

# Shyam Century Ferrous Limited

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Fax : 03655-278217, E-mail : investors@shyamcenturyferrous.com, Website - www.shyamcenturyferrous.com  
CIN-L27310ML2011PLC008578

Date: 12<sup>th</sup> September, 2016

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

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

Dear Sir(s),

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

Re: Submission of Annual Report for the Financial Year 2015 -16

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of the Annual Report of the Company for the Financial Year 2015-16 duly approved and adopted by the members at its Annual General Meeting held on 9<sup>th</sup> September, 2016.

This is for your information and necessary action.

Thanking you,

Yours Faithfully  
For Shyam Century Ferrous Limited

  
Rachna Pareek  
Company Secretary

Encl: As above



**TOUGH TIMES  
DON'T LAST...  
TOUGH  
PEOPLE  
DO**

**SHYAM CENTURY FERROUS LIMITED  
ANNUAL REPORT 2015-16**

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## FORWARD-LOOKING STATEMENT

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 or oral, that we periodically make, contain forward-looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimates', 'expect', 'projects', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion relating to future performance of the Company.

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.

# Corporate Information

CIN : L27310ML2011PLC008578

## BOARD OF DIRECTORS

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

## AUDITORS

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

## CHIEF EXECUTIVE OFFICER

Mr. M.V.K. Nageswara Rao

## CHIEF FINANCIAL OFFICER

Mr. Debasis Mukhopadhyay

## COMPANY SECRETARY

Ms. Rachna Pareek

## BANKERS

The North Eastern Development Finance Corporation Ltd  
Oriental Bank of Commerce

## REGISTERED OFFICE

Vill: Lumshnong, P.O. Khaliehriat  
Dist: East Jaintia Hills  
Meghalaya - 793 210

## WORKS

Ferro Alloy & Power Plant  
EPIP, RajaBagan,  
Byrnihat - 793 101  
Ri-Bhoi, Meghalaya

## CORPORATE OFFICE

'Satyam Towers', 1st Floor,  
Unit No. 9B,  
3, Alipore Road  
Kolkata - 700 027  
Phone : 033 22484169/70  
Fax : 033 22484168  
Email : [investors@shyamcenturyferrous.com](mailto:investors@shyamcenturyferrous.com)  
Website : [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com)

## REGISTRARS & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane (Surendra Mohan Ghosh Sarani),  
2nd Floor, Kolkata - 700 001

# From the Board of Directors

*Dear Shareholders,*

I am pleased to present you the FY2015-16 Annual Report of the Company. The year was a difficult one, not just for us but for the entire Ferro Alloy and Steel industry. It was a year that tested what we are made of and not what we make, a year in which only the resilient ones could survive. At Shyam Century Ferrous Limited (SCFL), we are ecstatic to face challenges as it motivates us to slog harder, come out of our comfort zones and bring out the best in us.

During the year, our topline declined marginally by 2% to ₹ 113.63 crore, regardless of a 16% increase in Ferro Silicon sales volume to 16,105 metric tonnes (MT), owing to a steep fall in Ferro Alloy prices globally, resulting in lower realisations. Further, the rising input costs (power and logistics costs) dented our profitability as EBITDA and PAT declined 56% and 80% respectively to ₹ 7.51 crore and ₹ 1.07 crore respectively. In the power business, the Company generated 552.46 lacs KWH compared to 641.17 lac KWH, all of which was captively consumed.

The Ferro Alloy business in India was negatively impacted due to two factors. Firstly, the downturn in the steel industry (primary consumer of Ferro Alloy) that drives the Ferro Alloys demand and prices. In FY2015-16, the steel production in India declined 1.1% to 91.12 million metric tonnes (MMT), consumption grew 4.3% to 80.27 MMT and exports fell 32% to 3.80 MMT. Despite, a rise in steel demand in India, the international prices of steel fell considerably given the weak demand in the major markets. This resulted in major producers (China, Japan and South Korea) to export steel at predatory prices to Indian market. The import glut in the Indian market severely impacted the financial health of steel players coercing them to undertake significant margin erosion and cost squeezing.

Secondly, the incessant dumping of Ferro Silicon from China, Malaysia and Bhutan was forcing the Indian Ferro Alloy players to take a hit on realisation.

These two factors significantly drove down Ferro Alloy realisations for Indian players. However, the strengthening Indian economy, rising infrastructure spending and roll-out of favourable policies by the Government is expected to enhance steel demand in India. The World Steel Association expects the steel demand in India to grow 5.4% yearly to 83.8 MMT in 2016 and 88.3 MMT in 2017. Besides, the imposition of minimum import price (MIP) on steel products by the Government in February 2016 is likely to protect the interests of Indian Steel and Ferro Alloy players.

## **TOUGH TIMES, TOUGHER RESOLVE**

At SCFL, we believe that tough times don't last, but tough people do. It is this persistence and motivation that enabled us to convert the challenges into opportunities as we stepped on various initiatives to strengthen our business model that can enable us emerge stronger as a Company. These initiatives include:

- Undertaking various shop floor initiatives to enhance operational efficiencies and reduce cost of production.
- Strengthening quality control parameters across all production stages to meet the highest standards of product quality.
- Improving the reliability of power (through captive power generation) and raw materials supply (through improving relations and business terms with suppliers) to enhance plant uptime.
- Undertaking significant planning to create a structured supply chain system to improve finished goods supply reliability, ensure on-time delivery and provide value-added services to clients.

**At SCFL, we believe that tough times don't last, but tough people do. It is this persistence and motivation that enabled us to convert the challenges into opportunities as we stepped on various initiatives to strengthen our business model that can enable us emerge stronger as a Company.**

## INDUSTRY OPTIMISM

- **Increased infrastructure spending:** The demand for steel is highly correlated to the developments in the infrastructure segment. For FY2016-17, the Government of India increased its allocation to the infrastructure sector by 32% to ₹ 2.21 lacs crore with roads, rural development, shipping and railways witnessing the highest rise in allocation. A sum of ₹ 97,000 crore has been allocated to roads sector for reviving stalled projects, constructing 10,000 kms of highway, constructing rural roads under the Pradhanmantri Gram Sadak Yojna and upgrading 50,000 kms of state highways to national highways. Railways received an allocation of ₹ 1,21,000 crore for various modernisation, cleanliness and expansion programmes. Ports received an allocation of ₹ 800 crore for development of new ports and ongoing work on National Waterways project. Other projects include modernisation of airports and construction/expansion of metro rail projects. Further, it is estimated that the country needs an investment of USD 1.5 trillion over the next 10 years to meet the shortfall in infrastructure sector.
- **Strengthening macro-economy:** The Indian economy grew strongly by 7.6% in FY2015-16 compared to 7.2% in FY2014-15 amidst declining global trade and economic slowdown. During the end of FY2015-16, most of major macro-economic factors were under control – inflation was under 5%, fiscal deficit reduced to 3.99% of the GDP, interest rates declined 75 basis points to 6.75% and forex reserves surged to USD 355.60 bn. Besides, the significantly improving manufacturing and business scenario in the country is likely to boost steel demand.
- **Growing automobile industry:** The Society of Indian Automobile Manufacturers (SIAM), the apex body of Indian automobile industry, expects the sector to grow

strongly driven by strong economic growth, rising disposable income, forecast of normal monsoon that shall drive rural demand and low interest rates. The automobile sector in India, being the primary consumer of steel is likely to boost steel demand.

Outlook FY2015-16, in spite of being one of the most difficult years in our existence could not dampen our spirits as we managed to remain profitable even when most of the players related to the sector suffered severe losses. Our robust business model, focus on quality, proximity to raw material and mines, and constant endeavour for improvement enabled us to survive the downturn. We shall continue to put in efforts to further strengthen the business to enable us become a relatively de-risked Company focussed on maximising shareholders' value.

## MESSAGE TO SHAREHOLDERS

Finally, on behalf of the board, I would like to thank all the stakeholders (shareholders, suppliers, bankers, supply chain partners and employees) for being an important part of our journey. I would like to assure you that the Company and its employees are putting in great efforts to grow manifold in the coming years.

Regards,

On behalf of the Board of Directors  
**Sajjan Bhajanka**  
Director

# Directors' Report & Management Discussion Analysis

Dear Shareholders,

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss for the year ended on that date.

## FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company for the Financial Year ended 31st March, 2016 as compared to the previous Financial Year are as under:-

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Net Sales / Income	11,363.42	11,591.00	11,363.42	11,591.00
Profit Before Depreciation, Interest & Tax	750.68	1,708.13	750.68	1708.13
Depreciation	(294.14)	(463.98)	(294.14)	(463.98)
Interest and Finance Charges	(297.77)	(334.62)	(297.77)	(334.62)
Exceptional Items	-	(28.23)	-	(28.23)
Profit Before Tax	158.77	881.30	158.77	881.30
Tax Expenses:				
-Current Tax	(54.56)	(354.04)	(54.56)	(354.04)
-Deferred Tax	3.19	4.95	3.19	4.95
Profit after Tax	107.40	532.21	107.40	532.21
Share of profit of associates	528.38	265.77	-	-
Net profit after taxes and share of profit of associates	635.78	797.98	-	-

During the year under review, your Company has sold 16,105 MT of Ferro Silicon as against 13,849 MT during the immediate previous year resulting an increase of 16 % in Sales volume despite stressed market condition.

## SHARE CAPITAL

The paid up Equity Capital as on March 31, 2016 was ₹ 2,221.73 Lacs. During the year, pursuant to the Scheme of Arrangement as approved by the Hon'ble Meghalaya High Court, the Board of Directors of the Company at their meeting held on 28th April, 2015, issued and allotted 22,21,72,990 Equity Shares of ₹ 1/- each to every member of Star Ferro and Cement Limited (SFCL) holding fully paid up equity shares of SFCL and whose name appeared in the Register of Members of SFCL as on 24th April, 2015, the record date fixed by SFCL for this purpose. Accordingly, shares of your Company got listed in National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE) and trading started with effect from 28th July, 2015.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity shares.

## FERRO ALLOY BUSINESS – RETROSPECT AND OUTLOOK

Ferro Alloys is an additive which is used in manufacturing of steel which consists of less than one percent of the total raw material required for steel production. Despite being very low constituent, Ferro Alloys are vital additives for steel making. The principal function of Ferro Alloy addition is that it increases the resistance of steel to corrosion and oxidation, improves its hardenability, tensile strength at high temperatures, wear and abrasion resistance and increases its other properties like creep strength etc. Ferro Alloys are generally used to impart engineering properties to steel. Ferro Alloys are vital input for producing all type of steel and are used as raw material in the production of special steels, alloy steels and stainless steels.

Production of Crude Steel, Alloy and Special Steel and Stainless Steel are major demand drivers of Ferro Alloys. Owing to demand de-growth, Financial Year 2015-16 witnessed a steep fall in commodity prices globally including prices of steel leading to immense pressure on operating margins of the steel plants worldwide including India. Besides, weak demand in major steel-producing neighboring nations such as China, Japan and South Korea have forced them to focus on exports at aggressive prices to large consumers like India, hurting the financial health of the Indian steel makers further. The current woes and challenges of the steel industry on account of cheap imports at predatory prices remain concern for Ferro Alloy Industry of the country. Apart from weak steel demand for the reasons stated above, demand for Indian Ferro Alloy Industry had also been facing dumping of Ferro Silicon from China, Malaysia and Bhutan which impacted realization during the year under review.

Despite these constraints and challenging environment, your Company continued to focus on its fundamental strength of its ability to continuously focus on productivity and quality. There was strong emphasis on internal efficiencies together with an improvement in the sales mix which enabled your Company to withstand inflationary pressures on costs and profitability. However, huge erosion of realisation shows sharp decline in Profitability of the Company in this Financial Year as compared to previous year.

During the year under review, your Company has sold 16,105 MT of Ferro Silicon as against 13,849 MT during the immediate previous year resulting an increase of 16 % in Sales volume despite stressed market condition. While your Company constantly strives to increase stakeholder's value, emphasis continues to be on delivering value to customers and strengthening processes while driving sustainable practices, resulting into expanding our customer base.

Indian Ferro Alloy Industry has been facing challenges on cost front too in form of high cost of electric power, a major cost driver, inadequate transportation facilities and technological challenges. India accounts for 10% of world's Ferro Alloy production with installed capacity of more than 5 Million MT per annum. The industry has abundant rich

Chrome Ore and Manganese deposit but has not been globally competitive despite low manpower cost mainly due to challenges faced by the Industry as mentioned above.

Indian Ferro Alloy Market is likely to experience slight contraction in short term on account of lowering of export demand. On Price and realisation front, it is expected to moderate further but at a slower pace. There is stiff competition from the producers and exporters of the Ferro Alloys in India. Exports from India to China, South Africa and other countries, constituting nearly 50% of the market of the Ferro Alloys earlier, is suffering heavily for economic slowdown in China and low-cost infiltration of Ferro Alloys from Malaysia and Bhutan. However, with Government's focus on housing and infrastructure, steel demand is likely to get a boost and thereby country's Ferro Alloy Industry is likely to improve. Recent initiative of Central Government in the area of regulating steel imports through import duty rationalisation is also likely to have positive impact on country's steel and Ferro Alloy industry.

## POWER BUSINESS

During the year under review, your Company generated 552.46 Lacs unit as compared to 641.17 Lacs unit which was captively consumed by the Company.

Further, the performance of M/s. Meghalaya Power Limited, Associate Company was very optimistic. The power generation has increased to 1,831.14 Lacs units as compared to 1,679.23 Lacs units recorded in the previous year. During the Financial year 2015-16, the Company has posted PBT of ₹ 1,472.07 Lacs and PAT of ₹ 1,082.84 Lacs as against ₹ 1,287.39 Lacs and ₹ 544.66 Lacs respectively recorded in the previous Financial Year.

## OPPORTUNITIES & THREATS, RISKS AND CONCERNS

Performance of the Company depends on the continued demand for our products in the steel and stainless steel industry. The Steel business is cyclical in nature, accordingly, performance and results of operations are influenced by a variety of factors relating to the steel industry like fluctuations in demand and supply of steel and steel products, both domestically and internationally, general economic conditions and changes in the international prices of steel and steel products and slowdowns in steel industry. Uncertainty of availability of raw materials and other resources such as water, uninterrupted power supply, skilled manpower etc., high cost, insufficient infrastructural facilities for rapid transportation from ore mines to plants may also affect the operations and in turn the financial condition and profitability of the Company.

Despite these threats, Indian Ferro alloy industry has tremendous growth opportunities due to very fast industrialisation and urbanisation in India which may lead India in emerging as the leading exporter of Ferro Alloys for the world.

With the Government's thrust to develop infrastructure sectors and allocation of more funds, the Ferro alloy



industry which fully depends on performance of steel industry, is expected to grow in future. The Government has listed few Ferro Alloys under the Focus Product Scheme which provides export benefits to the sector. It has also listed Ferro manganese slag under the restricted list of imports and imposed high customs duty on raw materials for manufacturing Ferro vanadium.

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

## PERFORMANCE AND OPERATIONS REVIEW

Due to slower growth in Global steel market output, the performance of Ferro alloy remained dampened during the year under review. Despite weak economy and intense market situation, the Ferro Alloy segment posted total revenue of ₹ 11,363.42 Lacs and Profit before Tax of ₹ 158.77 Lacs as against ₹ 11,591.00 Lacs and ₹ 881.30 Lacs respectively during the previous Financial Year. During the year under review, your Company produced 15,104 MT of Ferro Silicon as against 14,835 MT during FY 2014-15. Although, net realisation per ton has reduced considerably during the year under review as compared to previous Financial Year, your Company has been able to sustain these pressures by bringing efficiencies in operations.

## EXTRACT OF ANNUAL RETURN

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

## MEETINGS OF THE BOARD

During the year six (6) Board Meetings and four (4) Audit Committee meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meeting are provided in the Corporate Governance Report.

## MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, meeting of Independent Directors were held on 22nd December, 2015 and 21st March, 2016 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also, inter-alia, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## COMMITTEES OF THE BOARD

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

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit & loss of the Company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

## DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Santanu Ray, Mr. Mangilal Jain and Mrs. Plistina Dkhar are Independent Directors on the Board of your Company. In the opinion of

the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made there under about their status as Independent Director of the Company.

#### **FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTORS**

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

#### **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Remuneration Policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The details on the same are given in the Corporate Governance Report.

#### **AUDITORS & AUDITORS' REPORT**

M/s. Kailash B. Goel & Co., Chartered Accountants (Firm Registration Number 322460E), Statutory Auditors of the Company, have been appointed by the members at the third Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 4th July, 2014. The Board, in terms of Section 139 of the Act, on recommendation of the Audit Committee, has recommended for the ratification of the appointment of Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the Sixth Annual General Meeting.

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

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

#### **SECRETARIAL AUDIT**

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

#### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration Number 000064) as Cost Auditors of the Company for the Financial Year ended 31st March, 2016 in the Board Meeting held on 10th August, 2015. The remuneration proposed to be paid to them for the Financial Year 2015-16, as recommended by Audit Committee, was ratified in the meeting of shareholders held on 25th September, 2015.

M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) have expressed their willingness to be appointed as Cost Auditors of the Company for ensuing Financial Year. The Board, on recommendation of the Audit Committee has appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the Financial Year 2016-17 subject to ratification of their remuneration by shareholders in the General Meeting of the Company.

The Cost Audit report for the Financial Year 2014-15 was filed with the Ministry of Corporate Affairs on 22nd September, 2015.

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

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

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

#### **RELATED PARTY TRANSACTIONS**

All Related Party Transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the

Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

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

## RESERVES

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

## DIVIDEND

In order to conserve resources for future operations, your Directors do not recommend any dividend for the Financial Year 2015-16.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

- Provision of Bed coil protection to minimize bed coil leakage resulted into lowering down stoppages and better plant availability together with enhanced bed coil life.
- Measures undertaken in Air and Water System of Power Plant resulted into reduction in Auxiliary Power Consumption.
- Improvement in quality of raw materials resulted into reduction in specific power consumption in Ferro Silicon production.
- Less Stroking of Charged Material in furnace resulted into reduction in diesel consumption.

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

- Conversion of Operation of VFD in CT Fan Motor from local mode to remote mode resulted into reduction in power consumption in operation of CT Fan Motor.

