



Impex Ferro Tech Limited



Annual Report  
2016-17

## **Navigating the pages**

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# Notice

**NOTICE** is hereby given that the 22nd Annual General Meeting of the members of the Company will be held on Thursday, 21st September, 2017 at 3.00 P.M. at Paschim Banga Bangla Academy, **Rabindra Okakura Bhavan**, DD-27/A/1, DD Block, Salt Lake, Sector-I, Kolkata- 700 064 to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date and the report of the Auditor's & Directors' thereon.
2. To appoint a Director in place of Mr. Satish Kumar Singh (DIN: 05295625), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time and also the resolution passed in the Annual General Meeting held on 27th September, 2014, the Company hereby ratifies and confirms the appointment of M/s. R. Kothari & Company, Chartered Accountants, (FRN:307069E) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors."

## **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Ravindra Kumar Mehra (DIN: 07898952) who was appointed as an Additional Director on the Board of Directors of the Company on 11th August, 2017 pursuant to the provision of section 161 of the Companies Act, 2013 and rules framed thereunder, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 11th August, 2017."

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to the provisions of section 148(2) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration of ₹ 35,000/- plus applicable taxes and re-imbursment of out of pocket expenses payable to M/s. A.J.S & Associates, Cost Accountants (Registration No. 000106), who has been re-appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2018 be and is hereby ratified."

By Order of the Board  
For **Impex Ferro Tech Limited**

Place : Kolkata  
Date : 11th August, 2017

**Richa Agarwal**  
Company Secretary

## **NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 and clause 1.2.5 of Secretarial Standards – 2 (SS-2) on General Meeting relating to Special Business to be transacted at the Meeting, is annexed hereto.
3. The relevant details, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges; of person seeking appointment/re-appointment as Director under Item No. 2 and 4 is annexed hereto as additional information.

# Notice

4. The Register of Members and Share Transfer Books shall remain closed from Thursday, 14th September, 2017 to Thursday, 21st September, 2017 (both days inclusive).
5. As required under SS-2 issued by the ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to the Notice.
6. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics (P) Ltd., 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001 and to their respective DPs in respect of Equity Shares held in dematerialised form.
7. Pursuant to section 113 of the Companies Act, 2013 and rules framed thereunder, the Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
8. Members/Proxies are requested to bring their Attendance Slip for attending the Meeting.
9. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten (10) days before the meeting so that the same could be complied in advance.
11. The Ministry of Corporate Affairs (MCA), Government of India, has introduced a 'Green Initiative in Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their members through electronic mode, which will be in compliance with section 20 of the Companies Act, 2013 and rules framed thereunder.  
Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.
12. All documents referred to in the Notice will be available for inspection at the Company's Corporate Office on all working days except Saturday between 11:00 a.m. to 1:00 p.m. upto the date of Annual General Meeting (AGM).
13. Electronic copy of the Annual Report for 2017 is being sent to all the members whose e-mail ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address, physical copies of the Annual Report for 2017 is being sent in the permitted mode. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 and as amended from time to time requires a Company to provide advance opportunity atleast once in a financial year, to the member to register his e-mail address and any changes therein. In compliance with the same, we request the members who do not have their e-mail id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any in their e-mail address. The Annual Report of the Company, circulated to the members of the Company, will also be made available on the Company's website i.e. [www.impexferrotech.com](http://www.impexferrotech.com).
14. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail ID's are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their e-mail address, physical copies of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. In compliance with provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 (SS-2) on General Meetings, the members are informed that the Company is pleased to offer e-voting facility to cast their vote electronically. The Company has made necessary arrangement with the Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com) vide the EVSN **170817062**.

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From : 10:01 a.m. of 18th September, 2017
End of e-voting	Upto : 5:00 p.m. of 20th September, 2017

# Notice

E-voting shall not be allowed beyond 5.00 p.m. of 20th September, 2017.

The detailed procedure is mentioned below. For the aforesaid purpose the Company has appointed CS Hanuman Mal Choraria of M/s H. M. Choraria & Co., Practicing Company Secretaries for scrutinizing the e-voting process in a true and transparent manner.

## 16. E-voting Procedure

### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 18th September, 2017 at 10:01 a.m. and ends on 20th September, 2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders".
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <IMPEX FERRO TECH LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

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- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

DISTRIBUTION OF GIFTS
Attention of the Members is drawn that in conformity with recent regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the Annual General Meeting(AGM) or in connection therewith.

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS – 2 (SS-2) ON GENERAL MEETING

#### Item No. 4

Mr. Ravindra Kumar Mehra (DIN: 07898952), aged about 65 years was appointed as an Additional Director of the Company at the Board Meeting held on 11th August, 2017 and in terms of section 161 of the Companies Act, 2013. He holds office upto the date of Annual General Meeting.

The Company has obtained from Mr. Ravindra Kumar Mehra, his consent in Form DIR-2 to act as a Director and intimation in Form DIR-8 to the effect that he is not disqualified to be appointed as a Director in any Company.

The Company has received Notice in writing under section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Ravindra Kumar Mehra, as a Director in the Company.

Mr. Ravindra Kumar Mehra is a Chairman in Audit Committee, Nomination & Remuneration Committee and a Member in Stakeholders Relationship Committee of the Board of Directors of the Company. Mr. Ravindra Kumar Mehra does not hold any equity shares in the Company.

The Board considers that association of Mr. Ravindra Kumar Mehra will be of immense benefit to the Company and it would be prudent to appoint Mr. Ravindra Kumar Mehra as a Non-Executive Independent Director of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ravindra Kumar Mehra as a Non-Executive Independent Director, for approval by the members.

Mr. Ravindra Kumar Mehra himself is interested in the resolution. No other Directors and Key Managerial Personnel (KMPs) of the Company or their relatives are concerned or interested in resolution.

# Notice

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

## Item No. 5

As recommended by Audit Committee, Board of Directors had appointed M/s. A.J.S & Associates, Cost Accountants (Registration No. 000106), being eligible and having sought re-appointment, as Cost Auditor of the Company, for a remuneration of ₹ 35,000/- plus applicable taxes and re-imbursement of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2017 and ending on 31st March, 2018.

In terms of section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) rules, 2014, the aforesaid remuneration is required to be ratified by members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval by the shareholders.

### ADDITIONAL INFORMATION:

#### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

(In pursuance to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Name of Director	Mr. Satish Kumar Singh	Mr. Ravindra Kumar Mehra
<b>Brief Resume</b>	He is B.Tech (Electrical & Electronic Engineering) and has been actively involved in the overall management of the company's Manufacturing facility at Kalyaneshwari.	He is Commerce Graduate and was owner of a Hosiery Manu. firm Ravindra Knitting Works
<b>Nature of his expertise in specific functional areas</b>	Electrical and Electronic Engineering	Finance and Marketing
<b>Disclosure of relationships between Directors inter-se</b>	–	–
<b>Directorships in other Listed Companies</b>	NIL	• Ankit Metal & Power Ltd.
<b>Membership of the Committees** of the Board of other Listed Companies</b>	NIL	In Ankit Metal & Power Limited - Member is Nomination and Remuneration Committee
<b>Shareholding</b>	NIL	NIL

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

### ROUTE MAP OF AGM VENUE



# Directors' Report

*Dear Shareholders,*

The Directors are pleased to present the 22nd Annual Report of the Company together with Audited Accounts for the Financial Year ended 31st March, 2017.

