Company's ability to meet its contractual and financial obligation is dependent on the resolution of the matter as a part of CIRP. Currently the company is in the process of identifying the resolution alternatives, and have invited EOI from prospective suitors and accordingly the financial results are at present being prepared on a going concern basis. The future prospects of the company to remain as a going concern shall be subject to resolution plan, if any, received and being approved by the Committee of Creditors and the Honorable NCLT Court.

**NOTE 40 -** The lenders have stopped charging interest on debts, since the dues from the company have been categorised as Non Performing Asset. The company has not provided accrued interest in its books as the account has been declared NPA by the respective lenders. The amount of interest has been recognised in the books of accounts to the extent the amount charged/realised by the bank till the commencement of CIRP period as reflected in the bank statement. The amount of interest not provided for the year ended 31st March 2020 till the date of commencement of CIRP stands at ₹ 22,251 Lacs. Penal interest and charges thereof (amount remaining

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

unassorted) has not been provided for. The unprovided liability in respect of interest on long term and short term borrowings as on 31st March 2020 amounted to ₹ 1,08,798 Lacs. The liability towards any interest, penal interest charges, and other charges prior to commencement of CIRP have been charged and claimed in FORM C. Accordingly no provision has been considered for the same. The non provision of interest might have consequential impact on the reported figures.

**NOTE 41** - The Company has not made any remittance in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made on behalf of non – resident shareholders.

### **NOTE 42 - Financial instruments and related disclosures**

#### **NOTE 42.1 - Fair values vs carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position of 31st March 2020 are as follows: (₹ in Lacs)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying amount	Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial assets:</b>							
Non Current Loans	3,135.97	-	-	-	-	3,135.97	3,135.97
Trade receivables	4,339.21	-	-	-	-	4,339.21	4,339.21
Cash and cash equivalents	155.45	-	-	-	-	155.45	155.45
Bank Balance Other than Cash and Cash equivalents	49.32	-	-	-	-	49.32	49.32
Other financial assets	6,029.84	-	-	-	-	6,029.84	6,029.84
<b>Financial liabilities:</b>							
Non Current Borrowings	7,426.56	-	-	-	-	7,426.56	7,426.56
Current Borrowings	112,705.02	-	-	-	-	112,705.02	112,705.02
Trade payables	30,276.28	-	-	-	-	30,276.28	30,276.28
Other financial liabilities	153,042.27	-	-	-	-	153,042.27	153,042.27

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position of 31st March 2019 are as follows: (₹ in Lacs)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying amount	Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial assets:</b>							
Non Current Loans	3,148.57	-	-	-	-	3,148.57	3,148.57
Trade receivables	41,904.83	-	-	-	-	41,904.83	41,904.83
Cash and cash equivalents	120.06	-	-	-	-	120.06	120.06
Bank Balance Other than Cash and Cash equivalents	44.85	-	-	-	-	44.85	44.85
Other current financial assets	6,037.01	-	-	-	-	6,037.01	6,037.01
<b>Financial liabilities:</b>							
Non Current Borrowings	83,577.44	-	-	-	-	83,577.44	83,577.44
Current Borrowings	112,730.42	-	-	-	-	112,730.42	112,730.42
Trade payables	21,499.08	-	-	-	-	21,499.08	21,499.08
Other financial liabilities	74,949.01	-	-	-	-	74,949.01	74,949.01

### NOTE 42.2 - Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

### NOTE 42.3 - Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### Risk management framework

The Company's principal financial liabilities comprises of borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.



## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans. In addition, credit risk arises from finance guarantees. Company's credit risk arises principally from the trade receivables and cash & cash equivalents. Customer credit risk is managed centrally by the company through credit approvals establishing credit limits and continuously monitoring the credit worthiness of the customers to whom the credit is extended in the normal course of business. The concentration of credit risk is limited due the fact that the customer base is large and unrelated. The company estimates the Expected Credit Losses on the basis of its evaluation of each case. 100% Provision for expected credit losses is made as a precautionary measures on the Pre CIRP debtors above 1 year of the company. Credit risks from balances with banks are managed in accordance with the Company's policy.

#### Exposure to credit risks

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. The maximum exposure to credit risk as of March 31, 2020 and March 31, 2019 are as follows:

(₹ in Lacs)

Particulars	31-03-2020	31-03-2019
Cash and cash equivalents	155.45	120.06
Other Bank balances	49.32	44.85
Loans and other receivables	9,165.80	9,185.58
Trade accounts and notes receivable, net	4,339.21	41,904.83
<b>Total</b>	<b>13,709.78</b>	<b>51,255.32</b>

The ageing of trade accounts and notes receivable as of March 31, 2020 and March 31, 2019 are as follows:

Particulars	31-03-2020	31-03-2019
Not Due	-	-
Over due less than 3 month	4,270.97	691.82
3 months - 12 months	68.24	665.95
over 12 months	46,339.05	47,421.71

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. Based on evaluation and age wise analysis of trade receivable, it is observed that the credit risk on the aforesaid financial instrument has increased significantly and the management has decided to revise the expected credit loss policy and make 100% provision as a precautionary measures on all the Pre CIRP debtors outstanding for a period exceeding one year.

# Notes to the Standalone Financial Statements for the year ended 31st March, 2020

## Movement in impairment loss account is as follows:

Particulars	For the year ended	
	31-03-2020	31-03-2019
Balance at the beginning	6,874.65	4,104.28
Impairment loss recognised/ reversed	39,464.40	2,770.37
Amounts written-back	-	-
<b>Balance at the end</b>	<b>46,339.05</b>	<b>6,874.65</b>

## (ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity, subject to its restructuring proposals, to meet its liabilities when due, under both normal and stressed conditions.

In the opinion of the management, the company's cash flow from business, borrowing or financing would be sufficient to meet the cash requirements for its operation with support of its lenders.

## Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in lacs)

31 March 2020	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	112,705.02	7,426.56	-	120,131.58
Trade payables	30,276.28	-	-	30,276.28
Other current financial liabilities (Including current maturities of borrowings)	153,042.27	-	-	153,042.27
31 March 2019	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	112,094.14	636.28	83,577.44	196,307.86
Trade payables	12,350.82	9,148.26	-	21,499.08
Other current financial liabilities (Including current maturities of borrowings)	74,949.01	-	-	74,949.01

## (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

## (a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

of changes in foreign exchange rates relates primarily to the import of raw materials and spare parts, and exports of finished goods.

### Exposure to currency risk

The Company's exposure to foreign currency are at the end of the reporting period are as follows:

Particulars	In original currency (USD/EURO)	In Rupees
<b>31st March 2020</b>		
Trade receivables	1.88	141.90
Cash and cash equivalents	-	-
Other financial assets	-	-
	<b>1.88</b>	<b>141.90</b>
Borrowings (including current maturities of long-term debt)	-	-
Trade payables	41.90	3,159.99
Derivatives	-	-
	<b>41.90</b>	<b>3,159.99</b>
<b>Net exposure in respect of recognised financial assets and liabilities</b>	<b>(40.01)</b>	<b>(3,018.09)</b>

(₹ in lacs)

Particulars	In original currency (USD/EURO)	In Rupees
<b>31st March 2019</b>		
Trade receivables	1.68	114.70
Cash and cash equivalents	-	-
Other financial assets	-	-
	<b>1.68</b>	<b>114.70</b>
Borrowings (including current maturities of long-term debt)	-	-
Trade payables	40.20	2,780.53
Derivatives	-	-
	<b>40.20</b>	<b>2,780.53</b>
<b>Net exposure in respect of recognised financial assets and liabilities</b>	<b>(38.52)</b>	<b>(2,665.83)</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against Indian rupee at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March 2020</b>				
USD (5% Movement)	<b>(150.90)</b>	<b>150.90</b>	<b>(100.50)</b>	<b>100.50</b>
<b>31st March 2019</b>				
USD (5% Movement)	<b>(133.29)</b>	<b>133.29</b>	<b>(92.10)</b>	<b>92.10</b>

### (b) Interest rate risk

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

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

### Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31st March 2020	31st March 2019
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	-	-
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	249,248	250,288
	<b>249,248</b>	<b>250,288</b>

### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

### Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March 2020</b>				
Variable rate instruments	2,492	(2,492)	1,648	(1,648)
<b>Cash flow sensitivity (net)</b>	<b>2,492</b>	<b>(2,492)</b>	<b>1,648</b>	<b>(1,648)</b>
<b>31st March 2019</b>				
Variable rate instruments	2,503	(2,503)	1,729	(1,729)
<b>Cash flow sensitivity (net)</b>	<b>2,503</b>	<b>(2,503)</b>	<b>1,729</b>	<b>(1,729)</b>

### (c) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

### (d) Hedge accounting

#### Currency risk-Transactions in foreign currency

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales and interest rate exposures are denominated. The currencies in which these transactions are primarily denominated are US dollars. The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out as per the risk management policy of the Company.

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company's risk management policy is to hedge its foreign currency exposure in respect of firm commitments and highly probable forecasted transactions and interest rate risks. The counterparty for these contracts is generally a bank or a financial institution.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In order to designate a derivative contract as an effective hedge, the management objectively evaluates and evidence with appropriate underlying documents of each contract whether the contract is effective in offsetting cash flow attributable to the hedged risk.

In these hedging relationships, the main sources of ineffectiveness are :

- the effect of the counterparty and the Company's own credit risk on the fair value of the forward exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

### Interest rate risk

The Company adopts a policy of hedging its certain interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional of hedging instruments or par amounts of hedged items.

