

# 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: 30th August, 2019

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),

**Sub: Annual Report, Accounts together with Notice of the 8<sup>th</sup> Annual General Meeting ('AGM') of the Company for the Financial Year 2018-19 in terms of requirements of Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('LODR Regulations')**

Pursuant to Regulation 30 & 34 of the LODR Regulations, we enclose herewith a copy of the Annual Report, Accounts together with Notice of 8<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Friday, 27<sup>th</sup> September, 2019 at 04:00 P.M. at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210. The Proxy Form and Attendance Slip are also forming part of the Annual Report 2018-19.

The Annual Report is available on the following link:

<http://shyamcenturyferrous.com/wp-content/uploads/2019/08/Shyam-Century-Ferrous-Limited-Annual-Report-2018-19.pdf>

This is for your information and record.

Thanking you,

**For Shyam Century Ferrous Limited**

30-08-2019

X

Neha Agarwal  
Company Secretary  
Signed by: NEHA AGARWAL

**Neha Agarwal**  
**Company Secretary**  
**Encl: as above**



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



# ***Navigating the downturn***

Shyam Century Ferrous Limited | Annual Report **2018-19**

### Forward looking statement

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

## Contents

<a href="#">Corporate snapshot</a>	<a href="#">1</a>
<a href="#">Performance review</a>	<a href="#">2</a>
<a href="#">Corporate information</a>	<a href="#">4</a>
<a href="#">Directors' report &amp; management discussion and analysis</a>	<a href="#">5</a>
<a href="#">Report on corporate governance</a>	<a href="#">33</a>
<a href="#">Standalone financial statements</a>	<a href="#">48</a>
<a href="#">Consolidated financial statements</a>	<a href="#">85</a>
<a href="#">Notice to the shareholders</a>	<a href="#">121</a>



Corporate snapshot

# Navigating the downturn commences from a commitment to strengthen ourselves

## Our experienced management

Shyam Century Ferrous Limited is managed by Mr. M V K Nageswara Rao (Chief Executive Officer) who possesses more than 43 years of industry experience and a team of experienced professionals, committed to graduate the Company to the next level.

## Our strategic presence

The Company is registered in Lumshnong, Meghalaya, with its manufacturing unit in Byrnihat, Meghalaya. The Company's strategic presence in North East India provides proximate access to raw materials like coal, low ash metallurgical coal and quartz. The increased infrastructure development in the country provides the company with a growing market for its products.

## Our listing

The Company's equity shares are listed on BSE Limited as well as National Stock Exchange of India Limited. The Company's market capitalization stood at ₹145.52 crores as on March 31, 2019.

## Our products

The Company is engaged in the manufacture of ferro-silicon with an annual manufacturing capacity of 21,600 MT, captive 14 MW power generation capacity and facilities to produce silico manganese and other ferro alloys.

## Our performance, 2018-19

134.44

Revenues (₹ crores)

18.85

EBITDA (₹ crores)

10.43

Total Comprehensive Income (₹ crores)

# Performance review

*Dear Shareholders,*

In a year marked by slowing economic growth, international trade wars and slower global offtake, your Company strengthened its fundamentals with the objective to report multi-year business sustainability.

The Indian economy slowed to 6.8% in 2018-19 on account of the lingering impact of GST, subdued consumer sentiment, slowing rural economy and a national liquidity crunch following the NBFC crisis at the end of the first half of 2018-19.

Given this reality, it is creditable that your Company reported a 7.12 percent increase in revenues to ₹134.44 crores while the profit after tax declined to ₹10.43 crores in 2018-19. This reality followed a year when the ferro alloys market had been weak, affecting the viability of most players.

The Company's performance was creditable as it addressed a number of challenges.

**One**, the political attrition between the world's largest consumer economy (United States of America) and the world's largest steel manufacturer (China) affected the dynamics of the global steel sector, the company's principal downstream sector. This reality affected prospects of companies and countries exporting raw material to China's steel sector.

**Two**, ferro alloys realisations declined more than 30% from

the peak, affecting the industry's performance.

**Three**, the import of lower cost alternatives affected domestic demand and realisations.

**Four**, the automobile sector, one of the largest steel consumers, slowed during the year with offtake declining virtually month-on-month in what is seen as one of the most significant sectoral declines seen in a decade.

**Five**, a pressure on the Indian stainless steel semi-products segment (fillet and sponge) compelled some players to discontinue operations.

**Six**, a subdued growth of the real estate segment following RERA implementation and demonetization, impacted the demand for long steel products like TMT and structurals.

### Strengthening our core

Against a backdrop of these economic and sectoral realities, your Company strengthened its business model.

Your Company produced 15,219 metric tonnes of ferro silicon during the year under review compared to 14,169 metric tonnes during FY 2017-18.

Your Company optimized costs and strengthened processes. During the year under review, there was an increment in the power cost that has been reflected in the increased costs. The Company has thus entered into long term power purchase agreements from FY2019-20 which shall help in stabilising the costs.

Your Company is attractively placed to capitalize on India's long-term growth prospects through prudent vertical selection, knowledge, competence, best-in-class assets, governance and adequate manufacturing capacity.

### Macro-economic scenario

Global crude steel production reached 1,808.6 million tonnes in 2018, up 4.6% compared to 2017. Asia produced 1,271.1 million tonnes of crude steel in 2018, an increase of 5.6% over 2017. China's crude steel production in 2018 reached 928.3 million tonnes, up 6.6% over 2017. China's share of global crude steel production increased from 50.3% in 2017 to 51.3% in 2018.

India's crude steel production for 2018 was 106.5 million tonnes, up 4.9% on 2017. India replaced Japan as the world's second-largest steel-producing country, while retaining its position as the third-largest finished steel consumer. India also emerged as the largest producer of sponge

iron across the world.

India possessed an installed capacity of 132 million tonnes in 2018, whereas production for the period was 106.5 million tonnes compared to 101.5 million tonnes in 2017, a y-o-y 4.9% growth. India's per capita steel consumption rose from 59 kilograms in 2014 to 69 kilograms in 2018, which was still below the global average of ~214 kilograms.

India emerged as the fastest-growing major stainless steel market in the world. The per capita consumption of stainless steel in India is a mere 2 kilograms, compared to the global average of ~6 kilograms, indicating large headroom. In 2018, India's total stainless steel production was pegged at ~3.6 million tonnes for long and flat products.

India's steel demand is estimated to grow 7.3% in 2019, riding robust GDP growth. Despite burgeoning demand, steel production is projected to grow 2.5-3%. Domestic steelmakers are expected to increase their capacity by ~16 million tonnes between FY2019 and FY2021. This capacity ramp-up and debottlenecking of stressed assets would warrant industry-wide capex of ~₹750-800 billion between FY2018-19 and FY2020-21.

Looking ahead, the steel industry is expected to achieve 300 million tonnes of production capacity by 2030. Increased outlays for the railways sector, affordable housing push, and rising demand in capital goods and consumer durables could strengthen the domestic steel industry.

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% share of the country's GDP, is at the cusp of a transformation. The sector has seen glut in FY 2018-19 because of policies like the ban on diesel vehicles on specific pockets, thrust on electric vehicles, graduation to BS-VI standards and shared mobility, each affecting demand and consumer sentiment. However, India is expected to be the world's third-largest car market by 2020, with more than 4 million units being sold annually. A projected improvement in banking liquidity, government infrastructure spending and rising incomes provide an optimistic sectoral environment.

### Outlook

What provides optimism in this challenging scenario is our long-term goodwill with customers and trade partners on account of superior product quality.

The demand for steel is expected to rise as the real estate sector and automobile sector stabilises. The political stability in the country and continued infrastructure development could strengthen steel and ferro alloys demand.

At Shyam Century Ferrous Limited, our retrospective industry disappointment has transformed to guarded optimism where we believe that we will continue to leverage our passion to excel and outperform.

*Regards,*

**Sajjan Bhajanka**

*Director,*

Shyam Century Ferrous Limited

# CORPORATE INFORMATION

## Board of Directors

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

## Auditors

AKSD & Associates  
(Formerly 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 (upto 30.04.2019)

## Company Secretary

Ms. Neha Agarwal

## Bankers

HDFC Bank Ltd.

## 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  
Website : www.shyamcenturyferrous.com

### Registrars & Share Transfer Agents

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

### CIN Number

L27310ML2011PLC008578

# DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

*Dear Shareholders,*

Your Directors have pleasure in presenting the Eighth Annual Report of the Company together with the Audited Balance Sheet as at March 31, 2019 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, 2019 as compared to the previous financial year are as under:-

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Total Income	13,443.78	12,550.69	13,443.78	12,550.69
Profit before Depreciation, Interest and Tax	1,885.10	2,019.97	1,885.10	2,019.97
Depreciation	276.21	249.67	276.21	249.67
Interest and Finance Charges	129.51	171.62	129.51	171.62
Profit/Loss Before Tax	1,479.38	1,598.68	1,479.38	1,598.68
Tax Expenses:				
-Current Tax	438.53	526.67	438.53	526.67
-Deferred Tax	(7.16)	26.65	(7.16)	26.65
Profit/Loss after Tax	1,048.01	1,045.36	1,048.01	1,045.36
Share of profit of associates	619.29	552.42	-	-
Net profit after taxes and share of profit of associates	1,667.30	1,597.78	-	-
Other comprehensive income for the year, net of tax	(5.51)	1.29	(5.22)	2.16
Total comprehensive income for the year	1,661.79	1,599.07	1,042.79	1,047.52

Previous years figures were rearranged and regrouped wherever necessary.

## 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, Ferrovanadium, Ferrotungsten, Ferro-silicon magnesium, Ferro-boron and Ferro-titanium. Bulk ferro alloys is used for making stainless steel and Carbon steel while noble ferro alloys are made from rare earth minerals. Therefore, market of ferro alloys industries are dependent on the future of steel industry.

India is having various potentialities for the development of the steel industry mainly due to availability of skilled man power resources with low cost, abundant raw materials availability etc. The National Steel Policy announced in the

year 2017 aims to encourage the industry to reach global benchmark. The government is setting up Steel Research and Technology Mission of India to spearhead research and development activities in the iron steel sector at an initial corpus of ₹200 crores.

Country's finished steel production is anticipated to increase to 230 MT by 2030-31, the rise in demand likely to be supported by the growth of domestic market. Country's steel industry is modern with state of arts steel mills and it has always keen for upgradation of older plants and development of energy efficiency level.

Government's 30% levy of export duty on iron ore will help supply of iron ore and budgetary thrive to develop infrastructure, housing, rail road, ports etc., will push the demand of the ferro alloy industries. National Steel Policy aims to envisage 300 MT steel making capacity and 160 kgs per capita consumption by 2030-31.



During the year under review 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 14,580 MT of Ferro Silicon as against 14,189 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 347 lacs KWH unit as compared to 689 lacs KWH unit which was captively consumed by the Company.

Further, M/s. Meghalaya Power Limited, an Associate Company has generated 1,701 lacs KWH units as compared to 1,901 lacs KWH units recorded in the previous year. During the Financial year 2018-19, the associate Company has posted PBT of ₹1,511.10 lacs and PAT of ₹1,269.16 lacs as against ₹1,054.27 lacs and ₹1,132.12 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, approval of National Steel policy and policy on 'Make in India' and other infrastructural initiatives taken for the entire country is expected to have positive impact of the ferro alloy industry and thereby boosting demand for the company's product. Global stainless steel production growth is expected to average +2.6% p.a. upto 2021. The industry seems healthy in future as 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 short availability of raw materials and very high power cost comparative with other countries, 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, urbanization and

other infrastructural development. Various initiatives of the Government addressing their concern to help the industry and resolve the problems likely to have positive impact on the development of the industry.

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 revenue of ₹13,443.78 Lacs and Profit before Tax of ₹1,479.38 Lacs in FY 2018-19 as against ₹12,550.69 Lacs and ₹1,598.68 Lacs respectively during the previous financial year. Your Company produced 15,219 MT of Ferro Silicon during the year under review as against 14,169 MT in the Financial Year 2017-18. Net realization has been improved marginally during the year under review as compared to previous financial year. However, due to increase in costs, profits declined during the year.

It is expected that after ongoing Lok Sabha election, infrastructural development in the country will get further motion and ferro alloy market of the country is likely to be revamped.

### Share Capital

The paid up Equity Capital as on March 31, 2019 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.

### Shares in Suspense Account

Disclosures of the shares lying in Company's Unclaimed Shares Suspense Account are given in the Report of Corporate Governance.

### 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.

Further, in terms of Section 134(3)(a) of the Companies Act, 2013 the Annual Return of the Company has been placed on the Company's website and can be accessed at the web link: <http://shyamcenturyferrous.com/wp-content/uploads/2019/08/Annual-Return-2017-18.pdf>.

## 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 Meetings are provided in the Corporate Governance Report.

## Meetings of Independent Directors

During the year under review, meeting of Independent Directors was held on 15th March, 2019 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, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Finance 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. The said policy may be referred to at the Company's website at the web link: [http://shyamcenturyferrous.com/wp-content/uploads/2019/04/SCFL\\_Remuneration-Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2019/04/SCFL_Remuneration-Policy.pdf)

## Code of Conduct

With intent to enhance integrity, ethics & transparency in governance of the Company your Company had adopted a Code of Conduct for Directors and Senior Management Personnel. The Code has been displayed on the Company's website [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com)

## Compliance with the Secretarial Standard and Indian Accounting Standards

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 while preparing the financial statements.

## Directors' Responsibility Statement

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

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 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.

### Auditors & Auditors' Report

M/s. AKSD & Associates (Formerly M/s. Kailash B. Goel & Co.), Chartered Accountants, Statutory Auditors (Firm Registration no. 322460E) of the Company, will retire at the conclusion of the ensuing Annual General Meeting of the Company. Being eligible, they have offered themselves for re-appointment for a final term of two consecutive years from the date of ensuing Annual General Meeting till conclusion of tenth Annual General Meeting of the Company and have confirmed that their appointment, if made, will be in accordance to the provisions of section 141 read with section 139 of the Companies Act, 2013 and the rules framed there under for re-appointment of auditors. Members are requested to approve their re-appointment. Members are also requested to approve the Auditors' Remuneration payable for the F.Y. 2019-20.

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. The Board of Directors re-appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for conducting the audit of cost records of the Company for the Financial Year 2018-19.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751), as the Cost Auditors of the Company for the Financial Year 2019-20 under section 148 of the Companies

Act, 2013. Messrs Sanjib Das & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Sanjib Das & Associates, Cost Auditors for the Financial year 2019-20 is included in the Notice convening the Annual General Meeting.

The cost audit report for the Financial Year 2017-18 was filed with the Ministry of Corporate Affairs on 26.09.2018.

### 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 made any investment or provided guarantee or security in connection with a loan to any person exceeding the limit specified in 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. In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of

the material contract or arrangement entered into by the Company with related parties as referred to in Section 188 in Form AOC-2 is attached as Annexure 3 of this report. 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 2018-19.

## 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:

- All Y-Chutes in boiler has been modified by changing the design & increasing the thickness of the sheet material resulted to improve the boiler efficiency.
- Introduced new Service Air Compressor with ducting modification resulted reduction in air leakage & auxiliary power consumption
- New Diesel Tank construction has done resulted to arrest the spillage of oil.

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

- In ID Fan 1&2 delivery line MS bellow is replaced by SS sheet bellow which resulted reduction in ash deposition, corrosion & maximize the life span of the material

- In APH outlet line MS bellow is replaced by SS sheet bellow which resulted reduction in ash deposition, corrosion & maximize the life span of the material.
- In DM plant, Degasser pump body & impeller modified by SS sheet material resulted to minimize the chemical deposition & maximize the life span of the equipment.
- In Steam Turbine MOP suction line modification has done resulted to improve the turbine efficiency.
- In SAF#3 electrode, lower metal has been fitted resulted to improve the Furnace efficiency.
- SAF chimney ducting has been modified resulted improve the temperature in Furnace area.
- Centre chute has modified by new centre hood assembly in SAF#3 resulted to improve the Furnace efficiency.
- 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, Foreign Exchange Earning was ₹150.77 lacs (Previous Year NIL) and Foreign Exchange Outgo was NIL (Previous Year NIL).

## 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 Company has also contributed towards welfare of animals.

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 Agrawal	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-4.

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

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, 2018 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive Director who has attained the age of 75 years unless a special resolution is passed in this regard. Accordingly, the shareholders of the Company approved the continuation of Mr. Mangilal Jain who was appointed as an Independent Director of the Company for a period of 5 years w.e.f. April 01, 2015 and who is above the age of 75 years, for the remaining period of his existing term of directorship, i.e. upto March 31, 2020 as Independent Director of the Company by way of special resolution passed through postal ballot including e-voting concluded on 27th March, 2019.

Mr. Santanu Ray was appointed as an Independent Director of the Company by the shareholders of the Company upto 31st March, 2020. On the recommendation of the Nomination & Remuneration Committee and based on the performance evaluation, the Board of Directors re-appointed Mr. Santanu Ray as an Independent Director for a further period of 1 (one) consecutive year effective from 1st April, 2020 upto 31st March, 2021 subject to approval of the shareholders of the Company by way Special Resolution at the ensuing Annual General Meeting.

Mrs. Plistina Dkhar was appointed as an Independent Director of the Company by the shareholders of the Company upto 31st March, 2020. On the recommendation of the Nomination & Remuneration Committee and based on the performance evaluation, the Board of Directors re-appointed Mrs. Plistina Dkhar as an Independent Director for a further period of 5 (five) consecutive years effective from 1st April, 2020 upto 31st March, 2025 subject to approval of the shareholders of the Company by way Special Resolution at the ensuing Annual General Meeting.

Mr. Santanu Ray and Mrs. Plistina Dkhar have given their consent for re-appointment and have confirmed that they still retain their status as Independent Directors and they do not suffer from any disqualifications for re-appointment. Requisite Notices under Section 160 of the Companies Act, 2013 have been received from the members in respect of their re-appointment.

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

The following personnel are Key Managerial Personnel of the Company as at end of Financial year:

Sl. No.	Name	Category
1	Mr. M.V.K. Nageswara Rao	Chief Executive Officer
2	Mr. Uday Bahadur Chetri *	Chief Financial Officer
3	Ms. Neha Agarwal	Company Secretary

\* Mr. Uday Bahadur Chetri, Chief Financial Officer resigned from the services of the Company w.e.f. close of the business hours of 30th April, 2019.

Your Board records its appreciation for valuable services rendered by Mr. Chetri during his association with the Company.

### 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 and the Listing Regulations. 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 fulfill the conditions specified in section 149 of the Act and the Rules made thereunder and the Listing Regulations 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)

### 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 1,701 Lacs KWH units of power.

### Changes in Nature of Business, if any

There has not been any change in the nature of business.

### 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, 2019 is annexed in the Form AOC – 1 and marked as Annexure-5.

### Consolidated Financial Statements

The Consolidated Financial Statements of the Company have been prepared in accordance to requirements of Indian Accounting Standards (Ind AS), 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.

### Credit Ratings

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. CARE Ratings, has affirmed the Company's short term rating to "CARE A2+" (pronounced CARE A two plus, outlook stable) and reaffirmed the long term rating at "CARE A-, Stable" (pronounced CARE Single A minus, outlook stable).

### 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.

### Details of Significant Changes (i.e., Changes of 25% or more) in Key Financial Ratio and Change in Return on Net Worth Alongwith Detailed Explanations

Key Financial Ratios	FY 2018-19	FY 2017-18	% change	Explanation for significant changes
Debtors Turnover ratio	4.37	4.14	5.71	NA
Inventory Turnover ratio	5.00	3.47	43.91	Inventory has been increased due to the fall in prices and demand of ferro silicon in the last quarter of the year
Interest Coverage ratio	12.42	10.32	20.43	NA
Current ratio	5.18	2.05	152.87	Due to the decrease in Debtor cycle there was a drastic decrease in utilization of Cash Credit limit and other Current Liabilities.
Debt Equity ratio	0.017	0.025	(33.02)	Debt was reduced due to its repayment and net worth increased on account of profit earned during the year.
Operating Profit Margin (%)	0.11	0.13	(14.49)	NA
Net Profit Margin (%)	7.86	8.42	(6.68)	NA
Return on Net Worth	0.09	0.10	(8.82)	Due to the increase in the prices of coal and other Raw materials

### 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- 6 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") and has constituted the Committee with internal and external members. 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) 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 certification has been submitted to the Board and a copy thereof is contained in this Annual Report.

### Risk Management

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce the risk. 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.