## FINANCIAL HIGHLIGHTS

(₹ in Lacs)

The Company's financial performance for the year ended 31st March, 2017 is summarized below :

Particulars	Current Year 31.03.2017	Previous Year 31.03.2016
Revenue from Operation (net)	12,131.48	27,195.85
Other Income	288.65	121.12
Total Revenue	12,420.13	27,316.97
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>(9,927.51)</b>	<b>(3,982.80)</b>
Less: Depreciation & Amortisation	730.87	730.26
Less: Finance Cost	52.40	3,424.13
Less: Tax Expenses	-	-
<b>Net Profit after Tax</b>	<b>(10,710.78)</b>	<b>(8,137.19)</b>
Add: Balance brought forward from previous year	(14,486.45)	(6,349.26)
<b>Balance carried over to Balance Sheet</b>	<b>(25,197.12)</b>	<b>(14,486.47)</b>

## FINANCIAL AND OPERATIONAL REVIEW

During the year under review, the Company has achieved Net Sales/Income from operation of ₹ 12,131.48 lacs as against ₹ 27,195.85 lacs in previous year registering a decline of 55.39%. The Company incurred a loss of ₹ 10,710.78 lacs as against ₹ 8,137.19 lacs in the previous year. The decline in sales and increase in losses are mainly attributed to depressed market for ferro alloys impacting the net realisation and margin. Slower growth in several sectors of the economy resulted into weaker domestic demand.

The Company had made a reference to Board of Industrial and Financial Reconstruction (BIFR) under section 15 of Sick Industrial Companies Act, 1985. However, with the repeal of the Sick Industrial Companies Act, 1985 w.e.f. 1st December, 2016, the submission is no more valid.

## TRANSFER TO RESERVE

Since the Company has incurred loss during the year, no amount has been transferred to reserves.

## DIVIDEND

In view of the losses incurred by the Company, the Directors of the Company do not recommend any dividend for the financial year 2016-17.

## BOARD MEETINGS

The Board met Five (5) times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CHANGES IN SHARE CAPITAL

There was no change in the Share Capital of the Company during the financial year 2016-17.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement

In accordance with the provisions of the Companies Act, 2013, Mr. Satish Kumar Singh (DIN: 05295625), retires by rotation and being eligible, offers himself for re-appointment.

### Resignation

During the year Mr. Rohit Jain (DIN: 07129693), Non-Executive Independent Director of the Company has resigned from the directorship of the Company with effect from 11th August, 2017.

### Appointment / Re-appointment

Pursuant to the provisions of section 161 of the Companies Act, 2013, read with the relevant provisions in the Articles of



# Directors' Report

Association, Mr. Ravindra Kumar Mehra (DIN: 07898952) was appointed as an Additional Director(Non-Executive Independent) by the Board of Directors of the Company with effect from 11th August, 2017 to hold office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Non-Executive Independent Director.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Based on the framework of Internal Financial Controls maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board with the concurrence of the Audit Committee, is of the opinion that the Company's Internal Financial Controls were adequate and effective as on 31st March, 2017.

Accordingly, pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm:

- a) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) that we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a "going concern" basis;
- e) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **CREDIT RATING**

During the year under review Credit Rating has not been done. The Company's credit rating for last previous year for Long-Term debts/facilities was 'D' and Short-Term facilities was 'A4 (A Four)' given by ICRA Limited.

## **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

During the year under review, no Company has become or ceased to exist as the subsidiary of the Company. The Company has also not entered into any Joint Venture nor become an Associate Company during the year under review.

## **EXTRACT OF ANNUAL RETURN**

The details of the extract of the Annual Return in Form MGT 9 is annexed herewith and forms part of this Report as **Annexure-I**.

## **PUBLIC DEPOSITS**

The Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **INSURANCE**

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

## **STATUTORY AUDITOR**

At the 19th Annual General Meeting (AGM) of the Company held on 27th September, 2014, M/s. R. Kothari & Company (FRN: 307069E), Chartered Accountants, were appointed as Statutory Auditor of the Company to hold office for a term of five (5) years from the conclusion of 19th AGM (subject to ratification of such appointment by the members at every AGM) till the conclusion of the 24th AGM of the Company. Accordingly, the appointment of M/s. R. Kothari & Company (FRN: 307069E), Chartered Accountants, as Statutory Auditor of the Company, is placed for ratification by the members. The Company has received a confirmation from M/s. R. Kothari & Company, Chartered Accountants, to this effect that their appointment, if ratified, would be within the limits prescribed under section 139 of the Companies Act, 2013 and the Rules framed thereunder and in accordance with section 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under Regulation 33(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee and the Board of Directors of the Company recommend ratification of their appointment from the conclusion of this AGM upto the conclusion of the 24th AGM of the Company.

# Directors' Report

## STATUTORY AUDITOR OBSERVATION

**The Statutory Auditor has put the qualification remark in their report. The details are as follows:-**

The lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset (NPA). The Company is in active discussion/negotiation with its lenders to restructure its debt at a sustainable level. In view of the above, pending finalisation of the restructuring plan, the Company has not provided accrued interest in its books during the year and reversed interest provided in earlier periods pertaining to the period the account was declared NPA by the respective lenders. The amount of interest reversed for earlier periods is ₹ 281.01 lacs. The amount of interest not provided for the year ended 31st March, 2017 is ₹ 3,227.11 lacs. Had the aforesaid interest expense been recognised, the net loss for the year ended 31st March, 2017 would have been ₹ 14,218.88 lacs instead of ₹ 10,710.76 lacs.

**Our comments are as under:**

The lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset (NPA). The Company is in active discussion/ negotiation with its lenders to restructure its debts at a sustainable level including waiver of unpaid interest. In view of the above, pending finalisation of the restructuring plan, the Company has stopped providing interest accrued and unpaid effective 1st April, 2016 in its books. The amount of such accrued and unpaid interest not provided for stands at ₹ 3,508.12 lacs for the year ended 31st March, 2017 and accordingly the same has not been considered for compilation of Results for the year ended 31st March, 2017.

## COST AUDITOR

In terms of section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, on the recommendation of Audit Committee, the Board of Directors has re-appointed M/s. A.J.S. & Associates, Cost Accountants (FRN : 000106), as Cost Auditor of the Company, at a remuneration of ₹ 35,000/- plus applicable taxes and re-imbursment of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2017 and ending on 31st March, 2018.

As required under section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is being placed at the ensuing Annual General Meeting for ratification by the members.

## SECRETARIAL AUDIT REPORT

In terms of section 204 of the Companies Act, 2013 and rules made there under, CS Hanuman Mal Choraria of M/s. H M Choraria & Co., Practicing Company Secretary, have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor in **Form MR-3** is enclosed as **Annexure-II** to this report.

## SECRETARIAL AUDITOR OBSERVATION

The Secretarial Auditor has the following observation in Form MR-3 enclosed as Annexure II

- The Company has defaulted in payment of statutory dues within the prescribed time.

**Our comments are as under:**

Statutory payments were delayed mainly due to poor liquidity position.

