

# Shyam Century Ferrous Limited

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

**Date: 04th August, 2018**

**The Listing Department,  
National Stock Exchange of India Limited  
"Exchange Plaza", C-1, Block-G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Scrip Code: SHYAMCENT (NSE)**

**The Listing Department  
The BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai – 400001  
Scrip Code: 539252(BSE)**

Dear Sir(s),

## **Re: Submission of Annual Report for the Financial Year 2017 -18**

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 2017-18 duly approved and adopted by the members at its Annual General Meeting held on 31<sup>st</sup> July, 2018.

This is for your information and necessary action.

Thanking you,

**For Shyam Century Ferrous Limited**

8/4/2018

X 

Neha Agarwal  
Company Secretary  
Signed by: NEHA AGARWAL

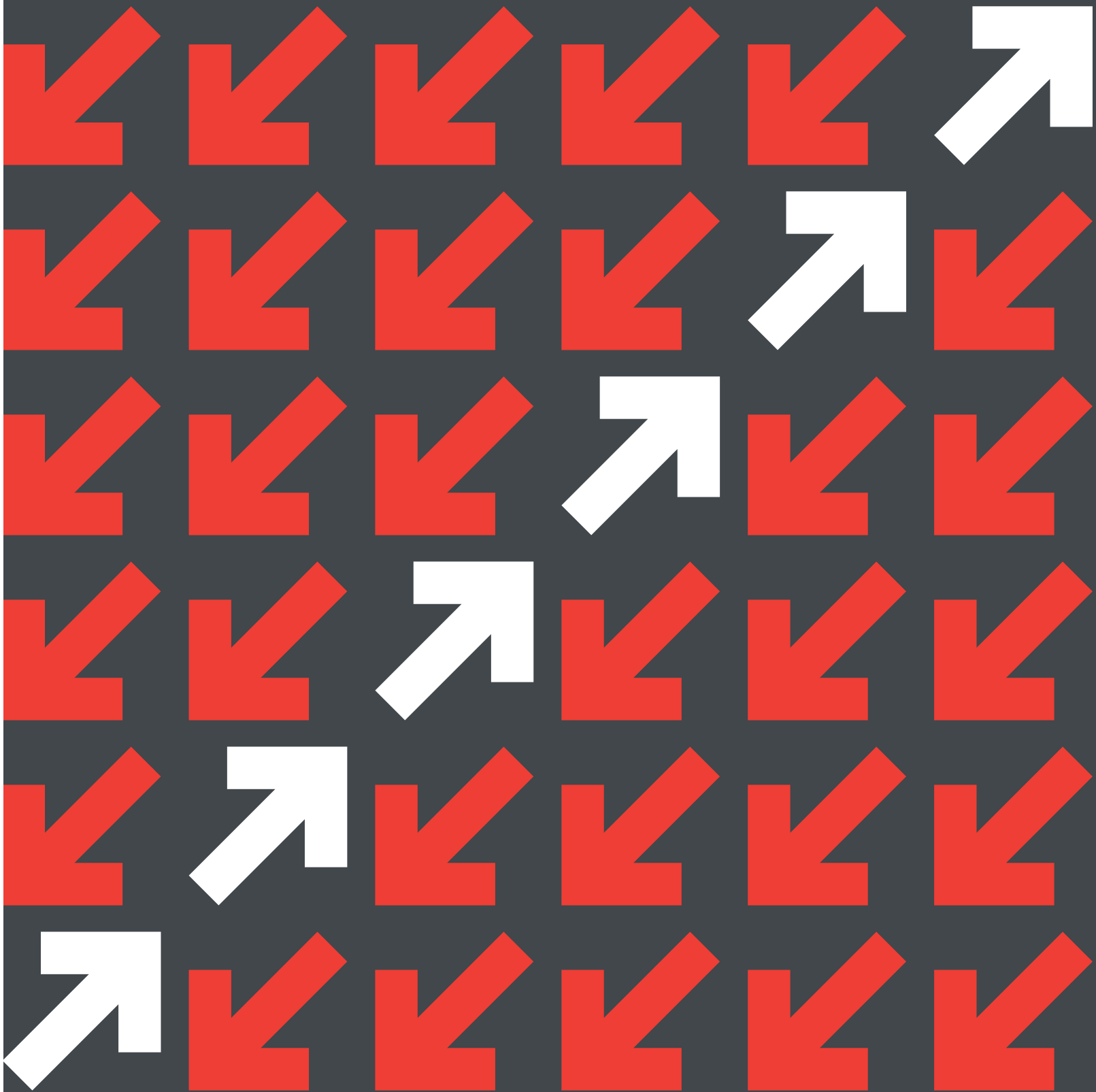
**Neha Agarwal  
Company Secretary**



**Office & Works** : EPIP, Rajabagan, Byrnihat, Meghalaya-793101, Ph : No. - 9436108851  
**Corporate Office** : Satyam Towers, 3 Alipore road, 1st Floor, Unit No. 9B, Kolkata - 700 027, Ph : No. 033 2448 4169/170/693, Fax : 033 2448 4168  
**Guwahati Office** : C/o Star Cement Limited, Mayur Garden, 2nd Floor, Opp. Rajiv Bhawan, GS Road, Guwahati-781005,  
Ph : 0361 24612215/16/17, Fax : 0361 2462217

# *against the tide*

Shyam Century Ferrous Limited | Annual Report 2017-18



### Forward looking statement

This document contains statements about expected future events, financial and operating results of Shyam Century Ferrous Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Shyam Century Ferrous Limited Annual Report 2017-18.

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# Four things that Shyam Century Ferrous stands for

Revenues (₹ Lacs)

**12,421.44**

EBIDTA (₹ Lacs)

**1,958.66**

Total Comprehensive Income (₹ Lacs)

**1,047.52**

## Experience

■ The Company is managed by industry veteran Mr. Sajjan Bhajanka (Director) and a team of other experienced professionals.

## Presence

■ The Company is headquartered in Lumshnong, Meghalaya and has manufacturing unit in Byrnihat, Meghalaya.

■ The Company's strategic presence in North East which provides easy access to abundant raw materials like coal, coke and quartz in proximate locations.

## Listing

■ Equity shares of the Company is listed on Bombay Stock Exchange Limited as well as National Stock Exchange of India Limited.

## Products

■ The Company is engaged in the production of Ferro Silicon with annual manufacturing capacity of 21,600 MT.

■ It also has captive power generation capacity of 14 MW and has facilities to produce silico manganese and other varieties of ferro alloys.

*Dear fellow Stakeholders,*

The year 2017-18 turned out to be mixed for the Indian economy. Growing at a rate of 6.7%, India regained its status as the fastest-growing major economy in the world during Q4 despite a slowdown in demand, falling rupee and a rising oil bill.

**T**he demand for ferro alloys is principally determined by developments within the iron and steel industry. The growing investment in infrastructure creation is set to catalyse demand for steel. India's annual steel manufacturing capacity (currently at 126 million tonnes) is forecast to rise to 150 million tonnes by FY2020-21, making it possible for India to displace Japan as the second-largest steel producer by 2022. The Asian steel sector is also expected to perform better, brightening prospects for ferro alloy manufacturers.

#### **Highlights, FY2017-18**

The Company's revenues grew by 34.18% from ₹ 9,257.46 lacs in FY2016-17 to ₹ 12,421.44 lacs in FY2017-18.

The Company produced 14,169 million tonnes of ferro silicon during the year under review compared to 12,605 million tonnes during FY2016-17. Following GST implementation, the Company lost out on some of the excise benefits which it was previously entitled to, nevertheless your company reported a record profit of ₹ 1,047.52

Lacs compared to ₹ 539.67 Lacs in FY2016-17 on account of improved realization, increase in volume, proactive decision making and cost-effective measures.

Even though raw material prices surged and coal availability declined, the longstanding engagement that Shyam Century forged with resource suppliers ensured round-the-clock access to adequate and affordable coal at competitive prices.

Shyam Century is attractively placed to capitalize on India's projected 7.3% GDP growth for FY2018-19 through a combination of prudent vertical selection, in-depth knowledge, proven competence, best-in-class assets, transparent governance and spare capacity to grow.

#### **Macro-economic scenario**

China accounts for half of global steel production and in FY2017-18 after the Chinese Government selected to moderate steel production in the face of rising pollution, there was adverse impact on demand-supply scenario and prices internationally. This caused reduction in imports from China and the domestic steelmakers have benefited resulting in a positive ripple effect on Ferro Silica. The Company

## Shyam Century is attractively placed to capitalize on India's projected 7.3% GDP growth for FY2018-19.

consciously keeps the track of environment it operates in to capitalize on burgeoning opportunities.

India is the third-largest crude steel producer in the world. In FY2017-18, India produced 104.98 million tonnes (MT) of finished steel. Crude Steel production during FY2017-18 stood at 102.34 MT. Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in FY2018-19. India's steel production is expected to increase from 102.34 MT in FY2017-18 to 128.6 MT by 2021. India's per capita consumption of steel grew at a CAGR of 4.75 per cent from 45 kgs in FY2008-09 to 65.25 kgs in FY2016-17. The figure stood at 68 kgs during April-February FY2017-18. National Steel Policy, 2017 seeks to increase per capita steel consumption to the level of 160 kgs. India would need to invest

US\$ 156.08 billion by FY2030-31 to achieve steel capacity build-up of 300 million tonnes per annum (MTPA) by 2030.

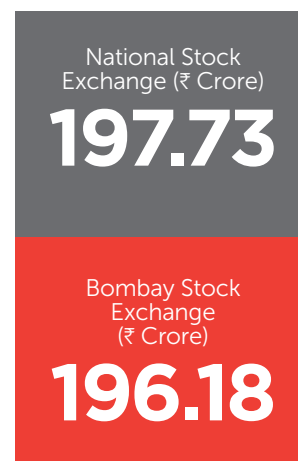
India is the world's fourth-largest automobile industry and the world's seventh-largest commercial vehicle manufacturer. The Indian automobile industry, which accounts for a 7.1% share of the country's GDP, is at the cusp of a transformation, moving from BS-IV to BS-VI. Besides, the transition to electric vehicles bodes well for the ferro alloys industry in India. India is expected to be the world's third-largest car market by 2020, with >4 million units being sold annually. Indian car sales are likely to remain robust, growing at a rate of 7% during 2018, supported by the GST regime as well as new launches.

Rising automobile demand and steel consumption shall catalyse the demand for raw material i.e. Ferro Silica and is expected to benefit the Company.

### Outlook

India is expected to report steady growth over the foreseeable future. This growth will be manifested in rising disposable incomes, post-GST stabilisation and increased aspirations.

### Market Capitalization



Given this context, I am pleased to state that Shyam Century is the right company in the right verticals at the right time. My optimism stems from the fact that we have created a strong foundation and a rich repository of sectoral experience.

I gratefully acknowledge the efforts of our employees, bankers, financial institutions and vendors and would like to end by assuring our stakeholders that the Company is on the verge of posting yet another standout performance.

Regards,

**Sajjan Bhajanka**

*Director*

Shyam Century Ferrous Limited

# Corporate Information

## Board of Directors

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

## Auditors

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

## Chief Executive Officer

Mr. M.V.K. Nageswara Rao

## Chief Financial Officer

Mr. Uday Bahadur Chetri

## Company Secretary

Ms. Neha Agarwal

## Registered Office

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

## Works

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

## Corporate Office

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

## Registrars & Share Transfer Agents

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

## Bankers

Oriental Bank of Commerce

## CIN Number

L27310ML2011PLC008578

# DIRECTORS' REPORT & MANAGEMENT DISCUSSION ANALYSIS

*Dear Shareholders,*

Your Directors have pleasure in presenting the Seventh Annual Report of the Company together with the Audited Balance Sheet as at March 31, 2018 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 March 31, 2018 as compared to the previous financial year are as under:-

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Net Sales / Income	12,501.32	9,282.94	12,501.32	9,282.94
Profit before Depreciation, Interest and Tax	1,958.66	1,141.29	1,958.66	1,141.29
Depreciation	249.67	214.69	249.67	214.69
Interest and Finance Charges	110.31	111.58	110.31	111.58
Profit/Loss Before Tax	1,598.68	815.02	1,598.68	815.02
Tax Expenses:				
-Current Tax	526.67	260.35	526.67	260.35
-Deferred Tax	26.65	12.16	26.65	12.16
Profit/Loss after Tax	1,045.36	542.51	1,045.36	542.51
Share of profit of associates	552.42	615.06	-	-
Net profit after taxes and share of profit of associates	1,597.78	1,157.57	-	-
Other comprehensive income for the year, net of tax	1.29	(3.60)	2.16	(2.84)
Total comprehensive income for the year	1,599.07	1,153.97	1,047.52	539.67

## INDIAN ACCOUNTING STANDARDS

As per notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2017. Accordingly, Financial statements for the year ended March 31, 2017 have been restated to conform to Ind AS. The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes to accounts in both the Standalone and Consolidated Financial Statements.

## FERRO ALLOY BUSINESS - INDUSTRY AT A GLANCE

Steel is the one of the multipurpose materials on the earth. Ferro alloy are mainly used in the production of steel. Ferro

alloys are important additives in manufacturing of steel. The product mix of Ferro Alloys contains bulk Ferro Alloys viz., Ferro Manganese, Silicon Manganese, Ferro Silicon, Ferro Chrome, Charge Chrome, etc. and noble Ferro Alloys viz., Ferromolybdenum, Ferrovandium, Ferrotungsten, Ferro-silicon magnesium, Ferro-boron and Ferro-titanium. World ferro alloy market has been divided into two major categories like bulk ferro alloys and noble ferro alloys. Use of bulk ferro alloys is for making stainless steel and Carbon steel while noble ferro alloys are made from rare earth minerals. Future of ferro alloys industries are dependent on the prospect of steel industry of the country.

The country is having adequate potential to develop the industry due to availability of raw materials, cheap and skilled man power and locational advantages. The National



Steel Policy announced in the year 2017 aims to increase steel production capacity by three times over the next few years. The Government has also approved a proposal to give preference to locally made steel in public sector projects. Government's budgetary thrive to develop infrastructure, housing, rail road, ports etc., will push the demand of the ferro alloy industries.

The country's ferro industry is facing serious challenges from Malaysia and Indonesia. Country's high power tariff in comparison with the other ferro producing countries is one of the disadvantages of the industry. Non availability of high grade manganese and low phos coke are the serious challenges of the industry. Imposing of anti-dumping duty on Chinese coke has also put an upward pressure on cost of production.

In spite of above, your Company continued to focus on its fundamental strength i.e., productivity and quality. Strong emphasis were given on utilization of internal efficiencies together with an improvement in the sales mix which enabled your Company to withstand inflationary pressures on costs and profitability.

During the year under review, your company has sold 14,189 MT of Ferro Silicon as against 12,657 MT. While your Company constantly strives to increase stakeholder's value, emphasis continues to be on delivering value to customers and strengthening processes while driving sustainable practices, resulting into expanding customer base.

## POWER BUSINESS

During the year under review, your Company generated 689 lacs KWH unit as compared to 1,044 lacs KWH unit which was captively consumed by the Company.

Further, M/s. Meghalaya Power Limited, an Associate Company has generated 1,901 lacs kwh units as compared to 2,016 lacs kwh units recorded in the previous year. During the FY2017-18, the associate Company has posted PBT of ₹1,054.27 lacs and PAT of ₹1,132.12 lacs as against ₹1,504.42 lacs and ₹1,260.49 lacs respectively recorded in the previous financial year.

## OPPORTUNITIES & THREATS, RISKS AND CONCERNS

Performance of the Company depends on the continued demand of our products in the steel and stainless steel industry. Government's initiatives to liberalise industrial policy, policy on 'Make in India' and other infrastructural development will have positive impact of the company's future prospect. Global stainless steel production growth is expected to average +2.6% p.a. upto 2021. Low scrap

utilization in China, demand for virgin chrome will remain robust. In view of lack of a feasible alternative which can meet the various applications of ferro alloys, the industry seems healthy in future. It is expanding at estimated CAGR of 5.9% during 2017-2025. The market for worldwide ferro alloys is projected to reach a valuation of USD 188.7 bn by the end of 2025 from its worth of USD 112.8 bn in 2016.

However, challenge faced by the domestic industry due to non-availability of low phosphorous coke is a serious concern. High power cost, lack of infrastructural facilities for easy transportation of raw materials from mines to the location affects the sector. Policy of the Government and regulatory changes may also affect the domestic industry.

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

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

## PERFORMANCE AND OPERATIONS REVIEW

During the year under review, on a full year basis, although on the demand side there has been concern, on the realization side, your company was able to achieve marginal improvement. The Company has posted total income of ₹12,501.32 Lacs and Profit before Tax of ₹1,598.68 in FY2017-18 Lacs as against ₹9,282.94 Lacs and ₹815.02 Lacs respectively during the previous financial year. Your Company produced 14,169 MT of Ferro Silicon during the year under review as against 12,605 MT in the Financial Year 2016-17. Net realization per ton has improved marginally during the year under review as compared to previous financial year. With internal efficiencies, your Company has been able to sustain the pressures of slow-down in demand and other challenges being faced by Ferro alloys industry.

During the 1st and 2nd quarter of the year, due to the lesser demand of steel the market was sluggish. However, the market revived in the 3rd and 4th quarter of the financial year which resulted in better price realisation thereby increasing the profit of the Company.

## SHARE CAPITAL

The paid up Equity Capital as on March 31, 2018 was ₹2,221.73 lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

## EXTRACT OF ANNUAL RETURN

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

## MEETINGS OF THE BOARD

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

## MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, meeting of Independent Directors was held on 6th March, 2018 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also, inter alia, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

## COMMITTEES OF THE BOARD

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

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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

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

## COMPLIANCE WITH THE SECRETARIAL STANDARD

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India.

## 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 31 March, 2018 and of the profit of the Company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal

financial controls are adequate and were operating effectively.

## DECLARATION BY INDEPENDENT DIRECTORS

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

## FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTORS

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

## AUDITORS & AUDITORS' REPORT

M/s. Kailash B. Goel & Co., Chartered Accountants (Firm Registration no. 322460E), Statutory Auditors of the Company, have been appointed by the members at the third Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 4th July, 2014.

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

## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. B. G. Chowdhury &

Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for the financial year ended 31st March, 2018 in the Board Meeting held on 30th May, 2017. The remuneration proposed to be paid to them for the FY2017-18, as recommended by audit committee, was ratified in the meeting of shareholders held on 11 September, 2017.

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 FY2018-19 subject to ratification of their remuneration by shareholders in the General Meeting of the company.

The cost audit report for the Financial Year 2016-17 was filed with the Ministry of Corporate Affairs on 26th June, 2017.

## SECRETARIAL AUDIT

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

## RELATED PARTY TRANSACTIONS

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

the Company's financial statements in accordance with the Accounting Standards.

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

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

## RESERVES

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

## DIVIDEND

In order to conserve resources for future operations, your Directors do not recommend any dividend for the Financial Year 2017-18.

## 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:

- Arrested all leakages in air circuit, water circuit and steam circuit resulted reduction in auxiliary power consumption and improved the efficiency of the plant.
- Re-insulation is carried out wherever required in Boiler and steam line which resulted reduction of thermal energy consumption.
- Turbine overhauled, condenser cleaned, improved in vacuum resulted reduction in specific steam consumption and cooling water power consumption.

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

- Reduction of auxiliary power consumption in CT Fan 1 & 2 by replacement of conventional FRP fan blades with E-glass Epoxy FRP low weight fan blades.
- Introduced VFD in CWP2 resulted reduction in auxiliary power consumption.
- The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with specific objective of development of advanced systems

for quality improvement. During the year under review there was no Capital expenditure and no Revenue Expenditure in Research & Development.

### (C) Foreign Exchange Earnings And Outgo

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

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

Your Company is promoting education and providing non-formal education to the rural and tribal people through One Teacher School (OTS) i.e., Ekal Vidyalaya run by the Friends of Tribal Society. The projects aims to reach the education to every doorstep of the country

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

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

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

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

## EVALUATION OF THE BOARD'S PERFORMANCE

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

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

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

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

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Nagraj Tater 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.

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

The following personnel are Key Managerial Personnel of the Company:

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

## SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

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

Meghalaya Power Limited is engaged in generation of Power. During the year under review the Company generated 1,901 Lac kwh units of power.

## AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S ASSOCIATE

Pursuant to sub-section (3) of section 129 of the Act, the statement containing salient features of the financial statement of associate company Meghalaya Power Limited (MPL) for the year ended March 31, 2018 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 Indian Accounting Standards, as prescribed by the Institute of Chartered Accountants of India and has been included as a part of this Annual Report.

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

## DEPOSITS

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

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

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

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

## ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

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

monetary losses are sustained. Significant audit observations, if any, and corrective actions thereon are presented to the Audit Committee of the Board.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

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

## MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

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

## POLICY ON PREVENTION OF SEXUAL HARASSMENT

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

## CORPORATE GOVERNANCE

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

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

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

## HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

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

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

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

## GREEN INITIATIVES IN CORPORATE GOVERNANCE

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

## CAUTIONARY STATEMENT

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

other factors which are material to the business operations of the Company.