### NOTE 43 - Capital Management (Ind AS 1)

The fundamental goals of capital management are to:

- safeguard their ability to continue as a going concern, subject to note no. 29 so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants. The Company applied the same capital risk management strategy that was applied in the previous period.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity. (₹ in Lacs)

Particulars	As at 31 March, 2020	As at 1 April, 2019
Debt (i)	249,248	250,288
Cash and bank balances	205	165
Net Debt	249,044	250,123
<b>Total Equity</b>	<b>(189,286)</b>	<b>(121,326)</b>
<b>Net debt to equity ratio</b>	<b>(1.32)</b>	<b>(2.06)</b>

i) Debt is defined as Non-Current Borrowings from Banks, Current Borrowings and Current Maturities of Non-Current Borrowings from Banks.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2020

**NOTE 44** - The Company has adopted IND AS 116- "Leases" with effect from 01st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) in the companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of the standard have insignificant impact on the reported financial for the year ended 31st March 2020.

**NOTE 45** - Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding years are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

For **R Kothari & Co LLP**  
*Chartered Accountants*  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
*Partner*  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
*Resolution Professional*

**Anil Prasad Shaw**  
*Company Secretary*

**Vipul Jain**  
*Chief Financial Officer*

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## **CONSOLIDATED FINANCIAL STATEMENTS**

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# Independent Auditor's Report

To

The Members of

Rohit Ferro – Tech Limited

(A company under Corporate Insolvency Resolution Process vide NCLT Order)

## Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

We have audited the accompanying Consolidated Financial Statements (CFS) of **ROHIT FERRO - TECH LIMITED** ("hereinafter referred to as the Holding Company"), and its two subsidiary Companies (the Holding Company and its Subsidiaries collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

The Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a Financial Creditor of Rohit Ferro Tech Limited (Holding Company) and appointed an Interim Resolution Professional (RP), in terms of the Insolvency and Bankruptcy Code, 2016 (The code) vide order dated 7th February, 2020 and was subsequently confirmed by the Committee of Creditors (CoC) as the Resolution Professional (RP) in its 1st CoC meeting held on 5th March, 2020 as approved by virtue of e - voting by the CoC members on 13th March, 2020. In view of pendency of CIRP, the management of the affairs of the company and power of the Board of Directors are now vested with RP. These consolidated financial statements have been prepared by the management of the company and certified by CFO and approved by Resolution Professional (RP).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated State of Affairs of the Group as at 31st March 2020, the Consolidated Loss, consolidated Other Comprehensive Loss, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

### Basis for Qualified Opinion

- i. We draw your attention to **Note No. 40** of the accompanying consolidated Financial Statement regarding non provision of interest expense on the borrowings of the Company for the year ended 31st March, 2020 till date of commencement of CIRP for ₹ 22,483.27 lakhs. (Cumulative Non Provisioning of ₹ 1,09,602.27 lakhs till 31.03.2020) and penal interest and charges thereof (amount remaining unascertained) which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.

Had the aforesaid interest expense been recognized, the finance cost for the year ended 31st March, 2020 would have been ₹ 25,637.22 lakhs instead of ₹ 3,153.94 lakhs. The total expenses for the year ended 31st March, 2020 would have been ₹ 1,65,031.64 lakhs instead of ₹ 1,42,548.37 lakhs. The Net Loss after tax for the year ended 31st March, 2020 would have been ₹ 90,432.53 lakhs instead of reported amount of ₹ 67,949.26 lakhs. Total comprehensive Loss for the year ended 31st March, 2020 would have been ₹ 91,144.76 lakhs instead of reported amount of ₹ 68,661.49 lakhs. Other equity as on 31.03.2020 would have been ₹ (3,18,793.11 lakhs) instead of reported amount of ₹ (2,09,190.84 lakhs ) and current financial Liability as on 31st March, 2020 would have been ₹ 2,65,161.20 lakhs instead of reported amount of ₹ 1,55,558.93 lakhs.

The above reported interest has been calculated using Simple Interest rate.



# Independent Auditor's Report

- ii. **Note No. 37(a)** "Exceptional items" includes provision for impairment of ₹ 13,789.35 Lakhs with respect to Property Plant and Equipment at Haldia Plant without any reference to determination of 'value-in-use through any valuation and physical verification report. This is contrary to the requirements of Ind AS 36 'Impairment of Assets'. The monetary impact of such valuation report on the provision so made remains ascertained and would be provided upon such ascertainment by the valuer.
- iii. **Note No. 37(b)** "Exceptional items" includes provisioning of expected credit loss (ECL) on Trade Receivable amounting to ₹ 39,464.11 lakhs in view of matter referred to NCLT and RP being appointed. It has been considered prudent by the management of the company, in view of recent downturn caused by the Covid 19 Pandemic and non realisations, to change the ECL policy of the company which has resulted in excess provision by ₹ 29,463.00 lakhs. In the absence of other corroborative evidence in the prevailing Pandemic Covid 19 situation, we are unable to comment on carrying amount of such receivable.
- iv. As referred in **Note No 41**, "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind" and "Advance to Suppliers and Other Parties" certain current account and fixed deposit with banks etc includes balances remaining outstanding for a substantial period. The balances are subject to confirmation/reconciliation. In the absence of above and other corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. The reported Financials might have consequential impact which remains unascertained.
- v. We have been informed by RP that certain information including minutes of CoC meeting and the outcome of certain procedures carried out as part of CIRP process are confidential in nature and could not be shared with anyone other than Committee of Creditors and NCLT. Accordingly we are unable to comment on the possible financial impact, presentation and disclosures, if any on aforesaid information not provided to us.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Material Uncertainty Relating to Going Concern

We draw attention to the **Note 39** to the consolidated financial statements regarding preparation of the consolidated financial statements on going concern basis which states that the holding company has incurred cash losses, its liabilities exceeded its total assets and its net worth has been fully eroded as on 31.03.2020. In view of continuing default in payment of dues, certain lenders have sent notices, letters recalling their loans given and called upon the company to pay entire dues and Corporate Insolvency Resolution Process against the holding company is in process. Since, the CIRP is currently in process as per the IBC Code, it is required that the holding company be managed as going concern during the CIRP. The consolidated financial statements is continued to be prepared on going concern basis. However there exists material uncertainty about the company's ability to continue as a going concern since the same is dependent upon the resolution plan to be formulated and approved by NCLT. The appropriateness of preparation of the consolidated financial statements on going concern basis is critically dependent upon CIRP as specified in the IBC Code.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report in respect of holding company.

# Independent Auditor's Report

	Key Audit Matter of Holding Company	How our audit addressed the key Audit Matter of Holding Company
1	<p><b>Claim and exposure relating to taxation and litigation</b></p> <p>The holding Company has material uncertain tax positions including matters in respect of disputed claims /levies under various taxes and legal matters.</p> <p>The taxes and litigation exposures have been identified as key audit matter due to:</p> <ol style="list-style-type: none"> <li>Litigation cases require significant judgement due to complexity of the case and involvement of various authorities.</li> <li>These involve significant management judgment to determine the possible outcome of the uncertain tax positions.</li> </ol>	<p><b>Our audit procedures included the following:</b></p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>Obtained understanding of key uncertain tax positions;</li> <li>We have reviewed and analysed key correspondences relating to dispute;</li> <li>We have discussed the matter for key uncertain tax positions with appropriate senior management;</li> <li>We have evaluated management's underlying key assumptions in estimating the tax provisions; and Assessed management's estimate of the possible outcome of the disputed cases;</li> </ul>

## Emphasis of Matter

- We draw your attention to **Note 36** to the consolidated financial statement which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- Substantial amount of statutory dues amounting to ₹ 3120.75 lakhs has become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

Our opinion is not modified in respect of this matter.

## Other Matter

We did not audit the Financial Statements of Subsidiary, whose Financial Statements /financial information reflect total assets of ₹ Nil as at 31st March, 2020, total revenue of ₹ Nil & total comprehensive loss ₹ 12.32 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The financial statement / financial information of subsidiary is unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of subsidiary, and our report in terms of Sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such Unaudited Financial Statements as certified by the management.

Our opinion on the consolidated annual financial statements is not modified in respect of the above matters.

## Information other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

# Independent Auditor's Report

information; we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Changes in Equity 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 Act, read with relevant rules issued there under.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Consolidated Financial Statement 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 the preparation of the Consolidated Financial Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Company's financial reporting process of the Group.

As The Corporate Insolvency Resolution Process has been initiated in respect of the holding company under the provision of the Insolvency and Bankruptcy Code, 2016 (The Code) by the National Company Law Tribunal (NCLT) Kolkata Bench, vide its order dated 7th February, 2020, the powers of the Board of Directors of the holding company stand suspended as per section 17 of the Code and such power is being exercised by the Resolution Professional appointed by the NCLT by the said order under the provisions of the Code.

This statement which is the responsibility of the company's management and has been signed by Chief Financial Officer (CFO) of the company and taken on record by the Resolution Professional.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

# Independent Auditor's Report

appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicated with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, we report that:
  - a. **Except for the possible effect of the matter described in the basis for qualified opinion section of our report**, we have sought, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b. **Except for the possible effect of the matter described in the basis for qualified opinion section of our report**, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this report are in agreement with the books of account.

# Independent Auditor's Report

- d. **Except for the possible effect of the matter described in the basis for qualified opinion section of our report**, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. **The matter described in the basis for qualified opinion section of our report, may have adverse effect on the functioning of the company.**
- f. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors of the holding company, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. 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"**.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. 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:
  - a. The consolidated financial statement has disclosed the impact of pending litigations on the consolidated financial position of the Group. Refer **Note 30** to its consolidated financial statements.
  - b. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - c. During the year, the Group has transferred an amount of ₹ **1.68 lakhs** to Investor Education and Protection Fund pertaining to unpaid dividend for the year 2011-12.