## INTERNAL AUDITOR

In terms of section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, on the recommendation of Audit Committee, the Board of Directors has appointed M/s. NR & Associates, Cost Accountants, (FRN: 102903) as Internal Auditor of the Company for the financial year 2017-18 at a remuneration fixed by the Board of Directors of the Company in consultation with the Auditors.

## INTERNAL FINANCIAL CONTROL SYSTEM

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Financial Controls (IFC) and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

The financial control system and framework is required to ensure:

- The orderly and efficient conduct of its business,
- 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.

# Directors' Report

The Board reviews the effectiveness of controls documented as part of Internal Affairs and Financial Control (IAFC) framework and take necessary corrective actions, where weaknesses are identified as a result of such reviews. This review covers entity level controls, fraud risk controls and information technology environment.

The Policies and procedure adopted by the Company ensures the orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of the records and the timely preparation of reliable financial information. Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect our IFC. The management has also come to the conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

The Statutory Auditor of the Company has audited the IFC over Financial Reporting and their Audit Report is annexed to the Independent Auditors' Report under Financial Statements.

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

Disclosure pertaining to remuneration and other details as required under section 134(3)(q), 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report as **Annexure-III**.

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

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules 2014, is annexed to this report as **Annexure-IV**.

## **DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to that effect has been obtained from the Directors and the Senior Management.

## **PREVENTION OF INSIDER TRADING**

The Company already had a structured Code of Conduct for Prevention of Insider Trading, with a view to regulate trading insecurities by the Directors and designated employees of the Company. The Code has been further streamlined to keep parity with the new Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and be named as 'Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' which is also displayed on the website of the Company [www.impexferrotech.com](http://www.impexferrotech.com).

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All the Directors and designated employees, who hold any shares in the Company, have confirmed compliance with the Code.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS**

There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

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

The Company is required to comply with Ind AS in the preparation of their Financial Statements for accounting periods beginning on or after April, 2017, with the comparatives for the periods ending March, 2017. Accordingly the Company has adopted the said Ind AS with effect from 1st April, 2017. The Company has devised a suitable implementation plan for adoption of Ind AS.

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

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the Financial Statements.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company

# Directors' Report

on materiality of related party transactions between the Company and the Directors, the management, or the relatives except for those disclosed in the Financial Statements.

Accordingly, particulars of contracts or arrangements entered into by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 in **Form AOC-2 (Annexure V)** is NIL.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration. A note on Remuneration Policy has been made a part of the Corporate Governance Report.

## **RISK MANAGEMENT POLICY**

The Company has a defined Risk Management framework to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy provides for identification of risk, its assessment and procedures to minimize risk. The policy is periodically reviewed to ensure that the executive management controls the risk as per decided policy.

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

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

## **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6)**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the Industry. The familiarisation programmes policy and details of familiarisation programme provided to the Directors of the Company is available on the Company's website [www.impexferrotech.com](http://www.impexferrotech.com).

## **AUDIT COMMITTEE**

The composition and terms of reference of the Audit Committee has 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.

## **NOMINATION AND REMUNERATION COMMITTEE**

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The composition and terms of reference of Stakeholders' Relationship Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

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

In line with the provisions of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for the development of programmes and projects for the benefit of weaker sections of the society and the same has been approved by the CSR Committee and the Board of Directors of the Company. The Company has not spent any amount in CSR activities since the Company has incurred losses during the last 3 years eroding the entire net worth.

## **VIGIL MECHANISM POLICY**

In terms of section 177 of the Companies Act, 2013, Rules framed thereunder and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organisation can be communicated. For this purpose, the Board has a Vigil Mechanism Policy and the same has been uploaded on the website of the Company i.e. [www.impexferrotech.com](http://www.impexferrotech.com). The policy provides access to the Chairman of the Audit Committee in

# Directors' Report

certain circumstances. During the year under review, there has been no incidence reported which requires action by the Audit Committee.

## PERFORMANCE/BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the functioning of various Committees. The Independent Directors also carried out the evaluation of the Chairman and the Non Independent Directors, the details of which are covered in the Corporate Governance Report.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report on Corporate Governance as stipulated under the above Regulation forms an integral part of this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the year under review, as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

## CEO/CFO CERTIFICATION

As required by Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the CEO/CFO certification has been submitted to the Board and forms an integral part of this Annual Report.

## AWARDS & ACHIEVEMENTS

During the year under review the Company has not received any awards.

## GREEN INITIATIVES IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs has permitted Companies to send electronic copies of Annual Report, notices etc., to the e-mail IDs of shareholders. The Company has accordingly arranged to send the soft copies of these documents to the e-mail IDs of 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.

## APPRECIATION

The Directors wish to extend their thanks and appreciation for the valuable and continued support received from the Shareholders, Company's Bankers, Central and State Government Authorities, Stock Exchange(s), Depository Participants (DP's) and all other Business Associates for the growth of the organisation.

The Directors also wish to place on record their deep appreciation to all the employees for their commitment and continued contribution to the Company.

## ANNEXURE FORMING PART OF THE DIRECTORS REPORT

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and forms part of the Directors Report:

<b>Annexure</b>	<b>Particulars</b>
I	Extract of the Annual Return (Form MGT-9)
II	Secretarial Audit Report (Form MR 3)
III	Particulars of Employees
IV	Prescribed particulars of Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo
V	Particulars of Contract or Arrangements with Related Parties (Form AOC 2)

For and on behalf of the Board

Place: Kolkata,  
Date: 11th August, 2017

**Suresh Kumar Patni**  
Chairman cum Managing Director

# Annexure to the Directors' Report

Annexure - I

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2017

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

#### I REGISTRATION AND OTHER DETAILS:

i	<b>CIN</b>	L27101WB1995PLC071996
ii	<b>Registration Date</b>	7th June, 1995
iii	<b>Name of the Company</b>	Impex Ferro Tech Limited
iv	<b>Category/Sub-category of the Company</b>	Public Company (Limited by Shares having Share Capital)
v	<b>Address of the Registered Office &amp; contact details</b>	35, C R Avenue, Kolkata - 700 012 Phone No.: +91 33 2211 0225/0226
vi	<b>Whether listed Company</b>	Yes (BSE Limited & National Stock Exchange of India Limited)
vii	<b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R N Mukherjee Road, 5th Floor, Kolkata - 700 001

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Ferro Alloys	3309	100%

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

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Nil					

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

##### i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2016]				No of Shares held at the end of the year [As on 31st March, 2017]				% 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	8,51,800	-	8,51,800	0.97	8,51,800	-	8,51,800	0.97	-
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5,99,13,046	-	5,99,13,046	68.14	5,99,13,046	-	5,99,13,046	68.14	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>6,07,64,846</b>	<b>-</b>	<b>6,07,64,846</b>	<b>69.10</b>	<b>6,07,64,846</b>	<b>-</b>	<b>6,07,64,846</b>	<b>69.10</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-