## **ACKNOWLEDGEMENT**

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

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

Place: Kolkata  
Date: 17 May, 2018

For and on behalf of the Board of Directors

**Nagraj Tater**

*Director*

(DIN: 00266072)

**Sajjan Bhajanka**

*Director*

(DIN: 00246043)

# FORM NO. MGT - 9

## EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2018

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

### I. Registration & Other Details:

1	CIN	L27310ML2011PLC008578
2	Registration Date	12th April, 2011
3	Name of the Company	Shyam Century Ferrous Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non-Govt. Company
5	Address of the Registered office & contact details	Village: Lumshnong, PO: Khaliehriat, 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 23, R.N. Mukherjee Road, 5th floor, Kolkata, West Bengal - 700001 Phone: 033-2248 2248; 033-2243 5029 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	99.65

### 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, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	U40108ML2002PLC006921	Associate	48.80	2(6)



## IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	9,76,03,576	-	9,76,03,576	43.93	7,97,91,075	-	7,97,91,075	35.91	(8.02)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3,93,29,080	-	3,93,29,080	17.70	3,93,29,080	-	3,93,29,080	17.70	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>13,69,32,656</b>	<b>-</b>	<b>13,69,32,656</b>	<b>61.63</b>	<b>11,91,20,155</b>	<b>-</b>	<b>11,91,20,155</b>	<b>53.62</b>	<b>(8.02)</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A) = (A) (1) + (A) (2)</b>	<b>13,69,32,656</b>	<b>-</b>	<b>13,69,32,656</b>	<b>61.63</b>	<b>11,91,20,155</b>	<b>-</b>	<b>11,91,20,155</b>	<b>53.62</b>	<b>(8.02)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others:	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	2,49,170	-	2,49,170	0.11	-	-	-	-	(0.11)
<b>Sub-total (B)(1)</b>	<b>2,49,170</b>	<b>-</b>	<b>2,49,170</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.11)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	3,39,97,447	16,500	3,40,13,947	15.31	3,15,55,220	12,000	3,15,67,220	14.21	(1.10)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	93,38,709	8,02,303	1,01,41,012	4.56	1,62,50,788	6,35,948	1,68,86,736	7.60	3.04

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4,01,22,251	-	4,01,22,251	18.06	5,31,23,557	-	5,31,23,557	23.91	5.85
c) Others (specify)									
1. Clearing member	5,21,975	-	5,21,975	0.23	10,07,475	-	10,07,475	0.45	0.22
2. Non-resident Individual	79,479	-	79,479	0.04	3,46,767	-	3,46,767	0.16	0.12
3. Trusts	1,10,250	-	1,10,250	0.05	7,500	-	7,500	0.00	(0.05)
4. NBFCs registered with RBI	2,250	-	2,250	0.00	5,000	-	5,000	0.00	0.00
Domestic Corporate Unclaimed Shares Account	-	-	-	0.00	1,08,580	-	1,08,580	0.05	0.05
Sub-total (B)(2)	8,41,72,361	8,18,803	8,49,91,164	38.25	10,24,04,887	6,47,948	10,30,52,835	46.38	8.13
Total Public shareholding (B) = (B) (1) + (B) (2)	8,44,21,531	8,18,803	8,52,40,334	38.37	10,24,04,887	6,47,948	10,30,52,835	46.38	8.02
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	22,13,54,187	8,18,803	22,21,72,990	100.00	22,15,25,042	6,47,948	22,21,72,990	100.00	0.00

#### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sajjan Bhajanka	1,18,95,675	5.35	-	1,12,34,493	5.06	-	(0.30)
2	Mr. Prem Kumar Bhajanka	2,73,69,386	12.32	-	1,43,40,506	6.45	-	(5.86)
3	Ms. Santosh Bhajanka	1,50,49,500	6.77	-	1,50,49,500	6.77	-	-
4	Mr. Sanjay Agarwal	1,47,88,245	6.66	-	1,42,12,976	6.40	-	(0.26)
5	Ms. Divya Agarwal	1,44,88,750	6.52	-	1,44,88,750	6.52	-	-
6	Ms. Yash Bhajanka	32,97,170	1.48	-	-	-	-	(1.48)
7	Mr. Hari Prasad Agarwal	24,35,760	1.10	-	24,35,760	1.10	-	-
8	Ms. Sumitra Devi Agarwal	16,76,250	0.75	-	15,26,250	0.69	-	(0.07)
9	Hari Prasad Agarwal (HUF)	15,30,990	0.69	-	15,30,990	0.69	-	-
10	Ms. Bhawna Agarwal	12,73,690	0.57	-	12,73,690	0.57	-	-
11	Ms. Sonu Kajaria	10,30,010	0.46	-	10,30,010	0.46	-	-
12	Ms. Payal Agrawal	10,00,000	0.45	-	10,00,000	0.45	-	-
13	Ms. Shraddha Agarwal	8,00,000	0.36	-	8,00,000	0.36	-	-
14	Mr. Rajesh Kumar Agarwal	7,45,225	0.34	-	7,45,225	0.34	-	-
15	Mr. Keshav Bhajanka	1,22,925	0.06	-	1,22,925	0.06	-	-
16	Ms. Nancy Choudhary	1,00,000	0.05	-	-	-	-	(0.05)
17	Sriram Vanijya Pvt. Ltd.	85,02,180	3.83	-	85,02,180	3.83	-	-
18	Brijdham Merchants Pvt. Ltd.	77,43,990	3.49	-	77,43,990	3.49	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
19	Sumangal International Pvt. Ltd.	76,66,800	3.45	-	76,66,800	3.45	-	-
20	Sumangal Business Pvt. Ltd.	68,31,240	3.07	-	68,31,240	3.07	-	-
21	Sriram Merchants Pvt. Ltd.	67,39,870	3.03	-	67,39,870	3.03	-	-
22	Auroville Investments Pvt. Ltd.	18,45,000	0.83	-	18,45,000	0.83	-	-
	<b>Total</b>	<b>13,69,32,656</b>	<b>61.63</b>	<b>-</b>	<b>11,91,20,155</b>	<b>53.62</b>	<b>-</b>	<b>(8.02)</b>

(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
1	<b>Sajjan Bhajanka</b>						
	At the beginning of the year	01.04.2017		1,18,95,675	5.35		
	Changes during the year	06.01.2018	Transfer	(4,50,000)	(0.20)	1,14,45,675	5.15
		09.01.2018	Transfer	(1,60,000)	(0.07)	1,12,85,675	5.08
		10.01.2018	Transfer	(16,037)	(0.01)	1,12,69,638	5.07
		12.01.2018	Transfer	(26,895)	(0.01)	1,12,42,743	5.06
		15.01.2018	Transfer	(8,250)	(0.00)	1,12,34,493	5.06
	At the end of the year	31.03.2018		1,12,34,493	5.06	1,12,34,493	5.06
2	<b>Sanjay Agarwal</b>						
	At the beginning of the year	01.04.2017		1,47,88,245	6.66		
	Changes during the year	06.01.2018	Transfer	(4,50,000)	(0.20)	1,43,38,245	6.45
		09.01.2018	Transfer	(44,888)	(0.02)	1,42,93,357	6.43
		10.01.2018	Transfer	(35,017)	(0.02)	1,42,58,340	6.42
		12.01.2018	Transfer	(41,966)	(0.02)	1,42,16,374	6.40
		15.01.2018	Transfer	(3,398)	(0.00)	1,42,12,976	6.40
	At the end of the year	31.03.2018		1,42,12,976	6.40	1,42,12,976	6.40
3	<b>Prem Kumar Bhajanka</b>						
	At the beginning of the year	01.04.2017		2,73,69,386	12.32		
	Changes during the year	16.02.2018	Transfer	(18,28,880)	(0.82)	2,55,40,506	11.50
		24.03.2018	Transfer	(1,08,00,000)	(4.86)	1,47,40,506	6.63
		28.03.2018	Transfer	(4,00,000)	(0.18)	1,43,40,506	6.45
	At the end of the year	31.03.2018		1,43,40,506	6.45	1,43,40,506	6.45
4	<b>Hari Prasad Agarwal</b>						
	At the beginning of the year	01.04.2017		24,35,760	1.10		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		24,35,760	1.10	24,35,760	1.10
5	<b>Hari Prasad Agarwal (HUF)</b>						
	At the beginning of the year	01.04.2017		15,30,990	0.69		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		15,30,990	0.69	15,30,990	0.69

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
6	<b>Nancy Choudhary</b>						
	At the beginning of the year	01.04.2017		1,00,000	0.05		
	Changes during the year	07.07.2017	Transfer	(22,361)	(0.01)	77,639	0.03
		14.07.2017	Transfer	(20,738)	(0.01)	56,901	0.03
		21.07.2017	Transfer	(56,901)	(0.03)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
7	<b>Keshav Bhajanka</b>						
	At the beginning of the year	01.04.2017		1,22,925	0.06		
	Changes during the year	No changes during the year					
	At the end of the year	31.03.2018		1,22,925	0.06	1,22,925	0.06
8	<b>Rajesh Kumar Agarwal</b>						
	At the beginning of the year	01.04.2017		7,45,225	0.34		
	Changes during the year	No changes during the year					
	At the end of the year	31.03.2018		7,45,225	0.34	7,45,225	0.34
9	<b>Shraddha Agarwal</b>						
	At the beginning of the year	01.04.2017		8,00,000	0.36		
	Changes during the year	No changes during the year					
	At the end of the year	31.03.2018		8,00,000	0.36	8,00,000	0.36
10	<b>Payal Agrawal</b>						
	At the beginning of the year	01.04.2017		10,00,000	0.45		
	Changes during the year	No changes during the year					
	At the end of the year	31.03.2018		10,00,000	0.45	10,00,000	0.45
11	<b>Sonu Kajaria</b>						
	At the beginning of the year	01.04.2017		10,30,010	0.46		
	Changes during the year	27.07.2017	Transfer	2,00,000	0.09	12,30,010	0.55
		04.01.2018	Transfer	(2,00,000)	(0.09)	10,30,010	0.46
	At the end of the year	31.03.2018		10,30,010	0.46	10,30,010	0.46
12	<b>Bhawna Agarwal</b>						
	At the beginning of the year	01.04.2017		12,73,690	0.57		
	Changes during the year	No changes during the year					
	At the end of the year	31.03.2018		12,73,690	0.57	12,73,690	0.57
13	<b>Sumitra Devi Agarwal</b>						
	At the beginning of the year	01.04.2017		16,76,250	0.75		
	Changes during the year	06.01.2018	Transfer	(1,00,000)	(0.05)	15,76,250	0.71
		09.01.2018	Transfer	(50,000)	(0.02)	15,26,250	0.69
	At the end of the year	31.03.2018		15,26,250	0.69	15,26,250	0.69
14	<b>Yash Bhajanka</b>						
	At the beginning of the year	01.04.2017		32,97,170	1.48		
	Changes during the year	16.01.2018	Transfer	(20,519)	(0.01)	32,76,651	1.47
		17.01.2018	Transfer	(81,275)	(0.04)	31,95,376	1.44
		18.01.2018	Transfer	(38,785)	(0.02)	31,56,591	1.42
		19.01.2018	Transfer	(1,39,724)	(0.06)	30,16,867	1.36
		22.01.2018	Transfer	(1,09,747)	(0.05)	29,07,120	1.31
		24.01.2018	Transfer	(2,20,606)	(0.10)	26,86,514	1.21

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
		25.01.2018	Transfer	(1,35,433)	(0.06)	25,51,081	1.15
		29.01.2018	Transfer	(2,41,596)	(0.11)	23,09,485	1.04
		30.01.2018	Transfer	(1,38,365)	(0.06)	21,71,120	0.98
		16.02.2018	Transfer	(21,71,120)	(0.98)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
15	<b>Divya Agarwal</b>						
	At the beginning of the year	01.04.2017		1,44,88,750	6.52		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		1,44,88,750	6.52	1,44,88,750	6.52
16	<b>Santosh Bhajanka</b>						
	At the beginning of the year	01.04.2017		1,50,49,500	6.77		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		1,50,49,500	6.77	1,50,49,500	6.77
17	<b>Auroville Investments Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017		18,45,000	0.83		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		18,45,000	0.83	18,45,000	0.83
18	<b>Sriram Merchants Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017		67,39,870	3.03		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		67,39,870	3.03	67,39,870	3.03
19	<b>Sumangal Business Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017		68,31,240	3.07		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		68,31,240	3.07	68,31,240	3.07
20	<b>Sumangal International Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017		76,66,800	3.45		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		76,66,800	3.45	76,66,800	3.45
21	<b>Brijdham Merchants Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017		77,43,990	3.49		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		77,43,990	3.49	77,43,990	3.49
22	<b>Sriram Vanijya Pvt. Ltd.</b>						
	At the beginning of the year	01.04.2017		85,02,180	3.83		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		85,02,180	3.83	85,02,180	3.83

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

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

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>NARANTAK DEALCOMM LIMITED</b>						
	At the beginning of the year	01.04.2017		15,03,420	0.68		
	Changes during the year	08.12.2017	Transfer	(53,320)	(0.02)	14,50,100	0.65
		15.12.2017	Transfer	(22,500)	(0.01)	14,27,600	0.64
		29.12.2017	Transfer	(10,000)	(0.00)	14,17,600	0.64
	At the end of the year	31.03.2018		14,17,600	0.64	14,17,600	0.64
2	<b>INFOREV SOFTWARE PRIVATE LIMITED#</b>						
	At the beginning of the year	01.04.2017		1,05,93,400	4.77		
	Changes during the year	30.06.2017	Transfer	(1,05,93,400)	(4.77)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
3	<b>MAHABIR PRASAD AGARWAL *</b>						
	At the beginning of the year	01.04.2017		4,01,250	0.18		
	Changes during the year	09.02.2018	Transfer	(4,01,250)	(0.18)	-	0.00
		16.03.2018	Transfer	1,07,00,000	4.82	1,07,00,000	4.82
	At the end of the year	31.03.2018		1,07,00,000	4.82	1,07,00,000	4.82
4	<b>PATTON INTERNATIONAL LIMITED</b>						
	At the beginning of the year	01.04.2017		1,04,88,000	4.72		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		1,04,88,000	4.72	1,04,88,000	4.72
5	<b>BRIJ BHUSHAN AGARWAL#</b>						
	At the beginning of the year	01.04.2017		63,44,877	2.86		
	Changes during the year	15.09.2017	Transfer	(45,00,000)	(2.03)	18,44,877	0.83
		10.11.2017	Transfer	(14,10,000)	(0.63)	4,34,877	0.20
		08.12.2017	Transfer	(4,34,877)	(0.20)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
6	<b>SUBHAM CAPITAL PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2017		17,36,721	0.78		
	Changes during the year	17.11.2017	Transfer	46,00,000	2.07	63,36,721	2.85
		24.11.2017	Transfer	20,00,000	0.90	83,36,721	3.75
		09.02.2018	Transfer	(66,00,000)	(2.97)	17,36,721	0.78
	At the end of the year	31.03.2018		17,36,721	0.78	17,36,721	0.78
7	<b>MICROSEC CAPITAL LIMITED *</b>						
	At the beginning of the year	01.04.2017		904	0.00		
	Changes during the year	07.04.2017	Transfer	200	0.00	1,104	0.00
		14.04.2017	Transfer	1,800	0.00	2,904	0.00
		28.04.2017	Transfer	(2,000)	(0.00)	904	0.00
		19.05.2017	Transfer	(500)	(0.00)	404	0.00
		26.05.2017	Transfer	2,200	0.00	2,604	0.00
		02.06.2017	Transfer	(2,200)	(0.00)	404	0.00
		16.06.2017	Transfer	(304)	(0.00)	100	0.00
		07.07.2017	Transfer	500	0.00	600	0.00

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
		14.07.2017	Transfer	(500)	(0.00)	100	0.00
		21.07.2017	Transfer	5,000	0.00	5,100	0.00
		28.07.2017	Transfer	4,157	0.00	9,257	0.00
		01.09.2017	Transfer	(3,157)	(0.00)	6,100	0.00
		15.09.2017	Transfer	5,000	0.00	11,100	0.00
		22.09.2017	Transfer	(5,000)	(0.00)	6,100	0.00
		27.10.2017	Transfer	3,711	0.00	9,811	0.00
		03.11.2017	Transfer	7,439	0.00	17,250	0.01
		10.11.2017	Transfer	6,000	0.00	23,250	0.01
		17.11.2017	Transfer	(10,849)	(0.00)	12,401	0.01
		24.11.2017	Transfer	(1,500)	(0.00)	10,901	0.00
		01.12.2017	Transfer	8,150	0.00	19,051	0.01
		08.12.2017	Transfer	9,400	0.00	28,451	0.01
		15.12.2017	Transfer	(100)	(0.00)	28,351	0.01
		22.12.2017	Transfer	59,430	0.03	87,781	0.04
		29.12.2017	Transfer	(29,500)	(0.01)	58,281	0.03
		05.01.2018	Transfer	(48,500)	(0.02)	9,781	0.00
		12.01.2018	Transfer	820	0.00	10,601	0.00
		19.01.2018	Transfer	(5,000)	(0.00)	5,601	0.00
		26.01.2018	Transfer	1,050	0.00	6,651	0.00
		02.02.2018	Transfer	(100)	(0.00)	6,551	0.00
		09.02.2018	Transfer	(2,350)	(0.00)	4,201	0.00
		16.02.2018	Transfer	299	0.00	4,500	0.00
		23.02.2018	Transfer	100	0.00	4,600	0.00
		02.03.2018	Transfer	10,100	0.00	14,700	0.01
		09.03.2018	Transfer	(500)	(0.00)	14,200	0.01
		23.03.2018	Transfer	10,500	0.00	24,700	0.01
		30.03.2018	Transfer	1,08,04,000	4.86	1,08,28,700	4.87
	At the end of the year	31.03.2018	Transfer	(1,000)	(0.00)	1,08,27,700	4.87
8	<b>MAHABIR PRASAD AGARWAL</b>						
	At the beginning of the year	01.04.2017		96,91,690	4.36		
	Changes during the year	15.09.2017	Transfer	(45,00,000)	(2.03)	51,91,690	2.34
		10.11.2017	Transfer	(5,00,000)	(0.23)	46,91,690	2.11
		17.11.2017	Transfer	(43,00,000)	(1.94)	3,91,690	0.18
		24.11.2017	Transfer	(15,000)	(0.01)	3,76,690	0.17
		01.12.2017	Transfer	(2,57,386)	(0.12)	1,19,304	0.05
		08.12.2017	Transfer	(1,19,304)	(0.05)	-	0.00
		16.03.2018	Transfer	1,47,00,000	6.62	1,47,00,000	6.62
	At the end of the year	31.03.2018		1,47,00,000	6.62	1,47,00,000	6.62

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
9	<b>SUPER DIAMOND NIRMAN PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2017		24,32,000	1.09		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		24,32,000	1.09	24,32,000	1.09
10	<b>SUBHAM BUILDWELL PVT. LTD. *</b>						
	At the beginning of the year	01.04.2017		6,85,630	0.31		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		6,85,630	0.31	6,85,630	0.31
11	<b>NIMISH TALSANIA *</b>						
	At the beginning of the year	01.04.2017		2,23,195	0.10		
	Changes during the year	23.06.2017	Transfer	1,805	0.00	2,25,000	0.10
		30.06.2017	Transfer	351	0.00	2,25,351	0.10
		07.07.2017	Transfer	5,513	0.00	2,30,864	0.10
		14.07.2017	Transfer	1,000	0.00	2,31,864	0.10
		28.07.2017	Transfer	19,009	0.01	2,50,873	0.11
		27.10.2017	Transfer	191	0.00	2,51,064	0.11
		01.12.2017	Transfer	(544)	(0.00)	2,50,520	0.11
		08.12.2017	Transfer	(270)	(0.00)	2,50,250	0.11
		09.02.2018	Transfer	1,25,000	0.06	3,75,250	0.17
		16.02.2018	Transfer	25,030	0.01	4,00,280	0.18
		23.02.2018	Transfer	23,697	0.01	4,23,977	0.19
		02.03.2018	Transfer	27,000	0.01	4,50,977	0.20
		09.03.2018	Transfer	4,023	0.00	4,55,000	0.20
	At the end of the year	31.03.2018		4,55,000	0.20	4,55,000	0.20
12	<b>BRIJ BHUSHAN AGARWAL *</b>						
	At the beginning of the year	01.04.2017		6,24,709	0.28		
	Changes during the year	15.09.2017	Transfer	(6,24,709)	(0.28)	-	0.00
		23.03.2018	Transfer	2,51,32,429	11.31	2,51,32,429	11.31
		30.03.2018	Transfer	53,583	0.02	2,51,86,012	11.34
	At the end of the year	31.03.2018		2,51,86,012	11.34	2,51,86,012	11.34
13	<b>MITTU AGARWAL #</b>						
	At the beginning of the year	01.04.2017		19,96,101	0.90		
	Changes during the year	15.09.2017	Transfer	(19,96,101)	(0.90)	-	0.00
		23.02.2018	Transfer	40,00,000	1.80	40,00,000	1.80
		16.03.2018	Transfer	(40,00,000)	(1.80)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
14	<b>SUMITRA DEVI AGARWAL #</b>						
	At the beginning of the year	01.04.2017		49,16,400	2.21		
	Changes during the year	04.08.2017	Transfer	(25,00,000)	(1.13)	24,16,400	1.09
		15.09.2017	Transfer	(24,16,400)	(1.09)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
15	<b>SUBHAM AGARWAL #</b>						
	At the beginning of the year	01.04.2017		1,19,02,567	5.36		



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
	Changes during the year	28.07.2017	Transfer	(30,000)	(0.01)	1,18,72,567	5.34
		15.09.2017	Transfer	(21,386)	(0.01)	1,18,51,181	5.33
		06.10.2017	Transfer	(5,00,000)	(0.23)	1,13,51,181	5.11
		03.11.2017	Transfer	(2,53,848)	(0.11)	1,10,97,333	4.99
		10.11.2017	Transfer	(5,30,000)	(0.24)	1,05,67,333	4.76
		17.11.2017	Transfer	(1,05,00,000)	(4.73)	67,333	0.03
		24.11.2017	Transfer	(62,992)	(0.03)	4,341	0.00
		01.12.2017	Transfer	(4,341)	(0.00)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00

**Note:**

\* Not in the list of Top 10 shareholders as on 01.04.2017, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2018.

# Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2017.