### 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.

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

**Nagraj Tater**

*Director*

(DIN: 00266072)

Place: Kolkata

Date: 7th May, 2019

**Aditya Vimalkumar Agrawal**

*Director*

(DIN: 03330313)



## Annexure 1

# FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31st March, 2019

[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, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655 - 278215 Email- info@shyamcenturyferrous.com; investors@shyamcenturyferrous.com Website: www.shyamcenturyferrous.com
6	Whether Listed Company	Yes
7	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Private Limited 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	99.03

### 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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7,97,91,075	-	7,97,91,075	35.91	7,12,36,075	-	7,12,36,075	32.06	(3.85)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3,93,29,080	-	3,93,29,080	17.70	4,11,29,080	-	4,11,29,080	18.51	0.81
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>11,91,20,155</b>	<b>-</b>	<b>11,91,20,155</b>	<b>53.62</b>	<b>11,23,65,155</b>	<b>-</b>	<b>11,23,65,155</b>	<b>50.58</b>	<b>(3.04)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	<b>-</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>11,91,20,155</b>	<b>-</b>	<b>11,91,20,155</b>	<b>53.62</b>	<b>11,23,65,155</b>	<b>-</b>	<b>11,23,65,155</b>	<b>50.58</b>	<b>(3.04)</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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	3,15,55,220	12,000	3,15,67,220	14.21	2,65,00,593	10,500	2,65,11,093	11.93	(2.28)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1,62,50,788	6,35,948	1,68,86,736	7.60	1,60,81,386	5,32,387	1,66,13,773	7.48	(0.12)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	5,31,23,557	-	5,31,23,557	23.91	6,58,97,242	-	6,58,97,242	29.66	5.75
c) Others (specify)									
1. Clearing member	10,07,475	-	10,07,475	0.45	3,64,295	-	3,64,295	0.16	(0.29)
2. Non-resident Individual	3,46,767	-	3,46,767	0.16	3,20,352	-	3,20,352	0.14	(0.02)
3. Trusts	7,500	-	7,500	0.00	7,500	-	7,500	0.00	-
4. NBFCs registered with RBI	5,000	-	5,000	0.00	-	-	-	-	(0.00)
5. Domestic Corporate Unclaimed Shares Account	1,08,580	-	1,08,580	0.05	93,580	-	93,580	0.04	(0.01)
Sub-total (B)(2)	10,24,04,887	6,47,948	10,30,52,835	46.38	10,92,64,948	5,42,887	10,98,07,835	49.42	3.04
Total Public shareholding (B) = (B) (1) + (B) (2)	10,24,04,887	6,47,948	10,30,52,835	46.38	10,92,64,948	5,42,887	10,98,07,835	49.42	3.04
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>22,15,25,042</b>	<b>6,47,948</b>	<b>22,21,72,990</b>	<b>100.00</b>	<b>22,16,30,103</b>	<b>5,42,887</b>	<b>22,21,72,990</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% 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	1,12,34,493	5.06	-	1,12,34,493	5.06	-	-
2	Mr. Prem Kumar Bhajanka	1,43,40,506	6.45	-	57,85,506	2.60	-	(3.85)
3	Ms. Santosh Bhajanka	1,50,49,500	6.77	-	1,50,49,500	6.77	-	-
4	Mr. Sanjay Agarwal	1,42,12,976	6.40	-	1,42,12,976	6.40	-	-
5	Ms. Divya Agarwal	1,44,88,750	6.52	-	1,44,88,750	6.52	-	-
6	Ms. Yash Bhajanka	-	-	-	-	-	-	-
7	Mr. Hari Prasad Agarwal	24,35,760	1.10	-	24,35,760	1.10	-	-
8	Ms. Sumitra Devi Agarwal	15,26,250	0.69	-	15,26,250	0.69	-	-
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	-	-	-	-	-	-	-
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	-	95,43,990	4.30	-	0.81
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>11,91,20,155</b>	<b>53.62</b>	<b>-</b>	<b>11,23,65,155</b>	<b>50.58</b>	<b>-</b>	<b>(3.04)</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	01.04.2018		1,12,34,493	5.06		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		1,12,34,493	5.06	1,12,34,493	5.06
2	<b>Sanjay Agarwal</b>						
	At the beginning of the year	01.04.2018		1,42,12,976	6.40		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		1,42,12,976	6.40	1,42,12,976	6.40

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
<b>3</b>	<b>Prem Kumar Bhajanka</b>						
	At the beginning of the year	01.04.2018		1,43,40,506	6.45		
	Changes during the year	03.04.2018	Transfer	(2,20,000)	(0.10)	1,41,20,506	6.36
		09.04.2018	Transfer	(4,25,000)	(0.19)	1,36,95,506	6.16
		10.04.2018	Transfer	(1,50,000)	(0.07)	1,35,45,506	6.10
		16.04.2018	Transfer	(22,60,000)	(1.02)	1,12,85,506	5.08
		17.04.2018	Transfer	(55,00,000)	(2.48)	57,85,506	2.60
	At the end of the year	31.03.2019		57,85,506	2.60	57,85,506	2.60
<b>4</b>	<b>Hari Prasad Agarwal</b>						
	At the beginning of the year	01.04.2018		24,35,760	1.10		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		24,35,760	1.10	24,35,760	1.10
<b>5</b>	<b>Hari Prasad Agarwal (HUF)</b>						
	At the beginning of the year	01.04.2018		15,30,990	0.69		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		15,30,990	0.69	15,30,990	0.69
<b>6</b>	<b>Nancy Choudhary</b>						
	At the beginning of the year	01.04.2018		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
<b>7</b>	<b>Keshav Bhajanka</b>						
	At the beginning of the year	01.04.2018		1,22,925	0.06		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		1,22,925	0.06	1,22,925	0.06
<b>8</b>	<b>Rajesh Kumar Agarwal</b>						
	At the beginning of the year	01.04.2018		7,45,225	0.34		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		7,45,225	0.34	7,45,225	0.34
<b>9</b>	<b>Shraddha Agarwal</b>						
	At the beginning of the year	01.04.2018		8,00,000	0.36		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		8,00,000	0.36	8,00,000	0.36
<b>10</b>	<b>Payal Agrawal</b>						
	At the beginning of the year	01.04.2018		10,00,000	0.45		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		10,00,000	0.45	10,00,000	0.45
<b>11</b>	<b>Sonu Kajaria</b>						
	At the beginning of the year	01.04.2018		10,30,010	0.46		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		10,30,010	0.46	10,30,010	0.46
<b>12</b>	<b>Bhawna Agarwal</b>						
	At the beginning of the year	01.04.2018		12,73,690	0.57		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		12,73,690	0.57	12,73,690	0.57

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	
13	<b>Sumitra Devi Agarwal</b>							
	At the beginning of the year	01.04.2018		15,26,250	0.69			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		15,26,250	0.69	15,26,250	0.69	
14	<b>Yash Bhajanka</b>							
	At the beginning of the year	01.04.2018		-	-			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		-	-	-	-	
15	<b>Divya Agarwal</b>							
	At the beginning of the year	01.04.2018		1,44,88,750	6.52			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		1,44,88,750	6.52	1,44,88,750	6.52	
16	<b>Santosh Bhajanka</b>							
	At the beginning of the year	01.04.2018		1,50,49,500	6.77			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		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	01.04.2018		18,45,000	0.83			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		18,45,000	0.83	18,45,000	0.83	
18	<b>Sriram Merchants Pvt. Ltd.</b>							
	At the beginning of the year	01.04.2018		67,39,870	3.03			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		67,39,870	3.03	67,39,870	3.03	
19	<b>Sumangal Business Pvt. Ltd.</b>							
	At the beginning of the year	01.04.2018		68,31,240	3.07			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		68,31,240	3.07	68,31,240	3.07	
20	<b>Sumangal International Pvt. Ltd.</b>							
	At the beginning of the year	01.04.2018		76,66,800	3.45			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		76,66,800	3.45	76,66,800	3.45	
21	<b>Brijdham Merchants Pvt. Ltd.</b>							
	At the beginning of the year	01.04.2018		77,43,990	3.49			
	Changes during the year	01.11.2018	Transfer	18,00,000	0.81	95,43,990	4.30	
	At the end of the year	31.03.2019		95,43,990	4.30	95,43,990	4.30	
22	<b>Sriram Vanijya Pvt. Ltd.</b>							
	At the beginning of the year	01.04.2018		85,02,180	3.83			
	Changes during the year			No changes during the year				
	At the end of the year	31.03.2019		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	01.04.2018		14,17,600	0.64		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		14,17,600	0.64	14,17,600	0.64
2	<b>Mahabir Prasad Agarwal</b>						
	At the beginning of the year	01.04.2018		1,07,00,000	4.82		
	Changes during the year	22.02.2019	Transfer	(32,00,000)	(1.44)	75,00,000	3.38
	At the end of the year	31.03.2019		75,00,000	3.38	75,00,000	3.38
3	<b>Patton International Limited</b>						
	At the beginning of the year	01.04.2018		1,04,88,000	4.72		
	Changes during the year	31.08.2018	Transfer	(6,75,074)	(0.30)	98,12,926	4.42
		02.11.2018	Transfer	(18,00,000)	(0.81)	80,12,926	3.61
	At the end of the year	31.03.2019		80,12,926	3.61	80,12,926	3.61
4	<b>Brij Bhushan Agarwal</b>						
	At the beginning of the year	01.04.2018		2,51,86,012	11.34		
	Changes during the year	21.12.2018	Transfer	(23,40,000)	(1.05)	2,28,46,012	10.28
	At the end of the year	31.03.2019		2,28,46,012	10.28	2,28,46,012	10.28
5	<b>Subham Capital Private Limited #</b>						
	At the beginning of the year	01.04.2018		17,36,721	0.78		
	Changes during the year	04.05.2018	Transfer	77,00,000	3.47	94,36,721	4.25
		27.07.2018	Transfer	(77,00,000)	(3.47)	17,36,721	0.78
	At the end of the year	31.03.2019		17,36,721	0.78	17,36,721	0.78
6	<b>Microsec Capital Limited #</b>						
	At the beginning of the year	01.04.2018		1,08,27,700	4.87		
	Changes during the year	06.04.2018	Transfer	(1,07,97,000)	(4.86)	30,700	0.01
		13.04.2018	Transfer	4,04,475	0.18	4,35,175	0.19
		20.04.2018	Transfer	(19,750)	(0.00)	4,15,425	0.19
		27.04.2018	Transfer	(500)	(0.00)	4,14,925	0.19
		04.05.2018	Transfer	28,500	0.01	4,43,425	0.20
		11.05.2018	Transfer	(7,319)	(0.00)	4,36,106	0.20
		18.05.2018	Transfer	(19,300)	(0.01)	4,16,806	0.19
		25.05.2018	Transfer	1,500	0.00	4,18,306	0.19
		01.06.2018	Transfer	1,000	0.00	4,19,306	0.19
		08.06.2018	Transfer	(3,97,575)	(0.18)	21,731	0.01
		22.06.2018	Transfer	(1,000)	(0.00)	20,731	0.01
		29.06.2018	Transfer	(5,000)	(0.00)	15,731	0.01
		13.07.2018	Transfer	300	0.00	16,031	0.01
		27.07.2018	Transfer	9,729	0.00	25,760	0.01
		03.08.2018	Transfer	(15,431)	(0.01)	10,329	0.00
		10.08.2018	Transfer	800	0.00	11,129	0.01
		17.08.2018	Transfer	131	0.00	11,260	0.01
		31.08.2018	Transfer	(100)	(0.00)	11,160	0.01
		14.09.2018	Transfer	12,271	0.01	23,431	0.02
	21.09.2018	Transfer	(22,500)	(0.01)	931	0.01	

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
		26.10.2018	Transfer	(931)	(0.01)	-	0.00
		15.02.2019	Transfer	1,200	0.00	1,200	0.00
		22.02.2019	Transfer	(1,200)	(0.00)	-	0.00
		22.03.2019	Transfer	15,000	0.01	15,000	0.01
		29.03.2019	Transfer	(15,000)	0.00	-	0.00
	At the end of the year	31.03.2019		-	0.00	-	0.00
<b>7</b>	<b>Mahabir Prasad Agarwal #</b>						
	At the beginning of the year	01.04.2018		1,47,00,000	6.62		
	Changes during the year	27.04.2018	Transfer	(77,00,000)	(3.47)	70,00,000	3.15
		25.05.2018	Transfer	(76,325)	(0.03)	69,23,675	3.12
		22.06.2018	Transfer	(50,000)	(0.02)	68,73,675	3.09
		27.07.2018	Transfer	(82,045)	(0.04)	67,91,630	3.05
		10.08.2018	Transfer	(59,560)	(0.02)	67,32,070	3.03
		17.08.2018	Transfer	5,837	0.00	67,37,907	3.03
		31.08.2018	Transfer	(3,34,117)	(0.15)	64,03,790	2.88
		07.09.2018	Transfer	(35,003)	(0.01)	63,68,787	2.87
		14.09.2018	Transfer	(2,000)	(0.00)	63,66,787	2.87
		14.12.2018	Transfer	(63,66,787)	(2.87)	-	0.00
	At the end of the year	31.03.2019		-	0.00	-	0.00
<b>8</b>	<b>Super Diamond Nirman Private Limited #</b>						
	At the beginning of the year	01.04.2018		24,32,000	1.09		
	Changes during the year	05.10.2018	Transfer	(24,32,000)	(1.09)	-	0.00
	At the end of the year	31.03.2019		-	0.00	-	0.00
<b>9</b>	<b>Subham Buildwell Pvt. Ltd. #</b>						
	At the beginning of the year	01.04.2018		6,85,630	0.31		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		6,85,630	0.31	6,85,630	0.31
<b>10</b>	<b>Nimish Talsania #</b>						
	At the beginning of the year	01.04.2018		4,55,000	0.20		
	Changes during the year	22.06.2018	Transfer	6,800	0.00	4,61,800	0.20
		29.06.2018	Transfer	200	0.00	4,62,000	0.20
		10.08.2018	Transfer	10,541	0.01	4,72,541	0.21
		17.08.2018	Transfer	12,470	0.01	4,85,011	0.22
		24.08.2018	Transfer	18,281	0.01	5,03,292	0.23
		31.08.2018	Transfer	26,300	0.01	5,29,592	0.24
		07.09.2018	Transfer	16,000	0.01	5,45,592	0.25
		14.09.2018	Transfer	5,408	0.00	5,51,000	0.25
		12.10.2018	Transfer	27,918	0.01	5,78,918	0.26
		19.10.2018	Transfer	22,824	0.01	6,01,742	0.27
		26.10.2018	Transfer	7,000	0.00	6,08,742	0.27
		16.11.2018	Transfer	2	0.00	6,08,744	0.27
		07.12.2018	Transfer	(744)	(0.00)	6,08,000	0.27
		21.12.2018	Transfer	20	0.00	6,08,020	0.27
		25.01.2019	Transfer	(151)	(0.00)	6,07,869	0.27
		01.02.2019	Transfer	(3,610)	(0.00)	6,04,259	0.27
		08.02.2019	Transfer	(3,438)	(0.00)	6,00,821	0.27



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
		01.03.2019	Transfer	5,536	0.00	6,06,357	0.27
		08.03.2019	Transfer	41,000	0.02	6,47,357	0.29
		15.03.2019	Transfer	18,180	0.01	6,65,537	0.30
		22.03.2019	Transfer	5,000	0.00	6,70,537	0.30
	At the end of the year	31.03.2019		6,70,537	0.30	6,70,537	0.30
<b>11</b>	<b>Mittu Agarwal *</b>						
	At the beginning of the year	01.04.2018		-	0.00		
	Changes during the year	14.12.2018	Transfer	63,65,687	2.87	63,65,687	2.87
	At the end of the year	31.03.2019		63,65,687	2.87	63,65,687	2.87
<b>12</b>	<b>Kalpataru Housing Finance And Trading Private Limited *</b>						
	At the beginning of the year	01.04.2018		-	0.00		
	Changes during the year	10.08.2018	Transfer	76,92,379	3.46	76,92,379	3.46
		07.09.2018	Transfer	6,75,074	0.30	83,67,453	3.76
		21.12.2018	Transfer	23,39,800	1.05	1,07,07,253	4.81
	At the end of the year	31.03.2019		1,07,07,253	4.81	1,07,07,253	4.81
<b>13</b>	<b>Anurag Choudhary *</b>						
	At the beginning of the year	01.04.2018		-	0.00		
	Changes during the year	06.04.2018	Transfer	1,08,00,000	4.86	1,08,00,000	4.86
		08.06.2018	Transfer	3,96,575	0.18	1,11,96,575	5.04
	At the end of the year	31.03.2019		1,11,96,575	5.04	1,11,96,575	5.04
<b>14</b>	<b>Narendra Kumar Jindal*</b>						
	At the beginning of the year	01.04.2018		1,85,000	0.08		
	Changes during the year	06.04.2018	Transfer	1,10,000	0.05	2,95,000	0.13
		20.04.2018	Transfer	1,38,000	0.06	4,33,000	0.19
		31.08.2018	Transfer	2,90,000	0.13	7,23,000	0.32
		05.10.2018	Transfer	12,32,000	0.55	19,55,000	0.87
	At the end of the year	31.03.2019		19,55,000	0.87	19,55,000	0.87
<b>15</b>	<b>Priti A Doshi*</b>						
	At the beginning of the year	01.04.2018		-	0.00		
	Changes during the year	20.04.2018	Transfer	20,30,000	0.91	20,30,000	0.91
	At the end of the year	31.03.2019		20,30,000	0.91	20,30,000	0.91
<b>16</b>	<b>Om Prakash Sanjiv Kuckian*</b>						
	At the beginning of the year	01.04.2018		-	0.00		
	Changes during the year	20.04.2018	Transfer	55,00,000	2.48	55,00,000	2.48
		22.03.2019	Transfer	(5,00,000)	(0.23)	50,00,000	2.25
	At the end of the year	31.03.2019		50,00,000	2.25	50,00,000	2.25
<b>17</b>	<b>Sheetij Agarwal*</b>						
	At the beginning of the year	01.04.2018		-	0.00		
	Changes during the year	01.03.2019	Transfer	32,00,000	1.44	32,00,000	1.44
	At the end of the year	31.03.2019		32,00,000	1.44	32,00,000	1.44

**Note:**

\* Not in the list of Top 10 shareholders as on 01.04.2018, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2019.

# Ceased to be in the list of Top 10 shareholders as on 31.03.2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2018.

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	01.04.2018		1,12,34,493	5.06		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		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	01.04.2018		9,000	0.00		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		9,000	0.00	9,000	0.00
3	<b>Mr. Aditya VimalKumar Agrawal (Non Executive Director)</b>						
	At the beginning of the year	01.04.2018		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
4	<b>Mr. Mangilal Jain (Independent Director)</b>						
	At the beginning of the year	01.04.2018		4,700	0.00		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		4,700	0.00	4,700	0.00
5	<b>Mr. Santanu Ray (Independent Director)</b>						
	At the beginning of the year	01.04.2018		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
6	<b>Mrs. Plistina Dkhar (Independent Director)</b>						
	At the beginning of the year	01.04.2018		750	0.00		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		750	0.00	750	0.00
7	<b>Mr. M.V.K.Nageswara Rao (Chief Executive Officer)</b>						
	At the beginning of the year	01.04.2018		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
8	<b>Mr. Uday Bahadur Chetri (Chief Financial Officer upto 30.04.2019)</b>						
	At the beginning of the year	01.04.2018		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
9	<b>Ms. Neha Agarwal (Company Secretary)</b>						
	At the beginning of the year	01.04.2018		-	-		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-

## V. Indebtedness

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

Name and Address of the Company	Secured Loans excluding Deposits	Unsecured Loans	Deposits**	Total Indebtedness
<b>Indebtedness at the beginning 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>-</b>	<b>-</b>	<b>1,703.60</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	81.31	-	-	81.31
Reduction	(1,444.88)	-	-	(1,444.88)
Net Change	(1,363.57)	-	-	(1,363.57)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	340.03	-	-	340.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>340.03</b>	<b>-</b>	<b>-</b>	<b>340.03</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 (₹/Lacs)
	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. ₹73.97 Lacs	

## B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹/Lacs)
		Mr. Santanu Ray	Mr. Mangilal Jain	Mrs. Plistina Dkhar	
1	Independent Directors				
	Fee for attending Board /Committee meetings	0.70	0.48	0.05	1.23
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.70	0.48	0.05	1.23
2	Other Non-Executive Directors				
	Fee for attending Board /Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.70	0.48	0.05	1.23
	Total Managerial Remuneration				1.23
	Overall ceiling as per the Act	3% of Net profit, calculated as per Section 198 of Companies Act, 2013 i.e. ₹44.38 Lacs			

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total (₹/Lacs)
		Mr. M.V.K. Nageswara Rao	Mr. Uday Bahadur Chetri *	Ms. Neha Agarwal	
	<b>Designation</b>	<b>CEO</b>	<b>CFO</b>	<b>CS</b>	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	30.27	7.64	5.25	43.16
	(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	-	-	-	-
	<b>Total</b>	<b>30.27</b>	<b>7.64</b>	<b>5.25</b>	<b>43.16</b>

\* Resigned w.e.f. 30.04.2019.