## Annexure to the Directors' Report

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April, 2016]				No of Shares held at the end of the year [As on 31st March, 2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>6,07,64,846</b>	-	<b>6,07,64,846</b>	<b>69.10</b>	<b>6,07,64,846</b>	-	<b>6,07,64,846</b>	<b>69.10</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Fund	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
h) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	24,97,627	5,16,000	30,13,627	3.43	17,30,333	5,16,000	22,46,333	2.55	-0.87
i) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1,20,11,445	42,002	1,20,53,447	13.71	1,18,37,265	42,002	1,18,79,267	13.51	-0.20
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,08,24,649	1,98,100	1,10,22,749	12.54	1,15,15,110	1,98,100	1,17,13,210	13.32	0.79
c) Others (Specify)									
1. Non Resident Indians	3,44,800	-	3,44,800	0.39	2,61,228	-	2,61,228	0.30	-0.10
2. Clearing Members	7,32,035	-	7,32,035	0.83	9,88,131	-	9,88,131	1.12	0.29
3. Trusts	100	-	100	0.00	500	-	500	0.00	0.00
4. NBFCs registered with RBI	-	-	-	-	78,089	-	78,089	0.09	0.09
<b>Sub-total(B)(2)</b>	<b>2,64,10,656</b>	<b>7,56,102</b>	<b>2,71,66,758</b>	<b>30.90</b>	<b>2,64,10,656</b>	<b>7,56,102</b>	<b>2,71,66,758</b>	<b>30.90</b>	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,64,10,656</b>	<b>7,56,102</b>	<b>2,71,66,758</b>	<b>30.90</b>	<b>2,64,10,656</b>	<b>7,56,102</b>	<b>2,71,66,758</b>	<b>30.90</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>8,71,75,502</b>	<b>7,56,102</b>	<b>8,79,31,604</b>	<b>100.00</b>	<b>8,71,75,502</b>	<b>7,56,102</b>	<b>8,79,31,604</b>	<b>100.00</b>	-

## Annexure to the Directors' Report

### ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (as on 1st April, 2016)			Shareholding at the end of the year (as on 31st March, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares pledged/encumbered to total shares	
	<b>Directors &amp; their Relatives</b>							
1	Mr. Ankit Patni	1,75,600	0.20	100.00	1,75,600	0.20	100.00	0.00
2	Mr. Rohit Patni	1,75,000	0.20	100.00	1,75,000	0.20	100.00	0.00
3	Mr. Suresh Kumar Patni	4,66,200	0.53	92.44	4,66,200	0.53	100.00	0.00
4	Mrs. Sarita Patni	35,000	0.04	100.00	35,000	0.04	100.00	0.00
	<b>Bodies Corporate</b>							
5	M/s. Invesco Finance Pvt. Ltd.	1,08,71,250	12.36	100.00	1,08,71,250	12.36	100.00	0.00
6	M/s. Vasupujya Enterprises Pvt. Ltd.	1,06,00,000	12.05	100.00	1,06,00,000	12.05	100.00	0.00
7	M/s. Shreyansh Leafin Pvt. Ltd.	39,50,000	4.49	100.00	39,50,000	4.49	100.00	0.00
8	M/s. Whitestone Suppliers Pvt. Ltd.	24,50,000	2.79	100.00	24,50,000	2.79	100.00	0.00
9	M/s. Poddar Mech Tech Services Pvt. Ltd.	1,06,33,750	12.09	100.00	1,06,33,750	12.09	100.00	0.00
10	M/s. Suanvi Trading & Investment Co. Pvt. Ltd.	1,50,73,046	17.14	100.00	1,50,73,046	17.14	100.00	0.00
11	M/s. Astabhujia Properties Pvt. Ltd.	63,35,000	7.20	100.00	63,35,000	7.20	100.00	0.00
<b>Total</b>		<b>6,07,64,846</b>	<b>69.10</b>	<b>89.52</b>	<b>6,07,64,846</b>	<b>69.10</b>	<b>89.57</b>	<b>0.00</b>

### iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares held as on 1st April, 2016	% of total Shares of the Company	No. of Shares held as on 31st March, 2017	% of total Shares of the Company
	At the beginning of the year	6,07,64,846	69.10	6,07,64,846	69.10
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	<b>No Change</b>			
	At the end of the year	6,07,64,846	69.10	6,07,64,846	69.10



# Annexure to the Directors' Report

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding at the End of the Year	
		No. of Shares held as on 1st April, 2016	% of total Shares of the Company	Date of transaction	No. of Shares		No. of Shares held as on 31st March, 2017	% of total Shares of the Company
1	<b>ANIL KUMAR MISHRA</b>	-	-				-	-
	Transfer			9-Sep-2016	1,10,550	Purchase	1,10,550	0.13
	Transfer			16-Sep-2016	41,184	Purchase	1,51,734	0.17
	Transfer			23-Sep-2016	40,134	Purchase	1,91,868	0.22
	Transfer			30-Sep-2016	49,484	Purchase	2,41,352	0.27
	Transfer			7-Oct-2016	44,377	Purchase	2,85,729	0.32
	Transfer			14-Oct-2016	51,816	Purchase	3,37,545	0.38
	Transfer			21-Oct-2016	1,58,450	Purchase	4,95,995	0.56
	Transfer			28-Oct-2016	55,488	Purchase	5,51,483	0.63
	Transfer			11-Nov-2016	12,995	Purchase	5,64,478	0.64
	Transfer			18-Nov-2016	35,300	Purchase	5,99,778	0.68
	Transfer			25-Nov-2016	55,812	Purchase	6,55,590	0.75
	Transfer			2-Dec-2016	71,146	Purchase	7,26,736	0.83
	Transfer			9-Dec-2016	27,114	Purchase	7,53,850	0.86
	Transfer			16-Dec-2016	71,659	Purchase	8,25,509	0.94
	Transfer			30-Dec-2016	4,006	Purchase	8,29,515	0.94
	Transfer			6-Jan-2017	5,800	Purchase	8,35,315	0.95
	Transfer			13-Jan-2017	22,039	Purchase	8,57,354	0.98
	Transfer			10-Feb-2017	(20,000)	Sell	8,37,354	0.95
	Transfer			17-Feb-2017	(1,06,001)	Sell	7,31,353	0.83
	Transfer			24-Mar-2017	(9,975)	Sell	7,21,378	0.82
	Transfer			31-Mar-2017	(49,506)	Sell	6,71,872	0.76
	<b>At the end of the Year</b>						<b>6,71,872</b>	<b>0.76</b>
2	<b>BMA WEALTH CREATORS LIMITED</b>	5,71,315	0.65				5,71,315	0.65
	Transfer			10-Jun-2016	(1,000)	Sell	5,70,315	0.65
	Transfer			17-Jun-2016	3,500	Purchase	5,73,815	0.65
	Transfer			22-Jul-2016	4,000	Purchase	5,77,815	0.66
	Transfer			29-Jul-2016	1,000	Purchase	5,78,815	0.66
	Transfer			12-Aug-2016	1,050	Purchase	5,79,865	0.66
	Transfer			2-Sep-2016	(2,170)	Sell	5,77,695	0.66
	Transfer			23-Sep-2016	(100)	Sell	5,77,595	0.66
	Transfer			30-Sep-2016	(14,000)	Sell	5,63,595	0.64
	Transfer			11-Nov-2016	(830)	Sell	5,62,765	0.64
	Transfer			30-Dec-2016	(1,000)	Sell	5,61,765	0.64
	Transfer			13-Jan-2017	(1,000)	Sell	5,60,765	0.64
	<b>At the end of the Year</b>						<b>5,60,765</b>	<b>0.64</b>
3	<b>PRASTAV COMMERCE PRIVATE LIMITED</b>	5,01,000	0.57				5,01,000	0.57
	<b>At the end of the Year</b>						<b>5,01,000</b>	<b>0.57</b>