- Controlling main steam temperature by boiler operation resulted into reduction in power consumption in operation of Boiler Feed Pump motor.
- Arresting air leakages in boiler ducting, APH & Primary airline resulted into reduction in power consumption in ID Fan, FD Fan & PA Fan.
- The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems for quality improvement. During the year under review, your Company incurred Capital expenditure of ₹ 7.73 Lacs and there was no Revenue Expenditure in Research & Development.

### (C) Foreign Exchange Earnings And Outgo

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

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

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

During the year under review the Company has constituted Corporate Social Responsibility Committee as per the requirements of Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Nagraj Tater, Director of your Company and consists of members as stated below:

Sl. No.	Name	Category	Chairman/ Members
1.	Mr. Nagraj Tater	Non-Independent	Chairman
2.	Mr. Aditya Vimalkumar Agrawal	Non-Independent	Member
3.	Mr. Mangilal Jain	Independent	Member

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and marked **Annexure-3**.

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

## EVALUATION OF THE BOARD'S PERFORMANCE

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

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

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

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

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

During the year under review, Ms. Hasti Doshi, Chief Financial Officer (CFO) resigned from the services of the Company on 10th August, 2015. The Board places on record their appreciation for the services and contributions made by Ms. Doshi during her tenure.

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, appointed Mr. Debasis Mukhopadhyay as Chief Financial Officer (CFO) with effect from 11th August, 2015.

The following personnel are Key Managerial Personnel of the Company:

1. Mr. M.V.K. Nageswara Rao - Chief Executive Officer
2. Mr. Debasis Mukhopadhyay - Chief Financial Officer
3. Ms. Rachna Pareek - Company Secretary

#### **SUBSIDIARY, ASSOCIATE AND JOINT VENTURE**

The Company does not have any subsidiary and joint venture. M/s. Meghalaya Power Limited is an Associate Company.

#### **AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S ASSOCIATE**

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing salient features of the financial statement of Associate Company Meghalaya Power Limited (MPL) for the year ended March 31, 2016 is annexed in the Form AOC – 1 and marked as **Annexure-4**.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

The detailed financial statements of the Associate Company are available for inspection at the Registered Office of the Company during office hours between 11 A.M. and 1 P.M. As per the provisions of Section 136 of the Companies Act, 2013, separate audited financial statements of its Associate Company are being placed on its website: [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) and the Company will arrange to send the financial statements of its Associate Company upon written request from the shareholders to their registered address.

#### **POLICY ON PREVENTION OF SEXUAL HARASSMENT**

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

#### **DEPOSITS**

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

#### **CHANGES IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS**

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

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

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

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

The Internal Audit Department of the Company periodically reviews the effectiveness and efficacy of Internal Control Systems and procedures. Audits are finalized and conducted based on internal risk assessments. Significant deviations from the standard procedures are brought to the notice of the Board periodically and corrective measures are recommended for implementation. All these steps

facilitate timely detection of any irregularities, frauds and errors and early remedial measures to be undertaken so that no monetary losses are sustained. Significant audit observations, if any, and corrective actions thereon are presented to the Audit Committee of the Board.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## MANAGERIAL REMUNERATION

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure- 5**.

## PARTICULARS OF EMPLOYEES

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## CORPORATE GOVERNANCE

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

## CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

## GREEN INITIATIVES IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered

email IDs of the shareholders, wherever applicable. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

## HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

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

The Company focuses on enhancing organizational performance by focusing on quick grievance resolution mechanisms and maintaining cordial relations with employees and workmen across all levels. The relation amongst its employees remained harmonious and the year under review remained free from any labor unrest.

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

## CAUTIONARY STATEMENT

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

## ACKNOWLEDGEMENT

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

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

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 3rd May, 2016

Nagraj Tater  
Director  
DIN: 00266072

Sajjan Bhajanka  
Director  
DIN: 00246043

# Annexure 1 to Directors' Report

## FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2016

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

#### I REGISTRATION AND OTHER DETAILS:

1	CIN	L27310ML2011PLC008578
2	Registration Date	12th April, 2011
3	Name of the Company	Shyam Century Ferrous Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non-Govt. Company
5	Address of the Registered office & contact details	Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655 - 278215 Email- info@shyamcenturyferrous.com investors@shyamcenturyferrous.com website - www.shyamcenturyferrous.com
6	Whether listed Company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Private Limited 6, Mangoe Lane (Surendra Mohan Ghosh Sarani) 2nd Floor, Kolkata – 700 001 Phone: 033-22482248; 033-22435029 Email - mdpldc@yahoo.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Ferro Alloys	24104	99.80

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

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

**IV SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	9,76,03,576	-	9,76,03,576	43.93	43.93
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	5,00,000	5,00,000	100.00	3,93,29,080	-	3,93,29,080	17.70	17.70
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub -total (A) (1)</b>	-	5,00,000	5,00,000	100.00	13,69,32,656	-	13,69,32,656	61.63	61.63
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter (A) = (A) (1) + (A) (2)</b>	-	5,00,000	5,00,000	100.00	13,69,32,656	-	13,69,32,656	61.63	61.63
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others:									
Foreign Portfolio Investors	-	-	-	-	2,49,170	-	2,49,170	0.11	0.11
<b>Sub-total (B)(1)</b>	-	-	-	-	2,49,170	-	2,49,170	0.11	0.11
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	-	-	-	-	4,54,64,062	16,500	4,54,80,562	20.47	20.47
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lacs	-	-	-	-	89,05,392	8,42,654	97,48,046	4.39	4.39
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lacs	-	-	-	-	2,89,78,955	-	2,89,78,955	13.04	13.04
c) Others (specify)									
1. Clearing member	-	-	-	-	5,95,882	-	5,95,882	0.27	0.27
2. Non-resident Individual	-	-	-	-	75,219	-	75,219	0.03	0.03
3. Trusts	-	-	-	-	1,10,250	-	1,10,250	0.05	0.05
4. NBFCs registered with RBI	-	-	-	-	2,250	-	2,250	0.00	0.00
<b>Sub-total (B)(2)</b>	-	-	-	-	8,41,32,010	8,59,154	8,49,91,164	38.25	38.25
<b>Total Public shareholding (B) = (B) (1) + (B) (2)</b>	-	-	-	-	8,43,81,180	8,59,154	8,52,40,334	38.37	38.37
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	5,00,000	5,00,000	100.00	22,13,13,836	8,59,154	22,21,72,990	100.00	100.00

Note-1 As on 1st April, 2015 the entire Equity Share Capital of M/s. Shyam Century Ferrous Limited, comprising of 5,00,000 equity shares of ₹ 1/- each fully paid up held by M/s. Star Ferro and Cement Limited (SFCL) were cancelled as per the Scheme of Arrangement (inter-alia providing for demerger of the Ferro Alloy division of SFCL) sanctioned by the Hon'ble High Court at Meghalaya by an Order dated 31st March, 2015.

Note-2 On demerger of Ferro Alloy division of SFCL, one equity share of ₹ 1/- each fully paid up (aggregating to 22,21,72,990 equity shares) were allotted on 28.04.2015 by the Company for every one equity share of ₹ 1/- each fully paid up held by the members of SFCL as per the Scheme of Arrangement sanctioned by the Hon'ble High Court at Meghalaya by an Order dated 31st March, 2015.



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	Star Ferro and Cement Limited	5,00,000	100.00	-	-	-	-	-
2	Sajjan Bhajanka	-	-	-	1,18,95,675	5.35	-	5.35
3	Prem Kumar Bhajanka	-	-	-	2,73,69,386	12.32	1.35	12.32
4	Santosh Bhajanka	-	-	-	1,50,49,500	6.77	-	6.77
5	Sanjay Agarwal	-	-	-	1,47,88,245	6.66	-	6.66
6	Divya Agarwal	-	-	-	1,44,88,750	6.52	-	6.52
7	Yash Bhajanka	-	-	-	32,97,170	1.48	-	1.48
8	Hari Prasad Agarwala	-	-	-	24,35,760	1.10	-	1.10
9	Sumitra Devi Agarwala	-	-	-	16,76,250	0.75	-	0.75
10	Hari Prasad Agarwala (HUF)	-	-	-	15,30,990	0.69	-	0.69
11	Bhawna Agarwal	-	-	-	12,73,690	0.57	-	0.57
12	Sonu Bhajanka	-	-	-	10,30,010	0.46	-	0.46
13	Payal Agrawal	-	-	-	10,00,000	0.45	-	0.45
14	Shraddha Agarwal	-	-	-	8,00,000	0.36	-	0.36
15	Rajesh Kumar Agarwal	-	-	-	7,45,225	0.34	-	0.34
16	Keshav Bhajanka	-	-	-	1,22,925	0.06	-	0.06
17	Nancy Bhajanka	-	-	-	1,00,000	0.05	-	0.05
18	Sriram Vanijya Pvt. Ltd.	-	-	-	85,02,180	3.83	-	3.83
19	Brijdham Merchants Pvt. Ltd.	-	-	-	77,43,990	3.49	-	3.49
20	Sumangal International Pvt. Ltd.	-	-	-	76,66,800	3.45	-	3.45
21	Sumangal Business Pvt. Ltd.	-	-	-	68,31,240	3.07	-	3.07
22	Sriram Merchants Pvt. Ltd.	-	-	-	67,39,870	3.03	-	3.03
23	Auroville Investments Pvt. Ltd.	-	-	-	18,45,000	0.83	-	0.83
	<b>Total</b>	<b>5,00,000</b>	<b>100.00</b>	<b>-</b>	<b>13,69,32,656</b>	<b>61.63</b>	<b>1.35</b>	<b>61.63</b>

Note-1 As on 1st April, 2015 the entire Equity Share Capital of M/s. Shyam Century Ferrous Limited, comprising of 5,00,000 equity shares of ₹ 1/- each fully paid up held by M/s. Star Ferro and Cement Limited (SFCL) were cancelled as per the Scheme of Arrangement (inter-alia providing for demerger of the Ferro Alloy division of SFCL) sanctioned by the Hon'ble High Court at Meghalaya by an order dated 31st March, 2015.

Note-2 On demerger of Ferro Alloy division of SFCL, one equity share of ₹ 1/- each fully paid up (aggregating to 22,21,72,990 equity shares) were allotted on 28.04.2015 by the Company for every one equity share of ₹ 1/- each fully paid up held by the members of SFCL as per the Scheme of Arrangement sanctioned by the Hon'ble High Court at Meghalaya by an order dated 31st March, 2015.

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>1</b>	<b>Star Ferro and Cement Limited</b>						
	At the beginning of the year	01.04.2015		5,00,000	100.00	5,00,000	100.00
	Changes during the year (see note 1)			(5,00,000)	(100.00)	-	-
	At the end of the year	31.03.2016		-	-	-	-
<b>2</b>	<b>Sajjan Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	1,66,15,675	7.48	1,66,15,675	7.48
		21.08.2015	Transfer	(47,20,000)	(2.12)	1,18,95,675	5.35
	At the end of the year	31.03.2016		1,18,95,675	5.35	1,18,95,675	5.35
<b>3</b>	<b>Sanjay Agarwal</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	1,95,08,245	8.78	1,95,08,245	8.78
		21.08.2015	Transfer	(47,20,000)	(2.12)	1,47,88,245	6.66
	At the end of the year	31.03.2016		1,47,88,245	6.66	1,47,88,245	6.66
<b>4</b>	<b>Prem Kumar Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	2,73,69,386	12.32	2,73,69,386	12.32
	At the end of the year	31.03.2016		2,73,69,386	12.32	2,73,69,386	12.32
<b>5</b>	<b>Hari Prasad Agarwala</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	24,35,760	1.10	24,35,760	1.10
	At the end of the year	31.03.2016		24,35,760	1.10	24,35,760	1.10
<b>6</b>	<b>Hari Prasad Agarwala (HUF)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	15,30,990	0.69	15,30,990	0.69
	At the end of the year	31.03.2016		15,30,990	0.69	15,30,990	0.69
<b>7</b>	<b>Nancy Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	1,00,000	0.05	1,00,000	0.05
	At the end of the year	31.03.2016		1,00,000	0.05	1,00,000	0.05
<b>8</b>	<b>Keshav Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	1,22,925	0.06	1,22,925	0.06
	At the end of the year	31.03.2016		1,22,925	0.06	1,22,925	0.06
<b>9</b>	<b>Rajesh Kumar Agarwal</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	7,45,225	0.34	7,45,225	0.34
	At the end of the year	31.03.2016		7,45,225	0.34	7,45,225	0.34
<b>10</b>	<b>Shraddha Agarwal</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	8,00,000	0.36	8,00,000	0.36
	At the end of the year	31.03.2016		8,00,000	0.36	8,00,000	0.36
<b>11</b>	<b>Payal Agrawal</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	10,00,000	0.45	10,00,000	0.45
	At the end of the year	31.03.2016		10,00,000	0.45	10,00,000	0.45

# SHYAM CENTURY FERROUS LIMITED

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>12</b>	<b>Sonu Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	10,30,010	0.46	10,30,010	0.46
	At the end of the year	31.03.2016		10,30,010	0.46	10,30,010	0.46
<b>13</b>	<b>Bhawna Agarwal</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	23,21,690	1.04	23,21,690	1.04
		21.08.2015	Transfer	(10,48,000)	(0.47)	12,73,690	0.57
	At the end of the year	31.03.2016		12,73,690	0.57	12,73,690	0.57
<b>14</b>	<b>Sumitra Devi Agarwala</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	16,76,250	0.75	16,76,250	0.75
	At the end of the year	31.03.2016		16,76,250	0.75	16,76,250	0.75
<b>15</b>	<b>Yash Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	32,97,170	1.48	32,97,170	1.48
	At the end of the year	31.03.2016		32,97,170	1.48	32,97,170	1.48
<b>16</b>	<b>Divya Agarwal</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	1,44,88,750	6.52	1,44,88,750	6.52
	At the end of the year	31.03.2016		1,44,88,750	6.52	1,44,88,750	6.52
<b>17</b>	<b>Santosh Bhajanka</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	1,50,49,500	6.77	1,50,49,500	6.77
	At the end of the year	31.03.2016		1,50,49,500	6.77	1,50,49,500	6.77
<b>18</b>	<b>Auroville Investments Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	18,45,000	0.83	18,45,000	0.83
	At the end of the year	31.03.2016		18,45,000	0.83	18,45,000	0.83
<b>19</b>	<b>Sriram Merchants Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	67,39,870	3.03	67,39,870	3.03
	At the end of the year	31.03.2016		67,39,870	3.03	67,39,870	3.03
<b>20</b>	<b>Sumangal Business Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	68,31,240	3.07	68,31,240	3.07
	At the end of the year	31.03.2016		68,31,240	3.07	68,31,240	3.07
<b>21</b>	<b>Sumangal International Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	76,66,800	3.45	76,66,800	3.45
	At the end of the year	31.03.2016		76,66,800	3.45	76,66,800	3.45
<b>22</b>	<b>Brijdham Merchants Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year (see note 2)	28.04.2015	Allotment	77,43,990	3.49	77,43,990	3.49
	At the end of the year	31.03.2016		77,43,990	3.49	77,43,990	3.49
<b>23</b>	<b>Sriram Vanijya Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2015		-	-		

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
	Changes during the year ( see note 2)	28.04.2015	Allotment	85,02,180	3.83	85,02,180	3.83
	At the end of the year	31.03.2016		85,02,180	3.83	85,02,180	3.83

Note-1 As on 1st April, 2015, the entire Equity Share Capital of M/s. Shyam Century Ferrous Limited, comprising of 5,00,000 equity shares of ₹ 1/- each fully paid up held by M/s. Star Ferro and Cement Limited (SFCL) were cancelled as per the Scheme of Arrangement (inter-alia providing for demerger of the Ferro Alloy division of SFCL) sanctioned by the Hon'ble High Court at Meghalaya by an Order dated 31st March, 2015.

Note-2 On demerger of Ferro Alloy division of SFCL, one equity share of ₹ 1/- each fully paid up (aggregating to 22,21,72,990 equity shares) were allotted on 28.04.2015 by the Company for every one equity share of ₹ 1/- each fully paid up held by the members of SFCL as per the Scheme of Arrangement sanctioned by the Hon'ble High Court at Meghalaya by an Order dated 31st March, 2015.