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

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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Sajjan Bhajanka (Non Executive Director)</b>						
	At the beginning of the year	01.04.2017		1,18,95,675	5.35		
	Changes during the year	06.01.2018	Transfer	(4,50,000)	(0.20)	1,14,45,675	5.15
		09.01.2018	Transfer	(1,60,000)	(0.07)	1,12,85,675	5.08
		10.01.2018	Transfer	(16,037)	(0.01)	1,12,69,638	5.07
		12.01.2018	Transfer	(26,895)	(0.01)	1,12,42,743	5.06
		15.01.2018	Transfer	(8,250)	(0.00)	1,12,34,493	5.06
	At the end of the year	31.03.2018		1,12,34,493	5.06	1,12,34,493	5.06
2	<b>Mr. Nagraj Tater (Non Executive Director)</b>						
	At the beginning of the year	01.04.2017		9,000	0.00		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		9,000	0.00	9,000	0.00
3	<b>Mr. Aditya VimalKumar Agarwal (Non Executive Director)</b>						
	At the beginning of the year	01.04.2017		19,843	0.01		
	Changes during the year	28.07.2017	Transfer	23,523	0.01	43,366	0.02
		01.12.2017	Transfer	(15,000)	(0.01)	28,366	0.01
		29.12.2017	Transfer	(9,500)	(0.00)	18,866	0.01
		05.01.2018	Transfer	(15,000)	(0.01)	3,866	0.00
		12.01.2018	Transfer	(3,866)	(0.00)	-	0.00
	At the end of the year	31.03.2018		-	0.00	-	0.00
4	<b>Mr. Mangital Jain (Independent Director)</b>						
	At the beginning of the year	01.04.2017		4,700	0.00		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		4,700	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
5	<b>Mr. Santanu Ray (Independent Director)</b>						
	At the beginning of the year	01.04.2017		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		-	-	-	-
6	<b>Mrs. Plistina Dkhar (Independent Director)</b>						
	At the beginning of the year	01.04.2017		750	0.00		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		750	0.00	750	0.00
7	<b>Mr. M.V.K. Nageswara Rao (Chief Executive Officer)</b>						
	At the beginning of the year	01.04.2017		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		-	-	-	-
8	<b>Mr. Uday Bahadur Chetri (Chief Financial Officer w.e.f. 30.05.2017)</b>						
	At the beginning of the year	30.05.2017		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		-	-	-	-
9	<b>Ms. Neha Agarwal (Company Secretary w.e.f. 30.05.2017)</b>						
	At the beginning of the year	30.05.2017		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		-	-	-	-

## V. Indebtedness

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

(Amt. ₹/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,042.40	-	-	3,042.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,042.40</b>			<b>3,042.40</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	321.90	-	-	321.90
Reduction	(1,660.70)	-	-	(1,660.70)
<b>Net Change</b>	<b>(1,338.80)</b>			<b>(1,338.80)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,703.60	-	-	1,703.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,703.60</b>			<b>1,703.60</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: Not Applicable

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹/ Lac)
	Name		
	Designation		
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	5% of the Net profit, calculated as per Section 198 of Companies Act, 2013 i.e. ₹79.93 lacs	

### 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	0.62	0.45	0.10	1.17
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.62	0.45	0.10	1.17
2	Other Non-Executive Directors				
	Fee for attending Board /Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.62	0.45	0.10	1.17
	Total Managerial Remuneration				1.17
	Overall ceiling as per the Act	3% of Net profit, calculated as per Section 198 of Companies Act, 2013 i.e. ₹47.96 lacs			

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹/ Lac)
		Mr. M.V.K. Nageswara Rao	Mr. Uday Bahadur Chetri *	Ms. Neha Agarwal *	
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.58	6.96	3.52	35.06
	(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	24.58	6.96	3.52	35.06

\* Appointed w.e.f. 30.05.2017

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

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

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To

The Members,

**SHYAM CENTURY FERROUS LIMITED**

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2018, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

- a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998
- i) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

- a) The Boilers Act, 1923
- b) The Meghalaya Forest Regulation, 1973
- c) The Environment (Protection) Act, 1986
- d) The Water( Prevention and Control of Pollution) Act, 1974
- e) The Air( Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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We further report that

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, the Company has passed a special resolution for adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013.

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

**Raj Kumar Banthia**  
(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 17 May, 2018

Place: Kolkata

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## Annexure – I

To

The Members,

**SHYAM CENTURY FERROUS LIMITED**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates  
Company Secretaries

**Raj Kumar Banthia**  
(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 17 May, 2018

Place: Kolkata

Annexure – 3

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

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

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

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

**2. The composition of the CSR Committee:**

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

**3. Average Net Profit of the Company for last 3 financial years: ₹618.42 Lacs**

**4. Prescribed CSR expenditure (2% of amount) : ₹12.37 Lacs**

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

- a) Total amount to be spent for the financial year: ₹12.37 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	15.00	15.00	15.00	Through implementing agency i.e. Friends of Tribal Society

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

**Nagraj Tater**

Director

(DIN: 00266072)

Chairman – CSR Committee

**Sajjan Bhajanka**

Director

(DIN: 00246043)

Place: Kolkata

Date: 17 May, 2018

## 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

(₹ in Lacs)

Sl. No.	Name of Associate - Meghalaya Power Limited	Amount
1.	Latest audited Balance Sheet Date	31st March, 2018
2.	Shares of Associate held by the company on the year end	
	No. of shares	83,58,998
	Amount of Investment in Associates/Joint Venture	3,373.50
	Extend of Holding %	48.80%
3.	Description of how there is significant influence	By way of 48.80% holding
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	6216.37
6.	Profit / Loss for the year	
	i. Considered in Consolidation	552.42
	ii. Not Considered in Consolidation	Not Applicable

The following information shall be furnished:-

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

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

For and on behalf of the Board

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

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place : Kolkata  
Date : 17 May, 2018

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN: 00266072



## Annexure – 5

### **PARTICULARS OF MANAGERIAL REMUNERATION**

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

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

Name of Directors & Key Managerial Personnel	Designation	Increase in Remuneration in the financial year (%)	Ratio of remuneration of each director to median remuneration of all employees*
Mr. M. V. K. Nageswara Rao	Chief Executive Officer	13.90	-
Mr. Uday Bahadur Chetri #	Chief Financial Officer (appointed w.e.f. 30.05.2017)	-	-
Ms. Neha Agarwal #	Company Secretary (appointed w.e.f. 30.05.2017)	-	-

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

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

(ii) Percentage increase in the median remuneration of employees in the Financial Year: 33.36%

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

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

The average percentile increase in the salaries of non-managerial employees in the Financial Year 2017 -18 was 7.10% while the average percentile increase in the Managerial remuneration was NIL as the Company does not have any Managerial Personnel.

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

Annexure – 5

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

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in lacs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. M. V. K. Nageswara Rao	Chief Executive Officer	24.58	Permanent	B.Sc.	42	01.10.2012	66	M/s SD Eastern Bhutan Ferrosilicon (P) Ltd	Nil	None
2	Mr. Sumanta Kumar Patra	General Manager	17.27	Permanent	D. E.E + HSLC	17	22.11.2012	38	M/s Platinum Alloys Pvt. Ltd	Nil	None
3	Mr. Kailash Chandra Biswal	Sr. Manager Production	9.77	Permanent	BA	17	10.01.2013	38	M/s Jai Balaji Industries Ltd.	Nil	None
4	Mr. Moida Ramakrishna	Advisor HR	9.60	Permanent	M.A.B.L.P.G Dip PM, (NIPM)	36	06.11.2015	60	M/s Facor Alloys Ltd	Nil	None
5	Mr. Uttam Das	Manager (Captive Power Plant)	8.28	Permanent	DME+ BOE	17	27.07.2007	37	M/s DLF Power Ltd	Nil	None
6	Mr. M. N. Murthy	Manager Production	7.92	Permanent	Intermediate	31	01.09.2015	54	M/s Sarada Ferro Alloys Ltd.	Nil	None
7	Mr. Uttam Kr. Mahanta	Dy. Manager (Production)	7.02	Permanent	B.Sc.	16	08.01.2013	37	M/s Anjaney Alloys Ltd.	Nil	None
8	Mr. Uday Bahadur Chetri	Chief Financial Officer - Manager (F & A)	6.96	Permanent	MBA	16	25.02.2017	41	M/s. Mukunda Poly Products	Nil	None
9	Mr. Pramod Kumar Pradhan	Boiler In charge	6.08	Permanent	B . C o m + 1st cl Boiler operator	14	27.07.2007	56	M/s Amrit Cement Industries Ltd	Nil	None
10.	Mr. Sandip Purkayastha	Assistant Manager (Stores)	6.03	Permanent	B.Sc.	17	14.01.2013	42	M/s Shree Shakambari Ferro Alloys Private Limited	Nil	None

Place: Kolkata  
Date: 17 May, 2018

For and on behalf of the Board of Directors  
**Nagraj Tater**  
Director  
(DIN: 00266072)

**Sajjan Bhajanka**  
Director  
(DIN: 00246043)

# REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2017-18

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.Nageshwara Rao is the Chief Executive Officer and Mr. Uday Bahadur Chetri 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 Agarwal	Director	Non-Executive
Mrs. Plistina Dkhar	Director	Independent
Mr. Mangilal Jain	Director	Independent
Mr. Santanu Ray	Director	Independent

As on 31st March 2018, 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	6	4
Mr. Mangilal Jain	9	8 (4 as Chairman)
Mr. Santanu Ray	7	6 (3 as Chairman)
Mr. Aditya Vimalkumar Agarwal	3	2
Mr. Nagraj Tater	8	1
Mrs. Plistina Dkhar	4	-

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

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

## Board Meetings and Procedures

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

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

Five (5) Board Meetings were held during the Financial Year 2017-18 and the gap between two meetings did not exceed four months. The Meetings were held on 30th May, 2017, 3rd August, 2017, 11th September, 2017, 13th November, 2017 and 6th February, 2018. The Attendance at the Board Meetings during the Financial Year 2017-18 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	5	Yes
Mr. Nagraj Tater	3	No
Mrs. Plistina Dkhar	2	Yes
Mr. Mangilal Jain	5	Yes
Mr. Santanu Ray	5	Yes
Mr. Aditya Vimalkumar Agarwal	4	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 6th March, 2018, to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

### Induction and Familiarization Program for Directors:

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc.

The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with CEO and other heads of the Company. Efforts are made to familiarize the Directors about their roles, rights, and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments in the business. The details of the Director's induction and familiarization are available on the Company's

website at 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)

### Performance Evaluation

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

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

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

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

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

### COMMITTEES OF THE BOARD

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

### Audit Committee:

All the members of the Audit Committee are Non-Executive Directors with majority Independent Directors including Chairman. The Committee is governed by a Charter which

is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Regulations.

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

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

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

The Audit Committee met 4 (four) times during the Financial year 2017-18. 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 30th May, 2017; 3rd August, 2017; 13th November, 2017 and 6th February, 2018.

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

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

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 terms of reference, the Company's policy on specific remuneration packages for Executive Directors, Key Managerial Personnel and other employees. The Chairman of the Committee is an Independent Director and the Members of the Committee are Non - Executive Directors.

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

- i. 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;
- ii. Formulation of criteria for evaluation of performance of Directors
- iii. Devising a policy on Board diversity;
- iv. 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;
- v. Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria

#### Remuneration Policy:

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

The Company has no stock option plans and such option is included in remuneration package. During the year under review, none of the Directors was paid any bonus, pension or performance bonus. Formal appointment letter is issued to the Independent Directors and the terms and conditions of the appointment of Independent Directors is available on the website of the Company.

The Remuneration Policy of the Company is available on the Company's website at: [http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Remuneration\\_policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/04/Remuneration_policy.pdf)

The composition of the Nomination and Remuneration Committee is in accordance with the regulatory requirements specified by Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee comprises of the following three members:

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

#### Meetings and Attendance:

The Nomination and Remuneration Committee met on 30th May, 2017 during the Financial Year 2017-18. All the members of the Committee attended the meeting.

## Remuneration of Directors:

The details of remuneration paid to Directors for the Financial Year 2017-18 are provided below:

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fees (₹)	No. of shares held as on 31.03.2018
1	Mr. Sajjan Bhajanka	Non – Executive Director	Nil	Nil	1,12,34,493
2	Mr. Nagraj Tater	Non – Executive Director	Nil	Nil	9,000
3	Mr. Aditya Vimalkumar Agarwal	Non – Executive Director	Nil	Nil	Nil
4	Mr. Mangilal Jain	Independent Director	Nil	45000	4,700
5	Mr. Santanu Ray	Independent Director	Nil	62,500	Nil
6	Mrs. Plistina Dkhar	Independent Director	Nil	10,000	750

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

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The terms of reference of the Committee includes:

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

During the Financial Year 2017-18, the Stakeholders Relationship Committee met 11 (Eleven) times. The meetings were held on 6th April, 2017, 27th April, 2017, 11th May, 2017, 13th July, 2017, 20th July, 2017, 24th August, 2017, 14th September, 2017, 19th December, 2017, 10th January, 2018, 16th February, 2018 and 27th February, 2018.

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	11
Mr. Nagraj Tater	Non-Executive, Non – Independent	Member	11
Mr. Aditya VimalKumar Agarwal	Non-Executive, Non – Independent	Member	Nil

The Company Secretary acts as Secretary to the Committee.

## Status of Pending Complaints:

The Company has not received any Complaints during the Financial Year 2017-18. There were no complaints pending at the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

## Corporate Social Responsibility Committee:

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

The terms of reference of the Committee are as follows:

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

During the Financial Year 2017-18, CSR Committee Meeting was held on 6th February, 2018. 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	Nil
Mr. Mangilal Jain	Non-Executive, Independent	Member	1
Mr. Aditya Vimalkumar Agarwal	Non-Executive, Non – Independent	Member	1

The CSR Policy of the Company is available on the Company's website at 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)

#### 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
2016-17	'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793 210	11th September, 2017 at 4.00 p.m.
2015-16	'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793 210	9th September, 2016 at 4.35 p.m.
2014-15	'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793 210	25th September, 2015 at 3.00 p.m.

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

AGM	Date	Matter
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>
5th	09.09.2016	Increase in limits of investments in other Bodies Corporate under Section 186 of the Companies Act, 2013.
6th	11.09.2017	Adoption of New Set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

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

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

#### DISCLOSURES:

- No materially significant related party transactions took place between the Company and its associates, Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions 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 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)
- 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 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). We hereby affirm that no personnel have been denied access to the Audit Committee.
- The Directors of the Company are not related inter-se.
- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review, the Company has not raised any money through public issue.

## CODE OF CONDUCT

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

## MEANS OF COMMUNICATION

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date and Time	31st July, 2018 at 4.00 P.M.
Venue	Star Club, Village : Lumshnong, PO : Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210
Dates of Book Closure	25th July, 2018 to 31st July, 2018 (both days inclusive)

### Financial Calendar (for the year 2018-19)

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, 2018	Within 45 days from the end of quarter
Second Quarter ended 30th September, 2018	Within 45 days from the end of quarter
Third Quarter ended 31st December, 2018	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31st March, 2019	Within 60 days from the end of quarter

### Listing on Stock Exchanges

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

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

The Company has paid listing fees to NSE and BSE for the year 2018 – 19.

Annual Custody/Issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL. Bills for the year 2018-19 has been received and paid by the Company to CDSL but Bill from NSDL for the year 2018-19 is 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 2017-18 are as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
Apr-17	8.60	7.66	35,257	8.95	7.50	1,25,351
May-17	10.25	7.52	2,41,882	11.20	7.50	8,03,124
Jun-17	9.79	7.60	1,17,143	9.75	7.60	2,32,976
Jul-17	10.40	8.10	3,51,542	10.50	8.10	11,84,609
Aug-17	9.70	7.51	1,24,051	10.00	7.85	8,19,901
Sep-17	9.39	7.72	1,68,987	9.40	7.85	7,97,798
Oct-17	14.99	7.10	12,12,096	14.90	7.75	48,27,803
Nov-17	18.70	11.70	33,01,610	18.65	11.35	1,24,42,893
Dec-17	13.89	10.83	5,76,219	13.95	10.55	26,45,272
Jan-18	16.89	10.28	28,98,027	16.70	10.70	46,06,295
Feb-18	13.08	9.83	54,91,141	12.90	9.40	89,03,899
Mar-18	10.99	8.73	5,47,976	11.30	8.85	1,50,43,766

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
Apr-17	29,918.40	1.00	7.76	(1.02)
May-17	31,145.80	4.10	9.30	19.85
Jun-17	30,921.61	(0.72)	8.01	(13.87)
Jul-17	32,514.94	5.15	9.11	13.73
Aug-17	31,730.49	(2.41)	8.53	(6.37)
Sep-17	31,283.72	(1.41)	8.36	(1.99)
Oct-17	33,213.13	6.17	14.99	79.31
Nov-17	33,149.35	(0.19)	13.20	(11.94)
Dec-17	34,056.83	2.74	13.20	0
Jan-18	35,965.02	5.60	11.48	(13.03)
Feb-18	34,184.04	(4.95)	10.26	(10.63)
Mar-18	32,968.68	(3.56)	8.83	(13.94)

## Registrars and Share Transfer Agents

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

## Share Transfer System

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

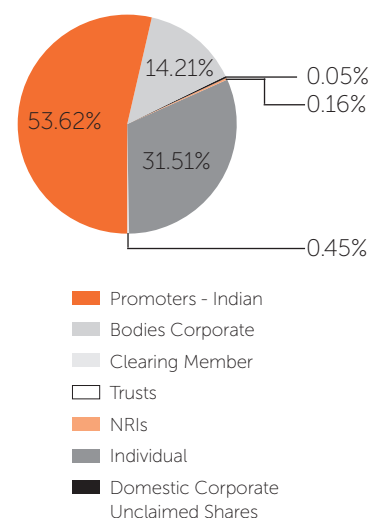
Transfer of Shares in dematerialized form is duly processed by NSDL/CDSL in electronic form through the respective Depository participants. Dematerialisation is required to be done within a period of 15 days from the date of lodgment of Dematerialisation request, complete in all respect, with the Depository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

### Distribution of Shareholding of Ordinary Shares as on 31st March, 2018

Shareholding	Total No. of Shareholders	%	No. of Shares	%
1- 500	7,471	66.49	9,48,744	0.43
501-1000	1,152	10.25	10,35,426	0.46
1001-5000	1,736	15.45	45,12,262	2.03
5001-10000	430	3.84	33,57,086	1.51
10001- 20000	223	1.98	32,54,672	1.47
20001 and above	224	1.99	20,90,64,800	94.10
Total	11,236	100	22,21,72,990	100

### Shareholding Pattern as on 31st March, 2018

Category	Number of Shareholders*	Number of Shares	% of total Share Capital
Promoter and Promoter Group	20	11,91,20,155	53.62
Bodies Corporate	261	3,15,72,220	14.21
Trusts	5	7,500	0.00
Clearing Member	68	10,07,475	0.45
NRIs	159	3,46,767	0.16
Individual	10,399	7,00,10,293	31.51
Domestic Corporate Unclaimed Shares	1	1,08,580	0.05
<b>TOTAL</b>	<b>10,913</b>	<b>22,21,72,990</b>	<b>100.00</b>



\*Note: In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated 19.12.2017 shareholding of the promoter and promoter group, public shareholder and non-public non-promoter shareholder has been consolidated on the basis of the PAN and folio number.

### 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).

22,15,25,042 Ordinary Shares of the Company representing 99.71% of the Company's share capital are dematerialised as on 31st March, 2018.

### RECONCILIATION OF SHARE CAPITAL AUDIT:

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

## UNCLAIMED SHARES

Details as required under Schedule V of the Listing Regulations in respect of unclaimed shares transferred to the demat account "Shyam Century Ferrous Limited –Unclaimed Suspense Account" is as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01.04.2017	NIL	NIL
Aggregate number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account	16	1,08,580
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account	NIL	NIL
Number of shareholders to whom shares were transferred from Suspense Account during the year	NIL	NIL
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31.03.2018	16	1,08,580

Voting rights in respect of the aforesaid shares held in Unclaimed Suspense Account will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned shareholders/legal heirs

### Plant location:

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

### b) Registered Office:

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

### Address for Correspondence:

#### a) Corporate Office:

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

For and on behalf of the Board of Directors

**Nagraj Tater**      **Sajjan Bhajanka**  
*Director*                      *Director*  
Place: Kolkata                      (DIN: 00266072) (DIN: 00246043)  
Date: 17 May, 2018

## Compliance with Code of Business Conduct and Ethics

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is hereby declared that all Board members and senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31 March, 2018.