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

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

## Annexure 2

# FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the year ended on 31st March, 2019

*[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, 2019 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, 2019, 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 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - 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 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
  - 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 Environment (Protection) Act, 1986
- c) The Water( Prevention and Control of Pollution) Act, 1974
- d) The Air( Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the 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.

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, there were no specific events / actions having a major bearing on the Company's affairs.

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: 6th May, 2019

Place: Kolkata

---

## ANNEXURE – I

To

The Members,

**SHYAM CENTURY FERROUS LIMITED**

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

1. 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 representation about the compliance of laws, rules, regulations, guidelines and directions and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For MKB & Associates**  
Company Secretaries

**Raj Kumar Banthia**  
(Partner)

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Date: 6th May, 2019

Place: Kolkata

### Annexure 3

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

All transactions entered into by the Company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship – Meghalaya Power Limited, Associate Company

(b) Nature of contracts/arrangements/transactions –

(i) Sale, purchase or supply of any goods or materials [Section 188(1)(a) of Companies Act, 2013]

(ii) Availing and Rendering of Services [Section 188(1)(d) of Companies Act, 2013]

(c) Duration of the contracts/arrangements/transactions - On-going transaction (Continuous)

(d) Salient terms of the contracts or arrangements or

transactions including the value, if any:

The transaction with Meghalaya Power Limited includes:

(i) Purchase of Power

The transaction value for the financial year 2018-19 with MPL was ₹ 1,598.14 Lacs.

(e) Date(s) of approval by the Board, if any:

Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.

(f) Amount paid as advances, if any: NIL

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

**Nagraj Tater**

Director

(DIN: 00266072)

Place: Kolkata

Date: 7th May, 2019

**Aditya Vimalkumar Agrawal**

Director

(DIN: 03330313)

## Annexure 4

# 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 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.

The CSR Policy of the Company is available on the Company 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)

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

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

### 3. Average Net Profit of the Company for last 3 financial years: ₹857.49 Lacs

### 4. Prescribed CSR expenditure (2% of amount) : ₹17.15 Lacs

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

a) Total amount to be spent for the financial year: ₹17.15 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	7.50	7.50	7.50	Through implementing agency i.e. Friends of Tribal Society
2.	Animal Welfare	Animal Welfare	Haryana and Uttar Pradesh	10.02	10.02	10.02	Direct
	<b>Total</b>			<b>17.52</b>	<b>17.52</b>	<b>17.52</b>	

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

**Aditya Vimalkumar Agrawal**

Director

(DIN: 03330313)

Place: Kolkata

Date: 7th May, 2019



## Annexure 5

### FORM AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### 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, 2019
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	6,834.82
	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	6,834.82
6.	Profit / Loss for the year	
	i. Considered in Consolidation	619.29
	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 AKSD & Associates

(Formerly, Kailash B. Goel & Co.)  
Firm Registration No. 322460E  
Chartered Accountants

#### CA Arun Kumar Sharma

Partner  
Membership No. 057329

Place : Kolkata  
Date : 7th May, 2019

#### For and on behalf of the Board

#### Nagraj Tater

Director  
(DIN:00266072)

M.V.K. Nageswara Rao  
Chief Executive Officer

#### Aditya Vimalkumar Agrawal

Director  
(DIN: 03330313)

Neha Agarwal  
Company Secretary

## Annexure 6

# 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	23.14	-
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 the part of the financial year 2017-18, the same is not comparable.

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: 5.21%
- (iii) The number of permanent employees on the rolls of the Company : 172
- (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 2018 -19 was 8.7% while the average percentile increase in the Managerial remuneration was NIL.
- (v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in lacs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. M. V. K. Nageswara Rao	Chief Executive Officer	30.27	Permanent	B.Sc.	43	01.10.2012	67	M/s SD Eastern Bhutan Ferrosilicon (P) Ltd	Nil	None
2	Mr. Sumanta Kumar Patra	General Manager	18.38	Permanent	D. EE + HSLC	18	22.11.2012	39	M/s Platinum Alloys Pvt. Ltd	Nil	None
3	Mr. Moida Ramakrishna	Advisor HR	10.25	Permanent	M.A,BL,PG Dip PM, (NIPM)	37	06.11.2015	61	M/s Facor Alloys Ltd	Nil	None
4	Mr. Kailash Chandra Biswal	Sr. Manager Production	9.39	Permanent	BA	18	10.01.2013	39	M/s Jai Balaji Industries Ltd.	Nil	None
5	Mr. Uttam Das	Manager (Captive Power Plant)	8.86	Permanent	DME+ B.O.E	18	27.07.2007	38	M/s DLF Power Ltd	Nil	None
6	Mr. Mcss N. Murthy	Manager Production	8.17	Permanent	Intermediate	32	01.09.2015	55	M/s Sarada Ferro Alloys Ltd.	Nil	None
7	Mr. Uday Bahadur Chetri	Chief Financial Officer - Manager (F & A)	7.64	Permanent	MBA	17	25.02.2017	42	M/s. Mukunda Poly Products	Nil	None
8	Mr. Uttam Kr. Mahanta	Dy. Manager (Production)	7.37	Permanent	B.Sc.	17	08.01.2013	38	M/s Arjaney Alloys Ltd.	Nil	None
9	Mr. Sandip Purkayastha	Assistant Manager (Stores)	6.36	Permanent	B.Sc.	18	14.01.2013	43	M/s Shree Shakambari Ferro Alloys Private Limited	Nil	None
10.	Mr. Pramod Kumar Pradhan	Boiler In charge	6.32	Permanent	B.Com+ 1st cl Boiler operator	15	27.07.2007	57	M/s Amrit Cement Industries Ltd	Nil	None

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

**Nagraj Tater**  
Director  
(DIN: 00266072)

**Aditya Vimalkumar Agrawal**  
Director  
(DIN: 03330313)

Place: Kolkata  
Date: 7th May, 2019

# REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19

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 out of which one is a woman Director. The Board members are expert in different disciplines of corporate working. 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. Further, none of the Directors is a member of the Board in more than eight listed entities and Independent Directors of the Company are not serving as an Independent Director in more than seven listed entities. None of the Managing Directors of the Company are serving as an Independent Director in not more than three listed entities.

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 Agrawal	Director	Non-Executive
Mrs. Plistina Dkhar	Director	Independent
Mr. Mangilal Jain	Director	Independent
Mr. Santanu Ray	Director	Independent

\*Mr. Uday Bahadur Chetri resigned as Chief Financial Officer of the Company w.e.f close of the business hours of 30th April, 2019.

## Directorship, Committee membership and Chairmanship

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) and Committee Chairmanship/ name of listed entities where he/she is a Director and category of Directorship as on date of this report are provided herein below:

Name of the Director	Number of Directorship of Public Limited Companies *	Number of Membership including Chairmanship of Board Committee(s) **	Name of listed entities where he/she is a Director and category of Directorship
Mr. Sajjan Bhajanka	6	4	1. Century Plyboards (India) Limited - Managing Director 2. Star Cement Limited - Managing Director
Mr. Mangilal Jain	8	7 (4 as Chairman)	1. Century Plyboards (India) Limited - Independent Director 2. Star Cement Limited - Independent Director
Mr. Santanu Ray	8	7 (4 as Chairman)	1. Century Plyboards (India) Limited - Independent Director 2. LA Opala R G Limited - Independent Director 3. Star Cement Limited - Independent Director 4. SKP Securities Limited - Independent Director
Mr. Aditya Vimalkumar Agrawal	3	2	-
Mr. Nagraj Tater	8	1	-
Mrs. Plistina Dkhar	4	-	Star Cement Limited - Independent Director

\* 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.

**The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors :-**

(i) General Management (ii) Marketing and branding (iii) Production, Technical and Logistics (iv) Accounts & Finance and Audit & Internal Audit, Taxation etc.

In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the listing regulations and are independent of the management.

**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 2018-19 and the gap between two meetings did not exceed four months. The Meetings were held on 17th May, 2018, 28th June 2018, 26th July, 2018, 12th November, 2018, and 4th February, 2019. The Attendance at the Board Meetings during the Financial Year 2018-19 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	5	No
Mrs. Plistina Dkhar	1	Yes
Mr. Mangilal Jain	5	Yes
Mr. Santanu Ray	5	Yes
Mr. Aditya Vimalkumar Agrawal	5	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 15th March, 2019, to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

**Induction and Familiarization Program for Directors:**

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

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

**Performance Evaluation**

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

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

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors.

The Directors expressed their satisfaction over the evaluation process.

Resume of Directors proposed to be re-appointed:

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

## COMMITTEES OF THE BOARD

Currently, the Board has five Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Finance 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

The Audit Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely, and proper disclosures and transparency, integrity and quality of financial reporting.

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. modified opinion(s) 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;
- xx. To review utilization of loans and/ or advances by holding company in subsidiary companies exceeding ₹100.00 crores or 10% of asset size of subsidiary whichever is lower.
- xxi. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### Composition, Number of Meetings and Attendance:

The Audit Committee met 4 (four) times during the Financial year 2018-19. 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 17th May, 2018, 26th July, 2018, 12th November, 2018, and 4th February, 2019.

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 Agrawal	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.
- vi. To recommend all remuneration payable to Senior Management in whatever form.

#### 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 policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

The remuneration to be paid to the Executive Directors, if any, shall be recommended by the Nomination & 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 was 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 appointment of the Executive Directors, if any is governed by the resolutions passed by the Board and shareholders. The service agreement is entered into with them. There is no provision for payment of severance fee under the resolutions governing appointment of Executive Directors. A notice period of three months is required to be given by the Executive Director seeking to vacate the office. The Company has no stock option plans and such option is not included in the 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 web site of the Company. The Nomination & Remuneration Committee to recommend all remuneration payable to the Senior Management.

#### Remuneration of Directors:

The details of remuneration paid to Directors for the Financial Year 2018-19 are provided below:

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fees (₹)	No. of shares held as on 31.03.2019
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 Agrawal	Non – Executive Director	Nil	Nil	Nil
4	Mr. Mangilal Jain	Independent Director	Nil	45,000	4,700
5	Mr. Santanu Ray	Independent Director	Nil	70,000	Nil
6	Mrs. Plistina Dkhar	Independent Director	Nil	5,000	750

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

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The terms of reference of the Committee includes:

- Review the process and mechanism of redressal of investor grievance and suggest measures of improving

The Remuneration Policy of the Company is available on the Company's website at: [http://shyamcenturyferrous.com/wp-content/uploads/2019/04/SCFL\\_Remuneration-Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2019/04/SCFL_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 17th May, 2018 and 4th February 2019 during the Financial Year 2018-19. All the members of the Committee attended the meeting.

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.



- iv. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- v. To review measures for effective voting rights, adherence to service standards adopted by the Registrars & Share Transfer Agent and measures undertaken for reducing quantum of unclaimed dividend.

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	10
Mr. Nagraj Tater	Non- Executive, Non – Independent	Member	11
Mr. Aditya VimalKumar Agrawal	Non-Executive, Non – Independent	Member	1

The Company Secretary acts as Secretary to the Committee.

#### Meetings and Attendance

During the Financial Year 2018-19, the Stakeholders Relationship Committee met 11 (Eleven) times. The meetings were held on 3rd April, 2018, 6th June, 2018, 28th June, 2018, 19th July, 2018, 24th September, 2018, 30th October, 2018, 27th November, 2018, 17th December, 2018, 31st January, 2019, 18th February, 2019 and 30th March, 2019.

#### Status of Pending Complaints:

The Company has not received any Complaints during the Financial Year 2018-19. There were no complaints pending at the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The terms of reference of the Committee are as follows:

- i. To 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.

- ii. To recommend the amount of expenditure to be incurred on CSR activities

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

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

#### Meetings and Attendance:

The Corporate Social Responsibility Committee met once on 17th May, 2018 during the Financial Year 2018-19. All the Members of the Committee attended the meeting.

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

There was no instances where recommendations of the Committee not accepted by the Board of Directors.

### FINANCE COMMITTEE

The Company has constituted a Finance Committee. The Finance Committee deals within the terms of reference defined by the Board and ensures their expeditious implementation.

The terms of reference of the Committee are as follows:

- i. To approve the opening of and modification in operation of bank accounts, including closure thereof.
- ii. Borrow money by way of loan for the purpose of financing new projects, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments and take necessary actions connected therewith.
- iii. Provide corporate guarantee/performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity.
- iv. Opening, modification and closure of trading and demat

accounts required for securities, derivatives and all other Options.

- v. Monitoring of loans and advances granted by the Company as approved by the Board of Directors from time to time.
- vi. Approve availing of online banking facilities in all forms including but not limited to viewing rights, transaction rights, application for Letters of Credit, Bank Guarantees, Buyers Credit and carry out all trade related transactions through internet.
- vii. Take decisions in connection with any arrangement, document or matter necessary, ancillary, incidental or desirable to give effect to all its powers and authority.
- viii. Any other financial issues or other matters, whether out of and incidental to these functions or not, as may be assigned by the Board.

The Finance 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. Sajjan Bhajanka	Non - Executive, Non-Independent	Chairman	4
Mr. Nagraj Tater	Non - Executive, Non-Independent	Member	4
Mr. Aditya Vimalkumar Agrawal	Non - Executive, Non-Independent	Member	1

#### Meetings and Attendance

The Finance Committee meetings were held on 28th May, 2018; 27th June, 2018; 8th October, 2018 and 4th February, 2019 during the Financial Year 2018-19 and attendance of members are given herein above.

#### 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, leakage of unpublished price sensitive information etc., 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
2017-18	'Star Club', Village: Lumshnong, P.O. Khaliehriat, Dist.: East Jaintia Hills, Meghalaya-793 210	31st July, 2018 at 4.00 p.m.
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.

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

AGM	Date	Matter
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.
7th	31.07.2018	NIL

### Details of Special Resolution passed through Postal Ballot:

The Company had sought approval of the shareholders by way of Special Resolution through notice of postal ballot dated February 4, 2019 for Continuation of Directorship of Mr. Mangilal Jain as an Independent Director, which was duly passed and the results of which were announced on March 29, 2019. The Company extended e-voting facility through National Securities Depository Limited (NSDL). Md. Shahnawaz (Membership No. ACS 21427 and Certificate of Practice No. 15076) of M Shahnawaz and Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The voting pattern on the said resolution is as under:

Resolution: Continuation of Directorship of Mr. Mangilal Jain as an Independent Director

- % of votes cast in favour of the Resolution : 99.99%

- % of votes cast in against the Resolution: 0.01%

### Details of Special Resolution proposed to be conducted through Postal Ballot:

None of the businesses proposed to be transacted requires passing of a special resolution through postal ballot.

#### Procedure for Postal Ballot:

- The notices containing the resolutions and explanatory statement were sent to the shareholders at the addresses registered with the Company alongwith a Postal Ballot Form and a postage prepaid self-addressed envelope containing the address of the Scrutinizer appointed by the Board for carrying out the Postal Ballot process.
- The Postal Ballot Forms received within 30 days of despatch were considered by the Scrutinizer.
- The Scrutinizer submitted his report to the Chairman of the Company, who on the basis of the report announced the results, and
- The Company had engaged the services of National Securities Depositor Limited (NSDL) for providing e-voting facility to its shareholders.

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

#### DISCLOSURES:

- No materially significant related party transactions took place between the Company and its subsidiaries, its Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related\\_Party\\_Policy.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2015/10/Related_Party_Policy.pdf)
- There has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- There has been no instance where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required in the relevant financial year.
- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessments and procedures to minimize risk. The risk management policy is reviewed periodically to ensure that the executive management controls the risk as per decided policy.
- The Company's policy on Vigil mechanism is placed on

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

- The Directors of the Company are not related inter-se.
- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review, the Company has not raised any money through public issue.
- During the year under review no instances of sexual harassment reported.
- The Company's policy on "material subsidiary" is placed on the Company's website at [http://shyamcenturyferrous.com/wp-content/uploads/2019/04/SCFL\\_Policy-on-Material-subsiadiary.pdf](http://shyamcenturyferrous.com/wp-content/uploads/2019/04/SCFL_Policy-on-Material-subsiadiary.pdf)
- A certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority forms part of this Annual Report.
- Total consolidated fees paid for all services rendered by the Statutory Auditors to the Company during the year under review was ₹2.70 Lacs.
- The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - a) Non-Executive Chairman's Office: The Company does not have regular Non – Executive chairperson.
  - b) Shareholders' Rights: As the quarterly, half yearly and annual results of the Company along with significant events, if any, are published in the newspapers and also posted on the Company's website, the same are not being sent individually to the shareholders.
  - c) Modified Opinion in Audit Report: The Company's financial statement for the year ended 31st March, 2019 does not contain any modified audit opinion.
  - d) Separate posts of Chairman and CEO: The positions of Chairman and Chief Executive Officer (CEO) are separate.
  - e) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.
- The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub regulation (2) of regulation 46 of the LODR.

## CREDIT RATINGS

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. CARE Ratings, has affirmed the Company's short term rating to "CARE A2+" (pronounced CARE A two plus, outlook stable) and reaffirmed the long term rating at "CARE A-, Stable" (pronounced CARE Single A minus, outlook stable).

## 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, investor presentations, 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 and are displayed on the Company's website.

The Company has designated the following email id exclusively for investor serving: [investors@shyamcenturyferrous.com](mailto:investors@shyamcenturyferrous.com)

## 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	27th September, 2019 at 4.00 P.M
Venue	Star Club, Village : Lumshnong, PO : Khaliehriat, Dist. East Jaintia Hills, Meghalaya – 793210
Dates of Book Closure	19th September, 2019 to 27th September, 2019 (both days inclusive)

### Financial Calendar (for the year 2019-20)

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, 2019	Within 45 days from the end of quarter
Second Quarter ended 30th September, 2019	Within 45 days from the end of quarter
Third Quarter ended 31st December, 2019	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31st March, 2020	Within 60 days from the end of quarter

### Listing on Stock Exchanges

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

- a) **National Stock Exchange of India Ltd (NSE)**  
Exchange Plaza, Bandra –Kurla Complex, Bandra (E)  
Mumbai- 400 051  
Stock Code - SHYAMCENT
- b) **BSE Ltd. (BSE)**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
Stock Code - 539252

The Company has paid listing fees to NSE and BSE for the year 2019 – 20.

Annual Custody/Issuer fee for the year 2018-19 has been paid by the Company to NSDL and CDSL. Bills for the year 2019-20 is yet to be received by the Company from both NSDL and CDSL.