#### (iv) Shareholding Pattern of Top Ten Shareholders

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

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>1</b>	<b>NARANTAK DEALCOMM LIMITED *</b>						
	At the beginning of the year						
	Changes during the year	01.04.2015		-	-	-	-
		28.04.2015	Allotment	1,34,500	0.06	1,34,500	0.06
		14.08.2015	Transfer	1,08,10,088	4.87	1,09,44,588	4.93
		16.10.2015	Transfer	14,88,920	0.67	1,24,33,508	5.60
		04.03.2016	Transfer	(1,05,00,000)	(4.73)	19,33,508	0.87
		11.03.2016	Transfer	(4,30,088)	(0.19)	15,03,420	0.68
	At the end of the year	31.03.2016		15,03,420	0.68	15,03,420	0.68
<b>2</b>	<b>ESKAY BUSINESS (P) LTD. #</b>						
	At the beginning of the year						
	Changes during the year	01.04.2015		-	-	-	-
		28.04.2015	Allotment	19,47,992	0.88	19,47,992	0.88
		07.08.2015	Transfer	(19,47,992)	(0.88)	-	-
		14.08.2015	Transfer	5,00,000	0.23	5,00,000	0.23
	At the end of the year	16.10.2015	Transfer	(5,00,000)	(0.23)	-	-
		31.03.2016		-	-	-	-
<b>3</b>	<b>INFOREV SOFTWARE PRIVATE LIMITED *</b>						
	At the beginning of the year						
	Changes during the year	01.04.2015		-	-	-	-
		28.04.2015	Allotment	6,24,400	0.28	6,24,400	0.28
		07.08.2015	Transfer	10,00,000	0.45	16,24,400	0.73
		14.08.2015	Transfer	65,00,000	2.93	81,24,400	3.66
		21.08.2015	Transfer	(20,000)	(0.01)	81,04,400	3.65
		28.08.2015	Transfer	25,00,000	1.13	1,06,04,400	4.77
		04.03.2016	Transfer	(11,000)	(0.00)	1,05,93,400	4.77
	At the end of the year	31.03.2016		1,05,93,400	4.77	1,05,93,400	4.77

# SHYAM CENTURY FERROUS LIMITED

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>4</b>	<b>KBG CONSULTANTS PVT. LTD. *</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	12,52,625	0.56	12,52,625	0.56
	At the end of the year	31.03.2016		12,52,625	0.56	12,52,625	0.56
<b>5</b>	<b>PATTON INTERNATIONAL LIMITED *</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	21.08.2015	Transfer	1,04,88,000	4.72	1,04,88,000	4.72
	At the end of the year	31.03.2016		1,04,88,000	4.72	1,04,88,000	4.72
<b>6</b>	<b>PONNI TREXIM PRIVATE LIMITED #</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	20,95,175	0.94	20,95,175	0.94
		07.08.2015	Transfer	(18,62,096)	(0.84)	2,33,079	0.10
		21.08.2015	Transfer	(64,708)	(0.03)	1,68,371	0.07
		16.10.2015	Transfer	(1,68,371)	(0.07)	-	-
	At the end of the year	31.03.2016		-	-	-	-
<b>7</b>	<b>BRIJ BHUSHAN AGARWAL</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	93,44,877	4.21	93,44,877	4.21
		28.08.2015	Transfer	(45,00,000)	(2.03)	48,44,877	2.18
		11.03.2016	Transfer	15,00,000	0.68	63,44,877	2.86
	At the end of the year	31.03.2016		63,44,877	2.86	63,44,877	2.86
<b>8</b>	<b>SUBHAM CAPITAL PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	18,83,421	0.85	18,83,421	0.85
		07.08.2015	Transfer	25,00,000	1.13	43,83,421	-
		14.08.2015	Transfer	25,00,000	1.13	68,83,421	3.10
		28.08.2015	Transfer	55,00,000	2.48	1,23,83,421	5.57
		09.10.2015	Transfer	3,53,300	0.16	1,27,36,721	5.73
	At the end of the year	31.03.2016		1,27,36,721	5.73	1,27,36,721	5.73
<b>9</b>	<b>MAHABIR PRASAD AGARWAL</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	37,61,602	1.69	37,61,602	1.69
		21.08.2015	Transfer	(35,00,000)	(1.57)	2,61,602	0.12
		11.03.2016	Transfer	94,30,088	4.24	96,91,690	4.36
	At the end of the year	31.03.2016		96,91,690	4.36	96,91,690	4.36
<b>10</b>	<b>SUPER DIAMOND NIRMAN PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	24,32,000	1.09	24,32,000	1.09
	At the end of the year	31.03.2016		24,32,000	1.09	24,32,000	1.09
<b>11</b>	<b>MITTU AGARWAL #</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	73,01,057	3.29	73,01,057	3.29
		03.08.2015	Transfer	(25,00,000)	(1.13)	48,01,057	2.16
		07.08.2015	Transfer	(37,00,000)	(1.66)	11,01,057	0.50
		11.09.2015	Transfer	(43,701)	(0.02)	10,57,356	0.47
		04.09.2015	Transfer	(61,255)	(0.03)	9,96,101	0.45
	At the end of the year	31.03.2016		9,96,101	0.45	9,96,101	0.45

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>12</b>	<b>SUMITRA DEVI AGARWAL</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	49,16,400	2.21	49,16,400	2.21
	At the end of the year	31.03.2016		49,16,400	2.21	49,16,400	2.21
<b>13</b>	<b>SUBHAM AGARWAL*</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	99,02,567	4.46	99,02,567	4.46
		07.08.2015	Transfer	(80,00,000)	(3.60)	19,02,567	0.86
	At the end of the year	31.03.2016		19,02,567	0.86	19,02,567	0.86
<b>14</b>	<b>SHEETIJ AGARWAL#</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	67,75,521	3.05	67,75,521	3.05
		07.08.2015	Transfer	(58,00,000)	(2.61)	9,75,521	0.44
	At the end of the year	31.03.2016		9,75,521	0.44	9,75,521	0.44

Note: As on 01.04.2015, no shares were held by the top 10 shareholders. The Company allotted 22,21,72,990 equity shares of ₹ 1/- each fully paid up on 28.04.2015 as per the scheme of arrangement sanctioned by the Hon'ble High Court at Meghalaya by the order dated 31.03.2015 and the shares were acquired and sold by the top 10 shareholders subsequent to enlistment of the securities with the stock exchange w.e.f. 28.07.2015.

\* Not in the list of Top 10 shareholders as on 28.04.2015, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016

# Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 28.04.2015.

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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>1</b>	<b>Mr. Sajjan Bhajanka (Non Executive Director)</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	1,66,15,675	7.48	1,66,15,675	7.48
		21.08.2015	Transfer	(47,20,000)	(2.12)	1,18,95,675	5.35
	At the end of the year	31.03.2016		1,18,95,675	5.35	1,18,95,675	5.35
<b>2</b>	<b>Mr. Nagraj Tater (Non Executive Director)</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	9,000	0.00	9,000	0.00
	At the end of the year	31.03.2016		9,000	0.00	9,000	0.00
<b>3</b>	<b>Mr. Aditya VimalKumar Agrawal (Non Executive Director)</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	51,843	0.02	51,843	0.02
		30.10.2015	Transfer	(19,000)	(0.01)	32,843	0.01
	At the end of the year	31.03.2016		32,843	0.01	32,843	0.01
<b>4</b>	<b>Mr. Mangilal Jain (Independent Director)</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year	28.04.2015	Allotment	3,400	0.00	3,400	0.00
		18.09.2015	Transfer	1,115	0.00	4,515	0.00
		30.09.2015	Transfer	9	0.00	4,524	0.00
		30.10.2015	Transfer	176	0.00	4,700	0.00

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
	At the end of the year	31.03.2016		4,700	0.00	4,700	0.00
<b>5</b>	<b>Mr. Santanu Ray (Independent Director)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>6</b>	<b>Mrs. Plistina Dkhar (Independent Director)</b>						
	At the beginning of the year	01.04.2015		-	-	-	
	Changes during the year	28.04.2015	Allotment	750	0.00	750	0.00
	At the end of the year	31.03.2016		750	0.00	750	0.00
<b>7</b>	<b>Mr. M.V.K.Nageswara Rao (Chief Executive Officer)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>8</b>	<b>Mr. Debasis Mukhopadhyay (Chief Financial Officer)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>9</b>	<b>Ms. Rachna Pareek (Company Secretary)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-
<b>10</b>	<b>Ms. Hasti Doshi (CFO w.e.f. 01.04.2015 and resigned on 10.08.2015)</b>						
	At the beginning of the year	01.04.2015		-	-		
	Changes during the year						
	At the end of the year	31.03.2016				-	-

Note: As on 01.04.2015, no shares were held by the Directors and Key Managerial Personnel. The shares were allotted by the Company on 28.04.2015 as per the Scheme of Arrangement sanctioned by the Hon'ble High Court at Meghalaya by the order dated 31.03.2015.

## V. INDEBTEDNESS

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

Particulars	(₹ Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	3,138.61	-	-	3,138.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,138.61</b>	<b>-</b>	<b>-</b>	<b>3,138.61</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	9,351.06	-	-	9,351.06
• Reduction	(10,458.50)	-	-	(10,458.50)
<b>Net Change</b>	<b>(1,107.44)</b>	<b>-</b>	<b>-</b>	<b>(1,107.44)</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	2,031.17	-	-	2,031.17
ii) Interest due but not paid	-	-	-	-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,031.17</b>	<b>-</b>	<b>-</b>	<b>2,031.17</b>

\*\* Trade deposits have not been included.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹/Lac)
	Designation		
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	5% of the Net profit, calculated as per Section 198 of the Companies Act, 2013.	

### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹/Lac)
		Mr. Santanu Ray	Mr. Mangilal Jain	Mrs.Plistina Dkhar	
1	Independent Directors				
	Fee for attending Board /Committee meetings	0.68	0.58	0.05	1.31
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.68	0.58	0.05	1.31
2	Other Non-Executive Directors				
	Fee for attending Board /Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.68	0.58	0.05	1.31
	Total Managerial Remuneration				1.31
	Overall ceiling as per the Act	3% of Net profit, calculated as per Section 198 of the Companies Act, 2013.			



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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (₹/Lac)
		Mr. M.V.K. Nageswara Rao*	Ms. Hasti Doshi#	Mr. Debasis Mukhopadhyay##	Ms. Rachna Pareek**	
	Designation	CEO	CFO	CFO	CS	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	22.16	1.19	14.18	1.96	39.49
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	22.16	1.19	14.18	1.96	39.49

\* Mr. M.V.K.Nageswara Rao was appointed as Chief Executive Officer w.e.f. 01.05.2015.

# Ms. Hasti Doshi was appointed as Chief Financial Officer w.e.f. 01.04.2015 and resigned on 10.08.2015.

## Mr. Debasis Mukhopadhyay was appointed as Chief Financial Officer w.e.f. 11.08.2015.

\*\* Ms Rachna Pareek was appointed as the Company Secretary w.e.f. 16.04.2015.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

# Annexure 2 to Directors' Report

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To  
 The Members,  
**Shyam Century Ferrous Limited**

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

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

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2016, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c) The Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - e) The Securities Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
  - f) The Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998

- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/ trading companies, the Boilers Act, 1923, inter alia, is also applicable to the Company.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India [Applicable from 1st July, 2015];
- b) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [Applicable from 1st December, 2015];

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

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the audit period, the Company has passed the following special resolutions which authorize the Board to exercise powers in relation thereto, but presently do not have any major bearing on the Company's affairs:

- (i) Increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013;
- (ii) Sell, lease or dispose off, whole or substantially the whole of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013.

We further report that during the period under Audit the equity shares of the Company have been listed in BSE Limited and National Stock Exchange of India Limited and admitted to dealings on the Exchanges effective from 28th July, 2015 vide BSE and NSE letters dated 24th July, 2015.

We further report that pursuant to Scheme of Arrangement entered between the Company, Star Ferro and Cement Limited and their respective shareholders:

- (i) the authorized share capital of the Company has been increased to ₹ 22,27,00,000/- (Rupees Twenty- two crores and twenty- seven lacs) divided into 22,27,00,000 (Twenty- two crores and twenty- seven lacs) Equity shares of ₹ 1 each;
- (ii) the Company has issued and allotted 22,21,72,990 equity shares for ₹ 1 each on 28th April, 2015 to the shareholders of the demerged Company, Star Ferro and Cement Limited.

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

For MKB & Associates  
Company Secretaries

Manoj Kumar Banthia  
[Partner]  
ACS no. 11470  
COP no. 7596

Date: 3rd May, 2016  
Place: Kolkata

**Annexure- I**

To  
The Members,  
**Shyam Century Ferrous Limited**

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

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 secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our 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 of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates  
Company Secretaries

Manoj Kumar Banthia  
[Partner]  
ACS no. 11470  
COP no. 7596

Date: 3rd May, 2016

Place: Kolkata

# Annexure 3 to Directors' Report

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

[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

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

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

2. The composition of the CSR Committee:

- Mr. Nagraj Tater - Non-Executive Director, Chairman
- Mr. Mangilal Jain - Independent Director
- Mr. Aditya VimalKumar Agrawal - Non-Executive Director

3. Average Net Profit of the Company for last 3 Financial Years: ₹ 293.94 Lacs

4. Prescribed CSR expenditure (2% of amount) : ₹ 5.88 Lacs

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

- a) Total amount to be spent for the Financial Year: ₹ 5.88 Lacs
- b) Amount un-spent, if any: Nil
- c) Manner in which the amount spent during Financial Year is detailed below:

(₹ in Lacs)							
1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area or other 2. Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1.Direct expenditure on projects or programs, 2.Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency
1	Education Project: To provide non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya.	Education	Throughout the Country	6.00	6.00	6.00	Through implementing agency i.e. Friends of Tribal Society

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

Place: Kolkata

Date: 3rd May, 2016

\_\_\_\_\_  
Nagraj Tater  
Chairman – CSR Committee  
DIN: 00266072

\_\_\_\_\_  
Sajjan Bhajanka  
Director  
DIN: 00246043

# Annexure 4 to Directors' Report

## 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/ Step down Subsidiaries – Not Applicable

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

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

Sl. No.	Name of Associate - Meghalaya Power Limited	(₹ in Lac)
		Amount
1.	Latest audited Balance Sheet Date	31st March, 2016
2.	Shares of Associate held by the Company on the year end	
	No. of shares	83,58,998
	Amount of Investment in Associates/Joint Venture	3,373.50
	Extend of Holding %	48.80%
3.	Description of how there is significant influence	By way of 48.80% holding
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	5,307.68
6.	Profit / Loss for the year	
	i. Considered in Consolidation	528.38
	ii. Not Considered in Consolidation	NA

The following information shall be furnished:-

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

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

# Annexure 5 to Directors' Report

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

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

Name of Directors & Key Managerial Personnel	Designation	Increase in Remuneration in the Financial Year (%)*	Ratio of remuneration of each Director to median remuneration of all employees**
Mr. M. V. K. Nageswara Rao	Chief Executive Officer (w.e.f. 01.05.2015)	-	-
Ms. Hasti Doshi	Chief Financial Officer#		
Mr. Debasis Mukhopadhyay	Chief Financial Officer (w.e.f. 11.08.2015)	-	-
Ms. Rachna Pareek	Company Secretary (w.e.f. 16.04.2015)	-	-

\* Since this information is for part of the year, the same is not comparable.

\*\* Apart from sitting fees paid to Non-Executive Directors, no remuneration is paid to any Director.

# Appointed w.e.f. 01.04.2015 and resigned on 10.08.2015.

The Median Remuneration of all employees for 2015- 16 is ₹ 11,47,646/- p.a.

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: 0.31%

- (iii) The number of permanent employees on the roll of the Company : 165

- (iv) The explanation on the relationship between average increase in remuneration and Company performance: Net revenue of the Company, during the F.Y. 2015-16 was ₹ 11,360.66 Lacs as against ₹ 11,590.61 Lacs recorded in the F.Y. 2014-15. Average increase in the remuneration is guided by various factors such as inflation, normal salary revision and other external factors.

- (v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars of Remuneration	Key Managerial Personnel			
	Mr. M.V.K. Nageswara Rao*	Ms. Hasti Doshi**	Mr. Debasis Mukhopadhyay#	Ms. Rachna Pareek##
Remuneration in F.Y. 2015-16	22.16	1.19	14.18	1.96
Revenue	11,360.66	11,360.66	11,360.66	11,360.66
Remuneration as % of revenue	0.19	0.01	0.12	0.02
Profit Before Tax (PBT)	158.77	158.77	158.77	158.77
Remuneration (as % of PBT)	13.96	0.75	8.93	1.23

\* Appointed w.e.f. 01.05.2015

\*\* Appointed w.e.f. 01.04.2015 and resigned on 10.08.2015

# Appointed w.e.f. 11.08.2015

## Appointed w.e.f. 16.04.2015

- (vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	As at March 31, 2016		As at March 31, 2015*	
	Market Capitalisation	BSE	₹ 113.30 crores	BSE
NSE		₹ 114.42 crores	NSE	-
Price earnings Ratio	BSE	102	BSE	-
	NSE	103	NSE	-

\*Since, the Equity Shares of the Company were listed on 28th July, 2015, the information for the year ended 31st March, 2015 has not been provided.

- (vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of employees in the Financial Year 2015 -16 was 10%.

Increase in the managerial remuneration: Since this information is for part of the year, the same is not comparable.

- (viii) The key parameters for any variable component of remuneration availed by the Directors: None of the Directors are paid remuneration in the Financial Year 2015-16.

- (ix) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: None of the Directors are paid remuneration in the Financial Year 2015-16.

- (x) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 3rd May, 2016

**Nagraj Tater**  
Director  
DIN: 00266072

**Sajjan Bhajanka**  
Director  
DIN: 00246043



# Report on

## Corporate Governance for the year 2015-16

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

### Company's Philosophy on Corporate Governance:

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

### BOARD OF DIRECTORS

#### Composition

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

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

Mr. M.V.K. Nagaeswara Rao is the Chief Executive Officer and Mr. Debasis Mukhopadhyay is the Chief Financial Officer of the Company.

The Composition is as provided below:

Name of the Director	Designation	Category
Mr. Sajjan Bhajanka	Director	Promoter - Non-Executive
Mr. Nagraj Tater	Director	Non-Executive
Mr. Aditya Vimalkumar Agrawal	Director	Non-Executive
Mrs. Plistina Dkhar	Director	Independent
Mr. Mangilal Jain	Director	Independent
Mr. Santanu Ray	Director	Independent

As on 31st March, 2016, the details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) are provided herein below:

Name of the Director	Number of Directorship of Public Limited Companies *	Number of Membership including Chairmanship of Board Committee(s) **
Mr. Sajjan Bhajanka	9	6 (1 as Chairman)
Mr. Mangilal Jain	10	8 (4 as Chairman)
Mr. Santanu Ray	6	6 (3 as Chairman)
Mr. Aditya Vimalkumar Agrawal	2	2
Mr. Nagraj Tater	9	1
Mrs. Plistina Dkhar	3	-

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

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

### Board Meetings and Procedures

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

All the meetings are scheduled well in advance and notices are sent to all the Directors at their address registered with the Company. The agenda of the meeting are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Drafts minutes of the proceedings of the Board/Committee Meetings are circulated in advance

and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.