## Annexure to the Directors' Report

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding at the End of the Year	
		No. of Shares held as on 1st April, 2016	% of total Shares of the Company	Date of transaction	No. of Shares		No. of Shares held as on 31st March, 2017	% of total Shares of the Company
4	<b>PUNEET KUMAR GIRDHAR</b>	4,00,000	0.45				4,00,000	0.45
	Transfer			7-Oct-2016	50,000	Purchase	4,50,000	0.51
	Transfer			4-Nov-2016	10,000	Purchase	4,60,000	0.52
	Transfer			11-Nov-2016	40,000	Purchase	5,00,000	0.57
	<b>At the end of the Year</b>						<b>5,00,000</b>	<b>0.57</b>
5	<b>K GEORGE THOMAS</b>	-	-				-	-
	Transfer			10-Jun-2016	32,426	Purchase	32,426	0.04
	Transfer			30-Jun-2016	35,129	Purchase	67,555	0.08
	Transfer			22-Jul-2016	1,60,000	Purchase	2,27,555	0.26
	Transfer			29-Jul-2016	20,000	Purchase	2,47,555	0.28
	<b>At the end of the Year</b>						<b>2,47,555</b>	<b>0.28</b>
6	<b>SUYOG RAMAKANT KHUDE</b>	-	-				-	-
	Transfer			7-Oct-2016	2,02,356	Purchase	2,02,356	0.23
	<b>At the end of the Year</b>						<b>2,02,356</b>	<b>0.23</b>
7	<b>NARESH KUMAR JAIN</b>	1,98,100	0.23				1,98,100	0.23
	<b>At the end of the Year</b>						<b>1,98,100</b>	<b>0.23</b>
8	<b>KAYNET FINANCE LIMITED</b>	26,955	0.03				26,955	0.03
	Transfer			29-Apr-2016	7,325	Purchase	34,280	0.04
	Transfer			3-Jun-2016	100	Purchase	34,380	0.04
	Transfer			10-Jun-2016	(100)	Sell	34,280	0.04
	Transfer			24-Jun-2016	2,350	Purchase	36,630	0.04
	Transfer			29-Jul-2016	(16,350)	Sell	20,280	0.02
	Transfer			19-Aug-2016	45,000	Purchase	65,280	0.07
	Transfer			26-Aug-2016	36,150	Purchase	1,01,430	0.12
	Transfer			9-Sep-2016	18,500	Purchase	1,19,930	0.14
	Transfer			16-Sep-2016	26,772	Purchase	1,46,702	0.17
	Transfer			23-Sep-2016	41,025	Purchase	1,87,727	0.21
	Transfer			30-Sep-2016	6,469	Purchase	1,94,196	0.22
	<b>At the end of the Year</b>						<b>1,94,196</b>	<b>0.22</b>
	9	<b>TULIKA INVESTMENTS PRIVATE LIMITED</b>	1,50,000	0.17				1,50,000
<b>At the end of the Year</b>							<b>1,50,000</b>	<b>0.17</b>
10	<b>KARVY STOCK BROKING LIMITED</b>	1,47,250	0.17				1,47,250	0.17
	Transfer			15-Apr-2016	(470)	Sell	1,46,780	0.17
	Transfer			6-May-2016	(6,150)	Sell	1,40,630	0.16
	Transfer			20-May-2016	2,000	Purchase	1,42,630	0.16
	Transfer			24-Jun-2016	300	Purchase	1,42,930	0.16
	Transfer			8-Jul-2016	1,000	Purchase	1,43,930	0.16
	Transfer			15-Jul-2016	(1,000)	Sell	1,42,930	0.16
	Transfer			22-Jul-2016	(13,170)	Sell	1,29,760	0.15
	Transfer			29-Jul-2016	(550)	Sell	1,29,210	0.15
	Transfer			5-Aug-2016	(25)	Sell	1,29,185	0.15
	Transfer			26-Aug-2016	(500)	Sell	1,28,685	0.15

## Annexure to the Directors' Report

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Reason	Cumulative Shareholding at the End of the Year	
		No. of Shares held as on 1st April, 2016	% of total Shares of the Company	Date of transaction	No. of Shares		No. of Shares held as on 31st March, 2017	% of total Shares of the Company
	Transfer			9-Sep-2016	10,000	Purchase	1,38,685	0.16
	Transfer			16-Sep-2016	(10,000)	Sell	1,28,685	0.15
	Transfer			23-Sep-2016	9,900	Purchase	1,38,585	0.16
	Transfer			7-Oct-2016	500	Purchase	1,39,085	0.16
	Transfer			14-Oct-2016	(2,000)	Sell	1,37,085	0.16
	Transfer			28-Oct-2016	(4,000)	Sell	1,33,085	0.15
	Transfer			11-Nov-2016	4,700	Purchase	1,37,785	0.16
	Transfer			25-Nov-2016	5,000	Purchase	1,42,785	0.16
	Transfer			2-Dec-2016	(100)	Sell	1,42,685	0.16
	Transfer			9-Dec-2016	(850)	Sell	1,41,835	0.16
	Transfer			20-Jan-2017	(500)	Sell	1,41,335	0.16
	Transfer			27-Jan-2017	50,986	Purchase	1,92,321	0.22
	Transfer			10-Feb-2017	1,100	Purchase	1,93,421	0.22
	Transfer			17-Feb-2017	(150)	Sell	1,93,271	0.22
	Transfer			24-Feb-2017	(1,000)	Sell	1,92,271	0.22
	Transfer			3-Mar-2017	(34,960)	Sell	1,57,311	0.18
	Transfer			10-Mar-2017	60	Purchase	1,57,371	0.18
	Transfer			17-Mar-2017	(15,486)	Sell	1,41,885	0.16
	Transfer			24-Mar-2017	(500)	Sell	1,41,385	0.16
	Transfer			31-Mar-2017	500	Purchase	1,41,885	0.16
	<b>At the end of the Year</b>						<b>1,41,885</b>	<b>0.16</b>

**Note:**

1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 8,79,31,604 Shares.
2. The above details was as on 31.03.2017
3. The details of holding has been clubbed based on PAN.