### 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 2018-19 are as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2018	14.66	9.00	79,14,627	14.50	8.70	70,64,405
May 2018	12.39	9.81	2,27,739	13.15	9.90	6,95,217
June 2018	10.80	8.13	2,51,758	10.50	8.00	5,65,281
July 2018	9.61	8.27	1,70,071	9.40	8.15	6,12,534
August 2018	10.45	8.60	2,33,307	10.50	8.40	93,91,876
September 2018	9.50	7.51	1,21,553	9.70	7.35	6,84,776
October 2018	7.95	6.15	1,52,578	7.85	6.30	46,81,512
November 2018	8.75	6.50	83,192	7.95	6.45	3,61,527
December 2018	8.85	6.06	1,24,450	8.30	5.85	92,76,668
January 2019	7.38	4.42	1,01,278	6.85	5.10	3,17,102
February 2019	6.29	4.21	83,447	6.80	4.65	35,97,304
March 2019	8.50	5.51	95,090	7.85	5.65	16,19,366

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

Month	BSE Sensex		Company's Share	
	Closing	% Change	Closing	% Change
April 2018	35,160.36	6.65	12.39	40.32
May 2018	35,322.38	0.46	10.46	(15.58)
June 2018	35,423.48	0.29	8.69	(16.92)
July 2018	37,606.58	6.16	9.01	3.68
August 2018	38,645.07	2.69	9.50	5.44
September 2018	36,227.14	(6.26)	7.85	(17.37)
October 2018	34,442.05	(4.93)	7.12	(9.30)
November 2018	36,194.30	5.09	6.97	(2.11)
December 2018	36,068.33	(0.35)	6.72	(3.59)
January 2019	36,256.69	0.52	5.49	(18.30)
February 2019	35,867.44	(1.07)	5.63	2.55
March 2019	38,672.91	7.82	6.29	11.72

## 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

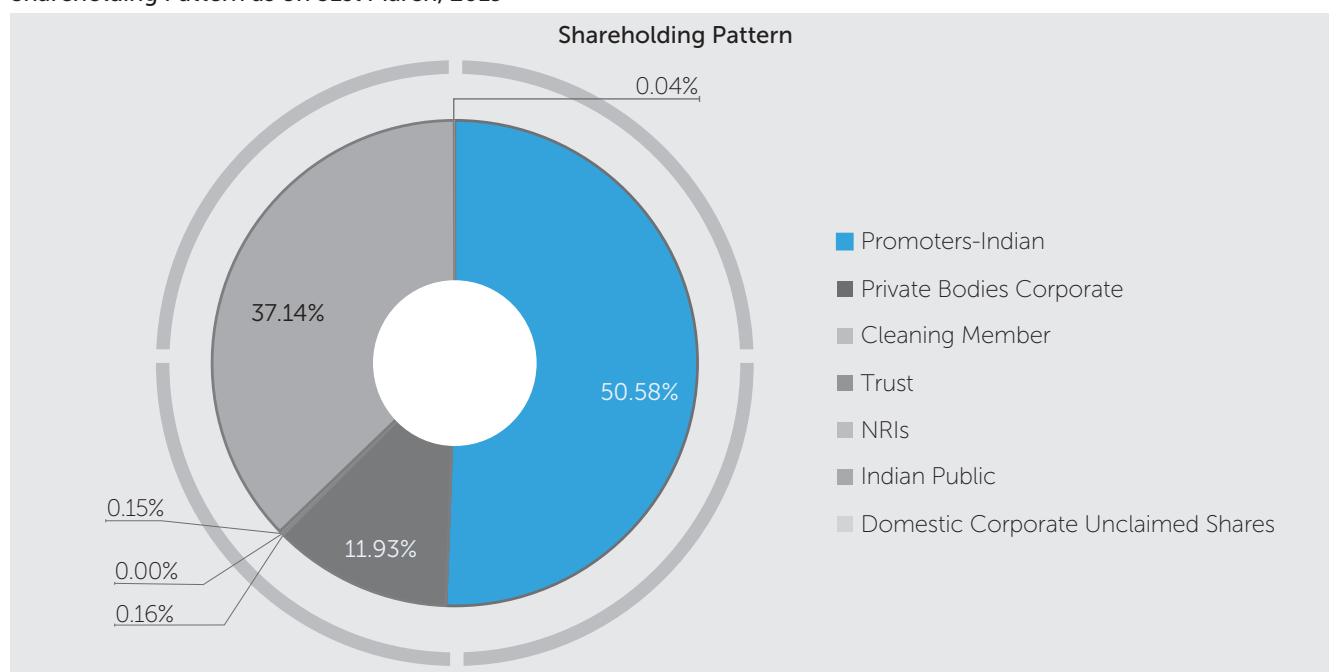
Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfers are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

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, 2019

Shareholding	Total No. of Shareholders	%	No. of Shares	%
1- 500	7,142	65.95	8,93,398	0.40
501-1000	1,132	10.45	10,07,457	0.45
1001-5000	1,707	15.76	44,81,571	2.02
5001-10000	416	3.84	31,95,846	1.44
10001- 20000	212	1.96	31,07,618	1.40
20001 and above	220	2.04	20,94,87,100	94.29
<b>Total</b>	<b>10,829</b>	<b>100</b>	<b>22,21,72,990</b>	<b>100</b>

### Shareholding Pattern as on 31st March, 2019



Category	Number of Shareholders*	Number of Shares	% of total Share Capital
Promoter and Promoter Group	22	11,23,65,155	50.58
Bodies Corporate	216	2,65,11,093	11.93
Trusts	5	7,500	0.00
Clearing Member	43	3,64,295	0.16
NRIs	159	3,20,352	0.15
Individual	10,081	8,25,11,015	37.14
Domestic Corporate Unclaimed Shares	1	93,580	0.04
<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).

22,16,30,103 Ordinary Shares of the Company representing 99.76% of the Company's share capital are dematerialised as on 31st March, 2019.

The Company has never issued any GDR/ADR/ warrants or any convertible instruments.

## RECONCILIATION OF SHARE CAPITAL AUDIT:

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

## DISCLOSURES WITH RESPECT TO UNCLAIMED SHARES SUSPENSE ACCOUNT

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 01.04.2018	53	1,08,580
Aggregate number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account	1	15,000
Number of shareholders to whom shares were transferred from Suspense Account during the year	1	15,000
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31.03.2019	52	93,580
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		

## COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Commodities form a major part of the raw materials required for Company's products and hence, commodity price risk is one of the important market risk for the Company. The Company has mechanism to ensure that the organization is protected from market volatility in terms of price and availability of raw materials and prefers long term arrangement with the suppliers. The Company does not hedge its exposure to commodity price risks.

The Company also does not hedge foreign exchange risks.

### Plant Location:

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

### Address for Correspondence:

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

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 7th May, 2019

**Nagraj Tater**  
Director  
(DIN: 00266072)

**Aditya Vimalkumar Agrawal**  
Director  
(DIN: 03330313)

# COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

---

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended 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, 2019.

Place: Kolkata  
Dated: 7th May, 2019

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

---

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)

To,  
The Board of Directors  
**Shyam Century Ferrous Limited**

I the undersigned, in my respective capacity as Chief Executive Officer of Shyam Century Ferrous Limited ("the Company"), to the best of my knowledge and belief certify that:

- A. I have reviewed the financial statements and the cash flow statement for the Financial year ended 31st March, 2019 and based on my knowledge and belief, I 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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting. I 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 I am aware, has been disclosed to the Auditors and the Audit Committee and steps has been taken to rectify these deficiencies.
- D. I have indicated, based on my 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 I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 7th May, 2019

**M.V.K.Nageswara Rao**  
*Chief Executive 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, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 M/s. AKSD & Associates**  
(Formerly, Kailash B. Goel & Co.)  
Firm Registration No. 322460E  
*Chartered Accountants*

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

Place: Kolkata  
Date: 7th May, 2019

# CERTIFICATE FROM PRACTICING COMPANY SECRETARY

---

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by SHYAM CENTURY FERROUS LIMITED having its Registered Office at Vill.: Lumshnong, PO: Khaliehriat, Lumshnong, East Jaintia Hills, Meghalaya - 793210 ("the Company"), the information provided by the Company, its officers, agents and authorized representatives and based on the verification of the Ministry of Corporate Affairs website, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

**For MKB & Associates**  
*Company Secretaries*

**Raj Kumar Banthia**  
*(Partner)*

ACS No: 17190

COP No.: 18428

FRN: P2010WB042700

Date: 6th May, 2019

Place: Kolkata

# Independent Auditors' Report

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

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Shyam Century Ferrous Limited (the "Company")**, which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and the financial performance and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional

judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

## Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)

(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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";
- (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

#### For A K S D & Associates

(Formerly Kailash B Goel & Co.)  
Firm Registration No. 322460E  
*Chartered Accountants*

#### CA Arun Kumar Sharma

*Partner*

Place: Kolkata

Date: 7th May, 2019

Membership No. 057329

## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March, 2019, 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 the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit and materials lying with third parties, which have been substantially confirmed by them, has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were observed.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. So the provision of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loan and investments made.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order 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 Companies

Act, 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues in arrears as at March 31, 2019 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 and cess which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) The Company has not defaulted in repayment of loans or borrowings from financial institutions or banks. The Company has not issued any debentures.

- (ix) The Company has not raised any money by way of initial public offer/further public offer/debt instruments/term loans. Accordingly, the provisions of Clause 3 (ix) of the Order is not applicable.

- (x) To the best of our knowledge and 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) 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 Companies Act, 2013.

- (xii) The Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and 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 section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment/private placements of shares/fully/partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or person connected with

him as referred to in section 192 of the Companies Act, 2013. 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. Accordingly, the provision of clause 3(xvi) are not applicable to the Company.

**For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No. 322460E

*Chartered Accountants*

**CA Arun Kumar Sharma**

*Partner*

Place: Kolkata

Date: 7th May, 2019

Membership No. 057329

## Annexure - B to the Independent Auditors' Report

### ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHYAM CENTURY FERROUS LIMITED

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

We have audited the internal financial controls over financial reporting of **Shyam Century Ferrous Limited ("the Company")** as at March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No. 322460E

*Chartered Accountants*

**CA Arun Kumar Sharma**

*Partner*

Place: Kolkata

Date: 7th May, 2019

Membership No. 057329



## Standalone Balance Sheet as at 31 March, 2019

(₹ in Lacs)

Particulars	Notes	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	1,993.39	2,216.69
(b) Intangible assets	4	0.24	0.53
(c) Investment	5	3,373.50	3,373.50
(d) Financial assets			
(i) Loans	6	55.71	55.66
(e) Non-current tax asset (net)	7	210.34	20.03
(f) Other non-current assets	8	877.33	1,601.97
<b>Total non-current assets</b>		<b>6,510.51</b>	<b>7,268.38</b>
<b>(2) Current assets</b>			
(a) Inventories	9	1,766.17	2,761.75
(b) Financial assets			
(i) Trade receivables	10	2,791.67	3,304.36
(ii) Cash and cash equivalents	11	984.16	167.94
(iii) Loans	12	-	0.32
(iv) Other financial assets	13	354.07	346.21
(c) Other current assets	14	701.14	435.34
<b>Total current assets</b>		<b>6,597.21</b>	<b>7,015.92</b>
<b>Total assets</b>		<b>13,107.72</b>	<b>14,284.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	2,221.73	2,221.73
(b) Other equity	16	9,295.84	8,253.05
<b>Total equity</b>		<b>11,517.57</b>	<b>10,474.78</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	190.54	258.72
(b) Deferred tax liabilities (net)	18	68.49	77.78
(c) Employee benefit obligations	19	57.31	47.57
<b>Total non-current liabilities</b>		<b>316.34</b>	<b>384.07</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	81.31	1,381.70
(ii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		189.38	591.33
(iii) Other financial liabilities	22	546.76	1,045.11
(b) Other current liabilities	23	275.88	262.22
(c) Employee benefit obligations	24	25.03	13.66
(d) Current tax liabilities (net)	25	155.45	131.43
<b>Total current liabilities</b>		<b>1,273.81</b>	<b>3,425.45</b>
<b>Total liabilities</b>		<b>1,590.15</b>	<b>3,809.52</b>
<b>Total equity and liabilities</b>		<b>13,107.72</b>	<b>14,284.30</b>
<b>Summary of Significant accounting policies</b>	1&2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

**CA. Arun Kumar Sharma**

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

**M V K Nageswara Rao**

Chief Executive Officer

**Neha Agarwal**

Company Secretary

**Nagraj Tater**

Director

DIN : 00266072

**Aditya Vimalkumar Agrawal**

Director

DIN : 03330313

## Statement of Standalone Profit and Loss for the year ended 31 March, 2019

(₹ in Lacs)

Particulars	Notes	31 March 2019	31 March 2018
<b>INCOME</b>			
Revenue from operations	26	13,331.43	12,409.50
Other income	27	112.35	141.19
<b>Total income</b>		<b>13,443.78</b>	<b>12,550.69</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	4,304.07	3,372.12
(Increase)/Decrease in Inventories	29	(475.56)	20.89
Excise duty		-	48.93
Employee benefit expense	30	648.44	644.77
Finance costs	31	129.51	171.62
Depreciation and amortisation expense	32	276.21	249.67
Other expenses	33	7,081.73	6,444.01
<b>Total expenses</b>		<b>11,964.40</b>	<b>10,952.01</b>
<b>Profit before tax</b>		<b>1,479.38</b>	<b>1,598.68</b>
Income tax expense			
- Current tax		438.53	526.67
- Deferred tax		(7.16)	26.65
<b>Total tax expense</b>	34	<b>431.37</b>	<b>553.32</b>
<b>Profit for the year</b>		<b>1,048.01</b>	<b>1,045.36</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations		(7.36)	3.04
Income tax relating to these items		2.14	(0.88)
<b>Other comprehensive income for the year, net of tax</b>		<b>(5.22)</b>	<b>2.16</b>
<b>Total comprehensive income for the year</b>		<b>1,042.79</b>	<b>1,047.52</b>
<b>Earnings per equity share:</b>			
	35		
Basic earnings per share (₹ per Share)		0.47	0.47
Diluted earnings per share (₹ per Share)		0.47	0.47
Summary of Significant accounting policies	1&2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

**CA. Arun Kumar Sharma**

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

**M V K Nageswara Rao**

Chief Executive Officer

**Neha Agarwal**

Company Secretary

**Nagraj Tater**

Director

DIN : 00266072

**Aditya Vimalkumar Agrawal**

Director

DIN : 03330313

## Standalone Statement of Changes in Equity for the year ended 31 March, 2019

### A. Equity share capital

(₹ in Lacs)

Particulars	31 March 2019
As at 1 April, 2017	2,221.73
Changes in equity share capital	-
As at 31 March, 2018	2,221.73
Changes in equity share capital	-
As at 31 March, 2019	2,221.73

### B. Other equity

(₹ 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 (b)		2.16	2.16
Total comprehensive income for the year (a + b)	-	1,047.52	1,047.52
Balance as at 31 March, 2018	6,087.78	2,165.27	8,253.05

(₹ in Lacs)

Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 01 April, 2018	6,087.78	2,165.27	8,253.05
Profit for the year (a)		1,048.01	1,048.01
Other comprehensive income/(loss) for the year (b)		(5.22)	(5.22)
Total comprehensive income for the year (a + b)	-	1,042.79	1,042.79
Balance as at 31 March, 2019	6,087.78	3,208.06	9,295.84

The accompanying notes form an integral part of the financial statements

As per our report of even date

#### For A K S D & Associates

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

#### CA. Arun Kumar Sharma

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

#### M V K Nageswara Rao

Chief Executive Officer

#### Neha Agarwal

Company Secretary

#### Nagraj Tater

Director

DIN : 00266072

#### Aditya Vimalkumar Agrawal

Director

DIN : 03330313

## Standalone Cash Flow Statement for the year ended 31 March, 2019

(₹ in Lacs)

Sl. No.	Particulars	31 March 2019	31 March 2018
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before Tax	1,479.38	1,598.68
	Adjustments for:		
	Depreciation/Amortisation	276.21	249.67
	(Profit)/Loss on sale of property, plant and equipment	(10.48)	-
	Finance Cost	129.51	110.31
	Interest and Other Income	101.88	(79.88)
	<b>Operating Profit before Working Capital changes</b>	<b>1976.50</b>	<b>1878.78</b>
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	512.68	(610.17)
	(Increase)/Decrease in Inventories	995.58	354.83
	(Increase)/Decrease in Other receivables	(273.38)	(8.39)
	(Increase)/Decrease in Other assets	612.62	642.04
	Increase/(Decrease) in Other liabilities	(437.20)	289.83
	Increase/(Decrease) in Trade payables	(401.96)	(271.17)
	<b>Cash Generated from Operations</b>	<b>2984.84</b>	<b>2275.75</b>
	Income Tax Paid	(524.17)	(459.93)
	<b>Net Cash generated from Operating Activities</b>	<b>2460.67</b>	<b>1815.82</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(57.83)	(434.93)
	Sale of Fixed Assets	15.70	-
	Fixed Deposits/Margin Money (Given)/Refund	-	0.25
	Interest Received	(101.88)	-
	<b>Net Cash from Investing Activities</b>	<b>(144.01)</b>	<b>(434.68)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Increase in Short Term Borrowings	(1,300.39)	(1,585.20)
	Repayment of Long Term Borrowings	(63.18)	246.40
	Interest Paid	(129.51)	(110.31)
	<b>Net Cash used in Financing Activities</b>	<b>(1493.08)</b>	<b>(1449.11)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>823.58</b>	<b>(67.97)</b>
	<b>Opening Cash and Cash Equivalents</b>	<b>167.94</b>	<b>235.91</b>
	<b>Closing Cash and Cash Equivalents</b>	<b>984.16</b>	<b>167.94</b>

### Note:

Significant non cash movement in borrowing during the year include hire purchase of ₹ Nil (as at 31st March'18 ₹354.81 Lacs).

The accompanying notes form an integral part of the financial statements

As per our report of even date

### For A K S D & Associates

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

### CA. Arun Kumar Sharma

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

### M V K Nageswara Rao

Chief Executive Officer

### Neha Agarwal

Company Secretary

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

### Nagraj Tater

Director

DIN : 00266072

### Aditya Vimalkumar Agrawal

Director

DIN : 03330313

# Notes to Standalone Financial Statement for the year ended 31 March, 2019

## Corporate Information

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

## 1. 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) read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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 lakhs as per the requirement of Schedule III, unless otherwise stated.

### 1.2 Use of Estimates

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

### 1.3 (A) Revenue Recognition

Sales are recognised when control of the products has transferred, domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export/bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence / loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price and as per terms specified in the contracts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### (B) Other Income

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

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### 1.4 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortization and impairment losses if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to working condition for its intended use.

#### 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 Inventories

Raw Materials and 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 excluding finished goods and work-in-progress 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.

### 1.6 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.

### 1.7 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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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.
- **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.

## 1.8 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 or 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.

## 1.9 Government Grants and subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants, if any granted by way of recoupment / reimbursement of any item of expenditure are recognized in the Statement of Profit and Loss by way of deduction from related item of expenses. Grants related to assets which are

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

recognized in the Statement of Financial Position as deferred income, are recognized to the Statement of profit or loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

### 1.10 Employee benefits

#### (i) 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.

#### (ii) Defined Contribution Plan

Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

#### (iii) Defined Benefit Plan

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each financial year.

### 1.11 Earnings per Share

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

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

### 1.12 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.

### 1.13 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.

### 1.14 Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income 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 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



## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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 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 profit or 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.

### 1.15 Segment Reporting

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

### 1.16 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.

### 1.17 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.

### 1.18 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 National Rupee (INR), which is Shyam Century Ferrous Limited'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.

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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.

### 1.19 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 Statement of Financial Position 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.

### 1.20 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.

### 1.21 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.

### 1.22 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.

### 1.23 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.

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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

### 1.24 Research and Development Expenditure

Revenue expenditure is charged to the Statement of Profit and Loss and capital expenditure is added to the cost of property, plant and equipment in the year in which they are incurred.

### 1.25 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## RECENT ACCOUNTING DEVELOPMENTS

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

#### (a) Ind AS 116 – “Leases”

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The Statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March 2020 to show the impact of adopting Ind AS 116.