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

Six Board Meetings were held during the Financial Year 2015-16 and the gap between two meetings did not exceed four months. The Meetings were held on 28th April, 2015, 7th May, 2015, 10th August, 2015, 24th September, 2015, 3rd November, 2015 and 9th February, 2016. The Attendance at the Board Meetings during the Financial Year 2015-16 and at the previous Annual General Meeting is as under:

Name of the Director	No. of Board Meeting Attended	Last AGM Attended
Mr. Sajjan Bhajanka	6	Yes
Mr. Nagraj Tater	5	No
Mrs. Plistina Dkhar	1	Yes
Mr. Mangilal Jain	6	Yes
Mr. Santanu Ray	6	Yes
Mr. Aditya Vimalkumar Agrawal	3	No

### Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, separate meetings of the Independent Directors of the Company were held on 22nd December, 2015 and 21st March, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

### Induction and Familiarization Program for Directors

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc. The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with the Chairman, CEO and other heads of the Company. Efforts are made to familiarize the Directors about their roles, rights, and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments

in the business. The details of the Director's induction and familiarization are available on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Familiarization_Programme_for_Independent_Directors.pdf)

### Performance Evaluation

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

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

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

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

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

### COMMITTEES OF THE BOARD

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

#### Audit Committee:

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

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

### Composition, Number of Meetings and Attendance

The Audit Committee met 4 (Four) times during the Financial Year 2015-16. The Audit Committee's composition meets the requirements of Section 177 of the Companies Act, 2013 and SEBI Regulations. The Members of the Audit Committee possess financial/ accounting expertise/exposure. The Committee is chaired by Mr. Mangilal Jain. The meetings were held on 7th May, 2015, 10th August, 2015, 3rd November, 2015 and 9th February, 2016.

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

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

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

#### Nomination and Remuneration Committee:

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Directors;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fees (₹)	No. of shares held as on date
1	Mr. Sajjan Bhajanka	Non – Executive Director	Nil	Nil	1,18,95,675
2	Mr. Nagraj Tater	Non – Executive Director	Nil	Nil	9,000
3	Mr. Aditya Vimalkumar Agrawal	Non – Executive Director	Nil	Nil	32,843
4	Mr. Mangilal Jain	Independent Director	Nil	57,500	4,700
5	Mr. Santanu Ray	Independent Director	Nil	67,500	Nil
6	Mrs. Plistina Dkhar	Independent Director	Nil	5,000	750

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

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

#### Remuneration Policy

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

The compositions of the Nomination and Remuneration Committee as at 31st March, 2016 are as under:

Name of the Member	Category	Designation
Mr. Santanu Ray	Independent, Non-Executive	Chairman
Mr. Mangilal Jain	Independent, Non-Executive	Member
Mr. Nagraj Tater	Non-Executive, Non - Independent	Member

#### Meetings and Attendance:

The Nomination and Remuneration Committee met on 28th April, 2015 and 10th August, 2015 during the Financial Year 2015-16. All the members of the Committee attended the meeting.

#### Remuneration of Directors:-

The details of remuneration paid to Directors for the Financial Year 2015-16 are provided below:

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

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

During the Financial Year 2015 -16, the Stakeholders Relationship Committee met 5 (Five) times. The meetings were held on 20th August, 2015, 17th September, 2015, 24th September, 2015, 12th November, 2015 and 18th February, 2016.

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

Name of the Member	Category	Designation	No. of Committee Meetings attended
Mr. Santanu Ray	Non-Executive, Independent	Chairman	5
Mr. Nagraj Tater	Non- Executive, Non - Independent	Member	5
Mr. Aditya VimalKumar Agrawal	Non-Executive, Non - Independent	Member	Nil

Ms. Rachna Pareek, Company Secretary acts as the Compliance Officer.

**Status of Pending Complaints:-**

The Company has not received any Complaints during the Financial Year 2015-16. There were no complaints pending at the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

**Corporate Social Responsibility Committee**

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

The terms of reference of the Committee are as follows:

- i. To frame the CSR policy and monitor the same from time to time
- ii. To recommend the amount of expenditure to be incurred on CSR activities

During the Financial Year 2015-16, CSR Committee Meeting was held on 12th February, 2016.

The Corporate Social Responsibility Committee comprises of the following three members and details of the meeting attended by them are given below:

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

**GENERAL BODY MEETINGS****Particulars of last three Annual General Meetings:**

Financial Year	Venue	Date and Time
2014-15	'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793210	25th September, 2015 at 3.00 p.m.
2013-14	6, Lyons Range, 1st Floor, Kolkata-700001	4th July, 2014 at 11.00 a.m.
2012-13	6, Lyons Range, 1st Floor, Kolkata-700001	1st July, 2013 at 2.00 p.m.

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

AGM	Date	Matter
2nd	01.07.2013	No Special resolution
3rd	04.07.2014	Special Resolution for Shareholders approval and alteration in the Memorandum of Association of the Company pursuant to Section 13(4) of the Companies Act, 2013 for shifting of Registered Office of the Company from the State of West Bengal to the State of Meghalaya.
4th	25.09.2015	<ol style="list-style-type: none"> <li>1. Authorisation to the Board to keep the Register and Index of Members, copies of all Annual returns, books of accounts at a place other than the Registered Office of the Company.</li> <li>2. Authorisation to the Board to borrow upto an amount not exceeding ₹ 60 crore.</li> <li>3. Authorisation to the Board to mortgage, hypothecate or create charge on Company's assets.</li> </ol>

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

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

**DISCLOSURES**

- No materially significant Related Party Transactions took place between the Company and its subsidiaries, its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related\\_Party\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related_Party_Policy.pdf)
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The Risk Policy provides for identification of risk, its assessments and procedures to minimize risk. The Risk Management Policy is reviewed periodically to ensure that the executive management controls the risk as per decided policy.
- The Company's policy on Vigil mechanism is placed on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Whistle\\_Blower\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Whistle_Blower_Policy.pdf). We hereby affirm that no personal has been denied access to the Audit Committee.
- The Directors of the Company are not related inter-se.
- The Financial Statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review, the Company has not raised any money through public issue.

**CODE OF CONDUCT**

In pursuance of the SEBI Regulations, the Board has approved the 'Code of Conduct for the Board of Directors and Senior Management' and same has been circulated and posted on the Company's website: [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com). The

Directors and Senior Management personnel have affirmed compliance with the provisions of above Code of Conduct. The declaration by the Chief Executive Officer to this effect is also attached to this Report.

## MEANS OF COMMUNICATION

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date and Time	Friday, 9th September, 2016 at 4 pm
Venue	Star Club, Village : Lumshnong, PO : Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210
Dates of Book Closure	6th September, 2016 to 9th September, 2016 (both days inclusive)

### Financial Calendar (for the year 2015-16)

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

### Proposed date for approval of financial results

First Quarter ended 30th June, 2016	Within 45 days from the end of quarter
Second Quarter ended 30th September, 2016	Within 45 days from the end of quarter
Third Quarter ended 31st December, 2016	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31st March, 2017	Within 60 days from the end of quarter

### Listing on Stock Exchanges:

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

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

The Company has paid listing fees to NSE and BSE for the year 2016 – 17.

Annual Custody/Issuer fee for the year 2015-16 has been paid by the Company to NSDL and CDSL. Bills for the year 2016-17 are yet to be received.

**Stock Code:**

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

**ISIN Allotted to the Company by the Depositories:**

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

**Corporate Identity Number (CIN):**

L27310ML2011PLC008578

**Market Information:**

Market Price Data: High, Low (based on the closing prices) and volume of shares traded at BSE and NSE, for the Financial Year 2015-16 are as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
July 2015*	10.00	8.20	35,768	10.00	8.20	60,322
August 2015	12.90	6.05	5,20,781	13.15	6.15	22,04,454
September 2015	10.04	5.41	6,62,996	9.35	5.20	12,91,958
October 2015	10.90	7.13	2,51,676	10.25	7.05	5,91,037
November 2015	9.89	7.21	1,46,246	9.90	7.35	2,48,466
December 2015	9.00	7.00	1,35,832	8.50	7.00	2,67,734
January 2016	7.95	5.63	3,10,955	8.80	5.25	9,34,449
February 2016	6.29	4.26	93,137	6.50	4.50	2,33,307
March 2016	5.69	4.82	66,802	5.90	4.15	6,58,195

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

Month	BSE Sensex		Company's Share	
	Closing	% Change	Closing	% Change
July 2015*	28,114.56	1.20	8.20	-
August 2015	26,283.09	(6.51)	7.79	(5.00)
September 2015	26,154.83	(0.49)	10.04	28.88
October 2015	26,656.83	1.92	9.55	(4.88)
November 2015	26,145.67	(1.92)	7.90	(17.28)
December 2015	26,117.54	(0.11)	7.50	(5.06)
January 2016	24,870.69	(4.77)	6.10	(18.67)
February 2016	23,002.00	(7.51)	4.85	(20.49)
March 2016	25,341.86	10.17	5.10	5.15

\* The trading in the shares of the Company commenced from 28th July, 2015.

**Registrars and Share Transfer Agents:**

M/s. Maheshwari Datamatics Private Limited  
 6, Mangoe Lane (Surendra Mohan Ghosh Sarani)  
 2nd Floor, Kolkata – 700001  
 Phone: 033 22435029/22482248  
 Fax - 033 22484787  
 Email - mdplc@yahoo.com, mdpl@cal.vsnl.net.in



## Share Transfer System

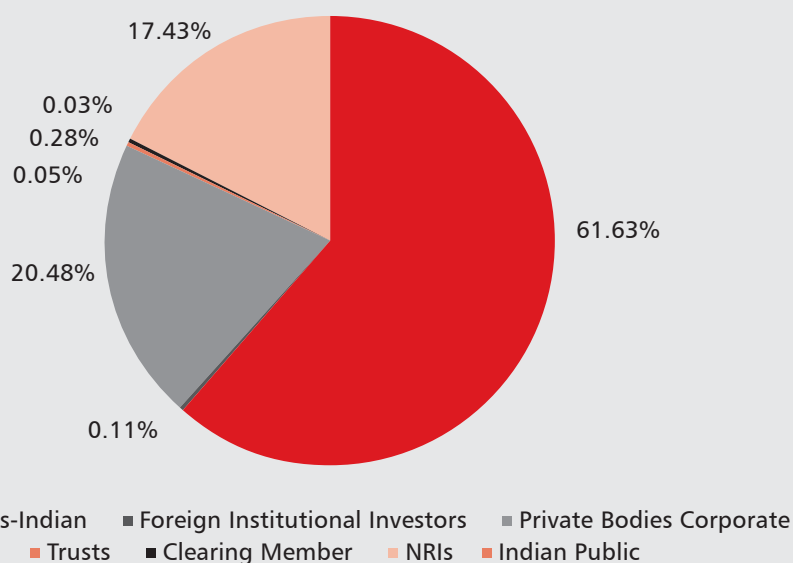
Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfer are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

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

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

Shareholding	Total No. of Shareholders	%	No. of Shares	%
1- 500	7,539	76.30	8,17,297	0.37
501-1000	670	6.78	5,82,813	0.26
1001-5000	1,098	11.11	26,73,813	1.20
5001-10000	268	2.71	20,23,493	0.91
10001- 20000	126	1.28	18,09,504	0.82
20001 and above	180	1.82	21,42,66,070	96.44
<b>Total</b>	<b>9,881</b>	<b>100.00</b>	<b>22,21,72,990</b>	<b>100.00</b>

## Shareholding Pattern as on 31st March, 2016



Category	Number of Shareholders	Number of Shares	% of total Share Capital
Promoter and Promoter Group	26	13,69,32,656	61.63
Foreign Institutional Investors	5	2,49,170	0.11
Bodies Corporate	312	4,54,82,812	20.48
Trusts	7	1,10,250	0.05
Clearing Member	62	5,95,882	0.27
NRIs	139	75,219	0.03
Individual	9,330	3,87,27,001	17.43
<b>TOTAL</b>	<b>9,881</b>	<b>22,21,72,990</b>	<b>100.00</b>

## Dematerialisation of shares and liquidity

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

22,13,13,836 Ordinary Shares of the Company representing 99.61% of the Company's share capital is dematerialised as on 31st March, 2016.

**RECONCILIATION OF SHARE CAPITAL AUDIT**

- i. Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- ii. A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

**Plant location**

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

**Address for Correspondence:**

- a) Corporate Office: The Compliance Officer, Shyam Century Ferrous Limited, Satyam Towers, 3 Alipore Road, Kolkata-700 027  
Phone: 033 22435029, Fax: 033 22484787  
Email: investors@shyamcenturyferrous.com  
Website: www.shyamcenturyferrous.com
- b) Registered Office: Village: Lumshnong, P.O. Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Date: 3rd May, 2016

**Sajjan Bhajanka**  
Director  
DIN: 00246043

**Nagraj Tater**  
Director  
DIN: 00266072

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# Compliance Code of Business Conduct and Ethics

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is hereby declared that all Board members and Senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31st March, 2016.

Place: Kolkata  
Dated: 3rd May, 2016

**M.V. K. Nageswara Rao**  
Chief Executive Officer

# Certificate by

## Chief Executive Officer and Chief Financial Officer

To,  
The Board of Directors  
Shyam Century Ferrous Limited

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

- a. We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2016 and based on our knowledge and belief, we state that:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, if any, in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 3rd May, 2016

**M.V.K. Nageswara Rao**  
Chief Executive Officer

**Debasis Mukhopadhyay**  
Chief Financial Officer

# Auditors' Certificate

## on Corporate Governance

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

We have examined the compliance of conditions of the Corporate Governance by Shyam Century Ferrous Limited for the year ended on 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Place : Kolkata  
Date : 3rd May, 2016

## Independent Auditors' Report

To  
The Members of  
**SHYAM CENTURY FERROUS LIMITED**

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Shyam Century Ferrous Limited** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of its pending litigation on its financial position in its financial statements - refer note no. 28 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place : Kolkata  
Date : 3rd May, 2016

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets of the Company are physically verified by management according to a phased programme on a rotational basis, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
- (iii) The Company has not granted loan to any body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). So the provisions of paragraph 3(iii) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and therefore the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records

of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

**CA. Arun Kumar Sharma**

*Partner*

Membership No. 057329

Place : Kolkata

Date : 3rd May, 2016

## Annexure - B to the Auditors' Report

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Shyam Century Ferrous Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

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

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA. Arun Kumar Sharma**  
*Partner*

Place : Kolkata  
Date : 3rd May, 2016

Membership No. 057329



## Balance Sheet

as at 31st March, 2016

(₹ in Lacs)

Particulars	Note	31.03.2016	31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	2,221.73	5.00
Share Capital - Pending Allotment		-	2,216.73
Reserves and Surplus	3	6,727.55	6,620.15
		<b>8,949.28</b>	<b>8,841.88</b>
<b>Non-current liabilities</b>			
Long Term Borrowings	4	75.50	553.98
Deferred Tax Liabilities	5	69.96	73.14
Long Term Provisions	6	47.19	37.00
		<b>192.66</b>	<b>664.12</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,798.55	2,420.47
Trade Payables		453.70	488.07
Other Current Liabilities	8	999.53	791.26
Short Term Provisions	9	87.41	49.02
		<b>3,339.21</b>	<b>3,748.82</b>
<b>Total</b>		<b>12,481.15</b>	<b>13,254.82</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
-Tangible Assets	10	2,225.00	2,513.43
-Intangible Assets	11	2.53	0.51
		<b>2,227.53</b>	<b>2,513.94</b>
Non Current Investments	12	3,373.50	3,373.50
Long Term Loans and Advances	13	1,457.58	1,123.85
Other Non Current Assets	14	0.29	4.49
		<b>7,058.90</b>	<b>7,015.78</b>
<b>Current Assets</b>			
Inventories	15	2,357.81	3,584.40
Trade Receivables	16	1,396.12	1,226.85
Cash and Cash Equivalents	17	491.95	324.46
Short Term Loans and Advances	18	1,176.36	1,103.33
		<b>5,422.25</b>	<b>6,239.04</b>
<b>Total</b>		<b>12,481.15</b>	<b>13,254.82</b>
Summary of Significant accounting policies	1.2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Statement of Profit and Loss Account

for the year ended 31st March 2016

(₹ in Lacs)

Particulars	Note	2015-16	2014-15
<b>INCOME</b>			
Revenue from Operations (Gross)	19	11,529.17	11,826.79
Less: Excise Duty (Net)		168.51	236.18
Revenue from Operations (Net)		<b>11,360.66</b>	<b>11,590.61</b>
Other Income	20	2.75	0.39
<b>Total Revenue</b>		<b>11,363.42</b>	<b>11,591.00</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	2,945.90	3,535.22
(Increase)/Decrease in Inventories	22	817.57	(779.97)
Employee Benefit Expenses	23	551.23	549.83
Finance Costs	24	297.77	334.62
Depreciation and Amortization Expenses		294.14	463.98
Other Income	25	6,298.04	6,577.79
<b>Total Expenses</b>		<b>11,204.64</b>	<b>10,681.47</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>158.77</b>	<b>909.53</b>
Exceptional Items		-	(28.23)
<b>Profit/(Loss) before tax</b>		<b>158.77</b>	<b>881.30</b>
<b>Tax Expenses</b>			
-Current Tax		(54.56)	(354.04)
-Deferred Tax		3.19	4.95
<b>Profit/(Loss) for the year</b>		<b>107.40</b>	<b>532.21</b>
<b>Earnings Per Equity Share (nominal value of share ₹ 1/-)</b>			
Basic Earning Per Share		0.05	106.44
Diluted Earning Per Share		0.05	0.24
Summary of Significant accounting policies	1.2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
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Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

**Cash Flow Statement** for the year ended 31st March 2016

		(₹ in Lacs)	
Sl. No.	Particulars	31.03.2016	31.03.2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit / (Loss) before Tax	158.77	909.53
	Adjustments for:		
	Depreciation/Amortisation	294.14	463.98
	Loss on sale of Fixed Assets	-	(28.23)
	Finance Cost	297.77	334.62
	Interest and Other Income	(2.75)	(0.39)
	Provision for Doubtful Debts	-	(129.89)
	<b>Operating Profit before Working Capital changes</b>	<b>747.93</b>	<b>1,549.62</b>
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(169.27)	559.23
	(Increase)/Decrease in Inventories	1,226.60	(1,582.76)
	(Increase)/Decrease in Long Term Loans & Advances	(333.73)	(286.55)
	(Increase)/Decrease in Short Term Loans & Advances	(116.60)	(152.15)
	(Increase)/Decrease in Other Current Assets	-	396.55
	Increase/(Decrease) in Long Term Provisions	10.20	9.30
	Increase/(Decrease) in Short Term Provisions	38.40	47.18
	Increase/(Decrease) in Other Current Liabilities	215.31	479.33
	Increase/(Decrease) in Trade Payables	(34.37)	(570.32)
	<b>Cash Generated from Operations</b>	<b>1,584.47</b>	<b>449.43</b>
	Direct Taxes Paid (Net of Refunds)	(10.99)	(194.85)
	<b>Net Cash generated from Operating Activities</b>	<b>1,573.47</b>	<b>254.58</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(7.73)	48.32
	Sale of Fixed Assets	-	(37.45)
	Fixed Deposits/Margin Money (Given)/Refund	4.20	1.70
	Interest Received	2.75	0.39
	<b>Net Cash from Investing Activities</b>	<b>(0.78)</b>	<b>12.96</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase in Short Term Borrowings	(621.92)	686.75
	Repayment of Long Term Borrowings	(485.52)	(299.45)
	Interest Paid	(297.77)	(334.62)
	<b>Net Cash used in Financing Activities</b>	<b>(1,405.20)</b>	<b>52.68</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>167.50</b>	<b>320.22</b>
	Cash and Cash Equivalents as on 1st April, 2015	324.46	0.33
	Add : Transferred as per Scheme of Arrangement	-	3.91
		324.46	4.24
	Cash and Cash Equivalents as on 31st March, 2016	491.95	324.46

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

# NOTES TO FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

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

### 1.1 Basis of Preparation

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

### 1.2 Summary of Significant Accounting Policies

#### (i) Use of Estimates

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

#### (ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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

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

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

#### (iii) Fixed Assets

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

#### (iv) Capital Work in Progress

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

#### (v) Expenditure during construction period

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

#### (vi) Impairment of Assets

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

## NOTES TO FINANCIAL STATEMENTS (Contd.)

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

### (vii) Depreciation

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

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

### (viii) Investments

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

### (ix) Inventories

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

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

Cost of Inventories is computed on FIFO basis.