For **R Kothari & Co LLP**  
*Chartered Accountants*  
FRN: 307069E/E300266

Date: 26th August, 2020  
Place: Kolkata  
UDIN: 20064308AAAACD4044

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

# “Annexure A” to Independent Auditors’ Report

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

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of ROHIT FERRO-TECH LIMITED (“the Holding Company”) for the year ended on that date. (All subsidiary companies are incorporated outside India, hence audit of the internal financial controls over financial reporting of them is not applicable).

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the holding company incorporated in India.

## **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 Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated financial statements.

# "Annexure A" to Independent Auditors' Report

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the holding company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R Kothari & Co LLP**  
*Chartered Accountants*  
FRN: 307069E/E300266

Date: 26th August, 2020  
Place: Kolkata  
UDIN: 20064308AAAACD4044

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

# Consolidated Balance Sheet as at 31st March, 2020

(₹ in Lacs)

Sl. No.	Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
<b>I</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Property, Plant and Equipment	1	45,290.55	62,752.47
	(b) Capital work-in-progress	2	44,811.58	44,809.82
	(c) Other Intangible Assets under development	3	-	4,002.75
	(d) Financial Assets			
	(i) Loans	4	3,135.97	3,148.57
	(e) Other Non-Current Assets	5	417.56	415.37
			<b>93,655.66</b>	<b>115,128.98</b>
	<b>(2) Current Assets</b>			
	(a) Inventories	6	5,799.88	10,464.80
	(b) Financial Assets			
	(i) Trade Receivables	7	4,339.21	41,904.83
	(ii) Cash and Cash equivalents	8	155.45	122.97
	(iii) Other Bank Balances	9	49.32	44.85
	(iv) Other Current Financial Assets	10	6,029.84	6,037.02
	(c) Current Tax Assets (Net)	18	258.47	-
	(d) Other Current Assets	11	8,893.91	9,418.16
			<b>25,526.08</b>	<b>67,992.63</b>
	<b>TOTAL</b>		<b>119,181.74</b>	<b>183,121.61</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	12	11,377.61	11,377.61
	(b) Other Equity	13	(209,190.84)	(138,273.99)
			<b>(197,813.23)</b>	<b>(126,896.38)</b>
	<b>Non Controlling Interest</b>		-	(908.22)
	<b>Liabilities</b>			
	<b>(1) Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14.1	7,426.56	86,345.73
	(b) Deferred Tax Liabilities (Net)	15	-	-
	(c) Other Non-Current Liabilities	19	81.54	89.70
			<b>7,508.10</b>	<b>86,435.43</b>
	<b>(2) Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14.2	115,387.90	115,196.65
	(ii) Trade Payables	16		
	-Micro & Small Enterprises		25.11	18.46
	-Other than Micro & Small Enterprises		31,080.20	22,244.73
	(iii) Other Current Financial Liabilities	17	155,558.93	78,689.73
	(b) Current Tax Liabilities (Net)	18	-	425.23
	(c) Other Current Liabilities	19	7,434.73	7,915.97
			<b>309,486.87</b>	<b>224,490.78</b>
	<b>TOTAL</b>		<b>119,181.74</b>	<b>183,121.61</b>
	Significant Accounting Policies	C		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer



# Statement of Consolidated Profit & Loss for the year ended 31st March, 2020

(₹ in Lacs)

Sl. No.	Particulars	Note No.	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>I</b>	<b>INCOME:</b>			
	Revenue From Operations	20	73,834.55	89,282.99
<b>II</b>	Other Income	21	141.77	345.37
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>73,976.32</b>	<b>89,628.36</b>
<b>IV</b>	<b>EXPENSES:</b>			
	Cost of Materials Consumed	22	52,660.87	66,238.10
	Changes in Inventories of Finished Goods & Work-in-Progress	23	2,202.56	(1,235.84)
	Employee Benefits Expense	24	1,489.75	1,835.69
	Finance Costs	25	3,153.94	5,010.46
	Depreciation and Amortization Expense	1	3,312.78	3,356.65
	Other Expenses	26	26,474.71	34,097.33
	<b>Total Expenses (IV)</b>		<b>89,294.61</b>	<b>109,302.39</b>
<b>V</b>	<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS &amp; TAX (III-IV)</b>		<b>(15,318.29)</b>	<b>(19,674.03)</b>
<b>VI</b>	<b>EXCEPTIONAL ITEMS</b>		<b>53,253.76</b>	<b>-</b>
<b>VII</b>	<b>PROFIT/(LOSS) BEFORE TAX (V-VI)</b>		<b>(68,572.05)</b>	<b>(19,674.03)</b>
<b>VIII</b>	<b>TAX EXPENSES</b>			
	Current Tax		-	-
	MAT Credit Entitlement		-	-
	Earlier Years' Tax		(622.79)	-
	Deferred Tax		-	-
<b>IX</b>	<b>PROFIT/ (LOSS) FOR THE YEAR (VII - VIII)</b>		<b>(67,949.26)</b>	<b>(19,674.03)</b>
<b>X</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
	A. (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(24.22)	(14.88)
	(ii) Income taxes on items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		(688.01)	(2,833.37)
	(ii) Income taxes on items that will be reclassified to profit or loss		-	-
	<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAXES</b>		<b>(712.23)</b>	<b>(2,848.25)</b>
<b>XI</b>	<b>Total Comprehensive Income/ (Loss) for the year (IX + X)</b>		<b>(68,661.49)</b>	<b>(22,522.28)</b>
	Total Profit/(Loss) attributable to:			
	-Owner of the company		(67,949.26)	(19,225.01)
	-Non-Controlling Interest		-	(449.02)
			<b>(67,949.26)</b>	<b>(19,674.03)</b>
	Total Comprehensive Income/(Loss) attributable to:			
	-Owner of the company		(68,661.49)	(22,086.01)
	-Non-Controlling Interest		-	(436.27)
			<b>(68,661.49)</b>	<b>(22,522.28)</b>
<b>XII</b>	<b>Earnings per Equity Share [Nominal Value of Share - ₹ 10]</b>			
	Basic & Diluted	27	(59.72)	(16.90)
	Significant Accounting Policies	C		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Consolidated Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lacs)

Particulars	Year Ended 31-03-2020		Year Ended 31-03-2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		(68,572.05)		(19,674.03)
Adjustments for :				
Depreciation	3,312.78		3,356.65	
Interest Income	(123.27)		(158.37)	
Finance Costs	3,153.94		5,010.46	
Remeasurements of the defined benefit plans	(24.22)		(14.88)	
Exchange translation adjustments	(688.01)		(2,397.02)	
Exchange Fluctuation Loss/(Gain)	248.50		381.74	
(Profit)/Loss on sale of Fixed Assets	(5.11)		(26.64)	
Provision for Impairment of PPE	13,789.36		-	
Movement due to de-controlling	(2,255.36)		-	
Sundry Balances written off / (back)	221.72		115.31	
		17,630.33		6,267.25
Operating Profit before Working Capital Changes		(50,941.72)		(13,406.78)
Adjustments for :				
(Increase)/Decrease in Inventories	4,664.92		2,924.80	
(Increase)/Decrease in Trade Receivables	37,343.90		9,310.48	
(Increase)/Decrease in Non Current Financial Assets	12.60		(61.20)	
(Increase)/Decrease in Current & Other Current Financial Assets	0.25		702.54	
(Increase)/Decrease in Other Current Assets	524.25		1,751.92	
Increase/(Decrease) in Trade Payables	8,842.11		(228.51)	
Increase/(Decrease) in Other Non-Current Liabilities	(8.16)		(8.15)	
Increase/(Decrease) in Other Current Liabilities and Provisions	(481.23)		(638.84)	
		50,898.64		13,753.04
Cash generated from operations		(43.08)		346.26
(Direct Tax Paid)/Provision for Direct tax		(9.30)		35.74
(Direct Tax Paid)/Provision for Direct tax due to de-controlling		(51.61)		-
Exchange Fluctuation Loss/(Gain)		(248.50)		(381.74)
Net Cash from Operating Activities		(352.49)		0.26
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including Capital Work-in-Progress and Capital Advances)	(0.22)		(7.17)	
Sale of property, plant and equipment	10.91		62.92	
De-controlling of PPE	352.42		-	
De-controlling of Other Intangible Assets	4,002.75		-	
Exchange translation adjustments for Fixed Assets	-		43.29	
(Increase) / Decrease in Non-Current Assets (Other than Property, Plant & Equipment)	-		(58.69)	
Interest Received	130.20		156.57	
(Increase)/Decrease in Other Non-Current Assets	(2.19)		-	
(Increase) / Decrease in Fixed Deposits with Banks	(4.47)		(27.67)	
Net Cash used in Investing Activities		4,489.40		169.25

# Consolidated Cash Flow Statement for the year ended 31st March, 2020

(₹ in Lacs)

Particulars	Year Ended 31-03-2020		Year Ended 31-03-2019	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
<b>Increase/ (Decrease) in Long Term Borrowings-Non Current</b>	(78,919.17)		(10,771.01)	
Increase/ (Decrease) in Long Term Borrowings-Current	(75,288.52)		13,645.24	
Increase/ (Decrease) in Short Term Borrowings	191.24		(1,190.79)	
Increase/ (Decrease) in Non Controlling Interest	908.22		(436.27)	
Increase/(Decrease) in Current Financial Liabilities	148,324.46		379.17	
Interest Paid	679.34		(2,704.94)	
<b>Net Cash from Financing Activities</b>		<b>(4,104.43)</b>		<b>(1,078.60)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		32.48		(909.09)
Cash & Cash Equivalents at the beginning of the year		122.97		1,032.06
Cash & Cash Equivalents at the end of the year		155.45		122.97