#### (b) Appendix C, ‘Uncertainty over Income Tax Treatments’, to Ind AS 12, ‘Income Taxes’

This appendix was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- (i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or
- (ii) together as a group, depending on which approach better predicts the resolution of the uncertainty;
- (iii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- (iv) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- (v) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- (vi) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

Presently, the Company is in the process of evaluating the impact that application of this appendix is expected to have on its financial statements. The Company intends to apply this appendix retrospectively, with the cumulative effect of initially applying the appendix recognised at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### 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>										
As at 1st April 2017	86.17	397.41	195.06	1,363.76	139.30	3.75	2.70	2.66	53.31	2,244.12
Addition	-	-	-	28.38	6.00	-	0.15	-	400.40	434.93
Disposals/Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	86.17	397.41	195.06	1,392.14	145.30	3.75	2.85	2.66	453.71	2,679.05
Addition	-	-	-	1.93	-	-	-	-	56.08	58.00
Disposals/Deduction/Adjustment	-	-	-	-	-	0.06	0.02	0.09	5.22	5.39
As at 31st March 2019	86.17	397.41	195.06	1,394.07	145.30	3.69	2.83	2.57	504.57	2,731.67
<b>Depreciation</b>										
As at 1st April 2017	-	37.24	11.13	118.16	27.83	0.83	0.90	0.90	16.70	213.69
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	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	-	70.99	19.94	227.07	47.30	1.30	1.54	1.31	92.91	462.36
Charge for the year	-	30.59	8.38	105.78	15.80	0.29	0.37	0.19	114.52	275.92
Disposals/Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	-	101.58	28.32	332.85	63.10	1.59	1.91	1.50	207.43	738.28
<b>Net Block</b>										
As at 31st March 2018	86.17	326.42	175.12	1,165.07	98.00	2.45	1.31	1.35	360.80	2,216.69
As at 31st March 2019	86.17	295.83	166.74	1,061.22	82.20	2.10	0.92	1.07	297.14	1,993.39

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 4 - Intangible assets

(₹ in Lacs)

Particulars	Computer Software
<b>Gross block</b>	
As at 1st April 2017	2.53
Addition	-
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2018</b>	<b>2.53</b>
Addition	-
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2019</b>	<b>2.53</b>
<b>Depreciation</b>	
As at 1st April 2017	1.00
Charge for the year	1.00
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2018</b>	<b>2.00</b>
Charge for the year	0.29
Disposals/Deduction/Adjustment	
<b>As at 31st March 2019</b>	<b>2.29</b>
<b>Net Block</b>	
As at 31st March 2018	0.53
As at 31st March 2019	0.24

-During the year the Company has discarded fixed assets amounting to ₹5.65 Lacs (as at 31st March'18 ₹ Nil) and sold fixed assets amounting to ₹88.04 Lacs (as at 31st March'18 ₹ Nil)

### Note: 5 - Investment

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unquoted equity instrument		
Meghalaya Power Limited		
83,58,998 (83,58,998 as at 31 March 2018) equity shares of ₹10 each fully paid up	3,373.50	3,373.50
<b>Total</b>	<b>3,373.50</b>	<b>3,373.50</b>

### Note: 6 - Financial assets -Loans - non current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
- Unsecured, Considered Good		
Security Deposits	55.71	55.66
<b>Total</b>	<b>55.71</b>	<b>55.66</b>

### Note: 7 - Non-current tax asset (net)

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation of ₹1,524.35 Lacs as at 31 March 2019 and ₹537.62 Lacs as at 31 March 2018)	210.34	20.03
<b>Total</b>	<b>210.34</b>	<b>20.03</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 8 - Other non-current assets

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Balance with statutory/Government authorities	876.63	1,601.27
Deposit with statutory/Government authorities	0.70	0.70
<b>Total</b>	<b>877.33</b>	<b>1,601.97</b>

### Note: 9 - Inventories

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Raw materials	761.39	1,305.51
Finished goods	591.96	116.40
Fuels, packing materials, etc.	20.60	997.82
Stores & spare parts	392.22	342.02
<b>Total</b>	<b>1,766.17</b>	<b>2,761.75</b>

### Note: 10 - Trade receivables

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unsecured, Considered good	2,791.67	3,304.36
<b>Total</b>	<b>2,791.67</b>	<b>3,304.36</b>

### Note: 11 - Cash and cash equivalents

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Cash in hand	2.88	4.41
Cheques in hand	3.93	78.26
Balance with banks:		
- In current accounts	177.35	85.27
Fixed Deposit with Bank	800.00	-
<b>Total</b>	<b>984.16</b>	<b>167.94</b>

### Note: 12 - Loans - current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
-Unsecured, Considered Good		
Security Deposits	-	0.32
<b>Total</b>	<b>-</b>	<b>0.32</b>

### Note: 13 - Other financial assets - current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advance given to suppliers recoverable	19.55	27.55
Less : Allowances for doubtful advance	(8.00)	(8.00)
Advances for services & expenses recoverable	341.83	326.66
Accrued Interest but not due	0.69	-
<b>Total</b>	<b>354.07</b>	<b>346.21</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 14 - Other current assets

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advances to suppliers	1.01	5.94
Advances for services & expenses	21.99	9.39
Advance to employee	0.58	1.86
Prepaid Expenses	9.86	29.02
Balances with/ Receivable from Statutory/ Government Authorities	667.70	389.13
<b>Total</b>	<b>701.14</b>	<b>435.34</b>

### Note: 15 - Equity share capital

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Authorised</b>		
22,27,00,000 (22,27,00,000 as at 31 March 2018) Equity Shares of ₹1/- each fully paid up	2,227.00	2,227.00
	<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 2018) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73
	<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 2018) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73
	<b>2,221.73</b>	<b>2,221.73</b>

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

The company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays 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.

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

Equity shares	31 March 2019	31 March 2018
	No. of shares	No. of shares
At the beginning of the year	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>

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

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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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

Particulars	31 March 2019	31 March 2018
	No. of Shares % holding	No. of Shares % holding
<b>Equity Shares of ₹1/- each fully paid-up</b>		
Shri Prem Kumar Bhajanka	-	14340506
	-	6.45%
Smt Santosh Bhajanka	15049500	15049500
	6.77%	6.77%
Shri Sanjay Agarwal	14212976	14212976
	6.40%	6.40%
Smt Divya Agarwal	14488750	14488750
	6.52%	6.52%
Shri Sajjan Bhajanka	11234493	11234493
	5.06%	5.06%
Shri Brij Bhushan Agarwal	22846012	25186012
	10.28%	11.34%
Shri Anurag Chowdhary	11196575	-
	5.04%	-
Mahabir Prasad Agarwal (HUF)	-	14700000
	-	6.62%

### Note: 16 - Other equity

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Capital reserves	6,087.78	6,087.78
Retained earnings	3,208.06	2,165.27
<b>Total</b>	<b>9,295.84</b>	<b>8,253.05</b>

#### (i) Capital reserves

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
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 2019	31 March 2018
Opening balance	2,165.27	1,117.75
Net profit for the year	1,048.01	1,045.36
<b>Other comprehensive income</b>		
- Remeasurements of post-employment benefit obligation, net of tax	(5.22)	2.16
<b>Closing balance</b>	<b>3,208.06</b>	<b>2,165.27</b>



## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 17 - Borrowings - Non-current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Other Loans (Secured)</b>		
Hire Purchase from Bank	258.71	321.90
Less: Current maturities of long term borrowing	68.17	63.18
<b>Total</b>	<b>190.54</b>	<b>258.72</b>

#### Terms of Loans

17.1 Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable monthly within five years.

17.2 The Company does not have any defaults in repayment of loans & interest at reporting date.

### Note: 18 - Deferred tax liabilities (net)

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Deferred tax asset</b>		
Expenditure allowable for tax purposes upon payment	23.98	17.83
<b>Total deferred tax asset</b>	<b>23.98</b>	<b>17.83</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment : impact of difference between tax depreciation and depreciation/ amortization charged	92.47	95.61
<b>Total deferred tax liabilities</b>	<b>92.47</b>	<b>95.61</b>
<b>Net deferred tax (asset)/liabilities</b>	<b>68.49</b>	<b>77.78</b>

### Note: 19 - Employee benefit obligation - non current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Provision for Gratuity	57.31	47.57
<b>Total</b>	<b>57.31</b>	<b>47.57</b>

### Note: 20 - Borrowings

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Working Capital Facilities (Secured)</b>		
- Cash Credit from a bank	81.31	1,381.70
<b>Total</b>	<b>81.31</b>	<b>1,381.70</b>

- Working Capital facility of ₹81.31 Lacs (31 March 2018 ₹1381.70 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.

### Note: 21 - Trade Payable

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	189.38	591.33
<b>Total</b>	<b>189.38</b>	<b>591.33</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 22 - Other financial liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Current maturities of long term borrowings	68.17	63.18
Advances taken from customer repayable	-	1.54
Salary & bonus payable to employees	50.57	48.81
Other liabilities	428.02	931.58
<b>Total</b>	<b>546.76</b>	<b>1,045.11</b>

### Note: 23 - Other current liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Other Payables</b>		
-Statutory Liabilities	225.07	236.72
-Advances taken from customer	50.81	25.50
<b>Total</b>	<b>275.88</b>	<b>262.22</b>

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Provision for Leave encashment obligations	10.95	9.17
Provision for Gratuity	14.08	4.49
<b>Total</b>	<b>25.03</b>	<b>13.66</b>

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
-Provision for taxation (net of advance tax of ₹2.02 Lacs as at 31 March 2019 and ₹771.60 Lacs as at 31 March 2018)	155.45	131.43
<b>Total</b>	<b>155.45</b>	<b>131.43</b>

### Note: 26 - Revenue from operations

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Sale of products	13,201.79	12,365.84
Other operating revenues	129.64	43.66
<b>Total</b>	<b>13,331.43</b>	<b>12,409.50</b>

### Note: 27 - Other income

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Interest income	112.35	141.19
<b>Total</b>	<b>112.35</b>	<b>141.19</b>

### Note: 28 - Cost of materials consumed

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year	1,305.51	377.09
Add: Purchases	3,759.95	4,300.54
	<b>5,065.46</b>	<b>4,677.63</b>
Less: Inventory at the end of the year	761.39	1,305.51
<b>Total</b>	<b>4,304.07</b>	<b>3,372.12</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year	116.40	137.29
Inventory at the end of the year	591.96	116.40
<b>Total</b>	<b>(475.56)</b>	<b>20.89</b>

### Note: 30 - Employee benefit expense

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Salaries & Wages	596.12	579.62
Contribution to Provident Fund and other Funds	28.78	27.65
Staff Welfare Expenses	23.54	37.50
<b>Total</b>	<b>648.44</b>	<b>644.77</b>

### Note: 31 - Finance costs

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Interest expenses	102.20	136.67
Other Finance Costs	27.31	34.95
<b>Total</b>	<b>129.51</b>	<b>171.62</b>

### Note: 32 - Depreciation and Amortisation

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Depreciation on Property Plant & Equipment	275.92	248.67
Amortisation on intangible assets	0.29	1.00
<b>Total</b>	<b>276.21</b>	<b>249.67</b>

### Note: 33 - Other expenses

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Consumption of Stores & Spares	628.07	503.92
Packing Materials	74.86	59.65
Power & Fuel	5,591.36	4,870.35
Repairs & Maintenance		
- Building	24.39	20.78
- Plant & Machinery	77.16	238.12
- Others	19.12	10.02
Insurance	43.49	30.97
Rent, Rates & Taxes	42.74	63.65
Travelling and Conveyance	10.53	13.75
Heavy Vehicle / Equipment Running Expenses	57.05	79.71
Corporate Social Responsibility	17.52	15.00
Miscellaneous Expenses	99.64	79.30
Outward Freight Charges	392.98	452.08
Commission, Discount & Incentives on Sale	2.82	6.71
<b>Total</b>	<b>7,081.73</b>	<b>6,444.01</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 34 - Tax expenses

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>a) Current tax</b>		
Current tax on profits for the year	438.53	526.67
<b>Total current tax expense</b>	<b>438.53</b>	<b>526.67</b>
<b>b) Deferred tax</b>		
Deferred tax expense	(7.16)	26.65
<b>Total deferred tax expense</b>	<b>(7.16)</b>	<b>26.65</b>
<b>Income tax expense</b>	<b>431.37</b>	<b>553.32</b>

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

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit from continuing operations before income tax expense	1,479.38	1,598.68
<b>Tax at the Indian tax rate of 29.12%</b>	<b>430.80</b>	<b>553.27</b>
Items not deductible/taxable under tax	7.73	6.34
Impact of change in tax rate during the year	-	(1.07)
Adjustments for current tax of prior periods	-	-
Additional deductions under provisions of the income tax act	-	-
Other adjustments	(7.16)	(5.22)
<b>Income tax expense</b>	<b>431.37</b>	<b>553.32</b>

The tax rate used for the financial year 2017-18 and 2018-19 reconciliation above is the Corporate Tax Rate of 34.608% ( 30% + Surcharge 12% + Education Cess 3% ) and 29.12% ( 25% + Surcharge 12% + Education Cess 4% ) respectively payable on taxable profit under Income Tax Act 1961.

### Note: 35 - Earnings per share

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the equity holders of the Company ( ₹ per Share )	0.47	0.47
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the equity holders of the Company ( ₹ per Share )	0.47	0.47
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	1,048.01	1,045.36
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	1,048.01	1,045.36
<b>(d) Weighted average number of equity shares used as the denominator</b>		
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

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### 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 2019	31 March 2018
<b>Current</b>		
Financial assets		
First charge		
Inventory	1,766.17	2,761.75
Trade receivables	2,791.67	3,304.36
Cash & Cash Equivalents	984.16	167.94
Other current assets	1,055.21	781.87
<b>Total current assets pledged as security</b>	<b>6,597.21</b>	<b>7,015.92</b>
<b>Non-current</b>		
Second charge		
Property, plant and equipment, intangible assets	1,993.63	2,217.22
<b>Total non-currents assets pledged as security</b>	<b>1,993.63</b>	<b>2,217.22</b>
<b>Total assets pledged as security</b>	<b>8,590.84</b>	<b>9,233.14</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 March 2019	31 March 2018
Leave obligations not expected to be settled within the next 12 months	9.12	8.22

#### (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	Net amount
<b>01 April 2017</b>	<b>46.92</b>
Current service cost	7.97
Interest expense/(income)	3.50
<b>Total amount recognised in profit or loss</b>	<b>11.47</b>
<b>Remeasurements</b>	
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)
Actuarial (gain)/loss from unexpected experience	(1.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(3.04)</b>
Employer contributions/ premium paid	-
Benefit payments	(3.29)
Disposal/ Transfer of obligation	-
<b>31 March 2018</b>	<b>52.06</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

(₹ in Lacs)

Particulars	Net amount
<b>01 April 2018</b>	<b>52.06</b>
Current service cost	10.06
Interest expense/(income)	3.93
<b>Total amount recognised in profit or loss</b>	<b>13.99</b>
<b>Remeasurements</b>	
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	0.46
Actuarial (gain)/loss from unexpected experience	6.90
<b>Total amount recognised in other comprehensive income</b>	<b>7.36</b>
Employer contributions/ premium paid	-
Benefit payments	(2.01)
Disposal/ Transfer of Asset	-
<b>31 March 2019</b>	<b>71.40</b>

### (iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2019	31 March 2018
Discount rate	7.70%	7.75%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

### (v) 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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	65.78	77.94	(47.46)	57.44
Salary growth rate (-/+ 1%)	78.14	65.54	57.72	(47.16)
Withdrawal rate (-/+ 1%)	72.15	70.53	52.72	(51.31)

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.

### (vi) 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.

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### 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.

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

Expected contributions to post-employment benefits plans for the year ending 31 March 2020 are INR 28.91 lacs.

The weighted average duration of the defined benefit obligation is 4.92 years (31 March 2018 : 5.62 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 2019</b>			
Defined benefit obligation (gratuity)	14.08	7.88	17.77
<b>Total</b>	<b>14.08</b>	<b>7.88</b>	<b>17.77</b>
<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>

### Note: 38 - Financial instruments by category

(₹ in Lacs)

Particulars	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Security Deposits	-	-	55.71	-	-	55.98
Advance given to suppliers recoverable	-	-	11.55	-	-	19.55
Advance given for services and expenses recoverable	-	-	341.83	-	-	326.66
Interest accrued but not due	-	-	0.69	-	-	-
Trade Receivable	-	-	2,791.67	-	-	3,304.36
Cash and cash equivalents	-	-	984.16	-	-	167.94
	-	-	<b>4,185.61</b>	-	-	<b>3,874.49</b>
<b>Financial liabilities</b>						
Borrowing	-	-	340.03	-	-	1,703.60
Trade Payable	-	-	189.38	-	-	591.33
Advances taken from customer repayable	-	-	-	-	-	1.54
Salary & Bonus Payable to Employees	-	-	50.57	-	-	48.81
Other Liabilities	-	-	428.02	-	-	931.58
	-	-	<b>1,008.00</b>	-	-	<b>3,276.86</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.

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

**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.

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

Particulars	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security Deposits	55.71	55.71	55.66	55.66
<b>Total financial assets</b>	<b>55.71</b>	<b>55.71</b>	<b>55.66</b>	<b>55.66</b>
<b>Financial liabilities</b>				
Borrowings	258.72	258.72	321.90	321.90
<b>Total financial liabilities</b>	<b>258.72</b>	<b>258.72</b>	<b>321.90</b>	<b>321.90</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, 2019

### 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, 2019	1473.79	1,189.59	4.28	124.01	2,791.67
Trade receivable as on 31 March, 2018	929.11	2,252.75	34.12	88.38	3,304.36

##### 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 2019 and 31 March 2018 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 the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### (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 2019	31 March 2018
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	2,927.94	1,618.30
<b>Total</b>	<b>2,927.94</b>	<b>1,618.30</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, 2019

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	189.38	-	-	-	189.38
Borrowings	149.48	73.55	117.00	-	340.03
Interest payable on above borrowings	17.40	12.03	7.45	-	36.88
Other financial liabilities	478.59	-	-	-	478.59
<b>Total financial liabilities</b>	<b>834.85</b>	<b>85.58</b>	<b>124.45</b>	<b>-</b>	<b>1,044.88</b>

### 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>

## (C) Market risk

### (i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company dealt with an international customer in FY 2018-19 and is therefore exposed to foreign exchange risk (primarily with respect to USD) arising from this foreign currency transactions. In view of low proportion of export/imports, as compared to the overall operations, the exposure of the Company to foreign exchange risk is also not considered to be material.

Further foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

### Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:-

Particulars	31 March 2019 USD	31 March 2018 USD
Financial assets	-	-
Financial liabilities	10.38	-
<b>Net exposure to foreign currency risk</b>	<b>10.38</b>	<b>-</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax	
	31 March 2019 USD	31 March 2018 USD
<b>USD sensitivity</b>		
INR appreciates by 10% (2018: 10%)	1	-
INR depreciates by 10% (2018: 10%)	(1)	-

\* Holding all other variables constant

### (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 2019, 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 2019	31 March 2018
Variable rate borrowings	81.31	1,381.70
Fixed rate borrowings	258.72	321.90
<b>Total borrowings</b>	<b>340.03</b>	<b>1,703.60</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 2019	31 March 2018
Interest expense rates – increase by 50 basis points (2018 : 50 bps)*	(0.41)	(6.91)
Interest expense rates – decrease by 50 basis points (2018 : 50 bps)*	0.41	6.91

\* Holding all other variables constant

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

### Note: 41 Related Party Disclosures

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

Sl. No.	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. M.V.K.Nageswara Rao	Chief Executive Officer
	Mr. Uday Bahadur Chetri	Chief Financial Officer (upto 30.04.2019)
	Ms. Neha Agarwal	Company Secretary

#### II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31 March 2019 and 31 March 2018 are given hereunder:

(₹ in Lacs)

Sl. No.	Type of Transactions	Associate		Key Management Personnel		Enterprise Owned/ Influences by KMP	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	<b>Purchase Transaction</b>						
	Meghalaya Power Limited	1,598.14	1,409.91	-	-	-	-
2	<b>Sale Transaction</b>						
	Star Cement Limited	-	-	-	-	18.47	48.50
3	<b>Remuneration Paid</b>						
	Mr. M.V.K.Nageswara Rao	-	-	30.27	24.58	-	-
	Mr. Uday Bahadur Chetri	-	-	7.64	6.96	-	-
	Ms. Neha Agarwal	-	-	5.25	3.52	-	-
4	<b>Outstanding Balances as at 31st March, 2019:</b>						
5	<b>Creditor</b>						
	Meghalaya Power Limited	-	322.45	-	-	-	-
6	<b>Investment</b>						
	Meghalaya Power Limited	3,373.50	3,373.50	-	-	-	-

#### III. Key management personnel compensation

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	43.16	35.06
Post-employment benefits*		
Long-term employee benefits*		
<b>Total compensation</b>	<b>43.16</b>	<b>35.06</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, 2019

### Note: 42 Segment Reporting

(₹ in Lacs)

Sl. No.	Type of Transactions	2018-19				2017-18			
		Ferro Alloys	Power	Others	Total	Ferro Alloys	Power	Others	Total
<b>a</b>	<b>External sales</b>	13,313.84	17.59	-	13,331.43	12,365.84	43.66	-	12,409.50
	Inter-segment sales	-	1,516.77	-	1,516.77	-	2,796.78	-	2,796.78
	Elimination	-	(1,516.77)	-	(1,516.77)	-	(2,796.78)	-	(2,796.78)
	Total Revenue (Gross)	13,313.84	17.59	-	13,331.43	12,365.84	43.66	-	12,409.50
<b>b</b>	<b>Segment Results</b>	1,748.07	29.56	-	1,777.63	1,885.42	61.21	-	1,946.63
	Unallocated Income/(-) Expenses (Net of unallocated Income/ (-) Expenses) (Including Exceptional Items)	-	-	168.75	168.75	-	-	176.33	176.33
	Operating Profit/ Loss (-)	-	-	-	1,608.88	-	-	-	1,770.30
	Finance Cost (Net)	-	-	129.51	129.51	-	-	171.62	171.62
	Provision for Taxation	-	-	-	438.53	-	-	-	526.67
	Deferred Tax charge(-) / Credit	-	-	-	(7.16)	-	-	-	26.64
	Total Profit /(-) Loss after tax	-	-	-	1,048.01	-	-	-	1,045.36
<b>c</b>	<b>Other Information</b>								
i	Segment Assets	9,841.49	1,046.30	-	10,887.78	8,780.22	2,102.44	-	10,882.66
	Unallocated Corporate/ Other Assets	-	-	2,219.93	2,219.93	-	-	3,401.64	3,401.64
	<b>TOTAL</b>	<b>9,841.49</b>	<b>1,046.30</b>	<b>2,219.93</b>	<b>13,107.72</b>	<b>8,780.22</b>	<b>2,102.44</b>	<b>3,401.64</b>	<b>14,284.30</b>
ii	Segment Liabilities	806.73	137.11	-	943.84	1,320.79	577.88	-	1,898.67
	Unallocated Corporate/ Other Liabilities	-	-	646.31	646.31	-	-	1,910.86	1,910.86
	<b>TOTAL</b>	<b>806.73</b>	<b>137.11</b>	<b>646.31</b>	<b>1,590.15</b>	<b>1,320.79</b>	<b>577.88</b>	<b>1,910.86</b>	<b>3,809.53</b>
iii	Capital Expenditure	(57.83)	-	-	(57.83)	409.63	25.30	-	434.93
iv	Depreciation/ Amortisation	209.33	66.88	-	276.21	185.43	64.25	-	249.67

#### 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-

- (i) Ferro-Alloys : Manufacturing of Ferro Alloy
- (ii) Power : Generation of Power

(b) Four customers of the entity accounts for approximately 69.24 % of the revenue for the year ended 31 March 2019 (two customers as on 31 March 2018 : 28.75%)

(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, 2019

### Note: 43 Contingent Liabilities & Commitments

(₹ in Lacs)

Sl. No.	Particulars	31 March 2019	31 March 2018
<b>1</b>	<b>Contingent Liabilities not provided for in respect of :-</b>		
	(i) Solvent surety given to Excise Department against differential excise duty refund [Refer (b) below]	388.98	388.98

(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 2018: ₹ Nil) has been recognized as revenue in the books of account.