### V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Reasons	Cumulative Shareholding at the end of the year	
		No. of Shares held as on 1st April, 2016	% of total Shares of the Company	Date of transaction	No. of Shares		No. of Shares held as on 31st March, 2017	% of total Shares of the Company
1	Mr. Suresh Kumar Patni (Managing Director)	4,66,200	0.53	-	-	-	4,66,200	0.53
2	Mr. Ankit Patni (Non-Executive Promoter Director)	1,75,600	0.20	-	-	-	1,75,600	0.20
3	Mr. Satish Kumar Singh (Executive Director)	-	-	-	-	-	-	-
4	Mr. Rohit Jain (Independent Director)	-	-	-	-	-	-	-
5	Mr. Nanda Samai (Independent Director)	-	-	-	-	-	-	-
6	Mrs. Sujata Agarwal (Independent Director)	-	-	-	-	-	-	-
7	Mr. Sanjeet Kumar Gupta (Chief Financial Officer)	-	-	-	-	-	-	-
8	Ms. Richa Agarwal (Company Secretary)	-	-	-	-	-	-	-

# Annexure to the Directors' Report

## VI. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year (i.e. as on 1st April, 2016)</b>				
i) Principal Amount	31,106.87	6,637.64	-	37,744.51
ii) Interest due but not paid	322.56	-	-	322.56
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31,429.43</b>	<b>6,637.64</b>	-	<b>38,067.07</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-235.58	-	-	-235.58
Reduction	-	5,453.27	-	5,453.27
<b>Net Change</b>	<b>-235.58</b>	<b>-5,453.27</b>	-	<b>-5,688.86</b>
<b>Indebtness at the end of the financial year (i.e. as on 31st March, 2017)</b>				
i) Principal Amount	31,094.06	1,184.37	-	32,278.43
ii) Interest due but not paid	99.79	-	-	99.79
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31,193.84</b>	<b>1,184.37</b>	-	<b>32,378.22</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Managing Director	Whole Time Director	Manager	Total Amount
		Mr. Suresh Kumar Patni	Mr. Satish Kumar Singh	N.A.	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	12,00,000.00	9,00,000.00	-	21,00,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>12,00,000.00</b>	<b>9,00,000.00</b>	-	<b>21,00,000.00</b>
	Ceiling as per the Act	<b>₹ 1,20,00,000/- p.a.</b>			

# Annexure to the Directors' Report

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

Sl.No	Particulars of Remuneration	Name of the Directors			Total
1	<b>Independent Directors</b>	<b>Mr. Rohit Jain</b>	<b>Mr. Nanda Samai</b>	<b>Mrs. Sujata Agarwal</b>	
	(a) Fee for attending Board Committee meetings	21,000.00	13,500.00	15,000.00	<b>49,500.00</b>
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>21,000.00</b>	<b>13,500.00</b>	<b>15,000.00</b>	<b>49,500.00</b>
2	<b>Other Non Executive Directors</b>	<b>Mr. Ankit Patni</b>			
	(a) Fee for attending Board Committee meetings	21,000.00	-	-	<b>21,000.00</b>
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	<b>21,000.00</b>	-	-	<b>21,000.00</b>
	<b>Total (B)=(1+2)</b>				<b>70,500.00</b>
	<b>Total Managerial Remuneration</b>	-	-	-	
	<b>Overall Ceiling as per the Act.</b>	<b>₹ 1,00,000/- (Per Meeting)</b>			

Note: Sitting fees was excluding of TDS. Actual Payment was made after deduction of 10% TDS.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	<b>Gross Salary</b>	<b>Company Secretary</b>	<b>CFO</b>	
		<b>Ms. Richa Agarwal</b>	<b>Mr. Sanjeet Kumar Gupta</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4,20,024	12,00,000	<b>16,20,024</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>4,20,024</b>	<b>12,00,000</b>	<b>16,20,024</b>

# Annexure to the Directors' Report

## VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

NIL

# Annexure to the Directors' Report

Annexure - II

## FORM MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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]

The Members

**Impex Ferro Tech Limited**  
**35, C. R. Avenue**  
**Kolkata - 700 012**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Impex Ferro Tech 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.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Impex Ferro Tech Limited** for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other than the fiscal, factory, labour and environmental laws which are generally applicable to all manufacturing/trading Companies, there no such law that applies specifically to the Company. The examination and reporting of these laws and rules are limited to whether there are adequate system and process in place to monitor and ensure compliance of those laws, after carrying out test checks of the relevant records and documents maintained by the Company.

# Annexure to the Directors' Report

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

- (i) Secretarial Standards ( SS 1 & SS 2) issued by The Institute of Company Secretaries of India,
- (ii) The Listing Agreements entered into by the Company with NSE and BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, save and except the following observation:

*It has been observed that, the Company has defaulted in the payment of statutory dues, with in the prescribed time.*

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings which were sent at least seven days in advance, agenda and detailed notes on agenda were sent 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.

Majority decisions is carried through at the Meetings of the Board and Committees and the dissenting members' views, if any, are captured and recorded as part of the minutes of respective meetings.

**We further report that** as per explanation given to us and the representations made by the Management, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period no specific event has happened and / or no action has been taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above, save and except that the accumulated losses of the Company have eroded the entire net worth of the Company indicating the uncertainty about the Company's ability to continue on a going concerned basis.

**H M Choraria & Co.**  
*Practising Company Secretaries*

(H M Choraria)  
*Proprietor*

FCS No: 2398, C P No.: 1499

Place : Kolkata  
Date : 11th August, 2017



# Annexure to the Directors' Report

Annexure – III

## Particulars of Employees

Sl. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for Financial Year 2016-17	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Suresh Kumar Patni (Managing Director)	12,00,000	0%	9.09
2.	Mr. Satish Kumar Singh (Executive Director)	9,76,340	8.48%	7.40
3.	Mr. Sanjeet Kumar Gupta (CFO)	12,00,000	48.15%	NA
4.	Ms. Richa Agarwal (Company Secretary)	4,20,024	20.86%	NA

### Note:

- No other Director other than the Managing Director and Whole Time Director received any remuneration other than sitting fees during the F.Y. 2016-17.
- In the Financial Year, there was an increase of 8.20% in the median remuneration of employees.
- There were 260 Permanent employees on the rolls of Company as on 31st March, 2017.
- The remuneration of the Key Managerial Personnel put together is ₹ 37.96 lacs which increased by 16.48% from ₹ 32.59 lacs.
- The remuneration of Directors/KMPs/Senior Management Personnel for the F.Y. 2016-17 are as per the Remuneration Policy of the Company.

\*Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company for the year under review.

Annexure – IV

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

### A) Conservation of Energy

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

- Installation of HT & LT Capacitor bank in Submerged Arc Furnace.
- Effective use of waste char for Power Generation.
- Effective maintenance and daily monitoring of capacitor bank for improvement in power factor.

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

- Installation of energy efficient light fittings in shop floor, offices and other areas.
- Replacement of old motors with energy efficient motors.

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

The Company proposes to install solar power equipments like night lighting systems and solar power pump sets to save on energy costs.

### B) Technology Absorption

#### i. Efforts made towards technology absorption

The Company is continually updating the production processes through the latest technology.

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

- Improvement in the quality of its products.
- Improvement in the safe and environment friendly process.

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

# Annexure to the Directors' Report

## iv. Expenditure incurred on Research and Development

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

## C) Foreign Exchange Earnings and Outgo

- i. Activities relating to export, initiative taken to increase exports, development of new export markets for the products & services and export plans:

The Company is actively exploring the export market and has taken various initiatives to export its products.