See accompanying notes to the financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

## A. EQUITY SHARE CAPITAL

(₹ In Lacs)

Particulars	Numbers	Amount
Balance as at 1 April 2018	1,137.76	11,377.61
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2019</b>	<b>1,137.76</b>	<b>11,377.61</b>
Changes in equity share capital during 2019-20	-	-
<b>Balance as at 31st March 2020</b>	<b>1,137.76</b>	<b>11,377.61</b>

## B. OTHER EQUITY

For the year ended 31 March 2020

(₹ In Lacs)

Particulars	Reserve and Surplus				Total Other Equity	Non Controlling Interest	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
<b>Balance as at 1 April 2019</b>	128.14	42,403.10	450.00	(181,255.23)	(138,273.99)	(908.22)	(139,182.21)
Profit/(Loss) for the Period	-	-	-	(67,949.26)	(67,949.26)	-	(67,949.26)
Other Comprehensive Income (Loss) for the Period	-	-	-	(712.23)	(712.23)	-	(712.23)
<b>Total Comprehensive Income for the Period</b>	-	-	-	<b>(68,661.49)</b>	<b>(68,661.49)</b>	-	<b>(68,661.49)</b>
Less: Movement due to De-controlling	-	-	-	2,255.36	2,255.36	(908.22)	1,347.14
<b>Balance as at 31st March 2020</b>	<b>128.14</b>	<b>42,403.10</b>	<b>450.00</b>	<b>(252,172.08)</b>	<b>(209,190.85)</b>	-	<b>(209,190.85)</b>

For the year ended 31 March 2019

(₹ In Lacs)

Particulars	Reserve and Surplus				Total Other Equity	Non Controlling Interest	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
<b>Balance as at 1 April 2018</b>	128.14	42,403.10	450.00	(159,169.22)	(116,187.98)	(471.95)	(116,659.93)
Profit/(Loss) for the year	-	-	-	(19,225.01)	(19,225.01)	(449.02)	(19,674.03)
Other Comprehensive Income (Loss) for the year	-	-	-	(2,861.00)	(2,861.00)	12.75	(2,848.25)
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>(22,086.01)</b>	<b>(22,086.01)</b>	<b>(436.27)</b>	<b>(22,522.28)</b>
<b>Balance as at 31st March 2019</b>	<b>128.14</b>	<b>42,403.10</b>	<b>450.00</b>	<b>(181,255.23)</b>	<b>(138,273.99)</b>	<b>(908.22)</b>	<b>(139,182.21)</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## A Company Overview

Rohit Ferro-Tech Limited ("the Company") is a well-differentiated player in the Ferro Alloy manufacturing sector. Since its inception, the Company has come a long way to position itself as one of the leading producer of High Carbon Ferro Chrome. The company has accreditation like ISO 9001:2000, a Two Star Export House Status, award for Export Excellence by EEPC, Membership of ICDA (International Chrome Development Association), IMNI (International Manganese Institute) etc. The company is listed with the two major stock exchanges of India – National Stock Exchange of India and Bombay Stock Exchange Limited.

The Company is a public company incorporated in India on 7th April, 2000. The address of its registered office is 35, Chittaranjan Avenue, Kolkata - 700012.

## B Basis of preparation of Financial Statements

### a) Statement of Compliance

These Financial Statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

### b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('₹') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('₹').

### c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### **Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-**

##### **(i) Useful lives of Property, plant and equipment:**

The Company reviews the estimated useful lives and residual values of property, plant and

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

equipment at the end of each reporting period. During the current Financial Year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

### (ii) Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

### (iii) Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the Financial Statements for any obsolete and slow-moving items.

### (iv) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### (v) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (vi) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

## e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### C Significant accounting policies

#### a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### b) Financial instruments

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

##### i. Financial Assets

###### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

###### Subsequent measurement

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

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

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

###### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

###### Financial assets at FVTOCI

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

### **Financial assets at FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

### **Investment in Subsidiary**

The Company has accounted for its investments in its subsidiary at cost/deemed cost.

### **Other equity investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### **Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

## **ii. Financial liability**

### **Initial recognition and measurement**

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

### **Financial liabilities through FVTPL**

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

### **Financial liabilities at amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

### **Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

### **Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

### **Derecognition**

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

### c) **Property, plant and equipment**

#### i. **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Property, plant & equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Cost of the tangible assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

#### ii. **Subsequent expenditure**

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

#### iii. **Depreciation and amortisation**

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss. Depreciation on Property, Plant & Equipment are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates. Freehold land is not depreciated. Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except land acquired on perpetual lease. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

### d) **Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. The cost of Work-In-Progress and finished goods includes the cost of labour, material and a proportion of manufacturing overheads.

### e) **Impairment**

#### i. **Impairment of financial instruments: financial assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### f) Foreign Currency Transactions

#### (a) Initial Recognition

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

#### (b) Conversion

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

#### (c) Exchange Differences

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

#### (d) Forward Exchange Contracts

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

### g) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

### h) Employee Benefits

#### i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

the services rendered by employees are recognised as an expense during the period when the employees render the services.

### ii. Defined contribution plans

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

### iii. Defined benefit plans

The Company has an Employees Gratuity Fund managed by the Life Insurance Corporation of India.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Short-Term Compensated Absences are provided for based on estimates.

### i) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### j) Revenue Recognition

i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from sales of goods is recognised when all significant risks and rewards of ownership of goods are transferred to the customer, which generally coincides with delivery.

ii) Revenue from rendering of services is recognised in the periods in which the services are rendered.

iii) Export entitlements in the form of Duty Drawback and MEIS scheme are recognised in the Statement of Profit and Loss Account when right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant exports proceeds.

iv) Interest Income is recognised using the effective interest rate method. Dividend Income is recognised only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

### k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

### **l) Income tax**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### **i. Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### **ii. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### **n) Research and Development Expenses**

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

### **o) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

### **p) Earnings per Share**

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

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

### **q) Expenditure on new projects & substantial expansion**

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

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ In Lacs)

## NOTE 1 - Property, Plant and Equipment

Particulars	Land		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Freehold	Leasehold						
<b>Cost or deemed cost (Gross carrying amount)</b>								
As at 1st April, 2018	1,081.50	4,424.41	16,031.49	68,193.60	446.18	380.33	468.38	91,025.89
Additions	-	-	-	-	-	-	7.17	7.17
Disposals	-	-	17.26	-	-	43.11	-	60.37
<b>Other Adjustments</b>								
-Exchange translation adjustment	-	7.12	1.12	7.98	-	4.36	1.20	21.78
- Borrowing Costs	-	-	-	-	-	-	-	-
As at 31st March, 2019	1,081.50	4,431.53	16,015.35	68,201.58	446.18	341.58	476.75	90,994.47
Additions	-	-	-	-	-	-	0.22	0.22
Disposals	-	-	-	-	-	31.28	-	31.28
Other Adjustments	-	-	-	-	-	-	-	-
-Exchange translation adjustment	-	-	-	-	-	-	-	-
- Borrowing Costs	-	-	-	-	-	-	-	-
-De-controlling	-	(327.11)	(39.74)	(286.69)	0.00	(86.60)	(46.84)	(786.98)
As at 30th March 2020	1,081.50	4,104.42	15,975.61	67,914.89	446.18	223.70	430.13	90,176.42
<b>Depreciation &amp; Amortisation</b>								
As at 1st April, 2018	-	103.22	3,937.06	19,730.27	332.10	298.66	429.03	24,830.34
For the year (Note-a)	-	51.61	497.65	2,754.92	36.70	24.75	5.04	3,370.67
Deductions	-	-	3.87	-	-	20.22	-	24.09
-Exchange translation adjustment	-	-	2.32	63.07	(9.19)	(1.76)	10.64	65.08
As at 31st March, 2019	-	154.83	4,433.16	22,548.26	359.61	301.43	444.71	28,242.00
For the year (Note-a)	-	51.61	496.71	2,712.82	35.09	14.37	3.95	3,314.54
Deductions	-	-	-	-	-	25.47	-	25.47
-Exchange translation adjustment	-	-	-	-	-	-	-	-
-De-controlling	-	(0.01)	(14.89)	(286.23)	0.00	(86.59)	(46.85)	(434.56)
As at 30th March 2020	-	206.43	4,914.98	24,974.84	394.70	203.74	401.81	31,096.51
<b>Provision for Impairment [Refer Note No. 37 (a)]</b>								
Carrying amounts (net)	-	-	2,170.65	11,569.15	39.21	4.48	5.87	13,789.36
As at 31st March, 2019	1,081.50	4,276.70	11,582.19	45,653.32	86.57	40.15	32.04	62,752.47
As at 30th March, 2020	1,081.50	3,897.98	8,889.98	31,370.90	12.27	15.47	22.45	45,290.55

### NOTE:

- Includes ₹ 1.76 Lacs (P.Y.: ₹ 14.03 Lacs) debited to Capital Work-in-Progress.
- For the charges and equitable mortgage of Property, Plant & Equipment against the secured borrowings refer note 14 (A)
- The management has evaluated and is of opinion that there are no major components of the fixed assets for adopting components based accounting as per IND-AS-16.