Place: Kolkata  
Dated: 17 May, 2018

**M.V.K. NAGESWARA RAO**  
*Chief Executive Officer*

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)

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, 2018 and based on our knowledge and belief, we state that:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (1) significant changes, if any, in internal control over financial reporting during the year;
  - (2) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Dated: 17 May, 2018

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

**Uday Bahadur Chetri**  
*Chief Financial Officer*

## Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of the Corporate Governance by Shyam Century Ferrous Limited ("the Company") for the year ended on 31st March, 2018, 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 as stipulated in the said clauses and/or regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Place: Kolkata  
Dated: 17 May, 2018

CA. Arun Kumar Sharma  
Partner  
Membership No. 057329

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# Standalone Financial Statements

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## INDEPENDENT AUDITOR'S REPORT ON STANDALONE IND AS FINANCIAL STATEMENT

To the Members of  
**M/S. SHYAM CENTURY FERROUS LIMITED**

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **M/s. Shyam Century Ferrous Limited** ('the Company'), which comprise the Balance sheet as at 31 March 2018, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 and the order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards

on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS Financial Statements are free from material misstatement.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31 March 2018 and its profit, total comprehensive income, its cash flows and the changes in equity 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, based on our audit 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.
- (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 including Other Comprehensive Income, Statement of Changes in Equity 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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 standalone Ind AS financial statement –Refer note No-43 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: 17 May, 2018

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) In respect of Company's fixed assets :
  - (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; and
  - (c) 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 any 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) (a) (b) & (c) of the order are not applicable to the Company.
- (iv) The Company has not advanced loans to directors/ to a Company in which the director is interested to which, the provisions of section 185 of the companies Act, 2013 apply and hence not commented upon. The Company has made investment , and given guarantees/ provided security which is in compliance with provisions of section 186 of the companies Act, 2013.
- (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, goods and 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, goods and service tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 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, goods and service tax, sales tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks. The Company has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the

- requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

Place: Kolkata  
Date: 17 May, 2018

Membership No. 057329

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of M/s. Shyam Century Ferrous Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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. 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Kolkata  
Date: 17 May, 2018

Membership No. 057329

## Standalone Balance Sheet as at 31 March, 2018

(₹ in Lacs)

Particulars	Notes	31 March 2018	31 March 2017	01 April 2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	3	2,216.69	2,030.43	2,225.00
(b) Intangible assets	4	0.53	1.53	2.53
(c) Investment	5	3,373.50	3,373.50	3,373.50
(d) Financial assets				
(i) Loans	6	55.66	55.91	55.95
(ii) Other financial assets	7	-	251.13	206.01
(e) Non-current tax asset (net)	8	20.03	19.12	17.72
(f) Other non-current assets	9	1,601.97	1,745.59	1,401.28
<b>Total non-current assets</b>		<b>7,268.38</b>	<b>7,477.21</b>	<b>7,281.99</b>
<b>(2) Current assets</b>				
(a) Inventories	10	2,761.75	3,116.58	2,357.81
(b) Financial assets				
(i) Trade receivables	11	3,304.36	2,694.18	1,396.12
(ii) Cash and cash equivalents	12	167.94	235.91	491.95
(iii) Loans	13	0.32	0.57	0.64
(iv) Other financial assets	14	346.21	6.32	20.17
(c) Other current assets	15	435.34	933.99	858.02
<b>Total current assets</b>		<b>7,015.92</b>	<b>6,987.55</b>	<b>5,124.71</b>
<b>Total assets</b>		<b>14,284.30</b>	<b>14,464.76</b>	<b>12,406.70</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	16	2,221.73	2,221.73	2,221.73
(b) Other equity	17	8,253.05	7,205.53	6,665.85
<b>Total equity</b>		<b>10,474.78</b>	<b>9,427.26</b>	<b>8,887.58</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	18	258.72	-	75.50
(b) Deferred tax liabilities(net)	19	77.78	50.25	39.49
(c) Employee benefit obligations	20	47.57	45.26	37.33
<b>Total non-current liabilities</b>		<b>384.07</b>	<b>95.51</b>	<b>152.32</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	1,381.70	2,966.90	1,798.55
(ii) Trade payables		591.33	644.10	532.92
(iii) Other financial liabilities	22	1,045.11	1,209.10	844.84
(b) Other current liabilities	23	262.22	52.43	75.50
(c) Employee benefit obligations	24	13.66	12.96	12.29
(d) Current tax liabilities (net)	25	131.43	56.50	102.70
<b>Total current liabilities</b>		<b>3,425.45</b>	<b>4,941.99</b>	<b>3,366.80</b>
<b>Total liabilities</b>		<b>3809.52</b>	<b>5037.50</b>	<b>3519.12</b>
<b>Total equity and liabilities</b>		<b>14,284.30</b>	<b>14,464.76</b>	<b>12,406.70</b>
<b>Summary of Significant accounting policies</b>	1 & 2			

The accompanying notes form an integral part of the standalone financial statements

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: 17 May, 2018

For and on behalf of the Board of Directors

**Uday Bahadur Chetri**  
Chief Financial Officer

**Neha Agarwal**  
Company Secretary

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

## Statement of Standalone Profit and Loss for the year ended 31 March, 2018

(₹ in Lacs)

Particulars	Notes	31 March 2018	31 March 2017
<b>Income</b>			
Revenue from operations	26	12,421.44	9,257.46
Other income	27	79.88	25.48
<b>Total income</b>		<b>12,501.32</b>	<b>9,282.94</b>
<b>Expenses</b>			
Cost of materials consumed	28	3,372.12	2,414.32
(Increase)/Decrease in Inventories	29	20.89	44.28
Excise duty		48.93	150.16
Employee benefit expense	30	644.77	578.01
Finance costs	31	110.31	111.58
Depreciation and amortisation expense	32	249.67	214.69
Other expenses	33	6,455.95	4,954.88
<b>Total expenses</b>		<b>10,902.64</b>	<b>8,467.92</b>
<b>Profit before tax</b>		<b>1,598.68</b>	<b>815.02</b>
Income tax expense			
- Current tax		526.67	260.35
- Deferred tax		26.65	12.16
<b>Total tax expense</b>	34	<b>553.32</b>	<b>272.51</b>
<b>Profit for the year</b>		<b>1,045.36</b>	<b>542.51</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations		3.04	(4.24)
Income tax relating to these items		(0.88)	1.40
<b>Other comprehensive income for the year, net of tax</b>		<b>2.16</b>	<b>(2.84)</b>
<b>Total comprehensive income for the year</b>		<b>1,047.52</b>	<b>539.67</b>
<b>Earnings per equity share:</b>			
Basic earnings per share (₹ per share)	35	0.47	0.24
Diluted earnings per share (₹ per share)		0.47	0.24
<b>Summary of Significant accounting policies</b>	1 & 2		

The accompanying notes form an integral part of the standalone financial statements

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: 17 May, 2018

For and on behalf of the Board of Directors

**Uday Bahadur Chetri**

Chief Financial Officer

**Neha Agarwal**

Company Secretary

**Sajjan Bhajanka**

Director

DIN : 00246043

**Nagraj Tater**

Director

DIN : 00266072

## Standalone Statement of Changes in Equity for the year ended 31 March, 2018

A. Equity share capital		(₹ in Lacs)
Particulars	31 March 2017	
As at 1 April, 2016	2,221.73	
Changes in equity share capital	-	
As at 31 March, 2017	2,221.73	
Changes in equity share capital	-	
As at 31 March, 2018	2,221.73	

B. Other equity		(₹ in Lacs)	
Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 1 April, 2016	6,087.78	578.08	6,665.86
Profit for the year (a)	-	542.51	542.51
Other comprehensive income \ (loss) for the year (net of tax) (b)	-	(2.84)	(2.84)
<b>Total comprehensive income for the year (a + b)</b>	<b>-</b>	<b>539.67</b>	<b>539.67</b>
Balance as at 31 March, 2017	6,087.78	1,117.75	7,205.53

		(₹ in Lacs)	
Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 1 April, 2017	6,087.78	1,117.75	7,205.53
Profit for the year (a)	-	1,045.36	1,045.36
Other comprehensive income \ (loss) for the year (net of tax) (b)	-	2.16	2.16
<b>Total comprehensive income for the year (a + b)</b>	<b>-</b>	<b>1,047.52</b>	<b>1,047.52</b>
Balance as at 31 March, 2018	6,087.78	2,165.27	8,253.05

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 17 May, 2018

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## Standalone Cash Flow Statement for the year ended 31 March, 2018

(₹ in Lacs)

Sl. No.	Particulars	31 March 2018	31 March 2017
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before Tax	1,598.68	815.02
	Adjustments for:		
	Depreciation/Amortisation	249.67	214.69
	Finance Cost	110.31	111.58
	Interest and Other Income	(79.88)	(25.48)
	<b>Operating Profit before Working Capital changes</b>	<b>1,878.78</b>	<b>1,115.81</b>
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(610.17)	(1,298.06)
	(Increase)/Decrease in Inventories	354.83	(758.77)
	(Increase)/Decrease in Loans and other financial assets	(8.39)	(531.22)
	(Increase)/Decrease in Other assets	642.04	(420.33)
	Increase/(Decrease) in Other liabilities and provisions	289.83	(62.08)
	Increase/(Decrease) in Trade payables and other payables	(271.17)	1056.84
	<b>Cash Generated from Operations</b>	<b>2,275.75</b>	<b>(897.81)</b>
	Income Tax Paid	(459.93)	(252.00)
	<b>Net Cash generated from Operating Activities</b>	<b>1,815.82</b>	<b>(1,149.81)</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(434.93)	(19.13)
	Fixed Deposits/Margin Money (Given)/Refund	0.25	0.04
	Interest Received	-	1.40
	<b>Net Cash from Investing Activities</b>	<b>(434.68)</b>	<b>(17.69)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Increase in Short Term Borrowings	(1,585.20)	1,168.37
	Repayment of Long Term Borrowings	246.40	(157.12)
	Interest Paid	(110.31)	(99.79)
	<b>Net Cash used in Financing Activities</b>	<b>(1,449.11)</b>	<b>911.46</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(67.97)</b>	<b>(256.04)</b>
	<b>Opening Cash and Cash Equivalents</b>	<b>235.91</b>	<b>491.95</b>
	<b>Closing Cash and Cash Equivalents</b>	<b>167.94</b>	<b>235.91</b>

### Note:

Significant non cash movement in borrowing during the year include hire purchase of ₹354.81 Lacs.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 17 May, 2018

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072



# Notes to Standalone Financial Statement for the year ended 31 March, 2018

## Corporate Information

Shyam Century Ferrous Limited (the Company) is a public limited Company domiciled in India and incorporated on 12.04.2011 as per 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. Significant Accounting Policies

### 1.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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

(ii) Historical Cost Convention

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

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

### 1.2 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.

### 1.3 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Shyam Century Ferrous Ltd's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchanges rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss. All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### 1.4 Property, plant and equipment

Property, plant and equipment are stated at cost or revalued amount, as the case may be, less accumulated depreciation and impairment loss, if any, except freehold land which is carried at cost. Cost comprises the purchase price inclusive of duties, taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### Capital Work in Progress

Capital Work in Progress is carried at cost comprising direct cost and includes any directly attributable cost incurred during construction period.

#### 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.

#### Depreciation

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

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

### 1.5 Intangible Asset

An intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of three years.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### 1.6 Lease

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 1.7 Government Grants and subsidies

Government grants and 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. Grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized to the Statement of profit and loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

### 1.8 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### 1.9 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 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.

### 1.10 Trade receivables

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

### 1.11 Investments and other financial assets

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### Equity instruments

The Company subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

### Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

### 1.12 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### 1.13 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### 1.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

### 1.15 Financial liabilities

Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit and Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

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

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### 1.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 1.17 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.

### 1.18 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales are recognised when substantial risk and rewards of ownership are transferred to customer. Generally, sales take place when goods are dispatched or delivery is handed over to transporter.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

### 1.19 Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### (i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

### (ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

### (iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

## 1.20 Tax Expense

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 tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related Deferred tax asset is realised or the Deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961.

## 1.21 Earnings per Share

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

For the purpose of calculating diluted earnings per share, net profit or loss for the year before other comprehensive income 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.

### 1.22 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

### 1.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 1.24 Dividends

Dividends if paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The corresponding amount is recognised directly in equity

## RECENT ACCOUNTING DEVELOPMENTS

### Note: 2 - Standards issued but not yet effective

Ind AS 115:- Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 3 - Property, plant and equipment

(₹ in Lacs)

Particulars	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
<b>Gross block</b>										
At 1st April 2016 (deemed cost)	86.17	397.41	195.06	1,350.89	133.76	3.67	2.07	2.66	53.31	2,225.00
Addition	-	-	-	12.87	5.54	0.08	0.63	-	-	19.12
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>86.17</b>	<b>397.41</b>	<b>195.06</b>	<b>1,363.76</b>	<b>139.30</b>	<b>3.75</b>	<b>2.70</b>	<b>2.66</b>	<b>53.31</b>	<b>2,244.12</b>
Addition	-	-	-	28.38	6.00	-	0.15	-	400.40	434.93
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>86.17</b>	<b>397.41</b>	<b>195.06</b>	<b>1,392.14</b>	<b>145.30</b>	<b>3.75</b>	<b>2.85</b>	<b>2.66</b>	<b>453.71</b>	<b>2,679.05</b>
<b>Depreciation</b>										
At 1st April 2016	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	37.24	11.13	118.16	27.83	0.83	0.90	0.90	16.70	213.69
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>37.24</b>	<b>11.13</b>	<b>118.16</b>	<b>27.83</b>	<b>0.83</b>	<b>0.90</b>	<b>0.90</b>	<b>16.70</b>	<b>213.69</b>
Charge for the year	-	33.75	8.81	108.91	19.47	0.47	0.64	0.41	76.21	248.67
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>-</b>	<b>70.99</b>	<b>19.94</b>	<b>227.07</b>	<b>47.30</b>	<b>1.30</b>	<b>1.54</b>	<b>1.31</b>	<b>92.91</b>	<b>462.36</b>
<b>Net Block</b>										
<b>As at 1 April 2016</b>	<b>86.17</b>	<b>397.41</b>	<b>195.06</b>	<b>1,350.89</b>	<b>133.76</b>	<b>3.67</b>	<b>2.07</b>	<b>2.66</b>	<b>53.31</b>	<b>2,225.00</b>
<b>As at 31 March 2017</b>	<b>86.17</b>	<b>360.17</b>	<b>183.93</b>	<b>1,245.60</b>	<b>111.47</b>	<b>2.92</b>	<b>1.80</b>	<b>1.76</b>	<b>36.61</b>	<b>2,030.43</b>
<b>As at 31 March 2018</b>	<b>86.17</b>	<b>326.42</b>	<b>175.12</b>	<b>1,165.07</b>	<b>98.00</b>	<b>2.45</b>	<b>1.31</b>	<b>1.35</b>	<b>360.80</b>	<b>2,216.69</b>

**3.1** For Property, Plant & Equipments existing as on 1 April 2016, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying values as deemed cost



## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 4 - Intangible assets

(₹ in Lacs)

Particulars	Computer Software
<b>Gross block</b>	
At 1st April 2016 (deemed cost)	2.53
Addition	-
Disposals/Deduction/Adjustment	-
<b>At 31 March 2017</b>	<b>2.53</b>
Addition	-
Disposals/Deduction/Adjustment	-
<b>At 31 March 2018</b>	<b>2.53</b>
<b>Depreciation</b>	
At 1st April 2016	-
Charge for the year	1.00
Disposals/Deduction/Adjustment	-
<b>At 31 March 2017</b>	<b>1.00</b>
Charge for the period	1.00
Disposals/Deduction/Adjustment	-
<b>As at 31 March 2018</b>	<b>2.00</b>
<b>Net Block</b>	
As at 1 April 2016	2.53
As at 31 March 2017	1.53
As at 31 March 2018	0.53

### Note: 5 - Investment

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unquoted equity instrument			
Meghalaya Power Limited			
83,58,998 (31 March 2017 - 83,58,998, 1 April 2016 - 83,58,998) equity shares of ₹10 each fully paid up	3,373.50	3373.50	3,373.50
<b>Total</b>	<b>3,373.50</b>	<b>3,373.50</b>	<b>3,373.50</b>

### Note: 6 - Loans - non current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<i>-Unsecured, Considered Good</i>			
Security Deposits	55.66	55.91	55.95
<b>Total</b>	<b>55.66</b>	<b>55.91</b>	<b>55.95</b>

### Note: 7 - Other financial assets - non current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance given to suppliers recoverable	-	17.55	26.76
Advance given for services and expenses recoverable	-	233.58	179.25
<b>Total</b>	<b>-</b>	<b>251.13</b>	<b>206.01</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 8 - Non-current tax asset (net)

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance income tax (net of provision for taxation of ₹537.62 lacs as at 31 March 2018, ₹537.62 lacs as at 31 March 2017 and ₹217.46 lacs as at 1 April 2016)	20.03	19.12	17.72
<b>Total</b>	<b>20.03</b>	<b>19.12</b>	<b>17.72</b>

### Note: 9 - Other non-current assets

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance with statutory/Government authorities	1,601.27	1,740.39	1,400.83
Deposit with statutory/Government authorities	0.70	0.20	0.45
Capital advance	-	5.00	-
<b>Total</b>	<b>1,601.97</b>	<b>1,745.59</b>	<b>1,401.28</b>

### Note: 10 - Inventories

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials	1,305.51	377.09	473.42
Finished goods	116.40	137.29	181.57
Fuels, packing materials, etc.	997.82	2,290.94	1,394.21
Stores & spare parts	342.02	311.26	308.61
<b>Total</b>	<b>2,761.75</b>	<b>3,116.58</b>	<b>2,357.81</b>

### Note: 11 - Trade receivables

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, Considered good	3,304.36	2,694.18	1,396.12
<b>Total</b>	<b>3,304.36</b>	<b>2,694.18</b>	<b>1,396.12</b>

### Note: 12 - Cash and cash equivalents

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Cash in hand	4.41	1.87	2.96
Cheques in hand	78.26	108.58	4.05
Balance with banks:			
- In current accounts	85.27	125.46	484.94
<b>Total</b>	<b>167.94</b>	<b>235.91</b>	<b>491.95</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 13 - Loans - current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<i>-Unsecured, Considered Good</i>			
Security Deposits	0.32	0.57	0.64
<b>Total</b>	<b>0.32</b>	<b>0.57</b>	<b>0.64</b>

### Note: 14 - Other financial assets - current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance given to suppliers recoverable	27.55	14.21	20.17
Less: Allowance for doubtful advance	(8.00)	(8.00)	-
Advances for services & expenses recoverable	326.66	0.11	-
<b>Total</b>	<b>346.21</b>	<b>6.32</b>	<b>20.17</b>

### Note: 15 - Other current assets

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances to suppliers	5.94	19.22	6.79
Advances for services & expenses	9.39	5.10	36.54
Advance to employee	1.86	2.31	0.92
Prepaid Expenses	29.02	8.57	6.45
Balances with/Receivable from Statutory/Government Authorities	389.13	898.79	807.32
<b>Total</b>	<b>435.34</b>	<b>933.99</b>	<b>858.02</b>

### Note: 16 - Equity share capital

#### Share Capital

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Authorised</b>			
22,27,00,000 (22,27,00,000 as at 31 March 2017, 22,27,00,000 as at 1 April 2016) Equity Shares of ₹1/- each fully paid up	2,227.00	2,227.00	2,227.00
	<b>2,227.00</b>	<b>2,227.00</b>	<b>2,227.00</b>
<b>Issued</b>			
22,21,72,990 (22,21,72,990 as at 31 March 2017, 22,21,72,990 as at 1 April 2016) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73	2,221.73
	<b>2,221.73</b>	<b>2,221.73</b>	<b>2,221.73</b>
<b>Subscribed and paid up</b>			
22,21,72,990 (22,21,72,990 as at 31 March 2017, 22,21,72,990 as at 1 April 2016) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73	2,221.73
	<b>2,221.73</b>	<b>2,221.73</b>	<b>2,221.73</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### 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 dividends 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.

### 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 31 March, 2015 with effect from 1st April, 2014 being the appointed date, the Company had issued and allotted 22,21,72,990 Equity Shares to the shareholders of SFCL in ratio of 1 (one) Equity share of ₹1/- each of the Company as fully paid-up for every 1 (one) Equity Share of ₹1/- each held by them in SFCL.

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

Particulars	No. of Shares	No. of Shares	No. of Shares
<b>Equity shares</b>			
At the beginning of the year	22,21,72,990	22,21,72,990	22,21,72,990
Issued during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>22,21,72,990</b>	<b>22,21,72,990</b>

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

Particulars	31 March 2018	31 March 2017	1 April 2016
	No. of Shares % holding	No. of Shares % holding	No. of Shares % holding
Equity Shares of ₹1/- each fully paid-up			
Shri Brij Bhushan Agarwal	2,51,86,012 11.34%	- -	- -
Shri Mahabir Prasad Agarwal (HUF)	1,47,00,000 6.62%	- -	- -
Shri Prem Kumar Bhajanka	1,43,40,506 6.45%	2,73,69,386 12.32%	2,73,69,386 12.32%
Smt Santosh Bhajanka	1,50,49,500 6.77%	1,50,49,500 6.77%	1,50,49,500 6.77%
Shri Sanjay Agarwal	1,42,12,976 6.40%	1,47,88,245 6.66%	1,47,88,245 6.66%
Smt Divya Agarwal	1,44,88,750 6.52%	1,44,88,750 6.52%	1,44,88,750 6.52%
Shri Sajjan Bhajanka	1,12,34,493 5.06%	1,18,95,675 5.35%	1,18,95,675 5.35%
Shri Subham Agarwal	- -	1,19,02,567 5.36%	- -

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 17 - Other equity

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Capital reserves	6,087.78	6,087.78
Retained earnings	2,165.27	1,117.75
<b>Total</b>	<b>8,253.05</b>	<b>7,205.53</b>

#### (i) Capital reserves

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Opening balance	6,087.78	6,087.78
Addition/(Deduction) during the year	-	-
<b>Closing balance</b>	<b>6,087.78</b>	<b>6,087.78</b>

#### Capital reserve

The Company had acquired this capital reserve during amalgamation/acquisition in the prior years.

#### (ii) Retained earnings

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Opening balance	1,117.75	578.08
Net profit for the year	1,045.36	542.51
Other comprehensive income		
- Remeasurements of post-employment benefit obligation, net of tax	2.16	(2.84)
<b>Closing balance</b>	<b>2,165.27</b>	<b>1,117.75</b>

### Note: 18 Borrowings - Non-current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Term loans (Secured)			
- Rupee term loan from a financial institution	-	75.50	232.62
Other Loans (Secured)			
Hire Purchase from Bank	321.90	-	-
Less: Current maturities of long term borrowing	63.18	75.50	157.12
<b>Total</b>	<b>258.72</b>	<b>-</b>	<b>75.50</b>

#### Terms of loans

- 18.1 Rupee Term Loan from financial institution was secured by equitable mortgage of leasehold rights of land and first charge on property, plant and equipment of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit.
- 18.2 Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable monthly within five years.
- 18.3 The company does not have any defaults in repayment of loans & interest at reporting date.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 19 - Deferred tax liabilities (net)

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Deferred tax asset</b>			
Expenditure allowable for tax purposes upon payment	17.83	17.99	16.40
Advances to suppliers	-	2.26	3.23
Advances for services & expenses	-	24.16	27.25
<b>Total deferred tax asset</b>	<b>17.83</b>	<b>44.41</b>	<b>46.88</b>
<b>Deferred tax liabilities</b>			
Property, plant and equipment : impact of difference between tax depreciation and depreciation/ amortization charged	95.61	94.66	86.37
<b>Total deferred tax liabilities</b>	<b>95.61</b>	<b>94.66</b>	<b>86.37</b>
<b>Net deferred tax (asset)/liabilities</b>	<b>77.78</b>	<b>50.25</b>	<b>39.49</b>

### Note: 20 - Employee benefit obligations - non current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Gratuity	47.57	45.26	37.33
<b>Total</b>	<b>47.57</b>	<b>45.26</b>	<b>37.33</b>

### Note: 21 - Borrowings

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<i>Working Capital Facilities (Secured)</i>			
-Cash Credit from a bank	1,381.70	1,738.42	1,798.55
Others (Secured)			
-Payable on account of bill discounting	-	1,228.48	-
<b>Total</b>	<b>1,381.70</b>	<b>2,966.90</b>	<b>1,798.55</b>

#### Note-

21.1 Working Capital facility of ₹1381.70 Lacs (31 March 2017 ₹1738.42 Lacs, 1 April 2016 ₹1798.55 Lacs) from bank is secured by first charge on the current assets and second charge on the property, plant and equipment of the company's Ferro Alloy Plant at Byrnihat, Meghalaya. The said facility has also been guaranteed by a director of the company.