- ii. Total Foreign Exchange used and earned: (₹ in Lacs)

Particulars	31.03.2017	31.03.2016
1. Foreign Exchange earned	6,103.10	11,899.53
2. Foreign Exchange used	4,719.80	4272.74

## Annexure V

### FORM AOC-2

#### 1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis

Name(s) of the Related Party and Nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Salient Terms of the Contracts or Arrangements or Transactions including the value, if any	Justification for entering into such Contracts or Arrangements or Transactions	Date(s) of Approval by the Board	Amount paid as Advances, if any	Date on which the Special Resolution was passed in General Meeting as required under First Proviso to Section 188
NIL							

NIL

#### 2. Details of Material Contracts or Arrangements or Transactions at Arm's Length Basis

Name(s) of the Related Party and Nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Salient Terms of the Contracts or Arrangements or Transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as Advances, if any
NIL					

NIL

For and on behalf of the Board

Place: Kolkata,  
Date: 11th August, 2017

**Suresh Kumar Patni**  
Chairman cum Managing Director

# Management Discussion and Analysis

## Economic Overview

Global growth is projected to pick up modestly in 2017. Global GDP grew at 2.3% in 2016 while euro zone economy grew by 1.7%. The most significant development has been the depreciation of the pound against major currencies including the euro and the US dollar. Growth in China again decelerated in 2016 to 6.7%. The Government is seeking to transform the economy from being investment led to become more consumer driven.

India's economic growth is estimated at 7.1% for the fiscal year ending 31st March, 2017 as compared to 7.6% in 2016. The lower growth is due to the impact of the demonetisation and other drive. The growth estimates have been reduced in all the sectors, except for agriculture due to good monsoon.

## Industry structure and developments

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

There are two families of manganese alloys called ferro-manganese (FeMn) and silico manganese (SiMn). Silico-manganese adds additional silicon which is a stronger deoxidant. Nitrogen, boron, titanium, phosphorus are elements which can be controlled depending on requested specification.

While chromium alloys are used in the production of stainless steel, manganese alloys are used in the production of steel and some specialized grades of stainless steel making. Manganese alloys are mostly used in steelmaking and foundry activities. Steels usually contain from 0.2% to 2% manganese depending on grades as manganese is the cheapest alloying element among those which enhance some key mechanical properties like strength and toughness.

The steel sector has been a major contributor to India's manufacturing output and a key player in infrastructure development and with growth of steel sector, various infrastructure project taken by government the consequent growth of Manganese segment in future is bright.

## Opportunities and Threats

The growth of Ferro-Alloys industry is directly linked with the growth of Iron and Steel Industry. India, at a per capita steel consumption of 60 kg, is much below the global average of 215 kg, thereby reflecting massive under-penetration and immense opportunities for growth, which will in turn, drive ferro-alloys demand. Further, with investments/ expansion plans in Roads, Railways, Automobile Sector and Power Sector, the demand for Ferro Alloys is expected to improve in coming years.

Electrical energy is one of the major inputs in production of ferro-alloys and high power tariff is a threat for the ferro-alloys industry. The ferro-alloys producers are now focusing on setting up their captive power units. This will reduce the input cost and ensure continuous supply of power.

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

## Risks and concerns

The cost-effective availability of key raw material is a global challenge. The volatility in prices of raw materials as well as disruption in the supply of inputs, could adversely affect the profitability of the Company. The Company is having adequate arrangements with domestic and international Ore Suppliers to take care of such exigencies.

Electricity comprises a key cost component in the total operating cost structure and an inability to manage this might impact the Company's operations. The 30 MW Captive Power Plant enables the Company to emerge self-reliant in its power needs and reduce dependence on the expensive grid electricity.

The Company's sales may in the future be concentrated in a few markets as a consequence of continued global slow down, thereby negatively impacting its operations. Currently the Company's sales are well-spread to key consumption centers across the globe, thereby mitigating concentration risks.

The Company deals in sizeable amount of foreign exchange in import of raw materials and exports of finished products. A comprehensive and robust forex policy has been formulated for insulating the Company by hedging foreign exchange exposure.

## Segment-wise reporting

The Company is mainly in the business segment of manufacturing & sales of Ferro Alloys and trading in Iron & Steel products. The key financial of the business segments including secondary segment details identified as the geographical segment based on the location of customers within India and outside India is given in Notes no. 36 to the Annual Accounts. The Company also generates power from its captive power plant, which is entirely consumed in the manufacture of Ferro Alloys without any sale to third parties.

# Management Discussion and Analysis

## Segment-wise performance

### Ferro Alloys:

During the year under review the Company has produced 20573 MT of Ferro Alloys against 29305 MT of Ferro Alloys in previous year registering a decline of 29.80% over previous year. The Gross revenue from the Ferro Alloys segment was ₹ 134.57 Crores. The Ferro Alloys export during the year under review has decreased by 56% to 11,177 MT.

### Internal controls and systems

The Company has implemented proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly, applicable statutes and corporate policies are duly complied with. The Company has an Audit Committee with majority of Independent Directors as members. The committee periodically reviews significant audit findings, adequacy of internal control and compliance with Accounting Standards, amongst others. The management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Independent Audit Committee of the Board of Directors. The Company also takes quarterly compliance certificate in respect of various applicable laws from the concerned departmental heads and places the same before the Board.

### Industrial relations and human resources

Human resource is the Company's principal asset. The Company provides continual training to its staff to help them upgrade their skills and seeks to balance individual aspirations with Company goals. The Company employs contract labour in its manufacturing facilities. The Company recruits judiciously through Industry contacts, newspaper advertisements and consultants. The Company also recruits trainees from reputed ITIs, technical and professional institutes. The Company maintained harmonious relationship with all its workers and there were no strikes or lockouts during the year under review. As on the date of this Report the Company has 260 employees on its payroll.

### Cautionary Statement

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

# Corporate Governance Report

## CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organisation. Good Corporate Governance leads to long term Shareholder value and enhances interest of other Stakeholders.

The Company understands and respects its fiduciary and trusteeship role and responsibility to its stakeholders and strives hard to meet their expectations. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized.

The Company's Equity shares are presently listed on two Stock Exchanges in India namely BSE Limited and National Stock Exchange of India Limited. Further the Company has complied in all material respects with the features of Corporate Governance Code as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the details of compliances by the Company for the year ended 31st March, 2017 are as under:

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has endeavoured to benchmark itself against global standards in all areas, including Corporate Governance. Good Corporate Governance implies optimum utilisation of the resources and ethical behaviour of the enterprise to enhance the stakeholders' value with strong emphasis on transparency, accountability and integrity, which are the primary objectives of the Company.

### BOARD OF DIRECTORS

#### Composition

The Board has strength of Six (6) Directors as on 31st March, 2017. The Board comprises of optimum combination of Executive, Non-Executive and Independent Directors. Two (2) Directors are Executive and Four (4) were Non-Executive Directors of which 3 (Three) were Independent including One (1) Woman Director. The Chairman of the Company is an Executive-Promoter-Director. The composition of the Board during the year was in conformity with Regulation 17(1) along with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 25 of SEBI Listing Regulations, 2015, none of the Directors on the Board serve as an Independent Director of more than Seven (7) listed entities across all entities in which he/she is a Director. Further, none of the Director on the Board who is serving as a whole time Director in any listed entity is serving as an Independent Director of more than Three (3) listed entities across all entities in which he/she is a Director. Further, in compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board is a member of more than Ten (10) committees or Chairman of more than Five (5) committees across all Public Limited Companies (whether listed or not) in which he/she is a Director. The Directors regularly inform the Company about the changes in their positions as and when changes take place, apart from the annual disclosures. For assessment of these criteria, the membership/chairmanship of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than Twenty (20) Companies at the same time with the directorship in Public Companies not exceeding Ten (10). All the Directors have made necessary disclosures regarding directorship/ committee positions occupied by them in other listed entities / Public Limited Companies (whether listed or not) in accordance with Regulations 25 and 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013