### Note: 44 Payment to Auditors

(₹ in Lacs)

Particulars	2018-19	2017-18
<b>As Auditor</b>		
- Statutory Audit Fees	1.80	1.80
- Tax Audit Fees	0.25	0.25
<b>In Other Capacity</b>		
Certification Fees and Other Services	0.65	0.50
<b>Total</b>	<b>2.70</b>	<b>2.55</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 ₹ 17.15 lacs (31 March 2018: ₹ 12.37 lacs)

b) Amount spent during the year :

(₹ in Lacs)

Sl. No.	Nature of Expenditure	2018-19	2017-18
(i)	Education	7.50	15.00
(ii)	Animal Welfare	10.02	-
	<b>Total</b>	<b>17.52</b>	<b>15.00</b>

## Notes to Standalone Financial Statement for the year ended 31 March, 2019

46. 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.
47. The standalone financial statements are approved by the Audit Committee at its meeting held on 7th May, 2019 and by the Board of Directors on the same date.
48. Notes to the standalone financial statements comprises of information relevant for the group.

As per our report of even date

**For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

*Chartered Accountants*

**CA. Arun Kumar Sharma**

*Partner*

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

**M V K Nageswara Rao**

Chief Executive Officer

**Neha Agarwal**

Company Secretary

**Nagraj Tater**

Director

DIN : 00266072

**Aditya Vimalkumar Agrawal**

Director

DIN : 03330313

# Independent Auditors' Report

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

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Shyam Century Ferrous Limited ("the Company")**, and its associate (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

consolidated financial statements of the current period. We have determined that there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for



preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the company's financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicated with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Other Matter

We did not audit the financial statements and other financial information of its associates (Meghalaya Power Limited) whose Ind AS financial statements reflect total assets of ₹26,295.24 lacs at 31st March, 2019, total revenues of ₹13,566.93 lacs, total net profit of ₹1,269.16 lacs and total comprehensive income of ₹1,268.56 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The above financial information are before giving effect to any consolidation adjustments. 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 statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the these associate, is based solely on the reports of the other auditors.

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2019, taken on record by the Board of Directors of Company and its associate incorporated in India, none of the directors is disqualified as on March 31, 2019 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Subsidiary Companies incorporated in India during the year ended March 31, 2019.

**For A K S D & Associates**  
(Formerly Kailash B Goel & Co.)  
Firm Registration No. 322460E  
*Chartered Accountants*

**CA Arun Kumar Sharma**  
*Partner*

Place: Kolkata  
Date: 7th May, 2019

Membership No. 057329

## Annexure - A to the Independent Auditors' Report

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHYAM CENTURY FERROUS LIMITED

#### 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 2019, we have audited the internal financial controls over financial reporting of **Shyam Century Ferrous Limited** (hereinafter referred to as "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 ("the Act").

#### 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No. 322460E

*Chartered Accountants*

#### **CA Arun Kumar Sharma**

*Partner*

Membership No. 057329

Place: Kolkata

Date: 7th May, 2019

## Consolidated Balance Sheet as at 31 March, 2019

(₹ in Lacs)

Particulars	Notes	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	1,993.39	2,216.69
(b) Intangible assets	4	0.24	0.53
(c) Investment	5	6,834.81	6,215.81
(d) Financial assets			
(i) Loans	6	55.71	55.66
(e) Non-current tax asset (net)	7	210.34	20.03
(f) Other non-current assets	8	877.33	1,601.97
<b>Total non-current assets</b>		<b>9,971.82</b>	<b>10,110.69</b>
<b>(2) Current assets</b>			
(a) Inventories	9	1,766.17	2,761.75
(b) Financial assets			
(i) Trade receivables	10	2,791.67	3,304.36
(ii) Cash and cash equivalents	11	984.16	167.94
(iii) Loans	12	-	0.32
(iv) Other financial assets	13	354.07	346.21
(c) Other current assets	14	701.14	435.34
<b>Total current assets</b>		<b>6,597.21</b>	<b>7,015.92</b>
<b>Total assets</b>		<b>16,569.03</b>	<b>17,126.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	2,221.73	2,221.73
(b) Other equity	16	12,757.14	11,095.36
<b>Total equity</b>		<b>14,978.87</b>	<b>13,317.09</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	190.55	258.72
(b) Deferred tax liabilities (net)	18	68.49	77.78
(c) Employee benefit obligations	19	57.31	47.57
<b>Total non-current liabilities</b>		<b>316.35</b>	<b>384.07</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	81.31	1,381.70
(ii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		189.38	591.33
(iii) Other financial liabilities	22	546.76	1,045.11
(b) Other current liabilities	23	275.88	262.22
(c) Employee benefit obligations	24	25.03	13.66
(d) Current tax liabilities (net)	25	155.45	131.43
<b>Total current liabilities</b>		<b>1,273.81</b>	<b>3,425.45</b>
<b>Total liabilities</b>		<b>1,590.16</b>	<b>3,809.52</b>
<b>Total equity and liabilities</b>		<b>16,569.03</b>	<b>17,126.61</b>
<b>Summary of Significant accounting policies</b>	1&2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

**CA. Arun Kumar Sharma**

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

**M V K Nageswara Rao**

Chief Executive Officer

**Neha Agarwal**

Company Secretary

**Nagraj Tater**

Director

DIN : 00266072

**Aditya Vimalkumar Agrawal**

Director

DIN : 03330313

## Statement of Consolidated Profit and Loss for the year ended 31 March, 2019

(₹ in Lacs)

Particulars	Notes	31 March 2019	31 March 2018
<b>INCOME</b>			
Revenue from operations	26	13,331.43	12,409.50
Other income	27	112.35	141.19
<b>Total income</b>		<b>13,443.78</b>	<b>12,550.69</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	4,304.07	3,372.12
(Increase)/Decrease in Inventories	29	(475.56)	20.89
Excise duty		-	48.93
Employee benefit expense	30	648.44	644.77
Finance costs	31	129.51	171.62
Depreciation and amortisation expense	32	276.21	249.67
Other expenses	33	7,081.73	6,444.01
<b>Total expenses</b>		<b>11,964.40</b>	<b>10,952.01</b>
<b>Profit before tax</b>		<b>1,479.38</b>	<b>1,598.68</b>
Income tax expense			
- Current tax		438.53	526.67
- Deferred tax		(7.16)	26.65
<b>Total tax expense</b>	34	<b>431.37</b>	<b>553.32</b>
<b>Profit for the year</b>		<b>1,048.01</b>	<b>1,045.36</b>
Share of profit of associate		619.29	552.42
<b>Net Profit after taxes and share of profit of associate</b>		<b>1,667.30</b>	<b>1,597.78</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations		(7.36)	3.04
Share of other comprehensive income of associate accounted using equity method		(0.41)	(1.22)
Income tax relating to these items		2.26	(0.53)
<b>Other comprehensive income for the year, net of tax</b>		<b>(5.51)</b>	<b>1.29</b>
<b>Total comprehensive income for the year</b>		<b>1,661.79</b>	<b>1,599.07</b>
<b>Earnings per equity share:</b>	35		
Basic earnings per share (₹ per Share)		0.75	0.72
Diluted earnings per share (₹ per Share)		0.75	0.72
<b>Summary of Significant accounting policies</b>	1&2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For A K S D & Associates**

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

**CA. Arun Kumar Sharma**

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

**M V K Nageswara Rao**

Chief Executive Officer

**Neha Agarwal**

Company Secretary

**Nagraj Tater**

Director

DIN : 00266072

**Aditya Vimalkumar Agrawal**

Director

DIN : 03330313

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2019

### A. Equity share capital

(₹ in Lacs)

Particulars	31 March 2019
As at 1 April, 2017	2,221.73
Changes in equity share capital	-
As at 31 March, 2018	2,221.73
Changes in equity share capital	-
As at 31 March, 2019	2,221.73

### B. Other equity

(₹ in Lacs)

Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 1 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 (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

(₹ in Lacs)

Particulars	Reserve and surplus		Total other equity
	Capital Reserve	Retained Earning	
Balance as at 01 April, 2018	7,227.80	3,867.56	11,095.36
Profit for the year (a)		1,667.30	1,667.30
Other comprehensive income (b)		(5.52)	(5.52)
Total comprehensive income for the year (a + b)	-	1,661.78	1,661.78
Balance as at 31 March, 2019	7,227.80	5,529.34	12,757.14

The accompanying notes form an integral part of the financial statements

As per our report of even date

#### For A K S D & Associates

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

#### CA. Arun Kumar Sharma

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

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

#### M V K Nageswara Rao

Chief Executive Officer

#### Neha Agarwal

Company Secretary

#### Nagraj Tater

Director

DIN : 00266072

#### Aditya Vimalkumar Agrawal

Director

DIN : 03330313

## Consolidated Cash Flow Statement for the year ended 31 March, 2019

(₹ in Lacs)

Sl. No.	Particulars	31 March 2019	31 March 2018
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before Tax	1,479.38	1,598.68
	Adjustments for:		
	Depreciation/Amortisation	276.21	249.67
	(Profit)/Loss on sale of property, plant and equipment	(10.48)	-
	Finance Cost	129.51	110.31
	Interest and Other Income	101.88	(79.88)
	<b>Operating Profit before Working Capital changes</b>	<b>1976.50</b>	<b>1878.78</b>
	Adjustments for:		
	(Increase)/Decrease in Trade Receivables	512.68	(610.17)
	(Increase)/Decrease in Inventories	995.58	354.83
	(Increase)/Decrease in Other receivables	(273.38)	(8.39)
	(Increase)/Decrease in Other assets	612.62	642.04
	Increase/(Decrease) in Other liabilities	(437.20)	289.83
	Increase/(Decrease) in Trade payables	(401.96)	(271.17)
	<b>Cash generated from operations</b>	<b>2984.84</b>	<b>2275.75</b>
	Income Tax Paid	(524.17)	(459.93)
	<b>Net Cash generated from Operating Activities</b>	<b>2460.67</b>	<b>1815.82</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(57.83)	(434.93)
	Sale of Fixed Assets	15.70	-
	Fixed Deposits/Margin Money (Given)/Refund	-	0.25
	Interest Received	(101.88)	-
	<b>Net Cash from Investing Activities</b>	<b>(144.01)</b>	<b>(434.68)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Increase in Short Term Borrowings	(1,300.39)	(1,585.20)
	Repayment of Long Term Borrowings	(63.18)	246.40
	Interest Paid	(129.51)	(110.31)
	<b>Net Cash used in Financing Activities</b>	<b>(1493.08)</b>	<b>(1449.11)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>823.58</b>	<b>(67.97)</b>
	<b>Opening Cash and Cash Equivalents</b>	<b>167.94</b>	<b>235.91</b>
	<b>Closing Cash and Cash Equivalents</b>	<b>984.16</b>	<b>167.94</b>

### Note:

Significant non cash movement in borrowing during the year include hire purchase of ₹ Nil (as at 31st March'18 ₹354.81 Lacs).

The accompanying notes form an integral part of the financial statements

As per our report of even date

### For A K S D & Associates

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

CA. Arun Kumar Sharma

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

M V K Nageswara Rao

Chief Executive Officer

Neha Agarwal

Company Secretary

For and on behalf of the Board of Directors

Nagraj Tater

Director

DIN : 00266072

Aditya Vimalkumar Agrawal

Director

DIN : 03330313



# Notes to Consolidated Financial Statement for the year ended 31 March, 2019

## Corporate Information

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

## 1. 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) read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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 lakhs 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. This is generally the case where the group holds between 20% and 50% of the voting rights. 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 losses of the investee in 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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

consistency with the policies adopted by the group.

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

### 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 Revenue Recognition

Sales are recognised when control of the products has transferred, domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export/bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence / loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract, net of discounts/claims. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### 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 / amortization 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.

#### 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.

### 1.6 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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

& labour and a part of manufacturing overheads based on normal operating capacity.

Cost of Inventories excluding finished goods and work-in-progress 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.

### 1.7 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.

### 1.8 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.

#### 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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

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.

### 1.9 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 or 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.

#### 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.

### 1.10 Government Grants and subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants, if any granted by way of recoupment / reimbursement of any item of expenditure are recognized in the Statement of Profit and Loss by way of deduction from related item of expenses. Grants related to assets which are recognized in the Statement of Financial Position as deferred income, are recognized to the Statement of profit or loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

### 1.11 Employee benefits

#### (i) 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.

#### (ii) Defined Contribution Plan

Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

#### (iii) Defined Benefit Plan

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

financial year.

### 1.12 Earnings per Share

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

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

### 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.

### 1.14 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.

### 1.15 Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income 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 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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or 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.

### 1.16 Segment Reporting

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

### 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 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.

### 1.19 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 National 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 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.

### 1.20 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 Statement of Financial Position 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.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

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.

### 1.21 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.

### 1.22 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.

### 1.23 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.

### 1.24 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.

### 1.24 Research and Development Expenditure

Revenue expenditure is charged to the Statement of Profit and Loss and capital expenditure is added to the cost of property, plant and equipment in the year in which they are incurred.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### 1.25 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## RECENT ACCOUNTING DEVELOPMENTS

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

#### (a) Ind AS 116 – “Leases”

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The Statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March 2020 to show the impact of adopting Ind AS 116.

#### (b) Appendix C, ‘Uncertainty over Income Tax Treatments’, to Ind AS 12, ‘Income Taxes’

This appendix was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- (i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or
- (ii) together as a group, depending on which approach better predicts the resolution of the uncertainty;
- (iii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- (iv) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- (v) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- (vi) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

Presently, the Company is in the process of evaluating the impact that application of this appendix is expected to have on its financial statements. The Company intends to apply this appendix retrospectively, with the cumulative effect of initially applying the appendix recognised at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).



## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### 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>										
As at 1st April 2017	86.17	397.41	195.06	1,363.76	139.30	3.75	2.70	2.66	53.31	2,244.12
Addition	-	-	-	28.38	6.00	-	0.15	-	400.40	434.93
Disposals/Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	86.17	397.41	195.06	1,392.14	145.30	3.75	2.85	2.66	453.71	2,679.05
Addition	-	-	-	1.93	-	-	-	-	56.08	58.00
Disposals/Deduction/Adjustment	-	-	-	-	-	0.06	0.02	0.09	5.22	5.39
As at 31st March 2019	86.17	397.41	195.06	1,394.07	145.30	3.69	2.83	2.57	504.57	2,731.67
<b>Depreciation</b>										
As at 1st April 2017	-	37.24	11.13	118.16	27.83	0.83	0.90	0.90	16.70	213.69
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	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	-	70.99	19.94	227.07	47.30	1.30	1.54	1.31	92.91	462.36
Charge for the year	-	30.59	8.38	105.78	15.80	0.29	0.37	0.19	114.52	275.92
Disposals/Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	-	101.58	28.32	332.85	63.10	1.59	1.91	1.50	207.43	738.28
<b>Net Block</b>										
As at 31st March 2018	86.17	326.42	175.12	1,165.07	98.00	2.45	1.31	1.35	360.80	2,216.69
As at 31st March 2019	86.17	295.83	166.74	1,061.22	82.20	2.10	0.92	1.07	297.14	1,993.39

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 4 - Intangible assets

(₹ in Lacs)

Particulars	Computer Software
<b>Gross block</b>	
As at 1st April 2017	2.53
Addition	-
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2018</b>	<b>2.53</b>
Addition	-
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2019</b>	<b>2.53</b>
<b>Depreciation</b>	
As at 1st April 2017	1.00
Charge for the year	1.00
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2018</b>	<b>2.00</b>
Charge for the year	0.29
Disposals/Deduction/Adjustment	-
<b>As at 31st March 2019</b>	<b>2.29</b>
<b>Net Block</b>	
As at 31st March 2018	0.53
As at 31st March 2019	0.24

**Note :** -During the year Company has discarded fixed assets amounting to ₹5.65 Lacs (as at 31st March'18 ₹ Nil) and sold fixed assets amounting to ₹88.04 Lacs (as at 31st March'18 ₹ Nil)

### Note: 5 - Investment

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unquoted equity instrument		
Meghalaya Power Limited		
83,58,998 (83,58,998 as at 31 March 2018) equity shares of ₹10 each fully paid up	6,834.81	6,215.81
<b>Total</b>	<b>6,834.81</b>	<b>6,215.81</b>

### Note: 6 - Financial assets - Loans - non current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
-Unsecured, Considered Good		
Security Deposits	55.71	55.66
<b>Total</b>	<b>55.71</b>	<b>55.66</b>

### Note: 7 - Non-current tax asset (net)

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation of ₹1524.35 Lacs as at 31 March 2019 and ₹537.62 Lacs as at 31 March 2018)	210.34	20.03
<b>Total</b>	<b>210.34</b>	<b>20.03</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 8 - Other non-current assets

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Balance with statutory/Government authorities	876.63	1,601.27
Deposit with statutory/Government authorities	0.70	0.70
<b>Total</b>	<b>877.33</b>	<b>1,601.97</b>

### Note: 9 - Inventories

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Raw materials	761.39	1,305.51
Finished goods	591.96	116.40
Fuels, packing materials, etc.	20.60	997.82
Stores & spare parts	392.22	342.02
<b>Total</b>	<b>1,766.17</b>	<b>2,761.75</b>

### Note: 10 - Trade receivables

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Unsecured, Considered good	2,791.67	3,304.36
<b>Total</b>	<b>2,791.67</b>	<b>3,304.36</b>

### Note: 11 - Cash and cash equivalents

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Cash in hand	2.88	4.41
Cheques in hand	3.93	78.26
Balance with banks:		
- In current accounts	177.35	85.27
Fixed Deposit with Bank	800.00	-
<b>Total</b>	<b>984.16</b>	<b>167.94</b>

### Note: 12 - Loans - current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
- Unsecured, Considered Good		
Security Deposits	-	0.32
<b>Total</b>	<b>-</b>	<b>0.32</b>

### Note: 13 - Other financial assets - current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advance given to suppliers recoverable	19.55	27.55
Less : Allowances for doubtful advance	(8.00)	(8.00)
Advances for services & expenses recoverable	341.83	326.66
Accrued Interest but not due	0.69	-
<b>Total</b>	<b>354.07</b>	<b>346.21</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 14 - Other current assets

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Advances to suppliers	1.01	5.94
Advances for services & expenses	21.99	9.39
Advance to employee	0.58	1.86
Prepaid Expenses	9.86	29.02
Balances with/ Receivable from Statutory/ Government Authorities	667.70	389.13
<b>Total</b>	<b>701.14</b>	<b>435.34</b>

### Note: 15 - Equity share capital

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Authorised</b>		
22,27,00,000 (22,27,00,000 as at 31 March 2018) Equity Shares of ₹1/- each fully paid up	2,227.00	2,227.00
	<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 2018) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73
	<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 2018) Equity Shares of ₹1/- each fully paid up	2,221.73	2,221.73
	<b>2,221.73</b>	<b>2,221.73</b>

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

The company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays 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.