21.2 Bill discounting is to be settled within a period of 90 days.

### Note: 22 - Other financial liabilities

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term borrowings	63.18	75.50	157.12
Advances taken from customer repayable	1.54	0.53	1.48
Salary & bonus payable to employees	48.81	62.50	54.92
Other liabilities	931.58	1,070.57	631.32
<b>Total</b>	<b>1,045.11</b>	<b>1,209.10</b>	<b>844.84</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 23 - Other current liabilities

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Other Payables			
-Statutory Liabilities	236.72	35.03	67.97
-Advances taken from customer	25.50	17.40	7.53
<b>Total</b>	<b>262.22</b>	<b>52.43</b>	<b>75.50</b>

### Note: 24 - Employee benefit obligations - current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for leave encashment	9.17	11.30	10.61
Provision for Gratuity	4.49	1.66	1.68
<b>Total</b>	<b>13.66</b>	<b>12.96</b>	<b>12.29</b>

### Note: 25 - Current tax liabilities (net)

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
-Provision for taxation (net of advance tax of ₹ 771.6 lacs as at 31 March 2018, ₹ 301.29 lacs as at 31 March 2017 and ₹ 312.29 lacs as at 1 April 2016)	131.43	56.50	102.70
<b>Total</b>	<b>131.43</b>	<b>56.50</b>	<b>102.70</b>

### Note: 26 - Revenue from operations

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Sale of products	12,377.78	9,215.37
Other operating revenues	43.66	42.09
<b>Total</b>	<b>12,421.44</b>	<b>9,257.46</b>

### Note: 27 - Other income

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Interest income on fixed deposits	-	1.40
Unwinding of discount on recoverable advances	79.88	24.08
<b>Total</b>	<b>79.88</b>	<b>25.48</b>

### Note: 28 - Cost of materials consumed

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Inventory at the beginning of the year	377.09	473.42
Add: Purchases	4,300.54	2,317.99
	<b>4,677.63</b>	<b>2,791.41</b>
Less: Inventory at the end of the year	1,305.51	377.09
<b>Total</b>	<b>3,372.12</b>	<b>2,414.32</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 29 - (Increase)/Decrease in Inventories

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Inventory at the beginning of the year	137.29	181.57
Inventory at the end of the year	116.40	137.29
<b>Total</b>	<b>20.89</b>	<b>44.28</b>

### Note: 30 - Employee benefit expense

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Salaries & Wages	579.62	524.19
Contribution to Provident Fund and other Funds	27.65	26.06
Staff Welfare Expenses	37.50	27.76
<b>Total</b>	<b>644.77</b>	<b>578.01</b>

### Note: 31 - Finance costs

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Interest expenses		
-On loan measured at amortised cost	75.36	76.81
Other Finance Costs	34.95	34.77
<b>Total</b>	<b>110.31</b>	<b>111.58</b>

### Note: 32 - Depreciation / Amortisation

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Depreciation on Property, Plant & Equipment	248.67	213.69
Amortisation on intangible assets	1.00	1.00
<b>Total</b>	<b>249.67</b>	<b>214.69</b>

### Note: 33 - Other expenses

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Consumption of Stores & Spares	503.92	368.89
Packing Materials	59.65	50.06
Power & Fuel	4,870.35	3,702.64
Repairs & Maintenance		
- Building	20.78	11.86
- Plant & Machinery	238.12	77.80
- Others	10.02	2.18
Excise Duty variation on opening/ closing inventory	-	(1.90)
Insurance	30.97	34.38
Rent, Rates & Taxes	63.65	73.38
Travelling and Conveyance	13.75	7.86
Heavy Vehicle / Equipment Running Expenses	79.71	93.88
Corporate Social Responsibility (Refer note no 45)	15.00	7.00
Miscellaneous Expenses* (Refer note no. 33.1)	79.31	64.27
Outward Freight Charges	452.08	421.44
Commission, Discount & Incentives on Sale	18.64	41.14
<b>Total</b>	<b>6,455.95</b>	<b>4,954.88</b>

33.1 Miscellaneous expenses include expenses of payment to auditors (Refer note 44)



## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 34 - Tax expenses

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
<b>(a) Current tax</b>		
Current tax on profits for the year	526.67	255.92
Adjustments for current tax of prior periods	-	4.43
<b>Total current tax expense</b>	<b>526.67</b>	<b>260.35</b>
<b>(b) Deferred tax</b>		
Deferred tax expense	26.65	12.16
<b>Total deferred tax expense</b>	<b>26.65</b>	<b>12.16</b>
<b>Income tax expense</b>	<b>553.32</b>	<b>272.51</b>

### 34.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Profit from continuing operations before income tax expense	1,598.68	815.02
<b>Tax at the Indian tax rate of 34.608%</b>	<b>553.27</b>	<b>269.47</b>
Items not deductible/taxable under tax	6.34	4.97
Impact of change in tax rate during the year	(1.07)	-
Adjustments for current tax of prior periods	-	4.43
Additional deductions under provisions of the income tax act	-	(0.46)
Other adjustments	(5.22)	(5.90)
<b>Income tax expense</b>	<b>553.32</b>	<b>272.51</b>

The tax rate used for the financial year 2016-17 and 2017-18 reconciliation above is the Corporate Tax Rate of 34.608% (30% + Surcharge 12% + Education Cess 3%) payable on taxable profit under Income Tax Act 1961.

### Note: 35 - Earnings per share

#### (a) Basic earnings per share

Particulars	31 March 2018	31 March 2017
Basic earnings per share attributable to the equity holders of the Company (₹ per share)	0.47	0.24

#### (b) Diluted earnings per share

Particulars	31 March 2018	31 March 2017
Diluted earnings per share attributable to the equity holders of the Company (₹ per share)	0.47	0.24

#### (c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	1,045.36	542.51
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	1,045.36	542.51

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 35 - Earnings per share (Contd.)

#### (d) Weighted average number of equity shares used as the denominator

Particulars	31 March 2018	31 March 2017
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	22,21,72,990	22,21,72,990
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	22,21,72,990	22,21,72,990

### Note: 36 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Current</b>			
<b>Financial assets</b>			
First charge			
Trade receivables	3,304.36	2,694.18	1,396.12
Inventory	2,761.75	3,116.58	2,357.81
Cash & Cash Equivalents	167.94	235.91	491.95
Other current assets	781.87	940.88	878.83
<b>Total current assets pledged as security</b>	<b>7,015.92</b>	<b>6,987.55</b>	<b>5,124.71</b>
<b>Non-current</b>			
Second charge			
Property, plant and equipment, intangible assets	2,217.22	2,031.96	2,227.53
<b>Total non-currents assets pledged as security</b>	<b>2,217.22</b>	<b>2,031.96</b>	<b>2,227.53</b>
<b>Total assets pledged as security</b>	<b>9,233.14</b>	<b>9,019.51</b>	<b>7,352.24</b>

### Note: 37 - Employees benefit obligations

#### (i) Leave obligations

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Leave obligations not expected to be settled within the next 12 months	8.22	10.44	9.86

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### (ii) Post-employment obligations

#### a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972.

(iii) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows: (₹ in Lacs)

Particulars	Present value of obligation	Net amount
<b>01 April 2016</b>	39.01	39.01
Current service cost	8.17	8.17
Interest expense/(income)	3.12	3.12
<b>Total amount recognised in profit and loss</b>	<b>11.29</b>	<b>11.29</b>
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	2.85	2.85
Actuarial (gain)/loss from unexpected experience	1.38	1.38
<b>Total amount recognised in other comprehensive income</b>	<b>4.23</b>	<b>4.23</b>
Employer contributions/ premium paid	-	-
Benefit paid	(7.62)	(7.62)
Disposal/ Transfer of obligation	-	-
<b>31 March 2017</b>	<b>46.92</b>	<b>46.92</b>

(iv) (₹ in Lacs)

Particulars	Present value of obligation	Net amount
<b>01 April 2017</b>	46.92	46.92
Current service cost	7.97	7.97
Interest expense/(income)	3.51	3.51
<b>Total amount recognised in profit and loss</b>	<b>11.47</b>	<b>11.47</b>
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	(1.07)	(1.07)
Actuarial (gain)/loss from unexpected experience	(1.97)	(1.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(3.04)</b>	<b>(3.04)</b>
Employer contributions/ premium paid		
Benefit paid	(3.29)	(3.29)
Settlement Cost	-	-
Other (unsettled liability at the end of the valuation date)	-	-
Disposal/ Transfer of Asset	-	-
<b>31 March 2018</b>	<b>52.06</b>	<b>52.06</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.75%	7.50%	8.00%
Salary growth rate	6.00%	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table	IALM (2006-08) Table

### (vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(47.46)	57.44	(41.43)	53.36
Salary growth rate (-/+ 1%)	57.72	(47.16)	53.39	(41.31)
Withdrawal rate (-/+ 1%)	52.72	(51.31)	47.43	(46.50)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (vii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

### (viii) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2019 are INR 16.65 lacs.

The weighted average duration of the defined benefit obligation is 5.62 years (31 March 2017: 8.83 years, 1 April 2016: 9.59 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	(₹ in Lacs)		
	Less than a year	Between 2- 5 years	Over 5 years
<b>31 March 2018</b>			
Defined benefit obligation (gratuity)	3.24	17.21	19.96
<b>Total</b>	<b>3.24</b>	<b>17.21</b>	<b>19.96</b>
<b>31 March 2017</b>			
Defined benefit obligation (gratuity)	2.51	4.40	40.01
<b>Total</b>	<b>2.51</b>	<b>4.40</b>	<b>40.01</b>
<b>1 April 2016</b>			
Defined benefit obligation (gratuity)	-	2.13	36.88
<b>Total</b>	<b>-</b>	<b>2.13</b>	<b>36.88</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 38 - Financial instruments by category

(₹ in Lacs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Security Deposits	-	-	55.98	-	-	56.48	-	-	56.59
Advance given to suppliers recoverable	-	-	19.55	-	-	17.55	-	-	26.76
Advance given for services and expenses recoverable	-	-	326.66	-	-	239.90	-	-	199.43
Trade Receivable	-	-	3,304.36	-	-	2,694.18	-	-	1,396.12
Cash and cash equivalents	-	-	167.94	-	-	235.91	-	-	491.95
	-	-	<b>3,874.49</b>	-	-	<b>3,244.02</b>	-	-	<b>2,170.85</b>
<b>Financial liabilities</b>									
Borrowing	-	-	1,703.60	-	-	3,042.40	-	-	2,031.17
Trade Payable	-	-	591.33	-	-	644.10	-	-	532.92
Advances taken from customer repayable	-	-	1.54	-	-	0.53	-	-	1.48
Salary & Bonus Payable to Employees	-	-	48.81	-	-	62.50	-	-	54.92
Other Liabilities	-	-	931.58	-	-	1,070.57	-	-	631.32
	-	-	<b>3,276.86</b>	-	-	<b>4,820.10</b>	-	-	<b>3,251.81</b>

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments is determined using discounted cash flow analysis.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### (iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security Deposits	55.66	55.66	55.91	55.91	55.95	55.95
Advance given to suppliers recoverable	-	-	17.54	18.92	26.76	26.76
Advance given for services and expenses recoverable	-	-	233.58	246.92	179.25	179.25
<b>Total financial assets</b>	<b>55.66</b>	<b>55.66</b>	<b>307.04</b>	<b>321.75</b>	<b>261.96</b>	<b>261.96</b>
Financial liabilities						
Borrowings	321.90	321.90	-	-	232.62	232.62
<b>Total financial liabilities</b>	<b>321.90</b>	<b>321.90</b>	<b>-</b>	<b>-</b>	<b>232.62</b>	<b>232.62</b>

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

#### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

### Note: 39 - Capital management

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 40 - Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Aging analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

#### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lacs)

Particulars	Not due	Less than 6 months	6 months - 1 year	> 1 year	Total
Trade receivable as on 31 March, 2018	929.11	2,252.75	34.12	88.38	3,304.36
Trade receivable as on 31 March, 2017	38.18	2,569.89	21.46	64.66	2,694.18
Trade receivable as on 1 April, 2016	174.22	1,112.47	20.57	88.86	1,396.12

##### ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying amounts as illustrated in Note 38.

#### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis. Management monitors rolling forecasts of

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Floating Rate			
- Expiring within one year (bank overdraft and other facilities)	1,618.30	1,261.58	1,201.45
<b>Total</b>	<b>1,618.30</b>	<b>1,261.58</b>	<b>1,201.45</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### Contractual maturities of financial liabilities - 31 March, 2018

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	591.33	-	-	-	591.33
Borrowings	1,444.89	68.17	190.55	-	1,703.61
Interest payable on above borrowings	22.39	17.40	19.47	-	59.26
Other financial liabilities	981.93	-	-	-	981.93
<b>Total financial liabilities</b>	<b>3,040.54</b>	<b>85.57</b>	<b>210.02</b>	<b>-</b>	<b>3,336.13</b>

#### Contractual maturities of financial liabilities - 31 March, 2017

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	644.10	-	-	-	644.10
Borrowings	3,042.40	-	-	-	3,042.40
Interest payable on above borrowings	3.56	-	-	-	3.56
Other financial liabilities	1,133.59	-	-	-	1,133.59
<b>Total financial liabilities</b>	<b>4,823.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,823.65</b>

#### Contractual maturities of financial liabilities - 1 April, 2016

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	532.92	-	-	-	532.92
Borrowings	1,955.67	75.50	-	-	2,031.17
Interest payable on above borrowings	22.12	3.56	-	-	25.68
Other financial liabilities	687.73	-	-	-	687.73
<b>Total financial liabilities</b>	<b>3,198.44</b>	<b>79.06</b>	<b>-</b>	<b>-</b>	<b>3,277.50</b>



## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018, 31 March 2017 and 1 April 2016 the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

#### On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	(₹ in Lacs)		
	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowings	1,381.70	2,966.90	1,798.55
Fixed rate borrowings	321.90	75.50	232.62
<b>Total borrowings</b>	<b>1,703.60</b>	<b>3,042.40</b>	<b>2,031.17</b>

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31 March 2018	31 March 2017
Interest expense rates – increase by 50 basis points (2017: 50 bps)*	(8.52)	(14.83)
Interest expense rates – decrease by 50 basis points (2017: 50 bps)*	8.52	14.83

\* Holding all other variables constant

## Note: 41 - Related Party Disclosures

### I. Name of the related parties and related party relationship:

Names of the related parties where control exists		Nature of relationship
A.	Star Cement Limited (Formerly Cement Manufacturing Company Limited) (SCL)	Enterprise owned/influenced by KMP
	Meghalaya Power Limited (MPL)	Associate
B.	<b>Key Management Personnel</b>	
Name of the Related Parties		Nature of relationship
	Mr. Sajjan Bhajanka	Director
	Mr. M.V.K.Nageswara Rao	Chief Executive Officer
	Mr. Uday Bahadur Chetri	Chief Financial Officer (w.e.f. 30th May, 2017)
	Ms. Neha Agarwal	Company Secretary (w.e.f. 30th May, 2017)

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

II. Details of transactions between the Company and related parties and the status of outstanding balance are given hereunder:

(₹ in Lacs)

Sl No	Type of Transactions	Associate			Key Management Personnel			Enterprise Owned/Influences by KMP		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
<b>1</b>	<b>Purchase Transaction</b>									
	Meghalaya Power Limited	1,409.91	46.57		-	-		-	-	
<b>2</b>	<b>Sale Transaction</b>									
	Star Cement Limited	-	-		-	-		48.50	42.93	
	Meghalaya Power Limited	-	144.78		-	-		-	-	
<b>3</b>	<b>Remuneration Paid</b>									
	Mr. M.V.K.Nageswara Rao	-	-		24.58	21.58		-	-	
	Mr. Uday Bahadur Chetri	-	-		6.96	-		-	-	
	Ms. Neha Agarwal	-	-		3.52	-		-	-	
	Mr. Debasis Mukhopadhyay	-	-		-	2.77		-	-	
	Mr. Sunil Jha	-	-		-	9.21		-	-	
	Ms. Hasti Doshi	-	-		-	-		-	-	
	Ms. Rachna Pareek	-	-		-	3.17		-	-	
<b>4</b>	<b>Outstanding Balances</b>									
	<b>Debtor</b>									
	Meghalaya Power Limited	322.45	98.21	-	-	-	-	-	-	-
	<b>Investment</b>									
	Meghalaya Power Limited	3,373.50	3,373.50	3,373.50	-	-	-	-	-	-
	<b>Guarantees Obtained</b>									
	Mr. Sajjan Bhajanka	-	-	-	5,300.00	5,300.00	5,300.00	-	-	-

### III. Key management personnel compensation

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Short-term employee benefits	35.06	36.73
Post-employment benefits*	-	-
Long-term employee benefits*	-	-
<b>Total compensation</b>	<b>35.06</b>	<b>36.73</b>

Post-employment benefits and long-term employee benefits are determined on the basis of actuarial valuation for the Company as a whole and hence segregation is not available.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 42 - Segment Reporting

(₹ in Lacs)

Sl No	Particulars	2017-18				2016-17			
		Ferro Alloys	Power	Others	Total	Ferro Alloys	Power	Others	Total
a	External sales	12,377.78	43.66	-	12,421.44	9,215.37	42.09	-	9,257.46
	Inter-segment sales	-	2,796.78	-	2,796.78	-	3,293.68	-	3,293.68
	Elimination	-	(2,796.78)	-	(2,796.78)	-	(3,293.68)	-	(3,293.68)
	Total Revenue (Gross)	12,377.78	43.66	-	12,421.44	9,215.37	42.09	-	9,257.46
b	Segment Results	1,824.11	61.21	-	1,885.32	1,054.66	58.74	-	1,113.40
	Unallocated Income/(-) Expenses (Net of unallocated Income/ (-)Expenses) (Including Exceptional Items)	-	-	176.33	176.33	-	-	186.80	186.80
	Operating Profit/Loss (-)	-	-	-	1,708.98	-	-	-	926.60
	Finance Cost (Net)	-	-	110.31	110.31	-	-	111.58	111.58
	Provision for Taxation	-	-	-	526.67	-	-	-	260.35
	Deferred Tax charge(-) / Credit	-	-	-	26.65	-	-	-	12.16
	Total Profit /(-) Loss after tax	-	-	-	1,045.36	-	-	-	542.51
c	Other Information	-	-	-	-	-	-	-	-
i	Segment Assets	8,780.22	2,102.44	-	10,882.66	7,595.98	3,474.14	-	11,070.12
	Unallocated Corporate/Other Assets	-	-	3,401.64	3,401.64	-	-	3,394.64	3,394.64
	<b>TOTAL</b>	<b>8,780.22</b>	<b>2,102.44</b>	<b>3,401.64</b>	<b>14,284.30</b>	<b>7,595.98</b>	<b>3,474.14</b>	<b>3,394.64</b>	<b>14,464.76</b>
ii	Segment Liabilities	1,320.79	577.88	-	1,898.67	1,383.65	521.97	-	1,905.62
	Unallocated Corporate/ Other Liabilities	-	-	1,910.86	1,910.86	-	-	3,131.88	3,131.88
	<b>TOTAL</b>	<b>1,320.79</b>	<b>577.88</b>	<b>1,910.86</b>	<b>3,809.53</b>	<b>1,383.65</b>	<b>521.97</b>	<b>3,131.88</b>	<b>5,037.50</b>
iii	Capital Expenditure	409.63	25.30	-	434.93	5.79	13.34	-	19.13
iv	Depreciation/Amortisation	185.43	64.25	-	249.67	144.47	70.22	-	214.69

#### Notes :

- (a) Business Segments: The operating segments have been identified which are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM) i.e. board of directors. The identified operating segments are following-
- Ferro-Alloys: Manufacturing of Ferro Alloy
  - Power: Generation of Power
- (b) Two customers of the entity accounts for approximately 28.75% of the revenue for the year ended 31 March 2018 (three customers as on 31 March 2017 : 49.55%)
- (c) Geographical Segments: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 43 - Contingent Liabilities & Commitments

(₹ in Lacs)

Sl No	Particulars	31 March 2018	31 March 2017	1 April 2016
<b>1.</b>	<b>Contingent Liabilities not provided for in respect of :</b>			
(i)	Bills discounted with banks (Refer note c)	-	-	1,192.39
(ii)	Solvent surety given to Excise Department against differential excise duty refund [Refer (b) below]	388.98	259.89	606.34
(iii)	Cross Subsidy charges payable to Meghalaya State Electricity Board	-	-	700.08
(iv)	Capital Commitment	-	193.00	-

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

(b) Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the differential amount against furnishing of solvent surety. Based on the said judgment of Hon'ble High Court and legal opinion obtained by the Company, the differential excise duty refund of ₹Nil (31 March 2017: ₹222.92 lacs, 1 April 2016: ₹167.69 lacs) has been recognised as revenue in the books of account.

(c) Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. As a result, no impact has been taken as on 1 April 2016.

### Note: 44 - Payment to Auditors

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>As Auditor</b>			
Statutory Audit Fees	1.80	1.80	1.25
-Tax Audit Fees	0.25	0.25	0.25
<b>In Other Capacity</b>			
Certification fees and Other Services	0.50	0.71	1.25
<b>Total</b>	<b>2.55</b>	<b>2.76</b>	<b>2.75</b>

### Note: 45 - Corporate Social Responsibility

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

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

a) Gross Amount required to be spent by the Company during the year is ₹12.37 lacs ( 31 March 2017: ₹6.94 lacs, 1 April 2016 ₹5.88 lacs)

b) Amount spent during the year :

(₹ in Lacs)

Nature of Expenditure	2017-18	2016-17	2015-16
Nature of Expenditure	15.00	7.00	6.00

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Note: 46 - Notes to the financial statements

#### I - Transition to Ind AS (First Time Adoption)

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value

###### A.1.2 Investments in associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for associate .

Accordingly, the Company has elected to measure all of its investment in associate at their previous GAAP carrying value.