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

### (x) Government Grants and subsidies

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

### (xi) Retirement and other employee benefits

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

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### (xii) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deductible preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

### (xiii) Excise Duty and Custom Duty

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

### (xiv) Borrowing Costs

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

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

### (xv) Taxation

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### (xvi) Segment Reporting

#### a) Identification of segments:

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that offers different products / services and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### b) Inter segment transfers:

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

#### c) Allocation of Common Costs:

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

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

### (xvii) Cash and Cash equivalents

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

### (xviii) Provision

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

### (xix) Contingent Liabilities

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

### (xx) Foreign Currency Transactions

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

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### 2. SHARE CAPITAL

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Authorised</b>		
22,27,00,000 (10,00,000 as at 31.03.2015) Equity Shares of ₹ 1/- each fully paid up	2,227.00	10.00
<b>Total</b>	<b>2,227.00</b>	<b>10.00</b>
<b>Issued</b>		
22,21,72,990 (5,00,000 as at 31.03.2015) Equity Shares of ₹ 1/- each fully paid up	2,221.73	5.00
<b>Total</b>	<b>2,221.73</b>	<b>5.00</b>
<b>Subscribed and Paid up</b>		
22,21,72,990 (5,00,000 as at 31.03.2015) Equity Shares of ₹ 1/- each fully paid up	2,221.73	5.00
<b>Total</b>	<b>2,221.73</b>	<b>5.00</b>

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

Equity Shares	31.03.2016		31.03.2015	
	No. of Shares	(₹ in Lacs)	No of Shares	(₹ in Lacs)
At the Beginning of the year	5,00,000	5.00	5,00,000	5.00
Cancelled during the year (pursuant to Scheme of Arrangement)	(5,00,000)	(5.00)	-	-
Issued during the year (pursuant to Scheme of Arrangement)	22,21,72,990	2,221.73	-	-
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>5,00,000</b>	<b>5.00</b>

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

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

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

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

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

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

Particulars	31.03.2016		31.03.2015	
	No. of Shares	% of holding	No of Shares	% of holding
Equity Shares of ₹ 1/- each fully paid-up				
Star Ferro and Cement Limited	-	-	5,00,000	100%
Mr. Prem Kumar Bhajanka	2,73,69,386	12.32%	-	-
Mrs. Santosh Bhajanka	1,50,49,500	6.77%	-	-
Mr. Sanjay Agarwal	1,47,88,245	6.66%	-	-
Mrs. Divya Agarwal	1,44,88,750	6.52%	-	-
Mr. Sajjan Bhajanka	1,18,95,675	5.35%	-	-



**NOTES TO FINANCIAL STATEMENTS** (Contd.)

## e) Share Capital - Pending Allotment

Particulars	31.03.2016	31.03.2015
Shares to be allotted as per Scheme of Arrangement (Net of shares to be cancelled on allotment )	-	2,216.73
<b>Total</b>	<b>-</b>	<b>2,216.73</b>

**3. RESERVES & SURPLUS**

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Capital Reserves</b>		
Balance as per last account	6,087.77	-
Amount adjusted pursuant to Scheme of Arrangement	-	6,087.77
<b>Closing Balance</b>	<b>6,087.77</b>	<b>6,087.77</b>
<b>Surplus as per Statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	532.38	0.17
Add: Profit /(Loss) for the year	107.40	532.21
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>639.78</b>	<b>532.38</b>
<b>Total</b>	<b>6,727.55</b>	<b>6,620.15</b>

**4. LONG TERM BORROWINGS**

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Term Loans (Secured)</b>		
-Rupee Term Loan from a Financial Institution	232.62	703.98
<b>Other Loans &amp; Advances (Secured)</b>		
-Hire Purchase Finance from a bank	-	14.16
	<b>232.62</b>	<b>718.14</b>
Less: Current Maturities of Long Term Borrowing & Hire Purchase Obligations	157.12	164.16
<b>Total</b>	<b>75.50</b>	<b>553.98</b>

**Note:-**

Rupee Term Loan from financial institution is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit. The Loan is to be repaid in further 6 quarterly instalments.

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

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes upon payment	16.41	13.51
	<b>16.41</b>	<b>13.51</b>
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged	86.37	86.65
	<b>86.37</b>	<b>86.65</b>
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(69.96)</b>	<b>(73.14)</b>

**Note:-**

Deferred Tax Liability of Nil (₹ 78.10 Lacs) transferred to the Company pursuant to the Scheme of Arrangement.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### 6. LONG TERM PROVISIONS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Provisions for employee benefits</b>		
-Gratuity	37.33	27.26
-Leave Encashment	9.86	9.74
<b>Total</b>	<b>47.19</b>	<b>37.00</b>

### 7. SHORT TERM BORROWINGS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Working Capital Facilities</b>		
-Cash Credit from a bank (Secured)	1,798.55	2,420.47
<b>Total</b>	<b>1,798.55</b>	<b>2,420.47</b>

#### Note:-

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

### 8. OTHER CURRENT LIABILITIES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
Current Maturities of long term borrowings	157.12	164.16
<b>Other Payables</b>		
-Statutory Liabilities	65.39	88.46
-Creditors-Micro, Small & Medium Enterprises (Refer note no. 27)	-	-
-Advances from customer	9.01	52.26
-Salary & Bonus Payable to Employees	54.92	55.38
-Other Liabilities	713.09	431.00
<b>Total</b>	<b>999.53</b>	<b>791.26</b>

### 9. SHORT TERM PROVISIONS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Provisions for employee benefits</b>		
-Gratuity	1.68	1.58
-Leave Encashment	0.75	1.16
<b>Other Provisions</b>		
-Provision for Taxation (Net of Advance Tax)	84.98	46.28
<b>Total</b>	<b>87.41</b>	<b>49.02</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### 10. TANGIBLE ASSETS

Cost	(₹ in Lacs)									
	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
As at 1st April, 2014	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of Arrangement	86.16	1,016.32	387.17	4,559.03	1,117.78	34.41	12.16	28.59	596.56	7,838.17
Addition	-	10.40	-	40.78	1.85	0.69	1.16	2.10	26.41	83.38
Disposals	-	-	-	-	-	-	-	-	300.06	300.06
<b>As at 31st March, 2015</b>	<b>86.16</b>	<b>1,026.71</b>	<b>387.17</b>	<b>4,599.81</b>	<b>1,119.63</b>	<b>35.10</b>	<b>13.32</b>	<b>30.68</b>	<b>322.91</b>	<b>7,621.49</b>
Addition	-	-	-	0.10	2.91	0.20	0.54	0.82	-	4.57
Disposals	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>86.16</b>	<b>1,026.71</b>	<b>387.17</b>	<b>4,599.91</b>	<b>1,122.53</b>	<b>35.30</b>	<b>13.86</b>	<b>31.51</b>	<b>322.91</b>	<b>7,626.06</b>
<b>Depreciation</b>										
As at 1st April, 2014	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of Arrangement	-	543.22	141.14	2,965.48	747.38	26.92	5.76	23.16	426.00	4,879.06
Charge for the year	-	44.98	36.30	151.62	166.78	3.17	4.51	3.88	52.13	463.37
Disposals	-	-	-	-	-	-	-	-	234.37	234.37
<b>As at 31st March, 2015</b>	<b>-</b>	<b>588.20</b>	<b>177.44</b>	<b>3,117.10</b>	<b>914.16</b>	<b>30.09</b>	<b>10.27</b>	<b>27.04</b>	<b>243.76</b>	<b>5,108.06</b>
Charge for the year	-	41.09	14.67	131.93	74.61	1.54	1.51	1.81	25.84	293.00
Disposals	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>-</b>	<b>629.30</b>	<b>192.11</b>	<b>3,249.03</b>	<b>988.77</b>	<b>31.63</b>	<b>11.79</b>	<b>28.86</b>	<b>269.60</b>	<b>5,401.06</b>
<b>Net Block</b>										
As at 31st March, 2015	86.16	438.51	209.73	1,482.71	205.47	5.01	3.05	3.64	79.15	2,513.43
As at 31st March, 2016	86.16	397.41	195.06	1,350.88	133.76	3.67	2.07	2.65	53.30	2,225.00

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### 11. INTANGIBLE ASSETS

	(₹ in Lacs)
	<b>Computer Software</b>
<b>Cost</b>	
As at 1st April, 2014	-
Transfer pursuant to Scheme of Arrangement	1.75
Addition	-
Disposals	-
<b>As at 31st March, 2015</b>	<b>1.75</b>
Addition	3.16
Disposals	-
<b>As at 31st March, 2016</b>	<b>4.91</b>
<b>Depreciation</b>	
As at 1st April, 2014	-
Transfer pursuant to Scheme of Arrangement	0.63
Charge for the year	0.61
Disposals	-
<b>As at 31st March, 2015</b>	<b>1.24</b>
Charge for the year	1.14
Disposals	-
<b>As at 31 March, 2016</b>	<b>2.37</b>
<b>Net Block</b>	
As at 31 March, 2015	0.51
As at 31 March, 2016	2.53

### 12. NON CURRENT INVESTMENTS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Unquoted Equity Instruments</b>		
<b>Investment in Associate</b>		
<b>Meghalaya Power Limited</b>		
83,58,998 (83,58,998 as at 31.03.15) Equity Shares of ₹ 10/- each fully paid up	3,373.50	3,373.50
<b>Total</b>	<b>3,373.50</b>	<b>3,373.50</b>

### 13. LONG TERM LOANS AND ADVANCES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Security Deposits</b>		
-Unsecured, Considered Good	56.75	60.77
	<b>56.75</b>	<b>60.77</b>
<b>Other Loans and advances</b>		
-Unsecured, Considered Good		
Prepaid Expenses	-	0.29
Balance with Statutory/Government Authorities	1,400.83	1,062.79
	<b>1,400.83</b>	<b>1,063.08</b>
<b>Total</b>	<b>1,457.58</b>	<b>1,123.85</b>

### 14. OTHER NON CURRENT ASSETS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
-In Fixed Deposit accounts with original maturity of more than 12 months	0.29	4.49
<b>Total</b>	<b>0.29</b>	<b>4.49</b>

**NOTES TO FINANCIAL STATEMENTS** (Contd.)**15. INVENTORIES**

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Inventories</b>		
Raw Materials	473.42	547.39
Finished Goods	181.57	999.13
Fuels, Packing Materials, etc.	1,394.21	1,676.34
Stores & Spare Parts	308.61	361.54
<b>Total</b>	<b>2,357.81</b>	<b>3,584.40</b>

**16. TRADE RECEIVABLES**

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Unsecured</b>		
<b>Over Six Months</b>		
Considered Good	109.43	76.85
	<b>109.43</b>	<b>76.85</b>
<b>Other Debts</b>		
Considered Good	1,286.70	1,150.00
	<b>1,286.70</b>	<b>1,150.00</b>
<b>Total</b>	<b>1,396.12</b>	<b>1,226.85</b>

**17. CASH & CASH EQUIVALENTS**

	(₹ in Lacs)	
	31.03.2016	31.03.2015
Cash On Hand	2.96	30.96
Cheques In Hand	4.05	-
Balance with Banks:		
- In current accounts	484.94	293.50
<b>Total</b>	<b>491.95</b>	<b>324.46</b>

**18. SHORT TERM LOANS AND ADVANCES**

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Others</b>		
Advances to suppliers	63.47	66.81
Advances for Services & Expenses	298.15	259.07
Loans & Advances to Employees	0.97	1.90
Prepaid Expenses	6.45	10.72
Balances with / Receivable from Statutory / Government Authorities	807.32	764.83
<b>Total</b>	<b>1,176.36</b>	<b>1,103.33</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

### 19. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	2015-16	2014-15
Sale of products	11,506.24	11,810.75
Other Operating Revenues	22.93	16.04
<b>Total</b>	<b>11,529.17</b>	<b>11,826.79</b>

#### Details of Products Sold

	(₹ in Lacs)	
	2015-16	2014-15
<b>Finished Goods Sold</b>		
Ferro Silicon	11,506.24	11,810.75
<b>Total</b>	<b>11,506.24</b>	<b>11,810.75</b>

### 20. OTHER INCOME

	(₹ in Lacs)	
	2015-16	2014-15
Interest Income on Fixed Deposits	0.33	0.39
Miscellaneous receipts	2.43	-
<b>Total</b>	<b>2.75</b>	<b>0.39</b>

### 21. COST OF RAW MATERIALS CONSUMED

	(₹ in Lacs)	
	2015-16	2014-15
Inventory at the beginning of the year	547.39	-
Add: Transfer pursuant to Scheme of Arrangement	-	204.80
Add: Purchases	2,871.93	3,877.81
	<b>3,419.32</b>	<b>4,082.61</b>
Less: Inventory at the end of the year	473.42	547.39
<b>Cost of Material Consumed</b>	<b>2,945.90</b>	<b>3,535.22</b>
<b>Details of Raw Material Consumed</b>		
Charcoal	3.16	589.25
Quartz	487.53	444.19
Lam Coke	1,298.96	1,726.09
Mill Scale	288.79	333.87
Coal	29.49	135.76
Super Screen Coal	553.61	-
Others	284.37	306.06
<b>Total</b>	<b>2,945.90</b>	<b>3,535.22</b>

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

	(₹ in Lacs)	
	2015-16	2014-15
Inventory at the beginning of the year	999.13	-
Add: Transfer pursuant to Scheme of Arrangement	-	219.16
Inventory at the end of the year	181.57	999.13
<b>(Increase) /Decrease</b>	<b>817.57</b>	<b>(779.97)</b>
<b>Details of Finished Goods</b>		
Ferro Silicon	175.16	989.28
Silicon Manganese	6.41	9.85
<b>Total</b>	<b>181.57</b>	<b>999.13</b>

**NOTES TO FINANCIAL STATEMENTS** (Contd.)**23. EMPLOYEE BENEFIT EXPENSES**

	(₹ in Lacs)	
	2015-16	2014-15
Salaries & Wages	500.15	479.83
Contribution to Provident Fund and Other Funds	26.74	24.17
Staff Welfare Expenses	24.34	45.83
<b>Total</b>	<b>551.23</b>	<b>549.83</b>

**24. FINANCE COSTS**

	(₹ in Lacs)	
	2015-16	2014-15
Interest Expenses		
-On Fixed Loans	280.99	280.06
-On Other Loans	3.53	33.13
Other Finance Costs	13.24	21.43
<b>Total</b>	<b>297.77</b>	<b>334.62</b>

**25. OTHER EXPENSES**

	(₹ in Lacs)	
	2015-16	2014-15
Consumption of Stores & Spares	504.10	652.87
Packing Materials	74.38	80.69
Power & Fuel	4,830.55	4,798.40
Repairs & Maintenance		
- Building	11.80	28.49
- Plant & Machinery	86.62	197.91
- Others	4.30	8.77
Excise Duty variation on opening/ closing inventory	(41.26)	38.47
Insurance	32.72	47.92
Rent, Rates & Taxes	72.70	45.21
Travelling and Conveyance	13.06	21.60
Heavy Vehicle / Equipment Running Expenses	58.57	17.99
Corporate Social Responsibility	6.00	-
Miscellaneous Expenses	126.43	119.93
Outward Freight Charges	489.84	507.09
Commission, Discount & Incentives on Sale	28.25	12.45
<b>Total</b>	<b>6,298.04</b>	<b>6,577.79</b>

**26. CONTINGENT LIABILITIES**

	(₹ in Lacs)	
Particulars	As at 31.03.16	As at 31.03.15
<b>Contingent Liabilities not provided for in respect of :-</b>		
(a) Bills discounted with banks	1,192.39	1,758.64
(b) Solvent surety given to Excise Department against differential excise duty refund (Refer note no. 29)	606.34	606.34
(c) Cross Subsidy charges payable to Meghalaya State Electricity Board (Refer note no. 30)	700.08	-

**Note:-**

Based on discussion with the solicitors/favorable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in cases mentioned here-in-above and hence, no provision there against is considered necessary.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

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

### 28. PAYMENT TO AUDITORS

(₹ in Lacs)

Particulars	31-03-2016	31-03-2015
As Auditor		
-Audit Fees	0.50	0.50
-Tax Audit Fees	0.55	0.25
<b>In Other Capacity</b>		
Certification and Other Services	0.95	0.45
<b>Total</b>	<b>2.00</b>	<b>1.20</b>

### 29. EXCISE DUTY REFUND

The Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the differential amount against furnishing of solvent surety in line with the Interim Order dated 13th January, 2012 passed by Hon'ble Supreme Court in case of "VVF Ltd and others". Based on the said judgment of Hon'ble High Court and legal opinion obtained by the Company, the differential excise duty refund of ₹ 167.69 Lacs (Previous Years ₹ 365.90 Lacs) has been recognized as revenue in the books of account.