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 2 - Capital Work-in-progress

(₹ In Lacs)

	As at 31-03-2020	As at 31-03-2019
At the beginning of the year	44,809.82	44,795.79
Add: Incurred during the year	1.76	14.03
Less: Capitalised during the year	-	-
<b>At the end of the year</b>	<b>44,811.58</b>	<b>44,809.82</b>
Capital work-in-progress includes Pre Operative Expenses as below relating to project under implementation, pending allocation to Fixed Assets:		
<b>Opening Balance</b>	<b>15,487.38</b>	<b>15,473.35</b>
<b>Add: Expenditure incurred during the period</b>		
Depreciation	1.76	14.03
<b>Total</b>	<b>15,489.14</b>	<b>15,487.38</b>

## NOTE 3 - Other Intangible Assets Under Development

	As at 31-03-2020	As at 31-03-2019
Intangible Assets under development represents expenses incurred for development of mines under the following heads:		
Opening Balance	4,002.75	3,944.06
-Exchange translation adjustments	-	(58.69)
-De-controlling	4,002.75	-
<b>Closing Balance</b>	<b>-</b>	<b>4,002.75</b>

## NOTE 4 - Loans

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
<b>Non-Current</b>		
Security Deposits		
- Parties other than Related Parties	3,135.97	3,148.57
<b>Total</b>	<b>3,135.97</b>	<b>3,148.57</b>

## NOTE 5 - Other Non-Current Assets

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
Capital Advances (Refer Note No. 28 (ii) of Standalone)		
- Parties other than Related Parties	417.56	415.37
<b>Total</b>	<b>417.56</b>	<b>415.37</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 6 - Inventories

(₹ In Lacs)

	As at 31-03-2020	As at 31-03-2019
(As taken, valued and certified by the management)		
Raw Materials	2,346.96	3,521.33
Work In Process	1,070.07	3,248.13
Finished Goods (Including In-Transit)	1,185.77	2,544.70
Stores & Spares	1,181.20	958.39
Packing Materials	15.88	15.88
Intermediates	-	176.37
<b>Total</b>	<b>5,799.88</b>	<b>10,464.80</b>

### Notes:

- Finished goods includes in transit ₹ 119.88 Lacs (P.Y.: Nil)
- For details of inventory hypothecated as security against secured borrowings refer note 14 (A)

## NOTE 7 - Trade Receivables

	As at 31-03-2020	As at 31-03-2019
<b>Unsecured</b>		
- Considered good	4,339.21	41,904.83
- Considered doubtful	46,339.05	6,874.65
	50,678.26	48,779.48
Less: Allowances for expected credit losses [Refer No. 37 (b)]	(46,339.05)	(6,874.65)
	<b>4,339.21</b>	<b>41,904.83</b>
<b>Age analysis of trade receivables</b>		
Debtors outstanding for a period exceeding Six months from the date they were due for payment.	24.04	40,983.74
Other receivables	4,315.17	921.09
<b>Total</b>	<b>4,339.21</b>	<b>41,904.83</b>

### Notes:

- Trade Receivables includes ₹ 16.01 Lacs (P.Y.: ₹ 873.40 Lacs) due from Related Party.
- For details of book debts hypothecated as security against secured borrowings refer note 14 (A)
- The Company's exposure to credit risk and loss allowance to trade receivables is disclosed in note no. 42.3 of standalone

## NOTE 8 - Cash and Cash Equivalents

	As at 31-03-2020	As at 31-03-2019
Cash In Hand (as certified by the management)	1.30	6.94
Balances With Banks		
- In Current Accounts	154.15	116.03
<b>Total</b>	<b>155.45</b>	<b>122.97</b>



# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 9 - Other Bank Balances

(₹ In Lacs)

	As at 31-03-2020	As at 31-03-2019
(A) Term Deposits with Banks *		
with maturity more than 3 months but less than 12 months	3.98	14.53
with maturity more than 12 months	45.34	28.61
(B) Earmarked Balances with Banks	-	1.71
<b>Total</b>	<b>49.32</b>	<b>44.85</b>

## NOTE 10 - Other Current Financial Assets

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered Good, unless otherwise stated)		
Accrued Interest on Deposits	4.14	4.08
Insurance Claim Receivable	1,898.43	1,902.12
Export Incentive Receivable:		
Considered Good	1.26	4.81
Considered doubtful	171.29	171.29
Less: Allowance for doubtful receivables	(171.29)	(171.29)
Subsidy/Power Incentive Receivable	4,126.01	4,126.01
<b>Total</b>	<b>6,029.84</b>	<b>6,037.02</b>

## NOTE 11 - Other Current Assets

	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered Good)		
Advances recoverable in kind or for value to be received		
To Related Parties	-	70.00
To Others	7,296.51	7,459.64
Balance with Central Excise and Cenvat Receivable	1,023.90	1,088.96
Sales Tax / VAT Receivable/ Refundable	391.48	505.68
GST Receivable	180.06	273.94
Prepaid Expenses	1.96	19.94
<b>Total</b>	<b>8,893.91</b>	<b>9,418.16</b>

## NOTE 12 - Equity Share Capital

	As at 31-03-2020	As at 31-03-2019
<b>Authorised</b>		
1850.00 lacs (P.Y.: ₹ 1850.00 lacs) Equity Shares of ₹10/- each	18,500.00	18,500.00
<b>Issued, Subscribed and Paid-up</b>		
1137.76 lacs (P.Y.: ₹ 1137.76 lacs) Equity Shares of ₹ 10/- each fully paid up	11,377.61	11,377.61

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

Equity Shares	As at 31-03-2020		As at 31-03-2019	
	Nos. (in lacs)	(₹ in Lacs.)	Nos. (in lacs)	(₹ in Lacs.)
At the beginning of the Period	1,137.76	11,377.61	1,137.76	11,377.61
Issued during the Period	-	-	-	-
At the end of the Period	<b>1,137.76</b>	<b>11,377.61</b>	<b>1,137.76</b>	<b>11,377.61</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ In Lacs)

## b) Terms/Rights attached to Equity Shares

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

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares (in lacs )	% holding	No. of Shares (in lacs )	% holding
Equity shares of ₹ 10 each fully paid				
Suanvi Trading and Investment Co. Pvt. Ltd.	112.38	9.88	112.38	9.88
Vasupujya Enterprises Pvt. Ltd	113.60	9.98	113.60	9.98
Invesco Finance Pvt Ltd	110.39	9.70	110.39	9.70
Poddar Mech Tech Services (P) Ltd.	129.80	11.41	129.80	11.41
Shreyansh Leafin Pvt. Ltd.	109.93	9.66	109.93	9.66
Whitestone Suppliers Pvt. Ltd	109.08	9.59	109.08	9.59

## NOTE 13 - Other Equity

Below are the other components of other equity:

Components	Note No.	1st April 2019	Movement during the year		31st March 2020	1st April 2018	Movement during the year	31st March 2019
			Due to controlling	Due to decontrolling				
Capital Reserve	a	128.14	-	-	128.14	128.14	-	128.14
Securities Premium	b	42,403.10	-	-	42,403.10	42,403.10	-	42,403.10
General Reserve	c	450.00	-	-	450.00	450.00	-	450.00
Retained Earnings	d	(182,281.26)	(67,949.26)	(74.99)	(250,305.51)	(163,056.25)	(19,225.01)	(182,281.26)
Other Comprehensive Income	e	1,026.03	(712.23)	(2,180.37)	(1,866.57)	3,887.03	(2,861.00)	1,026.03
		<b>(138,273.99)</b>	<b>(68,661.49)</b>	<b>(2,255.36)</b>	<b>(209,190.84)</b>	<b>(116,187.98)</b>	<b>(22,086.01)</b>	<b>(138,273.99)</b>

(a) Capital reserve: Capital reserves consists of Deposits forfeited against share warrants

(b) Securities Premium: Securities premium represents the premium received on issue of equity shares and the same can be utilised in accordance with the provisions of the Companies Act, 2013.

(c) General reserve: The general reserve is created from time to time by way of appropriation of profits from retained earnings.

(d) Retained earnings: It comprise of accumulated profit/ (loss) of the Company. The movement is on account of losses incurred during the year.

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 14 - Borrowings

(₹ In Lacs)

Borrowings consist of the following:

### NOTE 14.1 - Non-Current Borrowings

Equity Shares	Non-Current		Current	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Term Loans from Banks (Secured)</b>				
Rupee Term Loans	-	37,966.02	58,078.42	20,967.94
Working Capital Term Loan (WCTL)	-	38,111.59	50,210.62	12,147.84
Funded Interest Term Loan (FITL)	-	73.27	28,254.21	28,291.11
Foreign Currency Loan	-	-	-	1,732.03
	-	<b>76,150.88</b>	<b>136,543.25</b>	<b>63,138.92</b>
<b>Loans from Related Parties (Unsecured)</b>				
from Body Corporates	7,280.00	7,280.00	-	-
	<b>7,280.00</b>	<b>7,280.00</b>	-	-
<b>Other Loans and Advances</b>				
Loans from Body Corporates (Unsecured)	146.56	2,914.85	-	-
Loans against Vehicles & Equipments (Secured)	-	-	-	-
	<b>146.56</b>	<b>2,914.85</b>	-	-
	<b>7,426.56</b>	<b>86,345.73</b>	<b>136,543.25</b>	<b>63,138.92</b>
<b>The above amount includes</b>				
Secured Borrowings	-	76,150.88	136,543.25	63,138.92
Unsecured Borrowings	7,426.56	10,194.85	-	-
Amount disclosed under the head - "Other Current Financial Liabilities" (Refer Note 17)			(136,543.25)	(63,138.92)
	<b>7,426.56</b>	<b>86,345.73</b>	-	-

### NOTE 14.2 - Current Borrowings

	As at 31-03-2020	As at 31-03-2019
<b>Working Capital Loans (Secured)</b>		
From Banks:		
-Rupee Loans	112,068.74	112,094.14
-Foreign Currency Loans-Bank Overdraft	2,682.88	2,466.23
From Financial Institution:		
-SBI Global Factors Limited under factoring facility secured against specific debts	636.28	636.28
<b>Total</b>	<b>115,387.90</b>	<b>115,196.65</b>