##### A.2 Ind AS mandatory exceptions

###### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP

###### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS.

#### B. Reconciliation

##### Reconciliation of total equity as at 1 April 2016

(₹ in Lacs)

Particulars	Note	Amount
Total equity (shareholder's fund) as per previous GAAP		8,949.28
Fair valuation of recoverable advances	1	(92.17)
Deferred tax asset/(liability) on adjustment-	3	30.47
<b>Total adjustments</b>		<b>(61.70)</b>
<b>Balance of Equity as on 1 April 2016 under Ind AS</b>		<b>8,887.58</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

### Reconciliation of total equity as at 31 March 2017

(₹ in Lacs)

Particulars	Note	Amount
<b>Total equity (shareholder's fund) as per previous GAAP</b>		9,480.73
Adjustments:		
Fair valuation of recoverable advances	1	(103.96)
Unwinding of recoverable advances		24.08
Deferred tax (asset)/liability on adjustment	3	26.41
<b>Total adjustments</b>		<b>(53.47)</b>
<b>Balance of Equity as on March 31, 2017 under Ind AS</b>		<b>9,427.26</b>

### Reconciliation of total comprehensive income as at 31 March 2017

(₹ in Lacs)

Particulars	Note	Amount
<b>Balance of Profit After Tax for the as on 31 March 2017 as per previous GAAP</b>		531.45
Fair valuation of recoverable advances	1	(11.79)
Unwinding of recoverable advances	1	24.08
Remeasurement of post employee benefit obligations	2	4.23
Tax effect on adjustment	3	(5.46)
Profit after tax as per Ind AS		542.51
<b>Other comprehensive (net of tax)</b>		<b>(2.83)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>539.67</b>

#### C: Notes to first-time adoption:

##### Note 1: Fair valuation of financial liability

As per Ind AS 109, financial liabilities are to be recognised at fair value. Hence the Company has recognised its financial liability at fair value with resultant impact as on the date of transition is recognised in retained earning. Subsequently these are measured at amortised cost and interest as per effective interest rate are recognised in Statement of Profit and Loss.

##### Note 2: Employee benefit obligation

Under previous GAAP, actuarial gains and losses related to the defined benefit scheme for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

##### Note 3: Deferred tax

The various transitional adjustments lead to different temporary differences. According to the accounting policies in Note 1, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### Note 4: De-recognition of financial assets and liabilities

Ind AS 109 requires entity to derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset as and the transfer qualifies for derecognition. Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition.

As a result, trade receivables increased by ₹ 1228.48 lacs as at 31 March 2017 with a corresponding impact on current borrowings. Accordingly, the said adjustment has no impact on either equity and profit or loss for the year ended 31 March 2017.

##### Note 5: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

## Notes to Standalone Financial Statement for the year ended 31 March, 2018

47. 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.

48. The standalone financial statements are approved by the Audit Committee at its meeting held on 17th May, 2018 and by the Board of Directors on the same date.

49. Notes to the standalone financial statements comprises of information relevant for the group.

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

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

Place: Kolkata  
Date: 17 May, 2018

For and on behalf of the Board of Directors

**Uday Bahadur Chetri**  
Chief Financial Officer

**Neha Agarwal**  
Company Secretary

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

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# Consolidated Financial Statements

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## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Members of  
**M/S. SHYAM CENTURY FERROUS LIMITED**

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **M/s. Shyam Century Ferrous Limited** ("the Company") and its associate (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Ind AS Financial Statements by the Directors of the Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us in terms of their reports referred to in sub-paragraph (i) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Group, as at 31 March 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matters

- i. We did not audit the financial statements and other financial information of its associate (Meghalaya Power Limited) whose Ind AS financial statements reflect total assets of ₹26,805.87 lacs as at March 31, 2018, and total revenue of ₹11,486.79 lacs, for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these associate, is based solely on the reports of the other auditors.
- ii. The comparative financial information of the group for the year ended 31 March 2017 and the transition date opening balance sheet as at 1st April, 2016 in respect of its associates included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of associate, as noted in the "Other Matter" paragraph, 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 Ind AS Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and report of other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Company as on 31 March 2018, taken on record by the Board of Directors of the Company and the report of the statutory auditors of its associate Company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Company and its associate Company incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for the reasons stated therein.
- (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 Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No-44 of the consolidated Ind AS financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
  - 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*

Place: Kolkata  
Date: 17 May, 2018

Membership No. 057329

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of M/s. Shyam Century Ferrous Limited ("the 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 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 of the Company and its associate, which is a Company incorporated in India, 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, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company and its associate Company, which is a Company incorporated in India.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, the 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to associate, which is Company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of above matters.

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

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

Place: Kolkata  
Date: 17 May, 2018

Membership No. 057329

## Consolidated Balance Sheet as at 31 March, 2018

(₹ in Lacs)

Particulars	Notes	31 March 2018	31 March 2017	01 April 2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	3	2,216.69	2,030.43	2,225.00
(b) Intangible assets	4	0.53	1.53	2.53
(c) Investment in associate	5	6,215.81	5,664.26	5,049.97
(d) Financial assets				
(i) Loans	6	55.66	55.91	55.95
(ii) Other financial assets	7	-	251.13	206.01
(e) Non-current tax asset (net)	8	20.03	19.12	17.72
(f) Other non-current assets	9	1,601.97	1,745.59	1,401.28
<b>Total non-current assets</b>		<b>10,110.69</b>	<b>9,767.97</b>	<b>8,958.46</b>
<b>(2) Current assets</b>				
(a) Inventories	10	2,761.75	3,116.58	2,357.81
(b) Financial assets				
(i) Trade receivables	11	3,304.36	2,694.18	1,396.12
(ii) Cash and cash equivalents	12	167.94	235.91	491.95
(iii) Loans	13	0.32	0.57	0.64
(iv) Other financial assets	14	346.21	6.32	20.17
(c) Other current assets	15	435.34	933.99	858.02
<b>Total current assets</b>		<b>7,015.92</b>	<b>6,987.55</b>	<b>5,124.71</b>
<b>Total assets</b>		<b>17,126.61</b>	<b>16,755.52</b>	<b>14,083.17</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	16	2,221.73	2,221.73	2,221.73
(b) Other equity	17	11,095.36	9,496.29	8,342.32
<b>Total equity</b>		<b>13,317.09</b>	<b>11,718.02</b>	<b>10,564.05</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	18	258.72	-	75.50
(b) Deferred tax liabilities(net)	19	77.78	50.25	39.49
(c) Employee benefit obligations	20	47.57	45.26	37.33
<b>Total non-current liabilities</b>		<b>384.07</b>	<b>95.51</b>	<b>152.32</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	1,381.70	2,966.90	1,798.55
(ii) Trade payables		591.33	644.10	532.92
(iii) Other financial liabilities	22	1,045.11	1,209.10	844.84
(b) Other current liabilities	23	262.22	52.43	75.50
(c) Employee benefit obligations	24	13.66	12.96	12.29
(d) Current tax liabilities (net)	25	131.43	56.50	102.70
<b>Total current liabilities</b>		<b>3,425.45</b>	<b>4,941.99</b>	<b>3,366.80</b>
<b>Total liabilities</b>		<b>3,809.52</b>	<b>5,037.50</b>	<b>3,519.12</b>
<b>Total equity and liabilities</b>		<b>17,126.61</b>	<b>16,755.52</b>	<b>14,083.17</b>
<b>Summary of Significant accounting policies</b>	1 & 2			

The accompanying notes form an integral part of the consolidated financial statements

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: 17 May, 2018

For and on behalf of the Board of Directors

**Uday Bahadur Chetri**  
Chief Financial Officer

**Neha Agarwal**  
Company Secretary

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2018

(₹ in Lacs)

Particulars	Notes	31 March 2018	31 March 2017
<b>Income</b>			
Revenue from operations	26	12,421.44	9,257.46
Other income	27	79.88	25.48
<b>Total income</b>		<b>12,501.32</b>	<b>9,282.94</b>
<b>Expenses</b>			
Cost of materials consumed	28	3,372.12	2,414.32
(Increase)/Decrease in Inventories	29	20.89	44.28
Excise duty		48.93	150.16
Employee benefit expense	30	644.77	578.01
Finance costs	31	110.31	111.58
Depreciation and amortisation expense	32	249.67	214.69
Other expenses	33	6,455.95	4,954.88
<b>Total expenses</b>		<b>10,902.64</b>	<b>8,467.92</b>
<b>Profit before tax</b>		<b>1,598.68</b>	<b>815.02</b>
Income tax expense			
- Current tax		526.67	260.35
- Deferred tax		26.65	12.16
<b>Total tax expense</b>	34	<b>553.32</b>	<b>272.51</b>
<b>Profit for the year</b>		<b>1,045.36</b>	<b>542.51</b>
Share of profit of associate		552.42	615.06
<b>Net Profit after taxes and share of profit of associate</b>		<b>1,597.78</b>	<b>1,157.57</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations		3.04	(4.23)
Share of other comprehensive income of associate accounted using equity method		(1.22)	(1.17)
Income tax relating to these items		(0.53)	1.80
<b>Other comprehensive income for the year, net of tax</b>		<b>1.29</b>	<b>(3.60)</b>
<b>Total comprehensive income for the year</b>		<b>1,599.07</b>	<b>1,153.97</b>
<b>Earnings per equity share:</b>			
Basic earnings per share (₹ per share)	35	0.72	0.52
Diluted earnings per share (₹ per share)		0.72	0.52
<b>Summary of Significant accounting policies</b>	1 & 2		

The accompanying notes form an integral part of the consolidated financial statements

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: 17 May, 2018

For and on behalf of the Board of Directors

**Uday Bahadur Chetri**  
Chief Financial Officer

**Neha Agarwal**  
Company Secretary

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2018

A. Equity share capital		(₹ in Lacs)
Particulars	31 March 2017	
As at 1 April, 2016	2,221.73	
Changes in equity share capital	-	
As at 31 March, 2017	2,221.73	
Changes in equity share capital	-	
As at 31 March, 2018	2,221.73	

B. Other equity		(₹ in Lacs)	
Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 1 April, 2016	7,227.80	1,114.52	8,342.32
Profit for the year (a)	-	1,157.57	1,157.57
Other comprehensive income\ (loss) for the year (net of tax) (b)	-	(3.60)	(3.60)
Total comprehensive income for the year (a + b)	-	1,153.97	1,153.97
Balance as at 31 March, 2017	7,227.80	2,268.49	9,496.29

		(₹ in Lacs)	
Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 01 April, 2017	7,227.80	2,268.49	9,496.29
Profit for the year (a)	-	1,597.78	1,597.78
Other comprehensive income\ (loss) for the year (net of tax) (b)	-	1.29	1.29
Total comprehensive income for the year (a + b)	-	1,599.07	1,599.07
Balance as at 31 March, 2018	7,227.80	3,867.56	11,095.36

The accompanying notes form an integral part of the consolidated financial statements

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: 17 May, 2018

For and on behalf of the Board of Directors

**Uday Bahadur Chetri**  
Chief Financial Officer

**Neha Agarwal**  
Company Secretary

**Sajjan Bhajanka**  
Director  
DIN : 00246043

**Nagraj Tater**  
Director  
DIN : 00266072

## Consolidated Cash Flow Statement for the year ended 31 March, 2018

(₹ in Lacs)

Sl. No.	Particulars	31 March 2018	31 March 2017
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before Tax	1,598.68	815.02
	Adjustments for:		
	Depreciation/Amortisation	249.67	214.69
	Finance Cost	110.31	111.58
	Interest and Other Income	(79.88)	(25.48)
	<b>Operating Profit before Working Capital changes</b>	<b>1,878.78</b>	<b>1,115.81</b>
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	(610.17)	(1,298.06)
	(Increase)/Decrease in Inventories	354.83	(758.77)
	(Increase)/Decrease in Loans and other financial assets	(8.39)	(531.22)
	(Increase)/Decrease in Other assets	642.04	(420.33)
	Increase/(Decrease) in Other liabilities and provisions	289.83	(62.08)
	Increase/(Decrease) in Trade payables and other payables	(271.17)	1056.84
	<b>Cash Generated from Operations</b>	<b>2,275.75</b>	<b>(897.81)</b>
	Income Tax Paid	(459.93)	(252.00)
	<b>Net Cash generated from Operating Activities</b>	<b>1,815.82</b>	<b>(1,149.81)</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(434.93)	(19.13)
	Fixed Deposits/Margin Money (Given)/Refund	0.25	0.04
	Interest Received	-	1.40
	<b>Net Cash from Investing Activities</b>	<b>(434.68)</b>	<b>(17.69)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Short Term Borrowings	(1,585.20)	1,168.37
	Repayment of Long Term Borrowings	246.40	(157.12)
	Interest Paid	(110.31)	(99.79)
	<b>Net Cash used in Financing Activities</b>	<b>(1,449.11)</b>	<b>911.46</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(67.97)</b>	<b>(256.04)</b>
	<b>Opening Cash and Cash Equivalents</b>	<b>235.91</b>	<b>491.95</b>
	<b>Closing Cash and Cash Equivalents</b>	<b>167.94</b>	<b>235.91</b>

### Note:

Significant non cash movement in borrowing during the year include hire purchase of ₹354.81 Lacs.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 17 May, 2018

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072



# Notes to Consolidated Financial Statement for the year ended 31 March, 2018

## Corporate Information

The consolidated financial statements comprise financial statements of Shyam Century Ferrous Limited ("the Company") and its associate (collectively, the Group) for the year ended 31 March 2018. The Company is a public limited 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. Significant Accounting Policies

### 1.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Group under Ind AS. Refer note 47 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

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

(ii) Historical Cost Convention

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

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

### 1.2 Principles of equity accounting – Associate

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost.

#### Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or loss of the investee in statement of profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

Name of Company	Country of Incorporation	% of Voting Power as on 31.03.2018
Meghalaya Power Ltd	India	48.00

### 1.3 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.

### 1.4 Foreign Currency Transactions and Balances

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Shyam Century Ferrous Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Group are accounted at the exchanges rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short-term foreign currency monetary assets and liabilities of the Group are recognized as income or expenses in the Statement of Profit and Loss All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

#### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the policy of accounting of exchange differences arising on reporting of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1st April, 2017 in keeping with the previous GAAP, as set out below:

The Group has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", and accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipments are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

### 1.5 Property, plant and equipment

Property, plant and equipment are stated at cost or revalued amount, as the case may be, less accumulated depreciation and impairment loss, if any, except freehold land which is carried at cost. Cost comprises the purchase price inclusive of duties, taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use.

#### Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### Capital Work in Progress

Capital Work in Progress is carried at cost comprising direct cost and includes any directly attributable cost incurred during construction period.

#### 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.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Depreciation

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

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

### 1.6 Intangible Asset

An intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of three years.

### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### 1.7 Lease

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 1.8 Government Grants and subsidies

Government grants and subsidies are recognised 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. Grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized to the Statement of profit and loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

### 1.9 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### 1.10 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 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.

### 1.11 Trade receivables

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

### 1.12 Investments and other financial assets

#### Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments (except subsidiary, associate and joint venture) at fair value through profit or loss. However where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

#### Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### **Derecognition of financial assets**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

### **1.13 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **1.14 Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

### **1.15 Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **1.16 Financial liabilities**

#### **Initial recognition and measurement**

The Group recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through Profit and Loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

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

#### **Subsequent measurement**

All the financial liabilities are classified as subsequently measured at amortised cost, except for those measured at fair value through profit or loss.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### 1.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

### 1.18 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.

### 1.19 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales are recognised when substantial risk and rewards of ownership are transferred to customer. Generally, sales take place when goods are dispatched or delivery is handed over to transporter.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

### 1.20 Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due

#### (ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and transferred to retained earnings.

#### (iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

### 1.21 Tax Expenses

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 tax is provided in full, using the liability method, on temporary differences arising between the

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

### 1.22 Earnings per Share

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

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

### 1.23 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

### 1.24 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### 1.25 Dividends

Dividends if paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The corresponding amount is recognised directly in equity.

### RECENT ACCOUNTING DEVELOPMENTS

#### Note 2 : Standards issued but not yet effective

Ind AS 115:- Revenue from contracts with customers

The Group is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Group's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Ind AS 21:- Foreign currency transactions and advance consideration

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance. The Group expects this change to impact its accounting for revenue contracts involving advance payments in foreign currency.

The Group intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1 April 2018).



## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 3 - Property, plant and equipment

(₹ in Lacs)

Particulars	Land & Site Development	Factory Buildings	Non-Factory Buildings	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
<b>Gross block</b>										
At 1st April 2016 (deemed cost)	86.17	397.41	195.06	1,350.89	133.76	3.67	2.07	2.66	53.31	2,225.00
Addition	-	-	-	12.87	5.54	0.08	0.63	-	-	19.12
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>86.17</b>	<b>397.41</b>	<b>195.06</b>	<b>1,363.76</b>	<b>139.30</b>	<b>3.75</b>	<b>2.70</b>	<b>2.66</b>	<b>53.31</b>	<b>2,244.12</b>
Addition	-	-	-	28.38	6.00	-	0.15	-	400.40	434.93
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>86.17</b>	<b>397.41</b>	<b>195.06</b>	<b>1,392.14</b>	<b>145.30</b>	<b>3.75</b>	<b>2.85</b>	<b>2.66</b>	<b>453.71</b>	<b>2,679.05</b>
<b>Depreciation</b>										
At 1st April 2016	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	37.24	11.13	118.16	27.83	0.83	0.90	0.90	16.70	213.69
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>37.24</b>	<b>11.13</b>	<b>118.16</b>	<b>27.83</b>	<b>0.83</b>	<b>0.90</b>	<b>0.90</b>	<b>16.70</b>	<b>213.69</b>
Charge for the year	-	33.75	8.81	108.91	19.47	0.47	0.64	0.41	76.21	248.67
Disposals /Deduction/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>-</b>	<b>70.99</b>	<b>19.94</b>	<b>227.07</b>	<b>47.30</b>	<b>1.30</b>	<b>1.54</b>	<b>1.31</b>	<b>92.91</b>	<b>462.36</b>
<b>Net Block</b>										
As at 1 April 2016	86.17	397.41	195.06	1,350.89	133.76	3.67	2.07	2.66	53.31	2,225.00
As at 31 March 2017	86.17	360.17	183.93	1,245.60	111.47	2.92	1.80	1.76	36.61	2,030.43
As at 31 March 2018	86.17	326.42	175.12	1,165.07	98.00	2.45	1.31	1.35	360.80	2,216.69

3.1 For Property, Plant & Equipments existing as on 1 April 2016, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying values as deemed cost

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 4 - Intangible assets

(₹ in Lacs)

Particulars	Computer Software
<b>Gross block</b>	
At 1st April 2016 (deemed cost)	2.53
Addition	-
Disposals/Deduction/Adjustment	-
<b>At 31 March 2017</b>	<b>2.53</b>
Addition	-
Disposals/Deduction/Adjustment	-
<b>At 31 March 2018</b>	<b>2.53</b>
<b>Depreciation</b>	
At 1st April 2016	-
Charge for the year	1.00
Disposals/Deduction/Adjustment	-
<b>At 31 March 2017</b>	<b>1.00</b>
Charge for the period	1.00
Disposals/Deduction/Adjustment	-
<b>As at 31 March 2018</b>	<b>2.00</b>
<b>Net Block</b>	
As at 1 April 2016	2.53
As at 31 March 2017	1.53
As at 31 March 2018	0.53

### Note: 5 - Investments in associates

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unquoted equity instrument			
Meghalaya Power Limited			
83,58,998 (31 March 2017 - 83,58,998, 1 April 2016 - 83,58,998) equity shares of ₹10 each fully paid up	6,215.81	5664.26	5,049.97
<b>Total</b>	<b>6,215.81</b>	<b>5664.26</b>	<b>5,049.97</b>

### Note: 6 - Loans - non current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
- Unsecured, Considered Good			
Security Deposits	55.66	55.91	55.95
<b>Total</b>	<b>55.66</b>	<b>55.91</b>	<b>55.95</b>

### Note: 7 - Other financial assets - non current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance given to suppliers recoverable	-	17.55	26.76
Advance given for services and expenses recoverable	-	233.58	179.25
<b>Total</b>	<b>-</b>	<b>251.13</b>	<b>206.01</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 8 - Non-current tax asset (net)

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance income tax (net of provision for taxation of ₹537.62 lacs as at 31 March 2018, ₹537.62 lacs as at 31 March 2017 and ₹217.46 lacs as at 1 April 2016)	20.03	19.12	17.72
<b>Total</b>	<b>20.03</b>	<b>19.12</b>	<b>17.72</b>

### Note: 9 - Other non-current assets

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance with statutory/Government authorities	1,601.27	1,740.39	1,400.83
Deposit with statutory/Government authorities	0.70	0.20	0.45
Capital advance	-	5.00	-
<b>Total</b>	<b>1,601.97</b>	<b>1,745.59</b>	<b>1,401.28</b>

### Note: 10 - Inventories

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials	1,305.51	377.09	473.42
Finished goods	116.40	137.29	181.57
Fuels, packing materials, etc.	997.82	2,290.94	1,394.21
Stores & spare parts	342.02	311.26	308.61
<b>Total</b>	<b>2,761.75</b>	<b>3,116.58</b>	<b>2,357.81</b>

### Note: 11 - Trade receivables

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, Considered good	3,304.36	2,694.18	1,396.12
<b>Total</b>	<b>3,304.36</b>	<b>2,694.18</b>	<b>1,396.12</b>

### Note: 12 - Cash and cash equivalents

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Cash in hand	4.41	1.87	2.96
Cheques in hand	78.26	108.58	4.05
Balance with banks:			
- In current accounts	85.27	125.46	484.94
<b>Total</b>	<b>167.94</b>	<b>235.91</b>	<b>491.95</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 13 - Loans - current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
-Unsecured, Considered Good			
Security Deposits	0.32	0.57	0.64
<b>Total</b>	<b>0.32</b>	<b>0.57</b>	<b>0.64</b>

### Note: 14 - Other financial assets - current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance given to suppliers recoverable	27.55	14.21	20.17
Less: Allowance for doubtful advance	(8.00)	(8.00)	-
Advances for services & expenses recoverable	326.66	0.11	-
<b>Total</b>	<b>346.21</b>	<b>6.32</b>	<b>20.17</b>

### Note: 15 - Other current assets

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances to suppliers	5.94	19.22	6.79
Advances for services & expenses	9.39	5.10	36.54
Advance to employee	1.86	2.31	0.92
Prepaid Expenses	29.02	8.57	6.45
Balances with/Receivable from Statutory/Government Authorities	389.13	898.79	807.32
<b>Total</b>	<b>435.34</b>	<b>933.99</b>	<b>858.02</b>

### Note: 16 - Equity Share Capital

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Share Capital</b>			
<b>Authorised</b>			
22,27,00,000 (22,27,00,000 as at 31 March 2017, 22,27,00,000 as at 1 April 2016) Equity Shares of ₹1/- each fully paid up	2,227.00	2,227.00	2,227.00
	<b>2,227.00</b>	<b>2,227.00</b>	<b>2,227.00</b>
<b>Issued</b>			
22,21,72,990 (22,21,72,990 as at 31 March 2017, 22,21,72,990 as at 1 April 2016) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73	2,221.73
	<b>2,221.73</b>	<b>2,221.73</b>	<b>2,221.73</b>
<b>Subscribed and paid up</b>			
22,21,72,990 (22,21,72,990 as at 31 March 2017, 22,21,72,990 as at 1 April 2016) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73	2,221.73
	<b>2,221.73</b>	<b>2,221.73</b>	<b>2,221.73</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### 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 dividends 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.