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

Equity shares	31 March 2019	31 March 2018
	No. of shares	No. of shares
At the beginning of the year	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>

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

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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

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

Particulars	31 March 2019	31 March 2018
	No. of Shares % holding	No. of Shares % holding
<b>Equity Shares of ₹1/- each fully paid-up</b>		
Shri Prem Kumar Bhajanka	-	14340506
	-	6.45%
Smt Santosh Bhajanka	15049500	15049500
	6.77%	6.77%
Shri Sanjay Agarwal	14212976	14212976
	6.40%	6.40%
Smt Divya Agarwal	14488750	14488750
	6.52%	6.52%
Shri Sajjan Bhajanka	11234493	11234493
	5.06%	5.06%
Shri Brij Bhushan Agarwal	22846012	25186012
	10.28%	11.34%
Shri Anurag Chowdhary	11196575	-
	5.04%	-
Mahabir Prasad Agarwal (HUF)	-	14700000
	-	6.62%

### Note: 16 - Other equity

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Capital reserves	7,227.80	7,227.80
Retained earnings	5,529.34	3,867.56
<b>Total</b>	<b>12,757.14</b>	<b>11,095.36</b>

#### (i) Capital reserves

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Opening balance	7,227.80	7,227.80
Addition/(Deduction) during the year	-	-
<b>Closing balance</b>	<b>7,227.80</b>	<b>7,227.80</b>

#### Capital reserve

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

#### (ii) Retained earnings

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Opening balance	3,867.56	2,268.49
Net profit for the year	1,667.30	1,597.78
<b>Other comprehensive income</b>		
- Remeasurements of post-employment benefit obligation, net of tax	(5.51)	1.29
<b>Closing balance</b>	<b>5,529.34</b>	<b>3,867.56</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 17 - Borrowings - Non-current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Other Loans (Secured)</b>		
Hire Purchase from Bank	258.72	321.90
Less: Current maturities of long term borrowing	68.17	63.18
<b>Total</b>	<b>190.55</b>	<b>258.72</b>

#### Terms of Loans

17.1 Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable monthly within five years.

17.2 The Company does not have any defaults in repayment of loans & interest at reporting date.

### Note: 18 - Deferred tax liabilities (net)

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Deferred tax asset</b>		
Expenditure allowable for tax purposes upon payment	23.98	17.83
<b>Total deferred tax asset</b>	<b>23.98</b>	<b>17.83</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment : impact of difference between tax depreciation and depreciation/ amortization charged	92.47	95.61
<b>Total deferred tax liabilities</b>	<b>92.47</b>	<b>95.61</b>
<b>Net deferred tax (asset)/liabilities</b>	<b>68.49</b>	<b>77.78</b>

### Note: 19 - Employee benefit obligation - non current

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Provision for Gratuity	57.31	47.57
<b>Total</b>	<b>57.31</b>	<b>47.57</b>

### Note: 20 - Borrowings

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Working Capital Facilities (Secured)</b>		
-Cash Credit from a bank	81.31	1,381.70
<b>Total</b>	<b>81.31</b>	<b>1,381.70</b>

#### Note :

Working Capital facility of ₹81.31 Lacs (31 March 2018 ₹1381.70 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.

### Note: 21 - Trade Payable

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	189.38	591.33
<b>Total</b>	<b>189.38</b>	<b>591.33</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 22 - Other financial liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Current maturities of long term borrowings	68.17	63.18
Advances taken from customer repayable	-	1.54
Salary & bonus payable to employees	50.57	48.81
Other liabilities	428.02	931.58
<b>Total</b>	<b>546.76</b>	<b>1,045.11</b>

### Note: 23 - Other current liabilities

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>Other Payables</b>		
-Statutory Liabilities	225.07	236.72
-Advances taken from customer	50.81	25.50
<b>Total</b>	<b>275.88</b>	<b>262.22</b>

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Provision for Leave encashment obligations	10.95	9.17
Provision for Gratuity	14.08	4.49
<b>Total</b>	<b>25.03</b>	<b>13.66</b>

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
-Provision for taxation (net of advance tax of ₹2.02 Lacs as at 31 March 2019 and ₹771.60 Lacs as at 31 March 2018)	155.45	131.43
<b>Total</b>	<b>155.45</b>	<b>131.43</b>

### Note: 26 - Revenue from operations

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Sale of products	13,201.79	12,365.84
Other operating revenues	129.64	43.66
<b>Total</b>	<b>13,331.43</b>	<b>12,409.50</b>

### Note: 27 - Other income

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Interest income	112.35	141.19
<b>Total</b>	<b>112.35</b>	<b>141.19</b>

### Note: 28 - Cost of materials consumed

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year	1,305.51	377.09
Add: Purchases	3,759.95	4,300.54
	<b>5,065.46</b>	<b>4,677.63</b>
Less: Inventory at the end of the year	761.39	1,305.51
<b>Total</b>	<b>4,304.07</b>	<b>3,372.12</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

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

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year	116.40	137.29
Inventory at the end of the year	591.96	116.40
<b>Total</b>	<b>(475.56)</b>	<b>20.89</b>

### Note: 30 - Employee benefit expense

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Salaries & Wages	596.12	579.62
Contribution to Provident Fund and other Funds	28.78	27.65
Staff Welfare Expenses	23.54	37.50
<b>Total</b>	<b>648.44</b>	<b>644.77</b>

### Note: 31 - Finance costs

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Interest expenses	102.20	136.67
Other Finance Costs	27.31	34.95
<b>Total</b>	<b>129.51</b>	<b>171.62</b>

### Note: 32 - Depreciation and Amortisation

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Depreciation on Property Plant & Equipment	275.92	248.67
Amortisation on intangible assets	0.29	1.00
<b>Total</b>	<b>276.21</b>	<b>249.67</b>

### Note: 33 - Other expenses

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Consumption of Stores & Spares	628.07	503.92
Packing Materials	74.86	59.65
Power & Fuel	5,591.36	4,870.35
Repairs & Maintenance		
- Building	24.39	20.78
- Plant & Machinery	77.16	238.12
- Others	19.12	10.02
Insurance	43.49	30.97
Rent, Rates & Taxes	42.74	63.65
Travelling and Conveyance	10.53	13.75
Heavy Vehicle / Equipment Running Expenses	57.05	79.71
Corporate Social Responsibility	17.52	15.00
Miscellaneous Expenses	99.64	79.30
Outward Freight Charges	392.98	452.08
Commission, Discount & Incentives on Sale	2.82	6.71
<b>Total</b>	<b>7,081.73</b>	<b>6,444.01</b>



## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 34 - Tax expenses

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>a) Current tax</b>		
Current tax on profits for the year	438.53	526.67
<b>Total current tax expense</b>	<b>438.53</b>	<b>526.67</b>
<b>b) Deferred tax</b>		
Deferred tax expense	(7.16)	26.65
<b>Total deferred tax expense</b>	<b>(7.16)</b>	<b>26.65</b>
<b>Income tax expense</b>	<b>431.37</b>	<b>553.32</b>

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

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit from continuing operations before income tax expense	1,479.38	1,598.68
<b>Tax at the Indian tax rate of 29.12%</b>	<b>430.79</b>	<b>553.27</b>
Items not deductible/taxable under tax	7.73	6.34
Impact of change in tax rate during the year		(1.07)
Adjustments for current tax of prior periods		-
Additional deductions under provisions of the income tax act		-
Other adjustments	(7.16)	(5.22)
<b>Income tax expense</b>	<b>431.37</b>	<b>553.32</b>

The tax rate used for the financial year 2017-18 and 2018-19 reconciliation above is the Corporate Tax Rate of 34.608% ( 30% + Surcharge 12% + Education Cess 3% ) and 29.12% ( 25% + Surcharge 12% + Education Cess 4% ) respectively payable on taxable profit under Income Tax Act 1961.

### Note: 35 - Earnings per share

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the equity holders of the Company ( ₹ per Share )	0.75	0.72
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the equity holders of the Company ( ₹ per Share )	0.75	0.72
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	1,667.30	1,597.78
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	1,667.30	1,597.78
<b>(d) Weighted average number of equity shares used as the denominator</b>		
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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### 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 2019	31 March 2018
<b>Current</b>		
<b>Financial assets</b>		
First charge		
Inventory	1,766.17	2,761.75
Trade receivables	2,791.67	3,304.36
Cash & Cash Equivalents	984.16	167.94
Other current assets	1,055.21	781.87
<b>Total current assets pledged as security</b>	<b>6,597.21</b>	<b>7,015.92</b>
<b>Non-current</b>		
Second charge		
Property, plant and equipment, intangible assets	1,993.63	2,217.22
<b>Total non-currents assets pledged as security</b>	<b>1,993.63</b>	<b>2,217.22</b>
<b>Total assets pledged as security</b>	<b>8,590.84</b>	<b>9,233.14</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 March 2019	31 March 2018
Leave obligations not expected to be settled within the next 12 months	9.12	8.22

#### (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	Net amount
<b>01 April 2017</b>	<b>46.92</b>
Current service cost	7.97
Interest expense/(income)	3.50
<b>Total amount recognised in profit or loss</b>	<b>11.47</b>
<b>Remeasurements</b>	
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)
Actuarial (gain)/loss from unexpected experience	(1.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(3.04)</b>
Employer contributions/ premium paid	-
Benefit payments	(3.29)
Disposal/ Transfer of obligation	-
<b>31 March 2018</b>	<b>52.06</b>

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

(₹ in Lacs)

Particulars	Net amount
<b>01 April 2018</b>	<b>52.06</b>
Current service cost	10.06
Interest expense/(income)	3.93
<b>Total amount recognised in profit or loss</b>	<b>13.99</b>
<b>Remeasurements</b>	
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	0.46
Actuarial (gain)/loss from unexpected experience	6.90
<b>Total amount recognised in other comprehensive income</b>	<b>7.36</b>
Employer contributions/ premium paid	-
Benefit payments	(2.01)
Disposal/ Transfer of Asset	-
<b>31 March 2019</b>	<b>71.40</b>

### (iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2019	31 March 2018
Discount rate	7.70%	7.75%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

### (v) 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 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	65.78	77.94	(47.46)	57.44
Salary growth rate (-/+ 1%)	78.14	65.54	57.72	(47.16)
Withdrawal rate (-/+ 1%)	72.15	70.53	52.72	(51.31)

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.

### (vi) 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.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### 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.

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

Expected contributions to post-employment benefits plans for the year ending 31 March 2020 are INR 28.91 lacs.

The weighted average duration of the defined benefit obligation is 4.92 years (31 March 2018 : 5.62 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 2019</b>			
Defined benefit obligation (gratuity)	14.08	7.88	17.77
<b>Total</b>	<b>14.08</b>	<b>7.88</b>	<b>17.77</b>
<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>

### Note: 38 - Financial instruments by category

(₹ in Lacs)

Particulars	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Security Deposits	-	-	55.71	-	-	55.98
Advance given to suppliers recoverable	-	-	11.55	-	-	19.55
Advance given for services and expenses recoverable	-	-	341.83	-	-	326.66
Interest accrued but not due	-	-	0.69	-	-	-
Trade Receivable	-	-	2,791.67	-	-	3,304.36
Cash and cash equivalents	-	-	984.16	-	-	167.94
	-	-	<b>4,185.61</b>	-	-	<b>3,874.49</b>
<b>Financial liabilities</b>						
Borrowing	-	-	340.03	-	-	1,703.60
Trade Payable	-	-	189.38	-	-	591.33
Advances taken from customer repayable	-	-	-	-	-	1.54
Salary & Bonus Payable to Employees	-	-	50.57	-	-	48.81
Other Liabilities	-	-	428.02	-	-	931.58
	-	-	<b>1,008.00</b>	-	-	<b>3,276.86</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, 2019

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

(₹ in Lacs)

Particulars	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security Deposits	55.71	55.71	55.66	55.66
<b>Total financial assets</b>	<b>55.71</b>	<b>55.71</b>	<b>55.66</b>	<b>55.66</b>
<b>Financial liabilities</b>				
Borrowings	258.72	258.72	321.90	321.90
<b>Total financial liabilities</b>	<b>258.72</b>	<b>258.72</b>	<b>321.90</b>	<b>321.90</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.

### 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

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### (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, 2019	1473.79	1189.59	4.28	124.01	2,791.67
Trade receivable as on 31 March, 2018	929.11	2,252.75	34.12	88.38	3,304.36

#### 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 2019, 31 March 2018 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 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 2019	31 March 2018
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	2,927.94	1,618.30
<b>Total</b>	<b>2,927.94</b>	<b>1,618.30</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.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

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, 2019

(₹ in Lacs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade payables	189.38	-	-	-	189.38
Borrowings	149.48	73.55	117.00	-	340.03
Interest payable on above borrowings	17.40	12.03	7.45	-	36.88
Other financial liabilities	478.59	-	-	-	478.59
<b>Total financial liabilities</b>	<b>834.85</b>	<b>85.58</b>	<b>124.45</b>	<b>-</b>	<b>1,044.88</b>

### 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>

## (C) Market risk

### (i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company dealt with an international customer in FY 2018-19 and is therefore exposed to foreign exchange risk (primarily with respect to USD) arising from this foreign currency transactions. In view of low proportion of export/imports, as compared to the overall operations, the exposure of the Company to foreign exchange risk is also not considered to be material.

Further foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

### Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:-

Particulars	31 March 2019 USD	31 March 2018 USD
Financial assets	-	-
Financial liabilities	10.38	-
<b>Net exposure to foreign currency risk</b>	<b>10.38</b>	<b>-</b>

### Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments..

Particulars	Impact on profit before tax	
	31 March 2019 USD	31 March 2018 USD
<b>USD sensitivity</b>		
INR appreciates by 10% (2018: 10%)	1	-
INR depreciates by 10% (2018: 10%)	(1)	-

\* Holding all other variables constant

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### (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 2019, 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 2019	31 March 2018
Variable rate borrowings	81.31	1,381.70
Fixed rate borrowings	258.72	321.90
<b>Total borrowings</b>	<b>340.03</b>	<b>1,703.60</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 2019	31 March 2018
Interest expense rates – increase by 50 basis points (2018 : 50 bps)*	(0.41)	(6.91)
Interest expense rates – decrease by 50 basis points (2018 : 50 bps)*	0.41	6.91

\* Holding all other variables constant

### Note: 41 Related Party Disclosures

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

Sl. No.	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. M.V.K.Nageswara Rao	Chief Executive Officer
	Mr. Uday Bahadur Chetri	Chief Financial Officer (upto 30.04.2019)
	Ms. Neha Agarwal	Company Secretary



## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31 March 2019 and 31 March 2018 are given hereunder:

(₹ in Lacs)

Sl. No.	Type of Transactions	Associate		Key Management Personnel		Enterprise Owned/ Influences by KMP	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>1</b>	<b>Purchase Transaction</b>						
	Meghalaya Power Limited	1,598.14	1,409.91	-	-	-	-
<b>2</b>	<b>Sale Transaction</b>						
	Star Cement Limited	-	-	-	-	18.47	48.50
	Meghalaya Power Limited	-	-	-	-	-	-
<b>3</b>	<b>Remuneration Paid</b>						
	Mr. M.V.K.Nageswara Rao	-	-	30.27	24.58	-	-
	Mr. Uday Bahadur Chetri	-	-	7.64	6.96	-	-
	Ms. Neha Agarwal	-	-	5.25	3.52	-	-
<b>4</b>	<b>Outstanding Balances as at 31st March, 2019:</b>						
<b>5</b>	<b>Creditor</b>						
	Meghalaya Power Limited	-	322.45	-	-	-	-
<b>6</b>	<b>Investment</b>						
	Meghalaya Power Limited	3,373.50	3,373.50	-	-	-	-

III. Key management personnel compensation

(₹ in Lacs)

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	43.16	35.06
Post-employment benefits*		
Long-term employee benefits*		
<b>Total compensation</b>	<b>43.16</b>	<b>35.06</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.

### Note: 42 Segment Reporting

(₹ in Lacs)

Sl. No.	Type of Transactions	2018-19				2017-18			
		Ferro Alloys	Power	Others	Total	Ferro Alloys	Power	Others	Total
<b>a</b>	<b>External sales</b>	13,313.84	17.59	-	13,331.43	12,365.84	43.66	-	12,409.50
	Inter-segment sales	-	1,516.77	-	1,516.77	-	2,796.78	-	2,796.78
	Elimination	-	(1,516.77)	-	(1,516.77)	-	(2,796.78)	-	(2,796.78)
	Total Revenue (Gross)	13,313.84	17.59	-	13,331.43	12,365.84	43.66	-	12,409.50
<b>b</b>	<b>Segment Results</b>	1,748.07	29.56	-	1,777.63	1,885.42	61.21	-	1,946.63
	Unallocated Income/(-) Expenses (Net of unallocated Income/ (-) Expenses) (Including Exceptional Items)	-	-	168.75	168.75	-	-	176.33	176.33
	Operating Profit/ Loss (-)	-	-	-	1,608.88	-	-	-	1,770.30
	Finance Cost (Net)	-	-	129.51	129.51	-	-	171.62	171.62

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

Sl. No.	Type of Transactions	2018-19				2017-18			
		Ferro Alloys	Power	Others	Total	Ferro Alloys	Power	Others	Total
	Provision for Taxation	-	-	-	438.53	-	-	-	526.67
	Deferred Tax charge(-) / Credit	-	-	-	(7.16)	-	-	-	26.64
	Total Profit /(-) Loss after tax	-	-	-	1,048.01	-	-	-	1,045.36
<b>c</b>	<b>Other Information</b>								
i	Segment Assets	9,841.49	1,046.30	-	10,887.78	8,780.22	2,102.44	-	10,882.66
	Unallocated Corporate/ Other Assets	-	-	5,681.24	5,681.24	-	-	6,243.96	6,243.96
	<b>TOTAL</b>	<b>9,841.49</b>	<b>1,046.30</b>	<b>5,681.24</b>	<b>16,569.03</b>	<b>8,780.22</b>	<b>2,102.44</b>	<b>6,243.96</b>	<b>17,126.62</b>
ii	Segment Liabilities	806.73	137.11	-	943.84	1,320.79	577.88	-	1,898.67
	Unallocated Corporate/ Other Liabilities	-	-	646.31	646.31	-	-	1,910.86	1,910.86
	<b>TOTAL</b>	<b>806.73</b>	<b>137.11</b>	<b>646.31</b>	<b>1,590.15</b>	<b>1,320.79</b>	<b>577.88</b>	<b>1,910.86</b>	<b>3,809.53</b>
iii	Capital Expenditure	(57.83)	-	-	(57.83)	409.63	25.30	-	434.93
iv	Depreciation/ Amortisation	209.33	66.88	-	276.21	185.43	64.25	-	249.67

### 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-
- (i) Ferro-Alloys : Manufacturing of Ferro Alloy
- (ii) Power : Generation of Power
- (b) Four customers of the entity accounts for approximately 69.24 % of the revenue for the year ended 31 March 2019 (two customers as on 31 March 2018 : 28.75%)
- (c) Geographical Segments: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

### Note: 43 Contingent Liabilities & Commitments

(₹ in Lacs)

Sl. No.	Particulars	31 March 2019	31 March 2018
<b>1</b>	<b>Contingent Liabilities not provided for in respect of :-</b>		
	(i) Solvent surety given to Excise Department against differential excise duty refund [Refer (b) below]	388.98	388.98

- (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 2018: ₹ Nil) has been recognized as revenue in the books of account.

## Notes to Consolidated Financial Statement for the year ended 31 March, 2019

### Note: 44 Payment to Auditors

(₹ in Lacs)

Particulars	2018-19	2017-18
<b>As Auditor</b>		
- Statutory Audit Fees	1.80	1.80
- Tax Audit Fees	0.25	0.25
<b>In Other Capacity</b>		
Certification Fees and Other Services	0.65	0.50
<b>Total</b>	<b>2.70</b>	<b>2.55</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 ₹17.15 lacs ( 31 March 2018: ₹12.37 lacs)

b) Amount spent during the year :

(₹ in Lacs)

Sl. No.	Nature of Expenditure	2018-19	2017-18
(i)	Education	7.50	15.00
(ii)	Animal Welfare	10.02	-
	<b>Total</b>	<b>17.52</b>	<b>15.00</b>

46. 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.

47. The consolidated financial statements are approved by the Audit Committee at its meeting held on 7 May, 2019 and by the Board of Directors on the same date.

48. Notes to the consolidated financial statements comprises of information relevant for the group.

As per our report of even date

#### For A K S D & Associates

(Formerly Kailash B Goel & Co.)

Firm Registration No.: 322460E

Chartered Accountants

#### CA. Arun Kumar Sharma

Partner

Membership No : 057329

Place: Kolkata

Date: 7th May, 2019

For and on behalf of the Board of Directors

#### M V K Nageswara Rao

Chief Executive Officer

#### Neha Agarwal

Company Secretary

#### Nagraj Tater

Director

DIN : 00266072

#### Aditya Vimalkumar Agrawal

Director

DIN : 03330313

## 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 **EIGHTH ANNUAL GENERAL MEETING** of the Members of **Shyam Century Ferrous Limited** will be held on Friday, 27th September, 2019 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, 2019 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sajjan Bhajanka (DIN: 00246043), who retires by rotation and being eligible, offers himself for re-appointment.

#### 3. Re-Appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. AKSD & Associates (Formerly Kailash B. Goel & Co.), Chartered Accountants (Firm Registration No. 322460E), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 10th Annual General Meeting of the Company to be held in the year 2021 on such remuneration as provided in the explanatory statement."