#### (A) Details of security against borrowings:

Rupee Term Loans , Working Capital Term Loans, Funded Interest Term Loans and Working Capital Loan are pooled together and secured as under:

- First pari-passu charge on the entire Fixed Assets of the Company (excluding value of vehicles), both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal). Also, secured by way of mortgage on Freehold land at New Town, District: North 24 Parganas measuring 50 Cottahs.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

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

**(B) Amount of Default as at the Balance Sheet date :** (₹ in Lacs)

	Amount of default as at the balance sheet date (₹ in Lacs)		Period of default
	Principal Repayment	Interest (Net of Reversals)	
<b>RUPEE TERM LOAN</b>			
ALLAHABAD BANK	6,716.62	486.88	Quarter ending 31st Dec, 2015 to 31st March 2020
CANARA BANK	2,251.00	1,661.92	
EXIM BANK	8,748.12	5,121.95	
STATE BANK OF INDIA	32,501.72	270.40	
UNITED BANK OF INDIA	7,860.96	920.43	
<b>TOTAL</b>	<b>58,078.42</b>	<b>8,461.58</b>	
<b>WORKING CAPITAL TERM LOAN</b>			
ALLAHABAD BANK	1,468.00	106.00	Quarter ending 31st Dec, 2015 to 31st March 2020
ANDHRA BANK	1,191.00	756.90	
BANK OF BARODA	4,450.00	-	
CENTRAL BANK OF INDIA	231.00	-	
PUNJAB NATIONAL BANK	4,256.00	-	
STATE BANK OF INDIA	24,120.21	-	
UNITED BANK OF INDIA	11,898.00	1,262.54	
UCO BANK	2,596.41	305.79	
<b>TOTAL</b>	<b>50,210.62</b>	<b>2,431.23</b>	

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

RUPEE TERM LOAN	Amount of default as at the balance sheet date (₹ in Lacs)		Period of default
	Principal Repayment	Interest (Net of Reversals)	
<b>FUNDED INTEREST TERM LOAN</b>			
ALLAHABAD BANK	2,111.87	-	Quarter ending 31st Dec, 2015 to 31st March 2020
ANDHRA BANK	409.25	294.47	
BANK OF BARODA	1,048.68	-	
CANARA BANK	495.21	341.63	
CENTRAL BANK OF INDIA	220.11	-	
EXIM BANK	1,905.41	996.70	
PUNJAB NATIONAL BANK	1,537.70	1.00	
STATE BANK OF INDIA	14,573.39	148.98	
UNITED BANK OF INDIA	5,218.73	557.16	
UCO BANK	733.86	105.16	
<b>TOTAL</b>	<b>28,254.21</b>	<b>2,445.10</b>	
<b>SUB TOTAL</b>	<b>136,543.25</b>	<b>13,337.91</b>	
<b>FOREIGN CURRENCY LOAN:</b>			
<b>INDIAN OVERSEAS BANK (TL)</b>	1,626.10	258.09	Quarter ending 31st Dec, 2015 to 31st March 2020
<b>GRAND TOTAL</b>	<b>138,169.35</b>	<b>13,595.99</b>	
<b>WORKING CAPITAL LOAN</b>	<b>Outstanding Including Interest</b>		
ALLAHABAD BANK (CC)		5,730.99	Quarter ending 31st Dec, 2015 to 31st March 2020
ANDHRA BANK (CC)		5,679.15	
BANK OF BARODA (CC)		9,601.95	
CENTRAL BANK OF INDIA (CC)		3,090.14	
PUNJAB NATIONAL BANK (CC)		12,904.55	
STATE BANK OF INDIA (CC)		59,649.65	
UNITED BANK OF INDIA (CC)		13,906.99	
UCO BANK (CC)		2,603.34	
SBI GLOBAL FACTORS LIMITED		636.28	
<b>Sub Total</b>		<b>113,803.04</b>	
<b>INDIAN OVERSEAS BANK (WC)</b>		2,682.88	
<b>Grand Total</b>		<b>116,485.92</b>	

### Notes:

The unprovided liability in respect of interest on borrowings till the date of commencement of CIRP amounting to ₹ 1,09,602 Lacs as per note no. 40 also continued to be in default. The Company has reclassified all its long term borrowings from Non Current Liabilities to Current Liabilities due to commencement of CIRP.

### NOTE 15 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

	As at 31-03-2020	As at 31-03-2019
Deferred tax liabilities	9,801.92	10,312.04
Deferred tax assets	(81,413.97)	(65,501.59)
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(71,612.05)</b>	<b>(55,189.55)</b>

### 2019-20

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit & Loss	Closing Balance
Property, plant & equipment (PPE)	10,312.04	(510.12)	9,801.92
Provision for doubtful debts and advances/other write offs	(2,124.27)	(12,333.51)	(14,457.78)
Unabsorbed Depreciation	(11,105.93)	(515.07)	(11,621.00)
Unabsorbed business Loss	(52,271.39)	(3,063.80)	(55,335.19)
<b>Total</b>	<b>(55,189.55)</b>	<b>(16,422.50)</b>	<b>(71,612.05)</b>

### 2018-19

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised in Statement of Profit & Loss	Closing Balance
Property, plant & equipment (PPE)	10,806.98	(494.94)	10,312.04
Provision for doubtful debts and advances/other write offs	4,293.27	(6,417.54)	(2,124.27)
Unabsorbed Depreciation	(12,968.82)	1,862.89	(11,105.93)
Unabsorbed business Loss	(64,664.24)	12,392.85	(52,271.39)
<b>Total</b>	<b>(62,532.81)</b>	<b>7,343.26</b>	<b>(55,189.55)</b>

Net Deferred Tax Asset has not been recognised as a matter of Prudence, in accordance with the Ind AS-12 (Income Taxes) issued by The Institute of Chartered Accountants of India.

### NOTE 16 - Trade Payables

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
Due to Micro, Small & Medium Enterprises [Refer Note (a) below]	25.11	18.46
Due to others	31,080.20	22,244.73
<b>Total</b>	<b>31,105.31</b>	<b>22,263.20</b>

**Note:**

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

### Trade Payable Includes Amount Payable to Micro, Small and Medium Enterprises as Follows:

	As at 31-03-2020	As at 31-03-2019
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year	18.46	18.46
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	6.65	-
(iii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2000	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

### NOTE 17 - Other Current Financial Liabilities

	As at 31-03-2020	As at 31-03-2019
Current maturities of long-term debt (Refer Note 14.1)	138,427.44	63,138.92
Interest Accrued and due on Borrowings	14,570.46	11,135.97
Unclaimed Dividend *	-	1.71
Other Payables		
For Capital Goods	1,475.01	1,475.01
For Accrued Expenses & Others	1,086.02	2,938.12
<b>Total</b>	<b>155,558.93</b>	<b>78,689.73</b>

\* An amount of ₹ 1.68 lacs (P.Y.: ₹ 1.46 lacs) has been transferred during the year to Investor Education & Protection Fund.

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 18 - Current Tax Liabilities (Net)

(₹ in Lacs)

	As at 31-03-2020	As at 31-03-2019
<b>Tax Liabilities:</b>		
Provision For Taxation	-	922.78
<b>Tax Assets:</b>		
-Income Tax Payments (Including TDS)	(258.47)	(474.45)
-Income Tax Refundable	-	(23.10)
<b>Total</b>	<b>(258.47)</b>	<b>425.23</b>

## NOTE 19 - Other Liabilities

	As at 31-03-2020	As at 31-03-2019
<b>Non Current</b>		
Deferred Government Grant	81.54	89.70
	<b>81.54</b>	<b>89.70</b>
<b>Current</b>		
Advance from Parties *	4,305.83	3,657.66
Deferred Government Grant	8.15	8.15
Liabilities against statutory dues	3,120.75	4,250.16
	<b>7,434.73</b>	<b>7,915.97</b>
<b>Total</b>	<b>7,516.27</b>	<b>8,005.67</b>

\*Advance from Parties includes ₹ 72.70 lacs (P.Y.: ₹ 80.35 lacs) being certain receipts lying under suspense account in absence of information as to the credits in the bank account.

## NOTE 20 - Revenue From Operations

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Sale of Products</b>		
Sale of Manufactured Goods		
Domestic Sales	68,639.44	82,593.80
Sale of Raw Materials	5,195.11	6,689.19
<b>Total</b>	<b>73,834.55</b>	<b>89,282.99</b>

## NOTE 21- Other Income

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Interest Income</b>		
- On Fixed Deposits	2.51	1.99
- Other Deposits	120.76	156.38
Lease Rent Received	-	0.30
Miscellaneous Income	10.35	28.55
Insurance Claim Received	-	150.00
Amortisation of Deferred Government Grant	8.15	8.15
<b>Total</b>	<b>141.77</b>	<b>345.37</b>



# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 22 - Cost of Materials Consumed

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>(including cost of Raw Materials sold)</b>		
Opening Stock of Raw Materials (including intermediates)	3,697.70	8,467.55
Purchases during the year (including freight)	51,310.13	61,468.25
	55,007.83	69,935.80
Less: Closing Stock of Raw Materials	2,346.96	3,521.33
<b>Cost of Raw Materials consumed</b>	<b>52,660.87</b>	<b>66,414.47</b>
Less: Closing Stock of Intermediates	-	176.37
<b>Cost of Materials consumed</b>	<b>52,660.87</b>	<b>66,238.10</b>