### 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 31 March, 2015 with effect from 1st April, 2014 being the appointed date, the Company had issued and allotted 22,21,72,990 Equity Shares to the shareholders of SFCL in ratio of 1 (one) Equity share of ₹1/- each of the Company as fully paid-up for every 1 (one) Equity Share of ₹1/- each held by them in SFCL.

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

Particulars	No. of Shares	No. of Shares	No. of Shares
<b>Equity shares</b>			
At the beginning of the year	22,21,72,990	22,21,72,990	22,21,72,990
Issued during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>22,21,72,990</b>	<b>22,21,72,990</b>

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

Particulars	31 March 2018	31 March 2017	1 April 2016
	No. of Shares % holding	No. of Shares % holding	No. of Shares % holding
Equity Shares of ₹1/- each fully paid-up			
Shri Brij Bhushan Agarwal	2,51,86,012 11.34%	- -	- -
Shri Mahabir Prasad Agarwal (HUF)	1,47,00,000 6.62%	- -	- -
Shri Prem Kumar Bhajanka	1,43,40,506 6.45%	2,73,69,386 12.32%	2,73,69,386 12.32%
Smt Santosh Bhajanka	1,50,49,500 6.77%	1,50,49,500 6.77%	1,50,49,500 6.77%
Shri Sanjay Agarwal	1,42,12,976 6.40%	1,47,88,245 6.66%	1,47,88,245 6.66%
Smt Divya Agarwal	1,44,88,750 6.52%	1,44,88,750 6.52%	1,44,88,750 6.52%
Shri Sajjan Bhajanka	1,12,34,493 5.06%	1,18,95,675 5.35%	1,18,95,675 5.35%
Shri Subham Agarwal	- -	1,19,02,567 5.36%	- -

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 17 - Other equity

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Capital reserves	7,227.80	7,227.80
Retained earnings	3,867.56	2,268.49
<b>Total</b>	<b>11,095.36</b>	<b>9,496.29</b>

#### (i) Capital reserves

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Opening balance	7,227.80	7,227.80
Addition/(Deduction) during the year	-	-
Closing balance	7,227.80	7,227.80

#### Capital reserve

The Company had acquired this capital reserve during amalgamation/acquisition in the prior years.

#### (ii) Retained earnings

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Opening balance	2,268.49	1,114.52
Net profit for the year	1,597.78	1,157.57
Other comprehensive income		
- Remeasurements of post-employment benefit obligation, net of tax	1.29	(3.60)
<b>Closing balance</b>	<b>3,867.56</b>	<b>2,268.49</b>

### Note: 18 Borrowings - Non-current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Term loans (Secured)			
- Rupee term loan from a financial institution	-	75.50	232.62
Other Loans (Secured)			
Hire Purchase from Bank	321.90	-	-
Less: Current maturities of long term borrowing	63.18	75.50	157.12
<b>Total</b>	<b>258.72</b>	<b>-</b>	<b>75.50</b>

#### Terms of loans

- 18.1 Rupee Term Loan from financial institution was secured by equitable mortgage of leasehold rights of land and first charge on property, plant and equipment of the Company's Ferro Alloy Plant at Byrnihat, Meghalaya and second charge on current assets of the said unit.
- 18.2 Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable monthly within five years.
- 18.3 The company does not have any defaults in repayment of loans & interest at reporting date.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 19 - Deferred tax liabilities (net)

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Deferred tax asset</b>			
Expenditure allowable for tax purposes upon payment	17.83	17.99	16.40
Advances to suppliers	-	2.26	3.23
Advances for services & expenses	-	24.16	27.25
<b>Total deferred tax asset</b>	<b>17.83</b>	<b>44.41</b>	<b>46.88</b>
<b>Deferred tax liabilities</b>			
Property, plant and equipment: impact of difference between tax depreciation and depreciation/ amortization charged	95.61	94.66	86.37
<b>Total deferred tax liabilities</b>	<b>95.61</b>	<b>94.66</b>	<b>86.37</b>
<b>Net deferred tax (asset)/liabilities</b>	<b>77.78</b>	<b>50.25</b>	<b>39.49</b>

### Note: 20 - Employee benefit obligations - non current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Gratuity	47.57	45.26	37.33
<b>Total</b>	<b>47.57</b>	<b>45.26</b>	<b>37.33</b>

### Note: 21 - Borrowings

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<i>Working Capital Facilities (Secured)</i>			
-Cash Credit from a bank	1,381.70	1,738.42	1,798.55
Others (Secured)			
-Payable on account of bill discounting	-	1,228.48	-
<b>Total</b>	<b>1,381.70</b>	<b>2,966.90</b>	<b>1,798.55</b>

#### Note-

21.1 Working Capital facility of ₹1381.70 Lacs (31 March 2017 ₹1738.42 Lacs, 1 April 2016 ₹1798.55 Lacs) from bank is secured by first charge on the current assets and second charge on the property, plant and equipment of the company's Ferro Alloy Plant at Byrnihat, Meghalaya. The said facility has also been guaranteed by a director of the company.

21.2 Bill discounting is to be settled within a period of 90 days.

### Note: 22 - Other financial liabilities

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term borrowings	63.18	75.50	157.12
Advances taken from customer repayable	1.54	0.53	1.48
Salary & bonus payable to employees	48.81	62.50	54.92
Other liabilities	931.58	1,070.57	631.32
<b>Total</b>	<b>1,045.11</b>	<b>1,209.10</b>	<b>844.84</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 23 - Other current liabilities

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Other Payables			
-Statutory Liabilities	236.72	35.03	67.97
-Advances taken from customer	25.50	17.40	7.53
<b>Total</b>	<b>262.22</b>	<b>52.43</b>	<b>75.50</b>

### Note: 24 - Employee benefit obligations - current

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for leave encashment	9.17	11.30	10.61
Provision for Gratuity	4.49	1.66	1.68
<b>Total</b>	<b>13.66</b>	<b>12.96</b>	<b>12.29</b>

### Note: 25 - Current tax liabilities (net)

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
-Provision for taxation (net of advance tax of ₹771.6 lacs as at 31 March 2018, ₹301.29 lacs as at 31 March 2017 and ₹312.29 lacs as at 1 April 2016)	131.43	56.50	102.70
<b>Total</b>	<b>131.43</b>	<b>56.50</b>	<b>102.70</b>

### Note: 26 - Revenue from operations

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Sale of products	12,377.78	9,215.37
Other operating revenues	43.66	42.09
<b>Total</b>	<b>12,421.44</b>	<b>9,257.46</b>

### Note: 27 - Other income

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Interest income on fixed deposits	-	1.40
Unwinding of discount on recoverable advances	79.88	24.08
<b>Total</b>	<b>79.88</b>	<b>25.48</b>

### Note: 28 - Cost of materials consumed

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Inventory at the beginning of the year	377.09	473.42
Add: Purchases	4,300.54	2,317.99
	<b>4,677.63</b>	<b>2,791.41</b>
Less: Inventory at the end of the year	1,305.51	377.09
<b>Total</b>	<b>3,372.12</b>	<b>2,414.32</b>



## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 29 - (Increase)/Decrease in Inventories

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Inventory at the beginning of the year	137.29	181.57
Inventory at the end of the year	116.40	137.29
<b>Total</b>	<b>20.89</b>	<b>44.28</b>

### Note: 30 - Employee benefit expense

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Salaries & Wages	579.62	524.19
Contribution to Provident Fund and other Funds	27.65	26.06
Staff Welfare Expenses	37.50	27.76
<b>Total</b>	<b>644.77</b>	<b>578.01</b>

### Note: 31 - Finance costs

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Interest expenses		
-On loan measured at amortised cost	75.36	76.81
Other Finance Costs	34.95	34.77
<b>Total</b>	<b>110.31</b>	<b>111.58</b>

### Note: 32 - Depreciation / Amortisation

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Depreciation on Property, Plant & Equipment	248.67	213.69
Amortisation on intangible assets	1.00	1.00
<b>Total</b>	<b>249.67</b>	<b>214.69</b>

### Note: 33 - Other expenses

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Consumption of Stores & Spares	503.92	368.89
Packing Materials	59.65	50.06
Power & Fuel	4,870.35	3,702.64
Repairs & Maintenance		
- Building	20.78	11.86
- Plant & Machinery	238.12	77.80
- Others	10.02	2.18
Excise Duty variation on opening/ closing inventory	-	(1.90)
Insurance	30.97	34.38
Rent, Rates & Taxes	63.65	73.38
Travelling and Conveyance	13.75	7.86
Heavy Vehicle / Equipment Running Expenses	79.71	93.88
Corporate Social Responsibility (Refer note no 46)	15.00	7.00
Miscellaneous Expenses (Refer note no. 33.1)	79.31	64.27
Outward Freight Charges	452.08	421.44
Commission, Discount & Incentives on Sale	18.67	41.14
<b>Total</b>	<b>6,455.95</b>	<b>4,954.88</b>

33.1 Miscellaneous expenses include expenses of payment to auditors (Refer note 45)

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 34 - Tax expenses

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
<b>(a) Current tax</b>		
Current tax on profits for the year	526.67	255.92
Adjustments for current tax of prior periods	-	4.43
<b>Total current tax expense</b>	<b>526.67</b>	<b>260.35</b>
<b>(b) Deferred tax</b>		
Deferred tax expense	26.65	12.16
<b>Total deferred tax expense</b>	<b>26.65</b>	<b>12.16</b>
<b>Income tax expense</b>	<b>553.32</b>	<b>272.51</b>

### 34.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Profit from continuing operations before income tax expense	1,598.68	815.02
<b>Tax at the Indian tax rate of 34.608%</b>	<b>553.27</b>	<b>269.47</b>
Items not deductible/taxable under tax	6.34	4.97
Impact of change in tax rate during the year	(1.07)	-
Adjustments for current tax of prior periods	-	4.43
Additional deductions under provisions of the income tax act	-	(0.46)
Other adjustments	(5.22)	(5.90)
<b>Income tax expense</b>	<b>553.32</b>	<b>272.51</b>

The tax rate used for the financial year 2016-17 and 2017-18 reconciliation above is the Corporate Tax Rate of 34.608% (30% + Surcharge 12% + Education Cess 3%) payable on taxable profit under Income Tax Act 1961.

### Note: 35 - Earnings per share

#### (a) Basic earnings per share

Particulars	31 March 2018	31 March 2017
Basic earnings per share attributable to the equity holders of the Company (₹ per share)	0.72	0.52

#### (b) Diluted earnings per share

Particulars	31 March 2018	31 March 2017
Diluted earnings per share attributable to the equity holders of the Company (₹ per share)	0.72	0.52

#### (c) Reconciliations of earnings used in calculating earnings per share

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	1,597.78	1,157.57
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	1,597.78	1,157.57

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 35 - Earnings per share (Contd.)

#### (d) Weighted average number of equity shares used as the denominator

Particulars	31 March 2018	31 March 2017
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	22,21,72,990	22,21,72,990
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	22,21,72,990	22,21,72,990

### Note: 36 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Current</b>			
<b>Financial assets</b>			
First charge			
Trade receivables	3,304.36	2,694.18	1,396.12
Inventory	2,761.75	3,116.58	2,357.81
Cash & Cash Equivalents	167.94	235.91	491.95
Other current assets	781.87	940.88	878.83
<b>Total current assets pledged as security</b>	<b>7,015.92</b>	<b>6,987.55</b>	<b>5,124.71</b>
<b>Non-current</b>			
Second charge			
Property, plant and equipment, intangible assets	2,217.22	2,031.96	2,227.53
<b>Total non-currents assets pledged as security</b>	<b>2,217.22</b>	<b>2,031.96</b>	<b>2,227.53</b>
<b>Total assets pledged as security</b>	<b>9,233.14</b>	<b>9,019.51</b>	<b>7,352.24</b>

### Note: 37 - Employees benefit obligations

#### (i) Leave obligations

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Leave obligations not expected to be settled within the next 12 months	8.22	10.44	9.86

#### (ii) Post-employment obligations

##### a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

(iii) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lacs)

Particulars	Present value of obligation	Net amount
<b>01 April 2016</b>	39.01	39.01
Current service cost	8.17	8.17
Interest expense/(income)	3.12	3.12
<b>Total amount recognised in profit and loss</b>	<b>11.29</b>	<b>11.29</b>
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	2.85	2.85
Actuarial (gain)/loss from unexpected experience	1.38	1.38
<b>Total amount recognised in other comprehensive income</b>	<b>4.23</b>	<b>4.23</b>
Employer contributions/ premium paid	-	-
Benefit paid	(7.62)	(7.62)
Disposal/ Transfer of obligation	-	-
<b>31 March 2017</b>	<b>46.92</b>	<b>46.92</b>

(iv)

(₹ in Lacs)

Particulars	Present value of obligation	Net amount
<b>01 April 2017</b>	46.92	46.92
Current service cost	7.97	7.97
Interest expense/(income)	3.51	3.51
<b>Total amount recognised in profit and loss</b>	<b>11.47</b>	<b>11.47</b>
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	(1.07)	(1.07)
Actuarial (gain)/loss from unexpected experience	(1.97)	(1.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(3.04)</b>	<b>(3.04)</b>
Employer contributions/ premium paid		
Benefit paid	(3.29)	(3.29)
Settlement Cost	-	-
Other (unsettled liability at the end of the valuation date)	-	-
Disposal/ Transfer of Asset	-	-
<b>31 March 2018</b>	<b>52.06</b>	<b>52.06</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.75%	7.50%	8.00%
Salary growth rate	6.00%	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table	IALM (2006-08) Table

### (vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(47.46)	57.44	(41.43)	53.36
Salary growth rate (-/+ 1%)	57.72	(47.16)	53.39	(41.31)
Withdrawal rate (-/+ 1%)	52.72	(51.31)	47.43	(46.50)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (vii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

### (viii) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2019 are INR 16.65 lacs.

The weighted average duration of the defined benefit obligation is 5.62 years (31 March 2017: 8.83 years, 1 April 2016: 9.59 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lacs)

Particulars	Less than a year	Between 2- 5 years	Over 5 years
<b>31 March 2018</b>			
Defined benefit obligation (gratuity)	3.24	17.21	19.96
<b>Total</b>	<b>3.24</b>	<b>17.21</b>	<b>19.96</b>
<b>31 March 2017</b>			
Defined benefit obligation (gratuity)	2.51	4.40	40.01
<b>Total</b>	<b>2.51</b>	<b>4.40</b>	<b>40.01</b>
<b>1 April 2016</b>			
Defined benefit obligation (gratuity)	-	2.13	36.88
<b>Total</b>	<b>-</b>	<b>2.13</b>	<b>36.88</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 38 - Financial instruments by category

(₹ in Lacs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Security Deposits	-	-	55.98	-	-	56.48	-	-	56.59
Advance given to suppliers recoverable	-	-	19.55	-	-	17.55	-	-	26.76
Advance given for services and expenses recoverable	-	-	326.66	-	-	239.90	-	-	199.43
Trade Receivable	-	-	3,304.36	-	-	2,694.18	-	-	1,396.12
Cash and cash equivalents	-	-	167.94	-	-	235.91	-	-	491.95
	-	-	<b>3,874.49</b>	-	-	<b>3,244.02</b>	-	-	<b>2,170.85</b>
<b>Financial liabilities</b>									
Borrowing	-	-	1,703.60	-	-	3,042.40	-	-	2,031.17
Trade Payable	-	-	591.33	-	-	644.10	-	-	532.92
Advances taken from customer repayable	-	-	1.54	-	-	0.53	-	-	1.48
Salary & Bonus Payable to Employees	-	-	48.81	-	-	62.50	-	-	54.92
Other Liabilities	-	-	931.58	-	-	1,070.57	-	-	631.32
	-	-	<b>3,276.86</b>	-	-	<b>4,820.10</b>	-	-	<b>3,251.81</b>

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments is determined using discounted cash flow analysis.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### (iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security Deposits	55.66	55.66	55.91	55.91	55.95	55.95
Advance given to suppliers recoverable	-	-	17.54	18.92	26.76	26.76
Advance given for services and expenses recoverable	-	-	233.58	246.92	179.25	179.25
<b>Total financial assets</b>	<b>55.66</b>	<b>55.66</b>	<b>307.04</b>	<b>321.75</b>	<b>261.96</b>	<b>261.96</b>
Financial liabilities						
Borrowings	321.90	321.90	-	-	232.62	232.62
<b>Total financial liabilities</b>	<b>321.90</b>	<b>321.90</b>	<b>-</b>	<b>-</b>	<b>232.62</b>	<b>232.62</b>

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

#### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

### Note: 39 - Capital management

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 40 - Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Aging analysis	Diversification of customer base
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

#### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in Lacs)

Particulars	Not due	Less than 6 months	6 months - 1 year	> 1 year	Total
Trade receivable as on 31 March, 2018	929.11	2,252.75	34.12	88.38	3,304.36
Trade receivable as on 31 March, 2017	38.18	2,569.89	21.46	64.66	2,694.18
Trade receivable as on 1 April, 2016	174.22	1,112.47	20.57	88.86	1,396.12

##### ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying amounts as illustrated in Note 38.

#### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis. Management monitors rolling forecasts of



## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in Lacs)		
	31 March 2018	31 March 2017	1 April 2016
Floating Rate			
- Expiring within one year (bank overdraft and other facilities)	1,618.30	1,261.58	1,201.45
<b>Total</b>	<b>1,618.30</b>	<b>1,261.58</b>	<b>1,201.45</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### Contractual maturities of financial liabilities - 31 March, 2018

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	591.33	-	-	-	591.33
Borrowings	1,444.89	68.17	190.55	-	1,703.61
Interest payable on above borrowings	22.39	17.40	19.47	-	59.26
Other financial liabilities	981.93	-	-	-	981.93
<b>Total financial liabilities</b>	<b>3,040.54</b>	<b>85.57</b>	<b>210.02</b>	<b>-</b>	<b>3,336.13</b>

#### Contractual maturities of financial liabilities - 31 March, 2017

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	644.10	-	-	-	644.10
Borrowings	3,042.40	-	-	-	3,042.40
Interest payable on above borrowings	3.56	-	-	-	3.56
Other financial liabilities	1,133.59	-	-	-	1,133.59
<b>Total financial liabilities</b>	<b>4,823.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,823.65</b>

#### Contractual maturities of financial liabilities - 1 April, 2016

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	532.92	-	-	-	532.92
Borrowings	1,955.67	75.50	-	-	2,031.17
Interest payable on above borrowings	22.12	3.56	-	-	25.68
Other financial liabilities	687.73	-	-	-	687.73
<b>Total financial liabilities</b>	<b>3,198.44</b>	<b>79.06</b>	<b>-</b>	<b>-</b>	<b>3,277.50</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018, 31 March 2017 and 1 April 2016 the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

#### On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowings	1,381.70	2,966.90	1,798.55
Fixed rate borrowings	321.90	75.50	232.62
<b>Total borrowings</b>	<b>1,703.60</b>	<b>3,042.40</b>	<b>2,031.17</b>

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31 March 2018	31 March 2017
Interest expense rates – increase by 50 basis points (2017: 50 bps)*	(8.52)	(14.83)
Interest expense rates – decrease by 50 basis points (2017: 50 bps)*	8.52	14.83

\* Holding all other variables constant

### Note: 41 - Related Party Disclosures

#### I. Name of the related parties and related party relationship:

	Names of the related parties where control exists	Nature of relationship
A.	Star Cement Limited (Formerly Cement Manufacturing Company Limited) (SCL)	Enterprise owned/influenced by KMP
	Meghalaya Power Limited (MPL)	Associate
B.	<b>Key Management Personnel</b>	
	<b>Name of the Related Parties</b>	<b>Nature of relationship</b>
	Mr. Sajjan Bhajanka	Director
	Mr. M.V.K.Nageswara Rao	Chief Executive Officer
	Mr. Uday Bahadur Chetri	Chief Financial Officer (w.e.f. 30th May, 2017)
	Ms. Neha Agarwal	Company Secretary (w.e.f. 30th May, 2017)

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

II. Details of transactions between the Group and related parties and the status of outstanding balance are given hereunder:

(₹ in Lacs)