30. MePDCL has raised invoices for cross subsidy surcharge at the rate of ₹ 1.51/ KWH as fixed by the State Regulatory Commission of Meghalaya for electricity consumed through open access during the year. The Company has appealed through the trade association before the Appellate Tribunal of Electricity (APTEL) for revision of tariff. However, the Company has taken provision in its books at the rate of ₹ 0.44/KWH as per the tariff proposed before APTEL which is according to the formula laid down in National Consumer Tariff Policy and the differential amount has been shown as Contingent Liability.

31. Ministry of Corporate Affairs (MCA) vide notification dated 29th August, 2014 has amended Schedule II to the Companies Act, 2013 requiring mandatory componentization of fixed assets for financial statements in respect of Financial Years commencing on or after 1st April, 2015. During the year, the Company has undertaken the Componentization of fixed assets w.e.f. 1st April, 2015 on the basis of technical evaluation and useful life thereof. Consequent to the same, the Depreciation expense is higher by ₹ 0.38 Lacs and Profit Before Tax is lower by ₹ 0.38 lacs for the year ended 31st March, 2016.

### 32. EMPLOYEE DEFINED BENEFITS

- Defined Contribution Plans: The Company has recognized an expense of ₹ 26.74 Lacs (Previous year ₹ 24.17 Lacs) towards the defined contribution plans.
- The Company has a defined benefit gratuity plan. Every employee who has completed five years or more service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The following table summarizes the components of net benefit expenses recognized in the Statement of Profit & Loss and amounts recognized in the Balance Sheet for the Gratuity.
- Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year.



**NOTES TO FINANCIAL STATEMENTS** (Contd.)

(d) Defined Benefit Plans – As per Actuarial Valuation as at 31st March, 2016.

(₹ in Lacs)

Sl. No.	Particulars	2015-16		2014-15	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I.	Expense recognized in the Statement of Profit and Loss for the year ended 31st March, 2016				
	1. Current Service Cost	7.33	2.52	6.21	3.15
	2. Interest Cost	2.72	0.86	1.98	0.79
	3. Employee Contribution	-	-	-	-
	4. Expected Return on Plan Assets	-	-	-	-
	5. Actuarial (Gains)/Losses	4.48	(0.26)	1.73	1.91
	6. Actuarial (Gains)/Losses on plan Assets	-	-	-	-
	7. Total Expense	14.54	3.12	9.92	5.85
II.	Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2016				
	1. Present Value of Defined Benefit Obligation	39.01	10.61	28.84	10.90
	2. Fair Value of Plan Assets	-	-	-	-
	3. Funded Status [Surplus/(Deficit)]	(39.01)	(10.61)	(28.84)	(10.90)
	4. Net Asset/(Liability) as at 31st March, 2016	(39.01)	(10.61)	(28.84)	(10.90)
III.	Change in Obligation during the Year ended 31st March, 2016				
	1. Present value of Defined Benefit Obligation at the beginning of the year	28.84	10.90	20.65	8.86
	2. Current Service Cost	7.33	2.52	6.21	3.15
	3. Interest Cost	2.72	0.86	1.98	0.79
	4. Past Service Cost	-	-	-	-
	5. Employee Contribution	-	-	-	-
	6. Liabilities assumed on acquisition/(settled on divesture)	-	-	-	-
	7. Actuarial (Gains)/Losses	4.48	(0.26)	1.73	1.91
	8. Benefit Payments	(4.36)	(3.40)	(1.73)	(3.81)
	9. Present Value of Defined Benefit Obligation at the end of the year	39.01	10.61	28.84	10.90
IV.	Change in assets during the Year ended 31st March, 2016				
	1. Plan Assets at the beginning of the year	-	-	-	-
	2. Assets acquired on amalgamation in previous year	-	-	-	-
	3. Actual return on plan assets	-	-	-	-
	4. Contributions by employer	4.36	3.40	1.73	3.81
	5. Actual Benefit Paid	(4.36)	(3.40)	(1.73)	(3.81)
	6. Actuarial Gains/(Losses)	-	-	-	-
	7. Plan Assets at the end of the year	-	-	-	-
	8. Actual Return on plan assets	-	-	-	-
V.	The Principal actuarial assumptions are as follows:				
	- Discount Rate	8.00%	8.00%	8.00%	8.00%
	- Expected Return on Plan Assets	-	-	-	-
	- Salary increase	6%	6%	5%	5%

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Sl. No.	Particulars	2015-16		2014-15	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	- Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	1%-8%	1%-8%	1%-8%	1%-8%

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

(₹ in Lacs)

Sl. No.	Particulars	2015-16		2014-15	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1.	Defined Benefit Obligation	39.01	10.61	28.84	10.90
2.	Plan Assets	-	-	-	-
3.	Surplus / (Deficit)	(39.01)	(10.61)	(28.84)	(10.90)
4.	Experience adjustments on plan liability	5.02	1.44	0.98	0.40
5.	Experience adjustments on plan assets	-	-	-	-

### 33. Earnings per Share (EPS):

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

(₹ in Lacs)

Particulars	2015-16	2014-15
Profit/(Loss) attributable to Equity Shareholders for Basic and Diluted EPS	107.40	532.21
Weighted average number of Equity Shares for Basic EPS	22,21,72,990	5,00,000
Weighted average number of Equity Shares to be issued pursuant to Scheme of Arrangement (net of shares to be cancelled on allotment)	-	22,16,72,990
Weighted average number of Equity Shares for Diluted EPS	22,21,72,990	22,21,72,990
Nominal value of equity shares (₹)	1.00	1.00
Basic earnings per share (₹)	0.05	106.44
Diluted earnings per share (₹)	0.05	0.24

### 34. Related Party Disclosures:

Name of the related parties and related party relationship:

A. Names of the related parties where control exists	Nature of relationship
Cement Manufacturing Company Limited (CMCL)	Enterprise owned/influenced by KMP
Meghalaya Power Limited (MPL)	Associate
B. Key Management Personnel	Nature of relationship
Mr. Sajjan Bhajanka	Director
Mr. M.V.K.Nageswara Rao	Chief Executive Officer (w.e.f. 1st May, 2015)
Mr. Debasis Mukhopadhyay	Chief Financial Officer (w.e.f. 11th August, 2015)
Ms. Hasti Doshi	Chief Financial Officer (upto 10th August, 2015)
Ms. Rachna Pareek	Company Secretary (w.e.f. 16th April, 2015)

**NOTES TO FINANCIAL STATEMENTS** (Contd.)

Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2016 are given hereunder:

(₹ in Lacs)

Sl. No.	Type of Transactions	Associate		Key Management Personnel		Enterprise Owned/ Influenced by KMP	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1.	<b>Purchase Transaction</b>						
	Megha Technical & Engineers Private Limited	-	-	-	-	-	1.22
	Meghalaya Power Limited	-	504.37	-	-	-	-
2.	<b>Sale Transaction</b>						
	Cement Manufacturing Company Limited	-	-	-	-	23.12	16.36
3.	<b>Loans Taken</b>						
	Meghalaya Power Limited	-	200.00	-	-	-	-
4.	<b>Loans Repaid</b>						
	Meghalaya Power Limited	-	200.00	-	-	-	-
5.	<b>Remuneration Paid</b>						
	Mr. M.V.K.Nageswara Rao	-	-	22.16	-	-	-
	Mr. Debasis Mukhopadhyay	-	-	14.18	-	-	-
	Ms. Hasti Doshi	-	-	1.19	-	-	-
	Ms. Rachna Pareek	-	-	1.96	-	-	-
6.	<b>Interest Paid</b>						
	Meghalaya Power Limited	-	5.40	-	-	-	-
7.	<b>Outstanding Balances as at 31st March, 2016:</b>						
	<b>Advance Payable</b>						
	Star Ferro and Cement Limited	-	-	-	-	-	72.36
	<b>Investment</b>						
	Meghalaya Power Limited	3,373.50	3,373.50	-	-	-	-
	<b>Guarantees Obtained</b>						
	Mr. Sajjan Bhajanka	-	-	53.00	53.00	-	-

35. The Company's segment information as at and for the Year ended 31st March, 2016 are as below:

(₹ in Lacs)

Sl. No.	Particulars	2015-16			2014-15		
		Ferro Alloys	Power	Total	Ferro Alloys	Power	Total
a.	External sales	11,506.24	22.93	11,529.17	11,810.75	16.04	11,826.79
	Inter-segment sales	-	2,305.09	2,305.09	-	2,199.85	2,199.85
	Elimination	-	(2,305.09)	(2,305.09)	-	(2,199.85)	(2,199.85)
	Total Revenue (Gross)	11,506.24	22.93	11,529.17	11,810.75	16.04	11,826.79
b.	Segment Results	793.02	(147.40)	645.62	1,552.11	(221.02)	1,331.09
	Unallocated Income/(-) Expenses (Net of unallocated Income/(-) Expenses) (Including Exceptional Items)	-	-	(189.08)	-	-	(115.17)
	Operating Profit/Loss (-)	-	-	456.54	-	-	1,215.92
	Finance Cost (Net)	-	-	(297.77)	-	-	(334.62)
	Provision for Taxation	-	-	(54.56)	-	-	(354.04)
	Deferred Tax charge(-) / Credit	-	-	3.19	-	-	4.95
	Total Profit /(-) Loss after tax	-	-	107.40	-	-	532.21
a.	Other Information						
	Segment Assets	6,438.85	2,590.35	9,029.20	6,580.59	3,297.20	9,877.79
	Unallocated Corporate/ Other Assets	-	-	3,451.94	-	-	3,377.05
	TOTAL	6,438.85	2,590.35	12,481.15	6,580.59	3,297.20	13,254.84

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Sl. No.	Particulars	2015-16			2014-15		
		Ferro Alloys	Power	Total	Ferro Alloys	Power	Total
b.	Segment Liabilities	988.31	466.61	1,454.92	932.17	277.64	1,209.81
	Unallocated Corporate/Other Liabilities	-	-	2,076.95	-	-	3,203.15
	TOTAL	988.31	466.61	3,531.87	932.17	277.64	4,412.96
c.	Capital Expenditure	1.66	2.91	4.57	(32.11)	(184.56)	(216.67)
d.	Depreciation/Amortisation	178.34	115.80	294.14	263.20	200.78	463.98

### Notes:

- (a) Business Segments: The business segments have been identified on the basis of the products/activities of the Company. Accordingly, the Company has identified following business segments:
- |              |   |                              |
|--------------|---|------------------------------|
| Ferro Alloys | - | Manufacturing of Ferro Alloy |
| Power        | - | Generation of Power          |
- (b) Geographical Segments: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

### 36. Value of imported and indigenous Raw-materials and Stores & Spare parts etc. and their percentage to total consumption

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Value	%	Value	%
<b>Stores &amp; Spare parts etc.</b>				
-Imported	-	-	-	-
-Indigenous	504.10	100	652.87	100
<b>Total</b>	<b>504.10</b>	<b>100</b>	<b>652.87</b>	<b>100</b>

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

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

- a) Gross amount required to be spent by the Company during the year is ₹ 5.88 Lacs (PY ₹ Nil)
- b) Amount spent during the year :

(₹ in Lacs)

Sl. No.	Nature of Expenditure	2015-16	2014-15
(i)	Education	6.00	-

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

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

# **Consolidated Financial Statements**

# Independent Auditors' Report on Consolidated Financial Statements

To  
The Members of  
**SHYAM CENTURY FERROUS LIMITED**

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Shyam Century Ferrous Limited ("the Holding Company") and an associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITORS' RESPONSIBILITY

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

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

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

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements does not have any pending litigations on the consolidated financial position of the Group.
  - ii. The Group and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

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

**CA. Arun Kumar Sharma**  
*Partner*

Place : Kolkata  
Date : 3rd May, 2016

Membership No. 057329

## Annexure - A to the Auditors' Report

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Shyam Century Ferrous Limited** ("the Holding Company") and its associate which is a Company incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its Associate Company, which is a Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued

by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, the Holding Company and its Associate Company, which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**CA. Arun Kumar Sharma**  
*Partner*

Place : Kolkata  
Date : 3rd May, 2016

Membership No. 057329



## Consolidated Balance Sheet

as at 31st March, 2016

(₹ in Lacs)

Particulars	Note	31.03.2016	31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	2,221.73	5.00
Share Capital - Pending Allotment		-	2,216.73
Reserves and Surplus	3	8,661.73	8,025.95
		<b>10,883.46</b>	<b>10,247.68</b>
<b>Non-current liabilities</b>			
Long Term Borrowings	4	75.50	553.98
Deferred Tax Liabilities	5	69.96	73.14
Long Term Provisions	6	47.19	37.00
		<b>192.66</b>	<b>664.12</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,798.55	2,420.47
Trade Payables		453.70	488.07
Other Current Liabilities	8	999.53	791.26
Short Term Provisions	9	87.41	49.02
		<b>3,339.21</b>	<b>3,748.82</b>
<b>Total</b>		<b>14,415.33</b>	<b>14,660.63</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
-Tangible Assets	10	2,225.00	2,513.43
-Intangible Assets	11	2.53	0.51
		<b>2,227.53</b>	<b>2,513.94</b>
Non Current Investments	12	5,307.68	4,779.30
Long Term Loans and Advances	13	1,457.58	1,123.85
Other Non Current Assets	14	0.29	4.49
		<b>8,993.08</b>	<b>8,421.59</b>
<b>Current Assets</b>			
Inventories	15	2,357.81	3,584.40
Trade Receivables	16	1,396.12	1,226.85
Cash and Cash Equivalents	17	491.95	324.46
Short Term Loans and Advances	18	1,176.36	1,103.33
		<b>5,422.25</b>	<b>6,239.04</b>
<b>Total</b>		<b>14,415.33</b>	<b>14,660.63</b>
Summary of Significant accounting policies	1.3		

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Statement of Profit and Loss Account

for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Note	2015-16	2014-15
<b>INCOME</b>			
Revenue from Operations (Gross)	19	11,529.17	11,826.79
Less: Excise Duty (Net)		168.51	236.18
Revenue from Operations (Net)		<b>11,360.66</b>	<b>11,590.61</b>
Other Income	20	2.75	0.39
<b>Total Revenue</b>		<b>11,363.42</b>	<b>11,591.00</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	2,945.90	3,535.22
(Increase)/Decrease in Inventories	22	817.57	(779.97)
Employee Benefit Expenses	23	551.23	549.83
Finance Costs	24	297.77	334.62
Depreciation and Amortization Expenses		294.14	463.98
Other Expenses	25	6,298.04	6,577.79
<b>Total Expenses</b>		<b>11,204.64</b>	<b>10,681.47</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>158.77</b>	<b>909.53</b>
Exceptional Items		-	(28.23)
<b>Profit/(Loss) before tax</b>		<b>158.77</b>	<b>881.30</b>
<b>Tax Expenses</b>			
-Current Tax		(54.56)	(354.04)
-Deferred Tax		3.19	4.95
<b>Profit/(Loss) for the year</b>		<b>107.40</b>	<b>532.21</b>
Share of profit/(loss) of associate		528.38	265.77
<b>Net Profit/(Loss) after taxes and share of profit/(loss) of associate</b>		<b>635.78</b>	<b>797.98</b>
<b>Earnings Per Equity Share (nominal value of share ₹ 1/-)</b>			
Basic Earning Per Share		0.29	159.60
Diluted Earning Per Share		0.29	0.36
Summary of Significant accounting policies	1.3		

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Cash Flow Statement

for the year ended 31st March, 2016

(₹ in Lacs)

Sl. No.	Particulars	2015-16	2014-15
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit / (Loss) before Tax	158.77	909.53
	Adjustments for:		
	Depreciation/Amortisation	294.14	463.98
	Loss on sale of Fixed Assets	-	(28.23)
	Finance Cost	297.77	334.62
	Interest and Other Income	(2.75)	(0.39)
	Provision for Doubtful Debts	-	(129.89)
	<b>Operating Profit before Working Capital changes</b>	<b>747.93</b>	<b>1,549.62</b>
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(169.27)	559.23
	(Increase)/Decrease in Inventories	1,226.60	(1,582.76)
	(Increase)/Decrease in Long Term Loans & Advances	(333.73)	(286.55)
	(Increase)/Decrease in Short Term Loans & Advances	(116.60)	(152.15)
	(Increase)/Decrease in Other Current Assets	-	396.55
	Increase/(Decrease) in Long Term Provisions	10.20	9.30
	Increase/(Decrease) in Short Term Provisions	38.40	47.18
	Increase/(Decrease) in Other Current Liabilities	215.31	479.33
	Increase/(Decrease) in Trade Payables	(34.37)	(570.32)
	<b>Cash Generated from Operations</b>	<b>1,584.47</b>	<b>449.43</b>
	Direct Taxes Paid (Net of Refunds)	(10.99)	(194.85)
	<b>Net Cash generated from Operating Activities</b>	<b>1,573.47</b>	<b>254.58</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(7.73)	48.32
	Sale of Fixed Assets	-	(37.45)
	Fixed Deposits/Margin Money (Given)/Refund	4.20	1.70
	Interest Received	2.75	0.39
	<b>Net Cash from Investing Activities</b>	<b>(0.78)</b>	<b>12.96</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase in Short Term Borrowings	(621.92)	686.75
	Repayment of Long Term Borrowings	(485.52)	(299.45)
	Interest Paid	(297.77)	(334.62)
	<b>Net Cash used in Financing Activities</b>	<b>(1405.20)</b>	<b>52.68</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>167.50</b>	<b>320.22</b>
	Cash and Cash Equivalents as on 1st April, 2015	324.46	0.33
	Add : Transferred as per Scheme of Arrangement	-	3.91
		324.46	4.24
	Cash and Cash Equivalents as on 31st March, 2016	491.95	324.46

As per our report of even date

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

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

Place: Kolkata  
Date: 3rd May, 2016

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Rachna Pareek**  
Company Secretary

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

# Consolidated Notes to Financial Statements

## 1. BASIS OF CONSOLIDATION

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

### 1.1 Principles of consolidation

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

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

Name	Country of Incorporation	% of Voting power as on 31.03.2016
Meghalaya Power Limited	India	48.80 %