## NOTE 23 - Changes in Inventories of Finished Goods & Work-in-Progress

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Opening Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	348.87	425.25
Coal	-	322.35
Iron & Steel Products	1,884.41	567.96
<b>Work-In-Progress</b>		
Ferro Alloys	1,612.65	1,686.46
Coal in Process	-	1,058.92
Iron & Steel Products	612.47	496.04
	<b>4,458.40</b>	<b>4,556.98</b>
<b>Closing Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	370.63	348.87
Coal	-	311.42
Iron & Steel Products	815.14	1,884.41
<b>Work-In-Progress</b>		
Ferro Alloys	1,070.07	1,612.65
Coal in Process	-	1,023.00
Iron & Steel Products	-	612.47
	<b>2,255.84</b>	<b>5,792.82</b>
<b>Total</b>	<b>2,202.56</b>	<b>(1,235.84)</b>

## NOTE 24 - Employee Benefits Expense

	Year Ended 31-03-2020	Year Ended 31-03-2019
Salaries, Wages, Bonus & Allowances	1,377.93	1,642.68
Contribution to Provident & Other Funds	91.66	87.42
Gratuity (Refer Note 30 of standalone)	31.95	32.07
Directors' Remuneration	(33.98)	51.74
Welfare Expenses	22.19	21.78
<b>Total</b>	<b>1,489.75</b>	<b>1,835.69</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 25 - Finance Costs

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
Interest Expense		
To Banks (Refer Note 40)	3,128.26	4,442.95
To Others	7.58	558.10
Other Borrowing Costs	18.10	9.41
<b>Total</b>	<b>3,153.94</b>	<b>5,010.46</b>

## NOTE 26 - Other Expenses

	Year Ended 31-03-2020	Year Ended 31-03-2019
Labour Charges	1,758.94	1,805.04
Power & Fuel	16,870.18	18,950.36
Water Supply Charges	61.38	101.68
Stores, Spares and Consumables	4,362.17	5,624.10
Material Handling Expenses	438.25	519.33
Repairs		
- To Factory Shed & Building	19.71	27.94
- To Plant & Machinery	38.51	116.84
Rent	16.40	28.07
Rates & Taxes	0.41	273.59
Insurance	53.65	75.24
Printing and Stationery	5.73	7.33
Postage and Courier	2.58	4.88
Telephone Charges	17.13	18.58
Travelling & Conveyance	31.18	133.88
Car Running and Maintenance	73.81	54.06
Other Repairs and Maintenance	41.45	88.20
Security Service Charges	216.11	225.79
Membership and Subscription	13.16	5.82
Internal Audit Fees	2.00	2.00
Legal and Professional Charges	109.39	579.13
Auditors' Remuneration [Refer Note Below]	17.69	14.90
Directors' Sitting Fees	0.80	1.08
Claim against quality & quantity	290.56	-
Miscellaneous Expenses	58.37	268.44
Short Realisation/ Loss on sale of DEPB	0.23	0.51
Testing & Inspection Charges	9.50	22.71
Donations	1.37	2.22
Advertisement & Sales Promotion	32.91	47.54
Freight & Forwarding on Export	0.02	0.56
Transportation & Delivery Charges	1,418.92	1,826.65
Commission on Sales	-	2.12
Corporate Social Responsibility	-	1.31
CIRP Cost (Refer Note c below)	41.98	-
Sundry Balances Written Off	221.72	115.31
Allowances for expected credit losses	-	2,770.37
Foreign Exchange Fluctuation Loss	248.50	381.74
<b>Total</b>	<b>26,474.71</b>	<b>34,097.33</b>

### Notes:

(a) Power cost for the year includes reversal of ₹ 512.65 Lacs on account of excess estimated liability booked in earlier period.

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 26 - Other Expenses (Contd.)

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>(b) Auditors' Remuneration:</b>		
<b>Statutory Auditor</b>		
i) For Statutory Audit	9.45	9.45
ii) For Tax Audit	2.00	2.00
iii) For Limited Review	3.75	3.00
iv) For Other services	0.60	-
<b>Sub Total</b>	<b>15.80</b>	<b>14.45</b>
<b>Cost Auditor</b>		
i) As Cost Auditor	0.35	0.35
ii) For Reimbursement of Expenses	0.10	0.10
<b>Sub Total</b>	<b>0.45</b>	<b>0.45</b>
<b>Total</b>	<b>16.25</b>	<b>14.90</b>
<b>(c) CIRP Cost includes:</b>		
i) Legal & Professional Charges	36.25	-
ii) Advertisement	4.83	-
iii) Travelling & Conveyance	0.36	-
iv) Meeting Expenses	0.55	-
	<b>41.98</b>	<b>-</b>

## NOTE 27 - Earnings Per Share

	Year Ended 31-03-2020	Year Ended 31-03-2019
Weighted average number of Equity Shares outstanding during the year	1,137.76	1,137.76
Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	1,137.76	1,137.76
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	(67,949.26)	(19,225.01)
Nominal Value of Ordinary Shares (₹)	10	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>(59.72)</b>	<b>(16.90)</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>(59.72)</b>	<b>(16.90)</b>

**NOTE 28** - Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

**NOTE 29** - The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements to which these consolidated financial statements are attached. Accounting policies specifically related to consolidated financial statements are mentioned in note A to C of standalone. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

**NOTE 30** - Consolidated contingent liability is same as contingent liability of standalone Rohit Ferro Tech Ltd.

**NOTE 31** - Consolidated capital commitments are same as capital commitments of standalone Rohit Ferro Tech Ltd.

**NOTE 32** - Consolidated related party transactions are same as related party transactions of standalone Rohit Ferro Tech Ltd.

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## NOTE 33 - SEGMENT REPORTING:

### A. Basis of segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which is the Company's strategic business units. These business units are managed separately because they require different technology and marketing strategies. For these business units, the Company's management reviews internal reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

Reportable segment	Opeartions
Ferro Alloys and Minerals	Manufacturing
Iron and Steel	Manufacturing

### B. Information about reportable segments

"Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(₹ in Lacs)

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Segment Revenue</b>		
Ferro Alloys and Minerals	37,374.75	47,117.76
Iron and Steel	44,100.04	33,846.23
Inter Segment Revenue	(7,640.24)	(7,825.24)
<b>Total</b>	<b>73,834.55</b>	<b>73,138.75</b>

	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
Ferro Alloys and Minerals	(3,132.97)	(22,896.39)
Iron and Steel	(9,041.76)	(5,878.53)
Unallocated	10.38	210.99
<b>Total</b>	<b>(12,164.35)</b>	<b>(28,563.93)</b>
Finance Cost	3,153.94	5,323.20
Exceptional Items	53,253.76	-
<b>Profit before tax</b>	<b>(68,572.05)</b>	<b>(33,887.13)</b>
Less: Income Tax	(622.79)	-
<b>Profit after tax</b>	<b>(67,949.26)</b>	<b>(33,887.13)</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

## Other information

	Year Ended	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Exps (other than Depreciation)
Ferro Alloys and Minerals	As at 31-03-2020	52,554.35	26,465.88	1.76	2,893.01	-
	As at 31-03-2019	88,321.88	24,082.37	14.03	2,937.98	-
Iron and Steel	As at 31-03-2020	66,368.93	14,716.73	-	419.77	-
	As at 31-03-2019	94,302.18	12,298.09	-	418.67	-
Unallocated	As at 31-03-2020	258.47	-	-	-	-
	As at 31-03-2019	497.55	922.78	-	-	-
<b>Total (31-03-2020)</b>		<b>119,181.74</b>	<b>41,182.61</b>	<b>1.76</b>	<b>3,312.78</b>	<b>-</b>
<b>Total (31-03-2019)</b>		<b>183,121.61</b>	<b>37,303.24</b>	<b>14.03</b>	<b>3,356.65</b>	<b>-</b>

## Secondary segment information (geographical segment)

Segment	Period		External revenue by location of customers	Carrying amount of segment assets by location of assets	Cost incurred on acquisition of tangible and intangible fixed assets
Within India	Year ended	As at 31-03-2020	73,834.55	119,039.84	1.76
	Year ended	As at 31-03-2019	89,282.99	176,753.05	14.03
Outside India	Year ended	As at 31-03-2020	-	141.90	-
	Year ended	As at 31-03-2019	-	6,368.56	-
<b>Total</b>	Year ended	As at 31-03-2020	<b>73,834.55</b>	<b>119,181.74</b>	<b>1.76</b>
	Year ended	As at 31-03-2019	<b>89,282.99</b>	<b>183,121.61</b>	<b>14.03</b>

**NOTE 34** - Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide order dated 07th February, 2020 has commenced Corporate Insolvency Resolution Process (CIRP) against the Parent Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed by State Bank Of India, Financial Creditor of the Company. Mr. Supriyo Kumar Chaudhuri (IP Registration No. IBBI/IPA-001/IP-P00644/2017-18/11098) has been appointed as Interim Resolution Professional (IRP) with effect from 07th February, 2020 under the provision of IBC. It may be further noted that Mr. Supriyo Kumar Chaudhuri has been appointed as Resolution Professional w.e.f 13th March 2020 by voting from majority of the COC members. The above financial statement has been reviewed and signed by Resolution Professional as the power of the boards are suspended due to commencement of the CIRP process.