Sl No	Type of Transactions	Associate			Key Management Personnel			Enterprise Owned/Influences by KMP		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
<b>1</b>	<b>Purchase Transaction</b>									
	Meghalaya Power Limited	1,409.91	46.57		-	-		-	-	
<b>2</b>	<b>Sale Transaction</b>									
	Star Cement Limited	-	-		-	-		48.50	42.93	
	Meghalaya Power Limited	-	144.78		-	-		-	-	
<b>3</b>	<b>Remuneration Paid</b>									
	Mr. M.V.K.Nageswara Rao	-	-		24.58	21.58		-	-	
	Mr. Uday Bahadur Chetri	-	-		6.96	-		-	-	
	Ms. Neha Agarwal	-	-		3.52	-		-	-	
	Mr. Debasis Mukhopadhyay	-	-		-	2.77		-	-	
	Mr. Sunil Jha	-	-		-	9.21		-	-	
	Ms. Hasti Doshi	-	-		-	-		-	-	
	Ms. Rachna Pareek	-	-		-	3.17		-	-	
<b>4</b>	<b>Outstanding Balances</b>									
	<b>Debtor</b>									
	Meghalaya Power Limited	322.45	98.21	-	-	-	-	-	-	-
	<b>Investment</b>									
	Meghalaya Power Limited	3,373.50	3,373.50	3,373.50	-	-	-	-	-	-
	<b>Guarantees Obtained</b>									
	Mr. Sajjan Bhajanka	-	-	-	5,300.00	5,300.00	5,300.00	-	-	-

### III. Key management personnel compensation

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017
Short-term employee benefits	35.06	36.73
Post-employment benefits*	-	-
Long-term employee benefits*	-	-
<b>Total compensation</b>	<b>35.06</b>	<b>36.73</b>

Post-employment benefits and long-term employee benefits are determined on the basis of actuarial valuation for the Company as a whole and hence segregation is not available.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 42 - Segment Reporting

Sl No	Particulars	2017-18				2016-17			
		Ferro Alloys	Power	Others	Total	Ferro Alloys	Power	Others	Total
a	External sales	12,377.78	43.66	-	12,421.44	9,215.37	42.09	-	9,257.46
	Inter-segment sales	-	2,796.78	-	2,796.78	-	3,293.68	-	3,293.68
	Elimination	-	(2,796.78)	-	(2,796.78)	-	(3,293.68)	-	(3,293.68)
	Total Revenue (Gross)	12,377.78	43.66	-	12,421.44	9,215.37	42.09	-	9,257.46
b	Segment Results	1,824.11	61.21	-	1,885.32	1,054.66	58.74	-	1,113.40
	Unallocated Income/(-) Expenses (Net of unallocated Income/ (-) Expenses) (Including Exceptional Items)	-	-	176.33	176.33	-	-	186.80	186.80
	Operating Profit/Loss (-)	-	-	-	1,708.98	-	-	-	926.60
	Finance Cost (Net)	-	-	110.31	110.31	-	-	111.58	111.58
	Provision for Taxation	-	-	-	526.67	-	-	-	260.35
	Deferred Tax charge(-) / Credit	-	-	-	26.65	-	-	-	12.16
	Total Profit /(-) Loss after tax	-	-	-	1,045.36	-	-	-	542.51
	Share of profit of associate	-	-	-	552.42	-	-	-	615.06
	Net profit after taxes and share of profit of associate	-	-	-	1,597.78	-	-	-	1,157.56
c	Other Information	-	-	-	-	-	-	-	-
i	Segment Assets	8,780.22	2,102.44	-	10,882.66	7,595.98	3,474.14	-	11,070.12
	Unallocated Corporate/Other Assets	-	-	6,243.96	6,243.96	-	-	5,685.41	5,685.41
	<b>TOTAL</b>	<b>8,780.22</b>	<b>2,102.44</b>	<b>6,243.96</b>	<b>17,126.62</b>	<b>7,595.98</b>	<b>3,474.14</b>	<b>5,685.41</b>	<b>16,755.52</b>
ii	Segment Liabilities	1,320.79	577.88	-	1,898.67	1,383.65	521.97	-	1,905.62
	Unallocated Corporate/Other Liabilities	-	-	1,910.86	1,910.86	-	-	3,131.88	3,131.88
	<b>TOTAL</b>	<b>1,320.79</b>	<b>577.88</b>	<b>1,910.86</b>	<b>3,809.53</b>	<b>1,383.65</b>	<b>521.97</b>	<b>3,131.88</b>	<b>5,037.50</b>
iii	Capital Expenditure	409.63	25.30	-	434.93	5.79	13.34	-	19.13
iv	Depreciation/Amortisation	185.43	64.25	-	249.67	144.47	70.22	-	214.69

#### Notes :

- (a) Business Segments: The operating segments have been identified which are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM) i.e. board of directors. The identified operating segments are following-
- Ferro-Alloys : Manufacturing of Ferro Alloy
  - Power : Generation of Power
- (b) Two customers of the entity accounts for approximately 28.75% of the revenue for the year ended 31 March 2018 (three customers as on 31 March 2017 : 49.55%)
- (c) Geographical Segments: The Group operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 43 Interests in other entity

#### Interest in associate

Set out below is the associate of the Company as at 31 March 2018. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business/ country of incorporation	Relationship	Accounting method	% of ownership interest			Principal activities
				31-Mar-18 %	31-Mar-17 %	01-Apr-16 %	
Meghalaya Power Limited (MPL)	India	Associate	Equity method	48.80%	48.80%	48.80%	Electricity generation

Meghalaya Power Limited is in electricity generation business. It is a strategic investment for providing electricity to various related companies.

(i) The Company holds around 49% of the voting rights in MPL and has determined that it has significant influence over this entity.

(ii) Summarised financial information for associate

The tables below provide summarised financial information for the associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not SCFL's share of those amounts.

(₹ in Lacs)

Summarised balance sheet	Meghalaya Power Limited		
	31 March 2018	31 March 2017	1 April 2016
Total current assets	6,129.31	7,196.85	5,695.86
Total non-current assets	20,676.55	22,086.39	23,830.52
Total current liabilities	7,899.16	6,779.53	8,646.85
Total non-current liabilities	6,168.23	10,895.59	10,530.31
<b>Net assets</b>	<b>12,738.47</b>	<b>11,608.13</b>	<b>10,349.23</b>

(₹ in Lacs)

Summarised statement of profit and loss	Meghalaya Power Limited	
	31 March 2018	31 March 2017
Revenue	11,486.79	10,370.72
Profit for the year	1,132.12	1,260.49
Other comprehensive income	(1.77)	(1.57)
<b>Total comprehensive income</b>	<b>1,130.35</b>	<b>1,258.92</b>

(₹ in Lacs)

Total comprehensive income	Meghalaya Power Limited	
	31 March 2018	31 March 2017
Closing net assets	12,738.47	11,608.13
Company's share in %	48.80%	48.80%
Group's share in ₹	6,216.37	5,664.77
<b>Carrying amount</b>	<b>6,216.37</b>	<b>5,664.77</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 44 - Contingent Liabilities & Commitments

(₹ in Lacs)

Sl No	Particulars	31 March 2018	31 March 2017	1 April 2016
<b>1.</b>	<b>Contingent Liabilities not provided for in respect of :</b>			
(i)	Bills discounted with banks (Refer note c)	-	-	1,192.39
(ii)	Solvent surety given to Excise Department against differential excise duty refund [Refer (b) below]	388.98	259.89	606.34
(iii)	Cross Subsidy charges payable to Meghalaya State Electricity Board	-	-	700.08
(iv)	Capital Commitment	-	193.00	-

- (a) Based on legal opinion / decisions in similar cases, the Management believes that the Company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary.
- (b) Hon'ble High Court at Guwahati (Shillong Bench) vide its order dated 12th September, 2012, has directed the Excise Department to release 50% of the differential amount against furnishing of solvent surety. Based on the said judgment of Hon'ble High Court and legal opinion obtained by the Company, the differential excise duty refund of ₹Nil (31 March 2017: ₹222.92 lacs, 1 April 2016: ₹167.69 lacs) has been recognised as revenue in the books of account.
- (c) Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. As a result, no impact has been taken as on 1 April 2016.

### Note: 45 - Payment to Auditors

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>As Auditor</b>			
Statutory Audit Fees	1.80	1.80	1.25
-Tax Audit Fees	0.25	0.25	0.25
<b>In Other Capacity</b>			
Certification Fees and Other Services	0.50	0.71	1.25
<b>Total</b>	<b>2.55</b>	<b>2.76</b>	<b>2.75</b>

### Note: 46 - Corporate Social Responsibility

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

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

a) Gross Amount required to be spent by the Company during the year is ₹12.37 lacs (31 March 2017: ₹6.94 lacs, 1 April 2016 ₹5.88 lacs)

b) Amount spent during the year :

(₹ in Lacs)

Nature of Expenditure	2017-18	2016-17	2015-16
Nature of Expenditure	15.00	7.00	6.00

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### Note: 47 - Notes to Consolidated Financial Statements

#### I - Transition to Ind AS (First Time Adoption)

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

###### A.1.3 Investments in associates

In separate financial statements, a first-time adopter that subsequently measures an investment associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for associate .

Accordingly, the Company has elected to measure all of its investment in associate at their previous GAAP carrying value.

##### A.2 Ind AS mandatory exceptions

###### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

###### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### B. Reconciliation

#### Reconciliation of total equity as at 1 April 2016

(₹ in Lacs)

Particulars	Note	Amount
<b>Total equity (shareholder's fund) as per previous GAAP</b>		<b>10,883.46</b>
Fair valuation of recoverable advances	1	(92.17)
Share of equity of associate	2	(257.72)
Deferred tax asset/(liability) on adjustment-	4	30.48
<b>Total adjustments</b>		<b>(319.41)</b>
<b>Balance of Equity as on 1 April 2016 under Ind AS</b>		<b>10,564.05</b>

#### Reconciliation of total equity as at 31 March 2017

(₹ in Lacs)

Particulars	Note	Amount
<b>Total equity (shareholder's fund) as per previous GAAP</b>		<b>12,002.27</b>
Adjustments:		
Fair valuation of recoverable advances	1	(103.96)
Unwinding of recoverable advances	1	24.08
Share of equity of associate	2	(230.79)
Deferred tax (asset)/liability on adjustment	4	26.42
<b>Total adjustments</b>		<b>(284.25)</b>
<b>Balance of Equity as on March 31, 2017 under Ind AS</b>		<b>11,718.02</b>

#### Reconciliation of total comprehensive income as at 31 March 2017

(₹ in Lacs)

Particulars	Note	Amount
<b>Balance of Profit After Tax for the as on 31 March 2017 as per previous GAAP</b>		<b>1,118.81</b>
Fair valuation of recoverable advances	1	(11.79)
Unwinding of recoverable advances	1	24.08
Share of profit of associate (net of tax)	2	27.70
Remeasurement of post employee benefit obligations	3	4.23
Tax effect on adjustment	4	(5.46)
<b>Profit after tax as per Ind AS</b>		<b>1,157.57</b>
Other comprehensive (net of tax)		(3.60)
<b>Total comprehensive income as per Ind AS</b>		<b>1,153.97</b>



## Notes to Consolidated Financial Statement for the year ended 31 March, 2018

### C: Notes to first-time adoption:

#### Note 1: Fair valuation of financial liability

As per Ind AS 109, financial liabilities are to be recognised at fair value. Hence the Company has recognised its financial liability at fair value with resultant impact as on the date of transition is recognised in retained earning. Subsequently these are measured at amortised cost and interest as per effective interest rate are recognised in Statement of Profit and Loss.

#### Note 2: Share of associate

Associate of the Company has also converged to Ind AS. Adjustment made in the book of associate because of convergence to Ind AS has been recognised to the extent of shareholding of the Company.

#### Note 3: Employee benefit obligation

Under previous GAAP, actuarial gains and losses related to the defined benefit scheme for gratuity were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

#### Note 4: Deferred tax

The various transitional adjustments lead to different temporary differences. According to the accounting policies in Note 1, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

#### Note 5: De-recognition of financial assets and liabilities

"Ind AS 109 requires entity to derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset as and the transfer qualifies for derecognition. Para B2 of Ind AS 101 states that except as permitted, a first time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition.

As a result, trade receivables increased by ₹1228.48 lacs as at 31 March 2017 with a corresponding impact on current borrowings. Accordingly, the said adjustment has no impact on either equity and profit or loss for the year ended 31 March 2017.

#### Note 6 : Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

### 48. Micro, Small and Medium Enterprises

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.

49. The consolidated financial statements are approved by the Audit Committee at its meeting held on 17 May, 2018 and by the Board of Directors on the same date.

50. Notes to the consolidated financial statements comprises of information relevant for the group.

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

For and on behalf of the Board of Directors

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

**Uday Bahadur Chetri**  
Chief Financial Officer

**Sajjan Bhajanka**  
Director  
DIN : 00246043

Place: Kolkata  
Date: 17 May, 2018

**Neha Agarwal**  
Company Secretary

**Nagraj Tater**  
Director  
DIN : 00266072

## SHYAM CENTURY FERROUS LIMITED

CIN-L27310ML2011PLC008578

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

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

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

Website: www.shyamcenturyferrous.com

# Notice to the shareholders

**NOTICE** is hereby given that the SEVENTH ANNUAL GENERAL MEETING of the Members of **Shyam Century Ferrous Limited** will be held on Tuesday, 31st July, 2018 at 04:00 P.M. at “Star Club”, Vill: Lumshnong, P.O: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nagraj Tater (DIN: 00266072), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. Ratification of remuneration payable to the Cost Auditors

To consider and if thought fit, to pass, 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, 2019 be and is hereby ratified and confirmed;

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

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

Date: 28 June, 2018  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

### NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rules made thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not

- act as a proxy for any other Member. The instrument appointing the proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.

4. Members holding shares in the physical form are requested to notify change in address, email id, bank mandate and bank particulars, if any, under their signatures to M/s. Maheshwari Datamatics Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers. Members holding shares in electronic form may update such information with their respective Depository Participants.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now register the same by writing to the Registrar of the Company at the following address:-  
Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata - 700001  
  
Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the RTA. Nomination form can be downloaded from the Company's website [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) under the section 'Investors'. In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.
8. Members seeking information regarding financial accounts of the Company are requested to write to the Company at least 7 (seven) days before the date of meeting so as to enable the management to keep the information ready.
9. All documents meant for inspection and referred to in the Notice and accompanying Annual Report are open for inspection at the Registered Office as well as Corporate Office of the Company during office hours between 11:00 A.M to 1:00 P.M on all working days till the date of the Annual General Meeting (AGM) and will be also available for inspection at the Meeting.
10. Members may note that in terms of Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, no further ratification of appointment of Auditors would be required by the members at the every interim Annual General Meeting. Hence, said item has not been included in the notice convening the Annual General Meeting.
11. 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.
12. 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.
13. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 25th July, 2018 to Tuesday, 31st July, 2018 (both days inclusive)**.
14. Members may also note that the Notice of the AGM and the Annual Report will also be available on the Company's website, [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) for their download.
15. 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.

16. In compliance with the provision of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all the Members to enable them to cast their vote electronically in respect of business to be transacted at the Meeting, for which the Company has engaged the services of National Securities Depository Limited (NSDL). The Members holding shares either in physical form or in dematerialized form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
17. 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. Tuesday, 24th July, 2018** 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.
18. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, 24th July, 2018**, 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.
19. The remote e-voting period will commence at **9.00 a.m. on Saturday, 28th July, 2018 and will end at 5.00 p.m. on Monday, 30th July, 2018**. The Company has appointed Md. Shahnawaz, Practicing Company Secretary (Membership no. ACS 21427 and Certificate of Practice no. 15076), 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.
20. 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.
21. **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. The process and manner for remote e-voting are as under:

**Step 1: Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below:
  - a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial

password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, your 'initial password' will be communicated to you on the physical copy of the attendance sheet being sent with physical copy of the notice of the AGM. Initial Password is provided, as follows, at the bottom of the Attendance Slip.

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

- i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii) Select the 'EVEN' (E-Voting Event Number) of Shyam Century Ferrous Limited.

- iv) Now you are ready for e-voting as 'Cast Vote' page opens.
- v) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- viii) 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 any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for members and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- C. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- D. The voting rights shall be as per the number of equity share held by the Member(s) as on Tuesday, 24th July, 2018. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- E. The Companies (Management and Administration) Rules, 2014, as amended provides that the electronic voting period shall remain open for atleast 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 Saturday, 28th July, 2018 and will end at 5.00 p.m. on Monday, 30th July, 2018.
- F. The results shall be declared within 48 hours from the conclusion of the AGM. The results along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of NSDL and such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

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

Date: 28 June, 2018  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

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

**Item No. 3**

The Board of Directors on the recommendation of Audit Committee has appointed M/s. B. G. Chowdhury & Co., Cost Accountants (Firm Registration No. 000064) as the Cost Auditors of the Company to conduct the Cost Audit of the Company for the Financial Year 2018-19 at a remuneration of ₹50,000/- (Rupees fifty thousand only) per annum.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for

ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2019.

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

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

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

Date: 28 June, 2018  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

**ANNEXURE TO ITEM NO. 2 OF THE NOTICE**

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

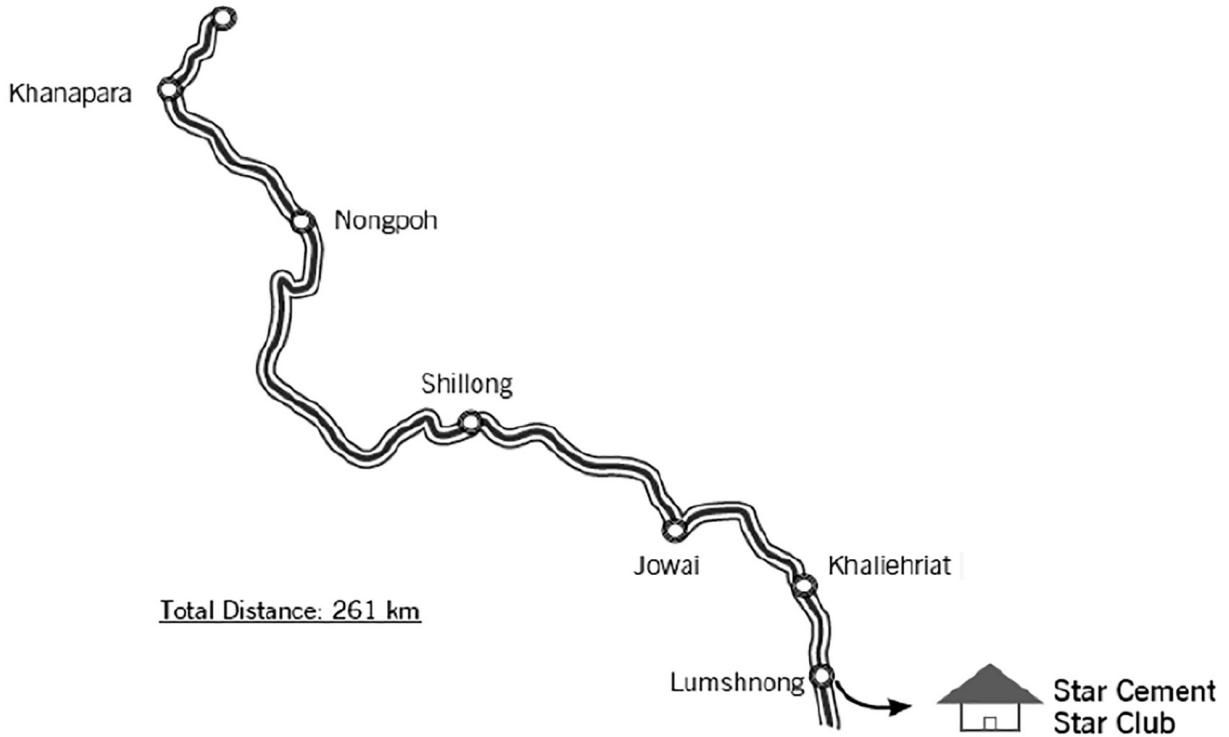
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting]

Name of the Director	Nagraj Tater
DIN	00266072
Age	65 years
Nationality	Indian
Qualification	Commerce Graduate
Experience (years)	41
Expertise in special functional Area	Finance, Accounts and Taxation
Date of First Appointment on the Board of the Company	09th June, 2014
Terms & condition of re-appointment	Non-Executive Non Independent Director, liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn	Not Applicable
Shareholding in the Company [Equity share of face value ₹1/- each] (as at 31st March, 2018)	9,000
Relationship between the Directors inter se and other Key Managerial Person	Nil
No. of Board Meetings attended during the year	3
List of Directorship held in other Companies (excluding Foreign Company)	1. Century Crop Sciences Private Limited 2. Century Plantations Ltd. 3. Puri Ports Limited 4. Century Infotech Limited 5. Century Plyboards (Meghalaya) Limited 6. Century Sumeru Development Limited 7. Century Sumeru Infrastructure Limited 8. Century Led Limited
Membership/ Chairmanships of Committees of Boards of other Companies. (only Audit Committee and Stakeholders Relationship Committee has been considered )	Nil

## ROUTE MAP

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Lokpriya Gopinath Bordoloi International Airport, Borjhar, Guwahati



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

# SHYAM CENTURY FERROUS LIMITED

CIN-L27310ML2011PLC008578

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

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

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

Website: www.shyamcenturyferrous.com

## PROXY FORM No. MGT - 11

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

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

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

- Name:....., Address:.....  
Email:....., Signature:....., or failing him/her
- Name:....., Address:.....  
Email:....., Signature:....., or failing him/her
- 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 Seventh Annual General Meeting of the Company, to be held on **Tuesday, 31st day of July, 2018** 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	Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Nagraj Tater (DIN: 00266072) as a Director of the Company, liable to retire by rotation.		
<b>Special Business</b>			
3	Ratification of remuneration payable to Cost Auditors.		

Signed this.....day of....., 2018

Signature of the shareholder.....

Signature of the proxy holder.....

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 7th 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.

Affix  
Revenue  
Stamp of  
₹1/-





## SHYAM CENTURY FERROUS LIMITED

CIN-L27310ML2011PLC008578

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

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

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

Website: www.shyamcenturyferrous.com

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# ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

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**ANNUAL GENERAL MEETING - 31st day of July, 2018 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 Seventh Annual General meeting of the Company at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 on **Tuesday 31st July, 2018 at 04:00 P.M.**

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

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

Notes:

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



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info@trisyssom.com  
anderson +91 99030 58982

**SHYAM CENTURY FERROUS LIMITED**

**Regd. Office & Works:**

Vill: Lumshnong, PO. Khaliehriat,  
District - East Jaintia Hills, Meghalaya - 793 210

Phone: +91 3655 278215/16/18

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

CIN: L27310ML2011PLC008578