### 1.2 Basis of Preparation

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

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

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

### 1.3 Summary of Significant Accounting Policies

#### (i) Fixed Assets

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

## Consolidated Notes to Financial Statements (Contd.)

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

**(ii) Inventories**

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

**(iii) Foreign Currency Transactions**

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

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

## Consolidated Notes to Financial Statements (Contd.)

### 2. SHARE CAPITAL

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Authorised</b>		
22,27,00,000 (10,00,000 as at 31.03.2015) Equity Shares of ₹ 1/- each fully paid up	2,227.00	10.00
<b>Total</b>	<b>2,227.00</b>	<b>10.00</b>
<b>Issued</b>		
22,21,72,990 (5,00,000 as at 31.03.2015) Equity Shares of ₹ 1/- each fully paid up	2,221.73	5.00
<b>Total</b>	<b>2,221.73</b>	<b>5.00</b>
<b>Subscribed and Paid up</b>		
22,21,72,990 (5,00,000 as at 31.03.2015) Equity Shares of ₹ 1/- each fully paid up	2,221.73	5.00
<b>Total</b>	<b>2,221.73</b>	<b>5.00</b>

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

Equity Shares	31.03.2016		31.03.2015	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
At the Beginning of the year	5,00,000	5.00	5,00,000	5.00
Cancelled during the year (pursuant to Scheme of Arrangement)	(5,00,000)	(5.00)	-	-
Issued during the year (pursuant to Scheme of Arrangement)	22,21,72,990	2,221.73	-	-
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>5,00,000</b>	<b>5.00</b>

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

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

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

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

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

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

Particulars	31.03.2016		31.03.2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of ₹ 1/- each fully paid-up				
Star Ferro and Cement Limited	-	-	5,00,000	100%
Shri Prem Kumar Bhajanka	2,73,69,386	12.32%	-	-
Smt Santosh Bhajanka	1,50,49,500	6.77%	-	-
Shri Sanjay Agarwal	1,47,88,245	6.66%	-	-
Smt Divya Agarwal	1,44,88,750	6.52%	-	-
Shri Sajjan Bhajanka	1,18,95,675	5.35%	-	-

## Consolidated Notes to Financial Statements (Contd.)

### e) Share Capital - Pending Allotment

Particulars	31.03.2016	31.03.2015
Shares to be allotted as per Scheme of Arrangement (Net of shares to be cancelled on allotment )	-	2,216.73
<b>Total</b>	<b>-</b>	<b>2,216.73</b>

### 3. RESERVES & SURPLUS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Capital Reserves</b>		
Balance as per last account	7,227.80	-
Amount adjusted pursuant to Scheme of Arrangement	-	6,087.77
Addition/(Deduction) during the year	-	1,140.03
<b>Closing Balance</b>	<b>7,227.80</b>	<b>7,227.80</b>
<b>Surplus as per Statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	798.15	0.17
Add: Profit/(Loss) for the period including Share of Profit/(Loss) of Associate	635.78	797.98
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>1,433.93</b>	<b>798.15</b>
<b>Total</b>	<b>8,661.73</b>	<b>8,025.95</b>

#### Note :

Being the excess of Company's share of Equity in the Associate over its cost of acquisition pursuant to the Scheme of Arrangement between Star Ferro and Cement Limited (SFCL), the Company and their respective shareholders as approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31st March, 2015.

### 4. LONG TERM BORROWINGS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Term Loans (Secured)</b>		
-Rupee Term Loan from a Financial Institution	232.62	703.98
<b>Other Loans &amp; Advances (Secured)</b>		
-Hire Purchase Finance from a bank	-	14.16
	232.62	718.14
Less: Current Maturities of Long Term Borrowing & Hire Purchase Obligations	157.12	164.16
<b>Total</b>	<b>75.50</b>	<b>553.98</b>

#### Note:-

Rupee Term Loan from financial institution is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit. The Loan is to be repaid in further 6 quarterly instalments.

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

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes upon payment	16.41	13.51
	<b>16.41</b>	<b>13.51</b>
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged	86.37	86.65
	<b>86.37</b>	<b>86.65</b>
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(69.96)</b>	<b>(73.14)</b>

#### Note:

Deferred Tax Liability of Nil (₹ 78.10 Lacs) transferred to the Company pursuant to the Scheme of Arrangement.

## Consolidated Notes to Financial Statements (Contd.)

### 6. LONG TERM PROVISIONS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Provisions for employee benefits</b>		
-Gratuity	37.33	27.26
-Leave Encashment	9.86	9.74
<b>Total</b>	<b>47.19</b>	<b>37.00</b>

### 7. SHORT TERM BORROWINGS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Working Capital Facilities</b>		
-Cash Credit from a bank (Secured)	1,798.55	2,420.47
<b>Total</b>	<b>1,798.55</b>	<b>2,420.47</b>

#### Note:-

Working Capital facility from bank is secured by first charge on the current assets and second charge on the fixed assets of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya.

### 8. OTHER CURRENT LIABILITIES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
Current Maturities of long term borrowings	157.12	164.16
<b>Other Payables</b>		
-Statutory Liabilities	65.39	88.46
-Creditors-Micro, Small & Medium Enterprises (Refer Note 27)	-	-
-Advances from customer	9.01	52.26
-Salary & Bonus Payable to Employees	54.92	55.38
-Other Liabilities	713.09	431.00
<b>Total</b>	<b>999.53</b>	<b>791.26</b>

### 9. SHORT TERM PROVISIONS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Provisions for employee benefits</b>		
-Gratuity	1.68	1.58
-Leave Encashment	0.75	1.16
<b>Other Provisions</b>		
-Provision for Taxation (Net of Advance Tax)	84.98	46.28
<b>Total</b>	<b>87.41</b>	<b>49.02</b>



## Consolidated Notes to Financial Statements (Contd.)

### 10 TANGIBLE ASSETS

Cost	(₹ in Lacs)								Total	
	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers		Vehicles
<b>As at 1st April, 2014</b>	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of Arrangement	86.16	1,016.32	387.17	4,559.03	1,117.78	34.41	12.16	28.59	596.56	7,838.17
Addition	-	10.40	-	40.78	1.85	0.69	1.16	2.10	26.41	83.38
Disposals	-	-	-	-	-	-	-	-	300.06	300.06
<b>As at 31st March, 2015</b>	<b>86.16</b>	<b>1,026.71</b>	<b>387.17</b>	<b>4,599.81</b>	<b>1,119.63</b>	<b>35.10</b>	<b>13.32</b>	<b>30.68</b>	<b>322.91</b>	<b>7,621.49</b>
Addition	-	-	-	0.10	2.91	0.20	0.54	0.82	-	4.57
Disposals	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>86.16</b>	<b>1,026.71</b>	<b>387.17</b>	<b>4,599.91</b>	<b>1,122.53</b>	<b>35.30</b>	<b>13.86</b>	<b>31.51</b>	<b>322.91</b>	<b>7,626.06</b>
<b>Depreciation</b>										
<b>As at 1st April, 2014</b>	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to Scheme of Arrangement	-	543.22	141.14	2,965.48	747.38	26.92	5.76	23.16	426.00	4,879.06
Charge for the year	-	44.98	36.30	151.62	166.78	3.17	4.51	3.88	52.13	463.37
Disposals	-	-	-	-	-	-	-	-	234.37	234.37
<b>As at 31st March, 2015</b>	<b>-</b>	<b>588.20</b>	<b>177.44</b>	<b>3,117.10</b>	<b>914.16</b>	<b>30.09</b>	<b>10.27</b>	<b>27.04</b>	<b>243.76</b>	<b>5,108.06</b>
Charge for the year	-	41.09	14.67	131.93	74.61	1.54	1.51	1.81	25.84	293.00
Disposals	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>-</b>	<b>629.30</b>	<b>192.11</b>	<b>3,249.03</b>	<b>988.77</b>	<b>31.63</b>	<b>11.79</b>	<b>28.86</b>	<b>269.60</b>	<b>5,401.06</b>
<b>Net Block</b>										
<b>As at 31st March, 2015</b>	<b>86.16</b>	<b>438.51</b>	<b>209.73</b>	<b>1,482.71</b>	<b>205.47</b>	<b>5.01</b>	<b>3.05</b>	<b>3.64</b>	<b>79.15</b>	<b>2,513.43</b>
<b>As at 31st March, 2016</b>	<b>86.16</b>	<b>397.41</b>	<b>195.06</b>	<b>1,350.88</b>	<b>133.76</b>	<b>3.67</b>	<b>2.07</b>	<b>2.65</b>	<b>53.30</b>	<b>2,225.00</b>

## Consolidated Notes to Financial Statements (Contd.)

### 11 INTANGIBLE ASSETS

	(₹ in Lacs)
	<b>Computer Software</b>
<b>Cost</b>	
As at 1st April, 2014	-
Transfer pursuant to Scheme of Arrangement	1.75
Addition	-
Disposals	-
<b>As at 31st March, 2015</b>	<b>1.75</b>
Addition	3.16
Disposals	-
<b>As at 31st March, 2016</b>	<b>4.91</b>
<b>Depreciation</b>	
As at 1st April, 2014	-
Transfer pursuant to Scheme of Arrangement	0.63
Charge for the year	0.62
Disposals	-
<b>As at 31st March, 2015</b>	<b>1.25</b>
Charge for the year	1.14
Disposals	-
<b>As at 31st March, 2016</b>	<b>2.38</b>
<b>Net Block</b>	
As at 31st March, 2015	0.51
As at 31st March, 2016	2.53

### 12. NON CURRENT INVESTMENTS

	31.03.2016	31.03.2015
	(₹ in Lacs)	
<b>Trade Investments</b>		
<b>Investment in Associate (at Cost)</b>		
<b>Equity Accounted Associate</b>		
Cost of Investment including ₹ 1,140.03 lacs Capital Reserve (Previous Year : ₹ 1140.03)*	4,779.30	4,513.53
Add : Share of Profit in Associate	528.38	265.77
<b>Total</b>	<b>5,307.68</b>	<b>4,779.30</b>

Details of Equity Accounted Associate are as follows :

Name of the Company	Original Cost of Investments *	Capital Reserve	(₹ in Lacs)	
			Accumulated Profit as at 31.03.2016	Carrying amount of Investments as at 31.03.2016
Meghalaya Power Limited	3,373.50	1,140.03	794.15	5,307.68
	<b>3,373.50</b>	<b>1,140.03</b>	<b>794.15</b>	<b>5,307.68</b>

**Note:-**

\* Pursuant to the Scheme of Arrangement between Star Ferro and Cement Limited (SFCL), the Company and their respective shareholders as approved by the Hon'ble High Court of Meghalaya at Shillong vide its order dated 31st March, 2015, the Company has acquired 83,58,998 Equity Shares of Meghalaya Power Limited at a cost of ₹ 3,373.50 Lacs and same has been treated in its books as cost of investment.

## Consolidated Notes to Financial Statements (Contd.)

### 13. LONG TERM LOANS AND ADVANCES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Security Deposits</b>		
-Unsecured, Considered Good	56.75	60.77
	<b>56.75</b>	<b>60.77</b>
<b>Other Loans and advances</b>		
-Unsecured, Considered Good		
Prepaid Expenses	-	0.29
Balance with Statutory/Government Authorities	1,400.83	1,062.79
	<b>1,400.83</b>	<b>1,063.08</b>
<b>Total</b>	<b>1,457.58</b>	<b>1,123.85</b>

### 14. OTHER NON CURRENT ASSETS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
-In Fixed Deposit accounts with original maturity of more than 12 months	0.29	4.49
<b>Total</b>	<b>0.29</b>	<b>4.49</b>

### 15. INVENTORIES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Inventories</b>		
Raw Materials	473.42	547.39
Finished Goods	181.57	999.13
Fuels, packing materials, etc.	1,394.21	1,676.34
Stores & Spare Parts	308.61	361.54
<b>Total</b>	<b>2,357.81</b>	<b>3,584.40</b>

### 16. TRADE RECEIVABLES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Unsecured</b>		
<b>Over Six Months</b>		
Considered Good	109.43	76.85
	<b>109.43</b>	<b>76.85</b>
<b>Other Debts</b>		
Considered Good	1,286.70	1,150.00
	<b>1,286.70</b>	<b>1,150.00</b>
<b>Total</b>	<b>1,396.12</b>	<b>1,226.85</b>

### 17. CASH & CASH EQUIVALENTS

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Cash On Hand</b>	2.96	30.96
<b>Cheques In Hand</b>	4.05	-
<b>Balance with Banks:</b>		
- In current accounts	484.94	293.50
<b>Total</b>	<b>491.95</b>	<b>324.46</b>

## Consolidated Notes to Financial Statements (Contd.)

### 18. SHORT TERM LOANS AND ADVANCES

	(₹ in Lacs)	
	31.03.2016	31.03.2015
<b>Others</b>		
Advances to suppliers	63.47	66.81
Advances for Services & Expenses	298.15	259.07
Loans & Advances to Employees	0.97	1.90
Prepaid Expenses	6.45	10.72
Balances with / Receivable from Statutory / Government Authorities	807.32	764.83
<b>Total</b>	<b>1,176.36</b>	<b>1,103.33</b>

### 19. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	2015-16	2014-15
Sale of products	11,506.24	11,810.75
Other Operating Revenues	22.93	16.04
<b>Total</b>	<b>11,529.17</b>	<b>11,826.79</b>

#### Details of Products Sold

	(₹ in Lacs)	
	2015-16	2014-15
<b>Finished Goods Sold</b>		
Ferro Silicon	11,506.24	11,810.75
<b>Total</b>	<b>11,506.24</b>	<b>11,810.75</b>

### 20. OTHER INCOME

	(₹ in Lacs)	
	2015-16	2014-15
Interest Income on Fixed Deposits	0.33	0.39
Miscellaneous receipts	2.43	-
<b>Total</b>	<b>2.75</b>	<b>0.39</b>

### 21. COST OF RAW MATERIALS CONSUMED

	(₹ in Lacs)	
	2015-16	2014-15
Inventory at the beginning of the year	547.39	-
Add: Transfer pursuant to Scheme of Arrangement	-	204.80
Add: Purchases	2,871.93	3,877.81
	3,419.32	4,082.61
Less: Inventory at the end of the year	473.42	547.39
<b>Cost of Material Consumed</b>	<b>2,945.90</b>	<b>3,535.22</b>
<b>Details of Raw Material Consumed</b>		
Charcoal	3.16	589.25
Quartz	487.53	444.19
Lam Coke	1,298.96	1,726.09
Mill Scale	288.79	333.87
Coal	29.49	135.76
Super Screen Coal	553.61	-
Others	284.37	306.06
<b>Total</b>	<b>2,945.90</b>	<b>3,535.22</b>

## Consolidated Notes to Financial Statements (Contd.)

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

	(₹ in Lacs)	
	2015-16	2014-15
Inventory at the beginning of the year	999.13	-
Add : Transfer pursuant to Scheme of Arrangement	-	219.16
Inventory at the end of the year	181.57	999.13
<b>(Increase) /Decrease</b>	<b>817.57</b>	<b>(779.97)</b>
<b>Details of Finished Goods</b>		
Ferro Silicon	175.16	989.28
Silicon Manganese	6.41	9.85
<b>Total</b>	<b>181.57</b>	<b>999.13</b>

### 23. EMPLOYEE BENEFIT EXPENSES

	(₹ in Lacs)	
	2015-16	2014-15
Salaries & Wages	500.15	479.83
Contribution to Provident Fund and Other Funds	26.74	24.17
Staff Welfare Expenses	24.34	45.83
<b>Total</b>	<b>551.23</b>	<b>549.83</b>

### 24. FINANCE COSTS

	(₹ in Lacs)	
	2015-16	2014-15
Interest Expenses		
-On Fixed Loans	280.99	280.06
-On Other Loans	3.53	33.13
Other Finance Costs	13.24	21.43
<b>Total</b>	<b>297.77</b>	<b>334.62</b>

### 25. OTHER EXPENSES

	(₹ in Lacs)	
	2015-16	2014-15
Consumption of Stores & Spares	504.10	652.87
Packing Materials	74.38	80.69
Power & Fuel	4,830.55	4,798.40
Repairs & Maintenance		
- Building	11.80	28.49
- Plant & Machinery	86.62	197.91
- Others	4.30	8.77
Excise Duty variation on opening/ closing inventory	(41.26)	38.47
Insurance	32.72	47.92
Rent, Rates & Taxes	72.70	45.21
Travelling and Conveyance	13.06	21.60
Heavy Vehicle / Equipment Running Expenses	58.57	17.99
Corporate Social Responsibility	6.00	-
Miscellaneous Expenses	126.43	119.93
Outward Freight Charges	489.84	507.09
Commission, Discount & Incentives on Sale	28.25	12.45
<b>Total</b>	<b>6,298.04</b>	<b>6,577.79</b>

## Consolidated Notes to Financial Statements (Contd.)

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

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

Particulars	₹ in Lacs)	
	2015-16	2014-15
Profit/(Loss) attributable to Equity Shareholders for Basic and Diluted EPS	635.78	797.98
Weighted average number of Equity Shares for Basic EPS	22,21,72,990	5,00,000
Weighted average number of Equity Shares to be issued pursuant to Scheme of Arrangement (net of shares to be cancelled on allotment)	-	22,16,72,990
Weighted average number of Equity Shares for Diluted EPS	22,21,72,990	22,21,72,990
Nominal value of equity shares (₹)	1.00	1.00
Basic earnings per share (₹)	0.29	159.60
Diluted earnings per share (₹)	0.29	0.36

27. In line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the associate Meghalaya Power Limited has availed the option given in paragraph 46A of the Accounting Standard 11 (AS-11) – “The Effects of Changes in Foreign Exchange Rates”. Accordingly it has, with effect from 1st April, 2013, depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The share of SCFL in MPL’s depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31st March, 2016 is ₹ 67.97 (PY ₹ 51.30) lacs. The share of SCFL in MPL’s unamortized portion carried forward as at 31st March, 2016 is ₹ 1,212.56 (₹ 919.03) lacs.