**NOTE 35** - As per recent verdict from Supreme Court of the Republic of Indonesia No. 1580K/Pdt/2018, SKP Overseas Pte Ltd., Singapore (Subsidiary of Rohit Ferro Tech Limited) does not have legal force and is not eligible to own and/or control shares of PT. Bara Prima Mandiri, Indonesia. Hence, the above consolidated financial statement of Rohit Ferro-Tech Limited ("the company") for the year ended 31st March 2020 does not include figures of PT Bara Prima Mandiri, Indonesia (but included in previous year figures and includes unaudited figures of its subsidiary, SKP Overseas Pte Ltd., Singapore only. The Consolidated Financial Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

**NOTE 36** - The COVID-19 pandemic has adversely impacted the economy and business Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown to curb the spread of COVID-19. Due to this, the manufacturing operations of the company along with supply and distribution got temporarily disrupted. In the light of these circumstances, the management has evaluated the impact on the carrying amounts and recoverability of its assets including financial assets, inventory, property plant and equipment, Intangibles etc. as at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements except as disclosed in exceptional items. Management believes that it has taken into account all the

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements upto the date of approval of accounts. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**NOTE 37 -** (a) The Parent Company's Factory at Haldia (West Bengal) is suspended since 01 July 2015 on account of depressed domestic and global market conditions in steel industry and excess procurement cost of Electricity. Robbery/Damages to certain properties had occurred in the year 2016-17 and the Company had filed insurance claim of ₹ 2,603 Lacs which is under process and additionally the Company has also filed an application in the consumer forum for expediting the insurance claim process. Pending claim settlement, the financial impact of such insurance claim (Burglary/Robbery) on the reported financial remains unascertained and unquantified. Information about thefts taking place at Haldia plant was received and relevant authority were notified. Extensive damages are also seen and the plant has been subjected to theft by the local thieves. Many losses may be post balance sheet date however at present the management has not been able to assess the exact quantum of loss so an impairment on all the assets (except land) at Haldia Plant has been provided keeping salvage value of ₹ 50 lacs for plant and machinery. The same shall be subject to revision on actual valuations being done. Accordingly the Company has provided impairment of ₹ 13,789 lacs and included it in the Exceptional Items during the current financial year. (b) Owing to recent downturn caused by the Covid 19 pandemic in the economy and industries across which has severely impacted the businesses liquidity. Based on evaluation and age wise analysis of trade receivable, it is observed that the credit risk on the aforesaid financial instrument has increased significantly and the management has decided to revise the expected credit loss policy and make 100% provision as a precautionary measures on all the Pre CIRP debtors outstanding for a period exceeding one year. Accordingly, an amount of ₹ 39,464 Lacs has been provided during the financial year for Expected Credit Loss (ECL) and is shown as Exceptional Items to the statement of profit and loss. The financial impact on account of change of ECL Policy is ₹ 29,463 Lacs.

**NOTE 38 -** As a part of Corporate Insolvency Resolution Process (CIRP), creditors of the company were called to submit their claims to the Resolution Professional (RP). The summary of claim till 14th Aug, 2020 is shown hereunder:

(₹ In Lacs)			
Particulars	Amount of Claims submitted	Amount of Claims admitted by Resolution Professional	Excess of claims submitted over claims admitted
Financial Creditors	402,235.24	387,736.46	14,498.77
Operational Creditors	37,573.17	12,612.83	24,960.33
Other Claims	7,426.56	-	7,426.56

The party-wise reconciliation of outstanding balances appearing in books of account vis-a-vis claims submitted and admission of claim by RP is pending. This is an ongoing process till the approval of the resolution plan and the balances are subject to updation and reconciliations. Hence consequential impact if any on the financials is not currently ascertainable and no accounting adjustment has been made in the books of accounts for differences.

**NOTE 39 -** The Parent Company has been referred to NCLT by one of its lenders and consequently CIRP has been initiated, as detailed in Note 34. The Company has incurred consolidated loss of ₹ 68,661 lacs for the year ended 31st March, 2020 and accumulated consolidated loss as on 31st March, 2020 is ₹ 2,52,172 lacs which is in excess of the entire net worth of the company. The Company's ability to meet its contractual and financial obligation is dependent on the resolution of the matter as a part of CIRP. Currently the company is in the process of identifying the resolution alternatives, and have invited EOI from prospective suitors and accordingly the financial statement are at present being prepared on a going concern basis. The future prospects of the company to remain as a going concern shall be subject to resolution plan, if any, received and being approved by the Committee of Creditors and the Honorable NCLT Court. Appropriateness of the going concern assumption on which the financial statement of the SKP Overseas Pte Ltd are prepared is dependent on the continued financial support from its director, share holders and resolution plan.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

**NOTE 40** - The lenders have stopped charging interest on debts, since the dues from the company have been categorised as Non Performing Asset. The company has not provided accrued interest in its books as the account has been declared NPA by the respective lenders. The amount of interest has been recognised in the books of accounts to the extent the amount charged/realised by the bank till pre CIRP as reflected in the bank statement. The amount of interest not so provided for the year ended 31st March 2020 till the date of commencement of CIRP stands at ₹ 22,483 Lacs. Penal interest and charges thereof (amount remaining unascertained) has not been provided for. The unprovided liability in respect of interest on borrowings as on 31st March 2020 amounted to ₹ 1,09,602 Lacs. The liability towards any interest, penal interest charges, and other charges prior to commencement of CIRP have been charged and claimed in FORM C. Accordingly no provision has been considered for the same. The non provision of interest might have consequential impact on the reported figures

**NOTE 41** - In the opinion of the management, current and non current assets have a value of realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. The balance of "Trade Receivables", "Trade Payables", "Advances from Customers", "Advances Recoverable In Cash or Kind" and "Advances to Suppliers and Other Parties" includes balances remaining outstanding for a substantial period. The balances are subject to confirmations and reconciliations. The Balance with revenue authorities are subject to final assessment order and/or submission of returns. The reported financials might have consequential impact upon the confirmations are received and reconciliation, if any, is made.

**NOTE 42** - The Company has adopted IND AS 116- "Leases" with effect from 01st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) in the companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of the standard have insignificant impact on the reported financial for the year ended 31st March 2020.

**NOTE 43** - The Consolidated Financial Statement includes the financial statements of the Parent Company and its wholly-owned subsidiary, SKP Overseas Pte. Ltd., incorporated in Singapore. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

**Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary.**

Name of the Entity	As at 31-03-2020		As at 31-03-2019	
	Net Assets (Total Assets- Total Liabilities)		Net Assets (Total Assets- Total Liabilities)	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Net Assets	Amount (₹)
<b>Parent Company</b>				
Rohit Ferro Tech Limited	95.69%	(189,286.21)	94.93%	(121,326.49)
<b>Subsidiaries</b>				
<b>Foreign</b>				
SKP Overseas PTE Ltd	4.31%	(8,527.02)	3.27%	(4,175.53)
PT Bara Prima Mandiri	0.00%	-	1.09%	(1,394.36)
<b>Minority Interest in all Subsidiaries</b>	0.00%	-	0.71%	(908.22)
<b>Total</b>	<b>100%</b>	<b>(197,813.23)</b>	<b>100%</b>	<b>(127,804.60)</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

Name of the Entity	As at 31-03-2020		As at 31-03-2019	
	Net Assets (Total Assets- Total Liabilities)		Net Assets (Total Assets- Total Liabilities)	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Net Assets	Amount (₹)
<b>Parent Company</b>				
Rohit Ferro Tech Limited	98.98%	(67,959.70)	90.52%	(20,386.13)
<b>Subsidiaries</b>				
<b>Foreign</b>				
SKP Overseas PTE Ltd	1.02%	(701.79)	4.63%	(1,045.47)
PT Bara Prima Mandiri	0.00%	-	2.91%	(654.41)
<b>Minority Interest in all Subsidiaries</b>	0.00%	-	1.94%	(436.27)
<b>Total</b>	<b>100%</b>	<b>(68,661.49)</b>	<b>100%</b>	<b>(22,522.28)</b>

**NOTE 44** - Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding years are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner  
Membership No: 064308  
Place: Kolkata  
Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer



**FORM AOC 1**

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/ Joint Ventures**

**PART "A" - Subsidiaries**

(₹ In Crores)

Sl. No.	Name of the Subsidiary	SKP Overseas PTE Ltd.
1	The date since when the subsidiary was acquired	9th April, 2008
2	Reporting Period	2019-20
3	Reporting Currency	INR (Converted)
4	Exchange	75.3675
5	Share Capital	112.39
6	Reserves & Surplus	-197.66
7	Total Assets	-
8	Total Liabilities (Excluding Equity & Other Equity)	85.27
9	Investments	-
10	Turnover*	-
11	Profit Before Taxation	-0.00
12	Provision for Taxation	-
13	Profit After Taxation	-0.00
14	Proposed Dividend	-
15	% of Shareholding	100%

\*Currency rate for turnover has been taken on average rate.

1. Name of Subsidiaries which are yet to commence operations : None
2. Name of Subsidiaries which have been liquidated or sold during the year : None

**PART "B" - Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associate/Joint Venture	N.A.
1	<b>Latest Audited Balance Sheet date</b>	-
2	<b>Date on which the associate or Joint Venture was associated or acquired</b>	-
3	<b>Shares of Joint Ventures held by the Company on the year end</b>	
	No. of Shares	-
	Amount of Investment in Joint Venture	-
	Extend of Holding %	-
4	<b>Description of how there is significant influence</b>	-
5	<b>Reason why the Joint Venture is not consolidated</b>	-
6	<b>Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lacs)</b>	-
7	<b>Profit/Loss for the year (₹ in Lacs)</b>	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

1. Names of Associates or Joint Ventures which are yet to commence operations : None

2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : None

As per our report of even date attached

For **R Kothari & Co LLP**  
Chartered Accountants  
FRN: 307069E/E300266

**CA Manoj Kumar Sethia**  
Partner

Membership No: 064308

Place: Kolkata

Date: The 26th day of August, 2020

For **Rohit Ferro-Tech Limited**

**Supriyo Kumar Chaudhuri**  
Resolution Professional

**Anil Prasad Shaw**  
Company Secretary

**Vipul Jain**  
Chief Financial Officer





*If undelivered, please return to :*

**Rohit Ferro-Tech Limited**

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