#### SPECIAL BUSINESS:

#### 4. Re-appointment of Mr. Santanu Ray as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of

the Companies Act, 2013 ("Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Santanu Ray (DIN: 00642736) who holds office of Independent Director up to 31st March, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Santanu Ray's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of one consecutive year commencing from 1st April, 2020 upto 31st March, 2021;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### 5. Re-appointment of Mrs. Plistina Dkhar as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time

and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Plistina Dkhar (DIN: 01375361) who holds office of Independent Director up to 31st March, 2020 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mrs. Plistina Dkhar's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2020 upto 31st March, 2025;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. **Ratification of remuneration to the Cost Auditors for the Financial Year ending March 31, 2020**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies and confirms the remuneration of ₹50,000 (Rupees Fifty Thousand only) plus applicable taxes and re-imburement of out of pocket expenses incurred, if any to be paid to M/s. Sanjib Das & Associates, Cost Accountants (Firm Registration No. 100751), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2020;

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

7. **Approval for Material Related Party Transactions**

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

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹50 crores in a Financial Year entered or to be entered into by the Company with Meghalaya Power Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to the notice convening this meeting, for financial years commencing from financial year 2019-20;

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

8. **Approval for Material Related Party Transactions**

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

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013

read with the Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) ("Listing Regulations"), and pursuant to the consent of the Audit Committee and the Board of Directors obtained at their respective meetings, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its power, including the powers conferred by this Resolution) to enter into the arrangements/ transactions/ contracts (including any other transfer of resources, services or obligations) upto an amount of ₹50 crores in a Financial Year entered or to be entered into by the Company with Star Cement Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the Listing Regulations as applicable, in the ordinary course of business and on arms' length basis as set out in the explanatory statement annexed to

the notice convening this meeting, for financial years commencing from financial year 2019-20;

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related parties."

<b>Registered Office:</b>	By Order of the Board
Vill: Lumshnong,	For <b>Shyam Century Ferrous Limited</b>
P.O.: Khaliehriat	
Dist.: East Jaintia Hills	
Meghalaya - 793210	
Date: 31st July, 2019	<b>Neha Agarwal</b>
Place: Kolkata	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. Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with respect to re-appointment of the Statutory Auditors of the Company, as proposed under Item No. 3 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
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. Details as required in sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations, Companies Act, 2013 and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Director seeking appointment/ re-appointment at the Annual General Meeting, forms an integral part of the Notice. Requisite declarations

have been received from the Directors for seeking appointment/ re-appointment.

5. 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.
6. 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.
7. 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.
8. 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.

9. In terms of SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 01st April, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form. With regard to the same, the Company's Registrar and Share Transfer Agent has already sent three reminder letters to the shareholders during the Financial year 2018-19, for updating their PAN and Bank Account details and for dematerializing their physical holdings of securities. A guidance note on procedure for dematerialization of shares held in physical form is also placed on the website of the Company under 'Investors' section. Three reminder letters were also sent to the shareholders to claim their unclaimed shares, if any.
10. Members seeking information regarding financial accounts of the Company are requested to write to the Company at least 7 (seven) days before the date of meeting so as to enable the management to keep the information ready.
11. All documents meant for inspection and referred to in the Notice and accompanying Annual Report are open for inspection at the 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.
12. 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.
13. 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.

14. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 19th September, 2019 to Friday, 27th September, 2019 (both days inclusive)**.
15. 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.
16. 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.
17. 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 Re-quirements) 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.
18. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held in physical form so as to receive all communication including Annual Report, Notices, Circulars, etc. from the company electronically.
19. 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. Friday, 20th September, 2019** 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.
20. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 20th September, 2019**, 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.
21. The remote e-voting period will commence at **9.00 a.m. on Monday, 23rd September, 2019** and will end at **5.00 p.m. on Thursday, 26th September, 2019**. The Company has appointed Mr. Sourav Kedia, Practicing Company Secretary (Membership no. ACS 40951 and Certificate of Practice no. 15259), 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.
22. The Scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses, not in the employment of the Company. The scrutinizer shall submit the consolidated scrutinizer's report, not later than 48 hours of conclusion of the Meeting, to the Chairman or any other person authorized by the Board. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. [www.shyamcenturyferrous.com](http://www.shyamcenturyferrous.com) and also be displayed on the Notice board of the Company at its registered office and on the website of NSDL i.e. [www.nsd.co.in](http://www.nsd.co.in) immediately after the results are declared. The results shall simultaneously be communicated to the Stock Exchanges.
23. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Friday, 27th September 2019.
24. The Route map of the venue of Annual General Meeting i.e. "Star Club", Vill: Lumshnong, P.O.: Khaliéhriat, Dist.: East Jaintia Hills, Meghalaya - 793210 is annexed at the end of this Notice.
25. **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.nsdl.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.nsdl.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 re-trieve 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.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
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 [souravkedia@gmail.com](mailto:souravkedia@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case of 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 Friday, 20th September, 2019. 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 Monday, 23rd September, 2019 and will end at 5.00 p.m. on Thursday, 26th September, 2019.
- 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.

**Registered Office:**

Vill: Lumshnong,  
P.O.: Khaliehriat  
Dist.: East Jaintia Hills  
Meghalaya - 793210  
Date: 31st July, 2019  
Place: Kolkata

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

**Neha Agarwal**  
Company Secretary

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

### Item No.3

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at its Board Meeting held on 7th May, 2019 has approved the re-appointment of M/s. AKSD & Associates (Formerly Kailash B. Goel & Co.), Chartered Accountants (Firm Registration No. 322460E) as the Statutory Auditor of the Company for a further period of two years from the conclusion of this Annual General Meeting till the conclusion of the 10th Annual General Meeting of the Company to be held in the year 2021. M/s. AKSD & Associates have already served as the Statutory Auditors of the Company for a total period of 8(eight) consecutive years, hence they are re-appointed for a further final term of 2(two) years.

Pursuant to Regulation 36 (5) of SEBI (Listing Obligations and

Disclosure Requirements), 2015 as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. AKSD & Associates (Formerly Kailash B. Goel & Co.), Chartered Accountants (Firm Registration No. 322460E) is re-appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2021 with a proposed annual fees of ₹1,80,000/- (Rupees One Lac and Eighty thousand only) including fees for Limited Review plus applicable taxes and re-imbusement of out of pocket expenses incurred in connection with audit, if any.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

#### Item No. 4

Pursuant to the approval of the shareholders of the Company obtained at the Annual General Meeting held on 25th September, 2015, Mr. Santanu Ray was appointed as an Independent Director of the Company for a period of 5(five) years with effect from 1st April, 2015. His office as Independent Director of the Company comes to an end on 31st March, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Companies Act, 2013).

The Board, based on the performance evaluation of Mr. Santanu Ray and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Santanu Ray as an Independent Director on the Board of the Company would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Santanu Ray as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 1 (one) consecutive year on the Board of the Company effective from 1st April, 2020 upto 31st March, 2021. Mr. Santanu Ray meets the criteria of independence as provided in Section 149(6) of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Further, as per Section 149(11) provides that an independent director may hold office for up to two consecutive terms provided that re-appointment shall be done on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

Accordingly, the Board of Directors on recommendation of Nomination and Remuneration Committee, in their meeting held on 7th May, 2019 has re-appointed Mr. Santanu Ray as an Independent Director of the Company. However, such re-appointment is subject to approval of the shareholders by way of a special resolution.

Details of Mr. Santanu Ray whose re-appointment as Independent Director is proposed at Item No. 4 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Company has received from Mr. Santanu Ray (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of

Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the re-appointment of Mr. Santanu Ray as Director of the Company.

Copy of the draft appointment letter of Mr. Santanu Ray as an Independent Director of the Company setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office as well as Corporate Office of the Company on all working days between 11:00 A.M. to 1:00 P.M. till the date of the Annual General Meeting (AGM).

The Board, based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of Mr. Santanu Ray, has recommended the resolution for approval of shareholders by way of special resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Santanu Ray for his re-appointment, are concerned or interested, financially or otherwise, in Resolutions set out at item no. 4.

#### Item No. 5

Pursuant to the approval of the shareholders of the Company obtained at the Annual General Meeting held on 25th September, 2015, Mrs. Plistina Dkhar was appointed as an Independent Director of the Company for a period of 5(five) years with effect from 1st April, 2015. Her office as Independent Director of the Company comes to an end on 31st March, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Companies Act, 2013).

The Board, based on the performance evaluation of Mrs. Plistina Dkhar and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Mrs. Plistina Dkhar as an Independent Director on the Board of the Company would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director. Accordingly, it is proposed to re-appoint Mrs. Plistina Dkhar as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company effective from 1st April, 2020 upto 31st March, 2025. Mrs. Plistina Dkhar meets the criteria of independence as provided

in Section 149(6) of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Further, as per Section 149(11) provides that an independent director may hold office for up to two consecutive terms provided that re-appointment shall be done on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

Accordingly, the Board of Directors on recommendation of Nomination and Remuneration Committee, in their meeting held on 7th May, 2019 has re-appointed Mrs. Plistina Dkhar as an Independent Director of the Company. However, such re-appointment is subject to approval of the shareholders by way of a special resolution.

Details of Mrs. Plistina Dkhar whose re-appointment as Independent Director is proposed at Item No. 5 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Company has received from Mrs. Plistina Dkhar (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the re-appointment of Mrs. Plistina Dkhar as Director of the Company.

Copy of the draft appointment letter of Mrs. Plistina Dkhar as an Independent Director of the Company setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office as well as Corporate Office of the Company on all working days between 11:00 A.M. to 1:00 P.M. till the date of the Annual General Meeting (AGM).

The Board, based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of Mrs. Plistina Dkhar, has recommended the resolution for approval of shareholders by way of special resolution.

None of the Directors or Key Managerial Personnel of the

Company and their relatives, other than Mrs. Plistina Dkhar for her re-appointment, are concerned or interested, financially or otherwise, in Resolutions set out at item no. 5.

#### **Item No. 6:**

The Board of Directors on the recommendation of Audit Committee has approved the appointment of M/s. Sanjib Das & Associates, Cost Accountants (Firm Registration No. 100751) as the Cost Auditor of the Company to conduct the Cost Audit of the Company for the Financial Year 2019-20 at a remuneration of ₹50,000/- plus applicable taxes and re-imbursalment of out of pocket expenses incurred in connection with cost audit, if any.

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

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. 6 of the Notice for approval by the Shareholders.

#### **Item No. 7**

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed

to be entered into by the Company with Meghalaya Power Limited, associate company, may qualify to be a Material Related Party transaction under Listing Regulations, approval of the members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:.

<b>Name of the Related Party</b>	Meghalaya Power Limited
<b>Nature of relationship</b>	Associate of the Company
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka and Mr. Mangilal Jain may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹ 50 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka and Mr. Mangilal Jain, 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. 7 of the Notice for approval of the shareholders.

### Item No. 8

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all related party transactions which are material, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered to be material, if the transaction/transactions to

be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. As the transaction(s) proposed to be entered into by the Company with Star Cement Limited, Enterprise influenced by Key Managerial Personnel (KMP), may qualify to be a Material Related Party transaction under Listing Regulations, approval of the members by way of ordinary resolution is being sought.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

<b>Name of the Related Party</b>	Star Cement Limited
<b>Nature of relationship</b>	Enterprise influenced by KMP
<b>Name of the Director or KMP who is related, if any</b>	Mr. Sajjan Bhajanka, Mrs. Plistina Dkhar, Mr. Santanu Ray and Mr. Mangilal Jain may deemed to be related by virtue of being common Directors.
<b>Estimated Transaction Value</b>	₹ 50 crores for each Financial Year
<b>Nature, material terms and particulars of the contract or arrangement</b>	Sale, purchase or Supply of Goods including Capital Goods or Materials and availing and rendering of any services from time to time by the Company in its ordinary course of business and on arm's length basis.
<b>Any other information</b>	NIL

Except Mr. Sajjan Bhajanka, Mrs. Plistina Dkhar, Mr. Santanu Ray and Mr. Mangilal Jain, 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. 8 of the Notice for approval of the shareholders.

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

Date: 31st July, 2019  
Place: Kolkata

**Neha Agarwal**  
Company Secretary

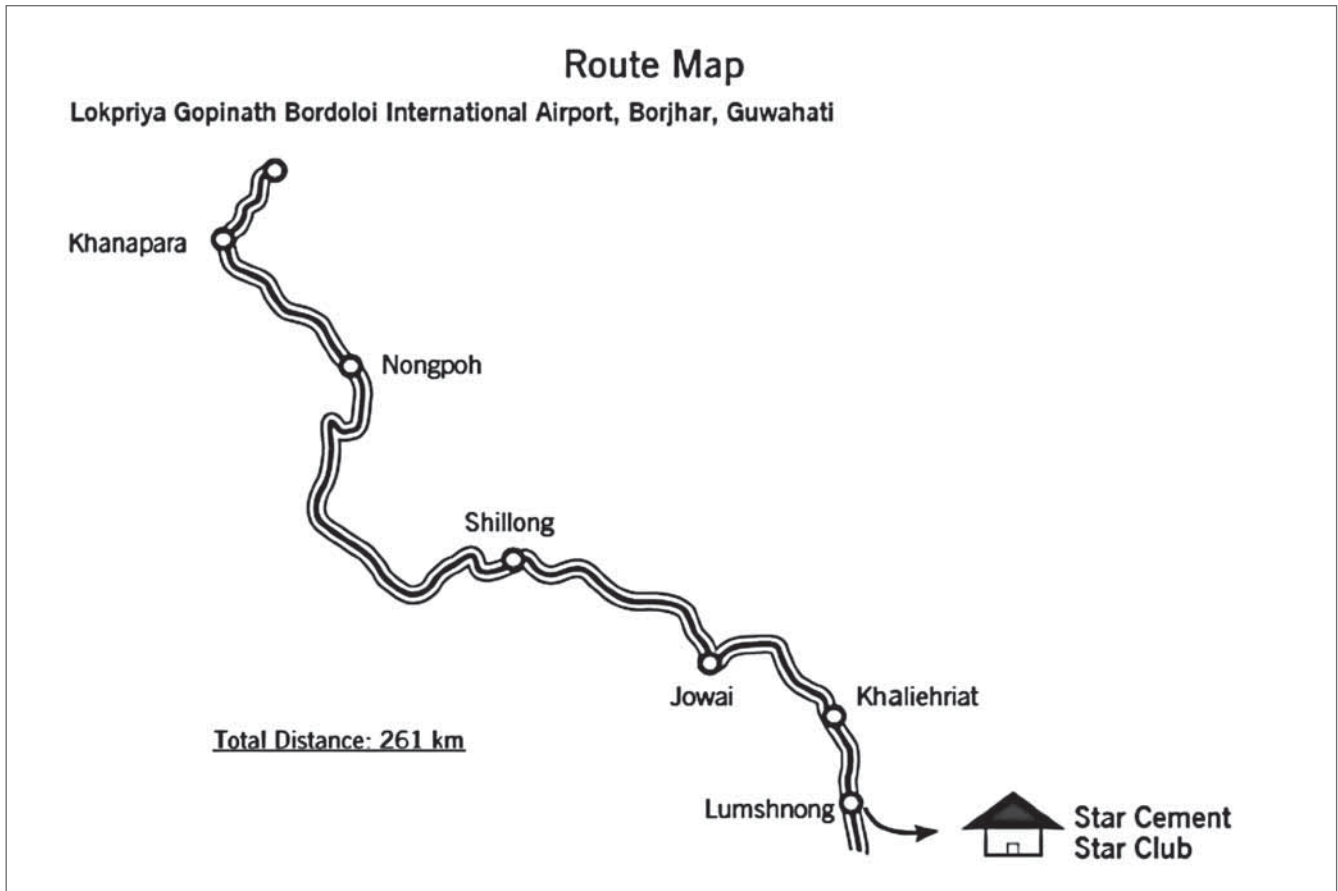
## ANNEXURE TO ITEM NO. 2, 4 and 5 OF THE NOTICE

### Details of Director seeking appointment/ 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]*

<b>Name of the Director</b>	Mr. Sajjan Bhajanka	Mr. Santanu Ray	Mrs. Plistina Dkhar
<b>DIN</b>	00246043	00642736	01375361
<b>Age</b>	67	72	59
<b>Nationality</b>	Indian	Indian	Indian
<b>Qualification</b>	Commerce Graduate	Chartered Accountant	Under Graduate
<b>Experience (years)</b>	40	42	33
<b>Expertise in special functional Area</b>	Finance, marketing & business operations	Accounting and Finance Management	Administration
<b>Date of First Appointment on the Board of the Company</b>	12.04.2011	01.04.2015	01.03.2013
<b>Terms &amp; condition of re-appointment</b>	Director; Liable to retire by rotation	Independent Director; Not Liable to retire by rotation	Independent Director; Not Liable to retire by rotation
<b>Details of remuneration sought to be paid and remuneration last drawn</b>	Not Applicable	Nil	Nil
<b>Shareholding in the Company [Equity share of face value ₹1/- each] (as at 31st March, 2019)</b>	1,12,34,493	Nil	750
<b>Relationship between the Directors inter se and other Key Managerial Person</b>	None	None	None
<b>No. of Board Meetings attended during the year</b>	5	5	1
<b>List of Directorship held in other Companies (excluding Foreign Company)</b>	<ol style="list-style-type: none"> <li>1. Century Plyboards (India) Ltd.</li> <li>2. Makui Properties Pvt. Ltd.</li> <li>3. Sri Ram Merchants Pvt. Ltd.</li> <li>4. Sri Ram Vanijya Pvt. Ltd.</li> <li>5. Pacific Plywoods Pvt. Ltd.</li> <li>6. Shyam Century Multi Projects Pvt. Ltd.</li> <li>7. Star Cement Meghalaya Limited</li> <li>8. Meghalaya Power Limited</li> <li>9. Star Cement Limited</li> <li>10. Century Mdf Limited</li> <li>11. Fine Infraprojects Private Limited</li> <li>12. Association Of Indian Panelboard Manufacturer</li> </ol>	<ol style="list-style-type: none"> <li>1. Century Plyboards (India) Ltd.</li> <li>2. La Opala R G Limited</li> <li>3. Star Cement Limited</li> <li>4. Skp Securities Ltd.</li> <li>6. Kariwala Industries Limited</li> <li>7. Megha Technical And Engineers Private Limited</li> <li>8. Star Cement Meghalaya Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Star Cement Limited</li> <li>2. Riangdo Veneers Private Limited</li> <li>3. Century Plyboards (Meghalaya) Limited</li> <li>4. Goldstone Cements Limited</li> <li>5. Megha Bidyut Private Limited</li> </ol>
<b>Membership/ Chairmanships of Committees of Boards of other Companies. (only Audit Committee and Stakeholders Relationship Committee has been considered )</b>	<p><b>Audit Committee:</b> <b>Member:</b></p> <ol style="list-style-type: none"> <li>1. Star Cement Meghalaya Limited</li> <li>2. Meghalaya Power Limited</li> <li>3. Star Cement Limited</li> </ol> <p><b>Stakeholders Relationship Committee:</b> <b>Member:</b></p> <ol style="list-style-type: none"> <li>1. Star Cement Limited</li> </ol>	<p><b>Audit Committee:</b> <b>Chairman:</b></p> <ol style="list-style-type: none"> <li>1. Star Cement Meghalaya Limited</li> <li>2. Megha Technical and Engineers Pvt. Ltd.</li> </ol>	None

**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 Eighth Annual General Meeting of the Company, to be held on **Friday, 27th day of September, 2019** 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, 2019 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Sajjan Bhajanka (DIN: 00246043) as a Director of the Company, liable to retire by rotation.		
3	Re-appointment of Statutory Auditors		
<b>Special Business</b>			
4	Re-appointment of Mr. Santanu Ray as an Independent Director		
5	Re-appointment of Mrs. Plistina Dkhar an Independent Director		
6	Ratification of remuneration payable to Cost Auditors		
7	Approval for Material Related Party Transactions - Meghalaya Power Limited		
8	Approval for Material Related Party Transactions – Star Cement Limited		

Signed this.....day of....., 2019

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 8th 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

# ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

## ANNUAL GENERAL MEETING - 27th September, 2019 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 Eighth Annual General meeting of the Company at "Star Club", Vill: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 on **Friday, 27th September, 2019 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 03:45 P.M. on the day of Annual General Meeting.
2. The members are required to produce their duly signed Attendance Slips and get their entry passes from the registration counter.
3. The members should produce their entry passes at the entrance of the AGM Hall for attending the AGM.
4. The Members are informed that in case of joint holders attending the meeting, only such joint holder whose name appears in the chronological order in the Demat account /Folio will be entitled to vote.
5. This Attendance Slip is valid only in case shares are held on the date of the Annual General Meeting.
6. The Members who have received Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.





**SHYAM CENTURY FERROUS LIMITED**

**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