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

Sl. No.	Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
	<b>Parent</b>				
	Shyam Century Ferrous Limited	82.23%	8,949.28	16.89%	107.40
A	<b>Associates (Investment as per the equity method)</b>				
	<b>Indian:</b>				
	Meghalaya Power Limited	17.77%	1,934.18	83.11%	528.38
	<b>Foreign : None</b>				
	<b>Joint Ventures : None</b>				
	<b>TOTAL</b>	<b>100%</b>	<b>10,883.46</b>	<b>100%</b>	<b>635.78</b>

### 29. CONTINGENT LIABILITIES

Sl. No.	Particulars	₹ in Lacs)	
		As at 31.03.16	As at 31.03.15
1.	Contingent Liabilities not provided for in respect of :-		
	(a) Bills discounted with banks	1,192.39	1,758.64
	(b) Solvent surety given to Excise Department against differential excise duty refund	606.34	606.34
	(c) Cross Subsidy charges payable to Meghalaya State Electricity Board (Refer note no. 30)	730.18	-
	(d) Bank Guarantee issued by Bank	80.91	80.91

#### Note:-

Based on discussion with the solicitors/favorable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in cases mentioned here-in-above and hence, no provision there against is considered necessary.

- 30.** MePDCL has raised invoices for cross subsidy surcharge at the rate of ₹ 1.51/KWH as fixed by the State Regulatory Commission of Meghalaya for electricity consumed through open access during the year. The Company has appealed through the trade association before the Appellate Tribunal of Electricity (APTEL) for revision of tariff. However, the Company has taken provision in its books at the rate of ₹ 0.44/KWH as per the tariff proposed before APTEL which is according to the formula laid down in National Consumer Tariff Policy and the differential amount has been shown as Contingent Liability. In the same lines, the associate Meghalaya Power Limited has also taken provision at the rate of ₹ 0.44/KWH for electricity consumed through open access during the year.
- 31.** Figures have been rounded off to the nearest ₹ in Lacs. As the consolidation of accounts is being done with effect from 1st April, 2015, the previous year's figures have been worked out accordingly to the current year's classifications.

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

For and on behalf of the Board of Directors

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

**Debasis Mukhopadhyay**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 3rd May, 2016

**Rachna Pareek**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## SHYAM CENTURY FERROUS LIMITED

Regd. Office: Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210  
 Corporate Office: Satyam Towers, Unit No. 9B, 1st Floor, 3 Alipore Road, Kolkata - 700027  
 Tel: 03655 – 278215/16/18, Fax: 03655-278217, Email: investors@shyamcenturyferrous.com  
 Website: www.shyamcenturyferrous.com  
 CIN-L27310ML2011PLC008578

### NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the **FIFTH ANNUAL GENERAL MEETING** of the members of Shyam Century Ferrous Limited will be held on Friday, 9th September, 2016 at 04.00 P.M. at “Star Club”, Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the audited Consolidated Financial Statements) for the Financial Year ended 31st March, 2016 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sajjan Bhajanka (DIN: 00246043), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the auditors of the Company and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

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

#### SPECIAL BUSINESS:

4. Ratification of remuneration payable to Cost Auditors

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies

Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 50,000/- (Rupees fifty thousand only) per annum payable to M/s. B. G. Chowdhury & Co., Cost Accountants (Firm Registration No. 000064), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2017 be and is hereby ratified and confirmed;

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

5. Increase in limits of investments in other bodies corporate under Section 186 of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest/ acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 60 crore (Rupees Sixty crores only) notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively “transactions”) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or



otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction.”

## 6. Fee for service of documents

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 20(2) of the Companies Act, 2013, a uniform fee of ₹ 200/- (Rupees Two Hundred only) be charged towards cost of dispatch and handling for service of each document within India and ₹ 1,000/- (Rupees One Thousand only) for service of each document outside India by any specific mode of service requested by any shareholder, provided such service mode along

with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the documents by the Company and no such request shall be entertained by the Company post the dispatch of the document by the Company to the member;

**RESOLVED FURTHER THAT** the Board of Directors or Key Managerial Personnel of the Company be and are hereby authorized to do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution and to put such reasonable conditions from time to time in its absolute discretion in this regard.”

By Order of the Board  
For Shyam Century Ferrous Limited

Date: 1st August, 2016  
Place: Kolkata

**Rachna Pareek**  
Company Secretary

## NOTES:

- An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rules made thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
- Members holding shares in the physical form are requested to notify change in address, email id, bank mandate and bank particulars, if any, under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 6 Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata – 700001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers. Members holding shares in electronic form may update such information with their respective Depository Participants.
- Additional information in respect of the Director seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting are furnished as an Annexure and forms a part of the Notice. The Director has furnished the requisite consents/ declarations for his appointment/re-appointment.
- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 6th September, 2016 to Friday, 9th September, 2016 (both days inclusive).
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now register the same by writing to the Registrar of the Company, M/s. Maheshwari Datamatics Private Limited at the following address:-

Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2nd Floor,  
Kolkata - 700001

Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

8. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the RTA. Nomination form can be downloaded from the Company's website: [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) under the section 'Investors'. In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or M/s. Maheshwari Datamatics Private Limited.
10. Members seeking information regarding financial accounts of the Company are requested to write to the Company at least 7 (seven) days before the date of meeting so as to enable the management to keep the information ready.
11. All documents meant for inspection and referred to in the Notice and accompanying Annual Report are open for inspection at the Corporate Office of the Company during office hours between 11:00 A.M to 1:00 P.M on all working days till the date of the Annual General Meeting (AGM).
12. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM. Members are requested to bring their admission slip along with the copy of the Annual Report at the Annual General Meeting.
13. Members may also note that the Notice of the 5th AGM and the Annual Report for 2015-16 will also be available on the Company's website for their download.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
15. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all the Members for which the Company has engaged the services of National Securities Depository Limited (NSDL). The Members holding shares either in physical form or in dematerialized form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
16. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members who have not cast their votes by remote e-voting as on Cut-off date i.e. 2nd September, 2016 shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who cast their votes by remote e-voting prior to the meeting, may attend the meeting but will not be entitled to cast their vote again.
17. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 2nd September, 2016**, are entitled to vote on the Resolutions set forth in this Notice and a person who is not a Member as on cut-off date should treat this notice for information purpose only. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
18. The e-voting period will commence at 9.00 a.m. on Tuesday, 6th September, 2016 and will end at 5.00 p.m. on Thursday, 8th September, 2016. The Company has appointed Md. Shahnawaz, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to

vote through electronic mode may refer to the detailed procedure on e-voting.

- The Route map of the venue of Annual General Meeting i.e. "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 is annexed at the end of this Notice.

**20. PROCEDURE FOR REMOTE E-VOTING**

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

**A. In case of Members who receive the Notice in electronic mode:**

- Open the PDF file 'SCFL e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- Launch an internet browser and open <https://www.evoting.nsdl.com>
- Click on Shareholder - Login.
- Insert 'User ID' and 'Initial Password' as noted in step (1) above and click 'Login'.
- Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- Select the 'EVEN' (E-Voting Event Number) of Shyam Century Ferrous Limited.
- Now you are ready for e-voting as 'Cast Vote' page opens.
- Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to

send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer by an e-mail at [csmdshah@gmail.com](mailto:csmdshah@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case of Members who receive Notice by post:**

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

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

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

- In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the download section of NSDL's e-voting website: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- The voting rights shall be as per the number of equity share held by the Member(s) as on 2nd September, 2016. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- The Companies (Management and Administration) Rules, 2014, as amended provides that the electronic voting period shall remain open for at least three days and shall close at 5.00 p.m. on the date preceding the date of the AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Tuesday, 6th September, 2016 and will end at 5.00 p.m. on Thursday, 8th September, 2016.
- The results shall be declared within 48 hours from the conclusion of the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company and such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

By Order of the Board  
For Shyam Century Ferrous Limited

Date: 1st August, 2016  
Place: Kolkata

Rachna Pareek  
Company Secretary

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

### Item No. 4

The Board of Directors on the recommendation of Audit Committee has appointed M/s. B. G. Chowdhury & Co., Cost Accountants to conduct the Cost Audit of the Company for the Financial Year 2016-17 on remuneration of ₹ 50,000/- (Rupees fifty thousand only) per annum.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

### Item No. 5

As per requirement of Section 186 of the Companies Act, 2013, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

As a part of corporate policy your Company has to make strategic and other investment in securities of other bodies corporate from time to time. The investment(s) are made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules thereunder. The investments are proposed to be made out of own/surplus/internal accruals and or any other sources including borrowings, of necessary, to achieve long term strategic and business objectives.

None of the Directors, Key Managerial Personnel and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at item no. 5 of the Notice.

### Item No. 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residential address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. The requisite fee (by way of Demand Draft) has to be sent to the Company by the shareholder clearly stating the document desired to be received through a particular mode.

Further, considering the large number of shareholders of the Company, it would not be practically feasible to accept 'lump-sum' advances from shareholders and continue maintaining their running ledger balances for this purpose.

Therefore to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode as mentioned in the resolution.

The Board recommends the Ordinary Resolution as set out in the Notice for approval of the Members.

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

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

Date: 1st August, 2016  
Place: Kolkata

**Rachna Pareek**  
Company Secretary

## ANNEXURE TO ITEM NO. 2 OF THE NOTICE

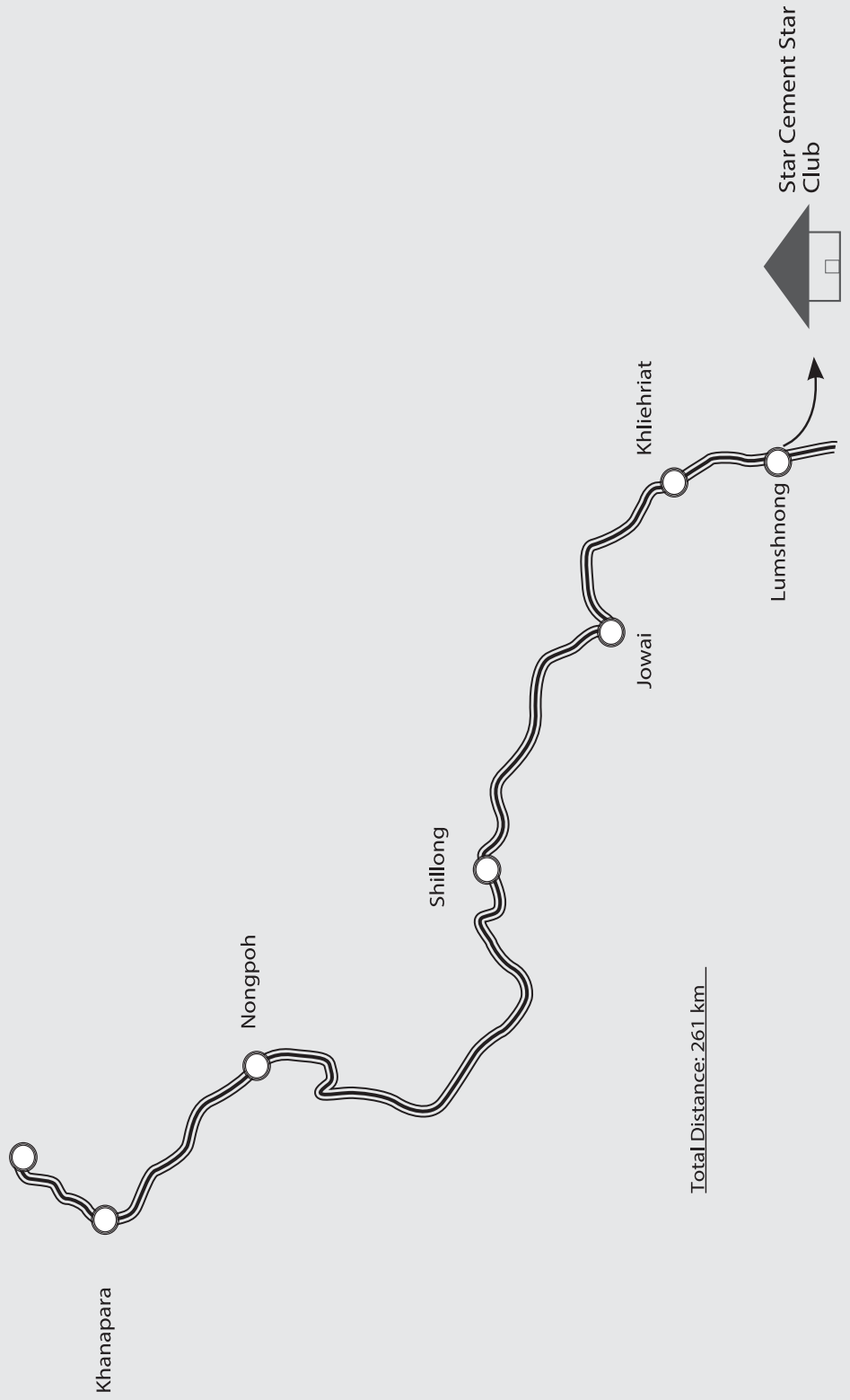
**Information provided in respect of an individual proposed to be re-appointed as  
Director at the forth coming Annual General Meeting**

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

Name of the Director	<b>Sajjan Bhajanka</b>
DIN	00246043
Age	64 years
Nationality	Indian
Date of First Appointment on the Board of the Company	12th April, 2011
Qualification	Commerce Graduate
Experience (years)	37
Expertise in special functional Area	Management, Administration & Finance
Terms & condition of re-appointment	Non-executive Director & liable to retire by rotation
Shareholding in the Company [Equity share of face value ₹ 1/- each ]	1,18,95,675
Relationship between the Directors inter se and other Key Managerial Person	Nil
No. of Board Meetings attended during the year	6
List of Directorship held in other Companies (excluding Foreign Company)	<ol style="list-style-type: none"> <li>1. Star Cement Ltd.</li> <li>2. Century MDF Ltd.</li> <li>3. Emami Ltd.</li> <li>4. Fine Infraprojects Pvt. Ltd.</li> <li>5. Makui Properties Pvt. Ltd.</li> <li>6. Marwari Relief Society</li> <li>7. Meghalaya Power Ltd.</li> <li>8. Pacific Plywoods Pvt. Ltd.</li> <li>9. Star Ferro and Cement Ltd.</li> <li>10. Century Plyboards (India) Ltd.</li> <li>11. Shyam Century Multi Projects Pvt. Ltd.</li> <li>12. Star Cement Meghalaya Ltd.</li> <li>13. Sri Ram Merchants Pvt. Ltd.</li> <li>14. Sri Ram Vanijya Pvt. Ltd.</li> </ol>
Membership/ Chairmanships of Committees of Boards of other Companies. (only Audit Committee and Stakeholders Relationship Committee has been considered )	<p><b>Audit Committee</b> Member</p> <ol style="list-style-type: none"> <li>1. Star Cement Ltd.</li> <li>2. Emami Ltd.</li> <li>3. Meghalaya Power Ltd.</li> <li>4. Star Ferro and Cement Ltd.</li> <li>5. Star Cement Meghalaya Ltd.</li> </ol> <p><b>Stakeholders Relationship Committee</b> Chairman Emami Ltd.</p>

# ROUTE MAP

Lokpriya Gopinath Bordoloi International Airport, Borjhar, Guwahati





# SHYAM CENTURY FERROUS LIMITED

CIN: L27310ML2011PLC008578

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

Website: www.shyamcenturyferrous.com, email: investors@shyamcenturyferrous.com, Ph:(03655)-278215/16/18

## PROXY FORM NO. MGT -11

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

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Folio No./DP ID and Client ID: \_\_\_\_\_

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

1. Name: \_\_\_\_\_, Address: \_\_\_\_\_

Email: \_\_\_\_\_, Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_, Address: \_\_\_\_\_

Email: \_\_\_\_\_, Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_, Address: \_\_\_\_\_

Email: \_\_\_\_\_, Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fifth Annual General Meeting of the Company, to be held on Friday, 9th day of September, 2016 at 04:00 P.M. at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	RESOLUTIONS	Optional*	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Audited Financial Statements for the year ended March 31, 2016 (including audited consolidated financial statements) and the Reports of Directors and Auditors thereon.		
2	Re-appointment of Mr. Sajjan Bhajanka (DIN: 00246043) as a Director of the Company, liable to retire by rotation.		
3	Ratification of the appointment of M/s. Kailash B. Goel & Co., Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration.		
<b>Special Business</b>			
4	Ratification of remuneration payable to Cost Auditors.		
5	Special Resolution under Section 186 of Companies Act, 2013 to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 60 crore.		
6	Fee for service of documents.		

Signed this \_\_\_ day of \_\_\_\_\_, 2016

Signature of the shareholder \_\_\_\_\_

Signature of the proxy holder \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Re.1/-

### Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 5th Annual General Meeting.
- \* It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.





# SHYAM CENTURY FERROUS LIMITED

CIN: L27310ML2011PLC008578

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

Website: www.shyamcenturyferrous.com, email: investors@shyamcenturyferrous.com, Ph:(03655)-278215/16/18

## ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING ANNUAL GENERAL MEETING - 9th September, 2016 at 04:00 P.M.

Folio No./ DP ID and Client ID: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

No. of Shares held: \_\_\_\_\_

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

I/We hereby record my/our attendance at the Fifth Annual General Meeting of the Company at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 on **Friday, 9th September, 2016.**

\_\_\_\_\_  
Member's/Proxy's name in block letters

\_\_\_\_\_  
Member's/Proxy's signature

### Notes:

1. Registration will start at 02:30 P.M and close at 03:45 P.M. on the day of Annual General Meeting.
2. The members are required to produce their duly signed Attendance Slips and get their entry passes from the registration counter.
3. The members should produce their entry passes at the entrance of the AGM Hall for attending the AGM.
4. The Members are informed that in case of joint holders attending the meeting, only such joint holder whose name appears in the chronological order in the Demat account /Folio will be entitled to vote.
5. This Attendance Slip is valid only in case shares are held on the date of the Annual General Meeting.
6. The Members who have received Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.





## Shyam Century Ferrous Limited

Registered Office:

Vill: Lumshnong, P.O.: Khaliehriat,

Dist: East Jaintia Hills, Meghalaya - 793 210

[www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com)

CIN: L27310ML2011PLC008578