The composition and category of the Board of Directors of the Company as on 31st March, 2017 along with the number of Board meetings attended by the Directors during the year 2016-17 are given below:

Name of the Director	Category	No. of Board Meetings Attended	No. of Directorship in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$		Whether attended the Last AGM
				As Member	As Chairman	
Mr. Suresh Kumar Patni	Promoter/-Executive	5	5	1	-	Yes
Mr. Ankit Patni	Promoter/Non-Executive	5	5	1	-	No
Mr. Satish Kumar Singh	Executive	5	-	-	-	Yes
Mr. Nanda Samai	Independent – Non-Executive	5	1	1	-	Yes
Mrs. Sujata Agarwal	Independent – Non-Executive	5	3	1	1	Yes
Mr. Rohit Jain @	Independent – Non-Executive	5	-	-	-	Yes

# Corporate Governance Report

## Notes:

- \$ Only two committees viz. Audit Committee and Stakeholders Relationship Committee are considered for this purpose.  
@ Resigned from the Board of Directors w.e.f August 11, 2017
- Consequent to resignation of Mr. Rohit Jain, Mr. Ravindra Kumar Mehra (DIN: 07898952) was appointed as an Additional Independent Director w.e.f. 11th August, 2017
- None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except for holding Directorship & receiving sitting fees, save and except Mr. Ankit Patni who is also the promoter of the Company, which has a business relation with this Company.
- Mr. Ankit Patni is the son of Mr. Suresh Kumar Patni. No other Directors in the Board are related to each other.

## \* MEETINGS OF BOARD OF DIRECTORS

Five (5) Board Meetings were held during the year 2016-17 and the gap between two meetings did not exceed One Hundred and Twenty (120) days. The dates on which the Board Meetings were held are as follows:

30th May, 2016; 12th August, 2016; 30th September, 2016; 14th November, 2016 and 14th February, 2017.

## Notes:

- Board Meetings are held at the Corporate Office of the Company. The Agenda along with explanatory notes are sent in advance to the Directors to get their input in the discussion. The information as stipulated in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 17(7) of the said Regulations entered into with Stock Exchanges is regularly made available on the Board whenever applicable.
- The Board periodically reviews compliance report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

## \* INDEPENDENT DIRECTORS

As on 31st March, 2017, the Company has Three (3) Independent Directors on its Board out of the total strength of 6 (Six) Directors.

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually, they qualify the tests of their being Independent as laid down under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All requisite declarations were placed before the Board.

## MEETING OF INDEPENDENT DIRECTORS

In compliance with the requirements of Schedule IV of the Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 31st March, 2017, inter-alia, to :

- a) Review the Performance of Non-Independent Directors and the Board of Directors as a whole;
- b) Review the performance of the Chairperson of the Company, taking in account the view of Executive and Non-Executive Directors,
- c) Assess the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties

All the Independent Directors were present in the meeting.

## FAMILIARISATION PROGRAM OF INDEPENDENT DIRECTORS

The Independent Directors are having adequate experience in the field of finance, industry, commerce and administration. Their presence on the Board has been advantageous to the Board and fruitful in taking business decisions.

Periodic presentations are made by senior management on business and performance updates of the Company, global business environment, business risk and its mitigation strategy. The details of such periodic presentation is disclosed on the Company's website [www.impexferrotech.com](http://www.impexferrotech.com)

Familiarisation Programmes Policy was uploaded in the Company's website viz. [http://www.impexferrotech.com/familiarization\\_programme\\_policy.pdf](http://www.impexferrotech.com/familiarization_programme_policy.pdf)

## COMMITTEES OF DIRECTORS

Currently, there are Five (5) Board Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee and Executive Committee. The terms of reference

# Corporate Governance Report

of the Committees are determined by the Board from time to time. The terms of reference, role and composition of these Committees, including the number of meetings held and attended by the members during the financial year are provided below:

## AUDIT COMMITTEE

The Company has an Audit Committee within the scope of section 177 of the Companies Act, 2013 and rules framed there under read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee meets atleast four (4) times in a year and not more than one hundred and twenty days (120) have elapsed between two meetings. The existing Audit Committee has been reconstituted on 11th August, 2017.

### A. Terms of Reference

In accordance with the provisions of section 177 of the Companies Act, 2013 and Regulation 18 read with Part-C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference of the Audit Committee inter alia includes:

1. To 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.
2. To recommend to the Board, the appointment, re-appointment, terms of appointment, replacement or removal and remuneration of the auditors.
3. To examine the Financial Statements and Auditors' Report thereon.
4. To review, with the management, the quarterly financial statements before submission to the board for approval.
5. To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
6. To review, with the management, the annual financial statements 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 in terms of sub-section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
7. To approve or subsequently modify the transactions of the Company with related parties.
8. To review, 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.
9. To review, with the management and monitor the auditor's independence and performance of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
10. To scrutinize inter-corporate loans and investments, if any
11. To valuate undertakings or assets of the Company, wherever it is necessary
12. To evaluate the internal financial controls and risk management systems
13. To monitor the end use of funds raised through public offers and related matters, if any
14. To review 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.
15. To discuss with internal auditors any significant findings and follow up there on.
16. To review 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.

# Corporate Governance Report

17. To call for comments of the auditors about internal control systems, scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
18. To give an option to the Auditors and the Key Managerial Person of the Company to be heard at the Audit Committee Meeting while considering the Auditors' Report.
19. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
20. 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.
21. To approve the 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 & background, etc. of the candidate.
22. To establish a Vigil Mechanism for the directors and employees of the Company to report genuine concerns in certain matters. The Mechanism shall provide adequate safeguard against victimization of persons who use the mechanism. The Chairman of the Audit Committee shall be easily available for the same.
23. To carry out any other function as is mentioned in the terms of reference of the Audit Committee from time to time.

## B. Composition, Name of Members and Chairperson, Meetings and Attendance during the year

The Audit Committee comprises of Three (3) Directors all of whom are financially literate. Majority of the members of the Committee are Independent/Non-Executive.

The Composition of the Audit Committee and the details of meetings attended by the Committee members are given below:

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Rohit Jain §	Chairman	Independent/Non-Executive	4
Mr. Ravindra Kumar Mehra@	Chairman	Independent/Non-Executive	–
Mr. Ankit Patni	Member	Promoter/Non-Executive	4
Mr. Nanda Samai	Member	Independent/Non-Executive	4

Note:

- § Resigned from the Board of Directors w.e.f 11th August, 2017
- @ Consequent to resignation of Mr. Rohit Jain, Mr. Ravindra Kumar Mehra (DIN: 07898952) was appointed as Chairman of the Committee w.e.f. 11th August, 2017

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

The Chairman of the Audit Committee was present at the last Annual General Meeting.

During the Financial Year ended 31st March, 2017, Four (4) Audit Committee Meetings were held on:

30th May, 2016; 12th August, 2016; 14th November, 2016 and 14th February, 2017.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is conducted in compliance with the provisions of section 178(1) of the Companies Act, 2013 and rules framed there under along with Regulation 19 read with Part-D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The existing Nomination and Remuneration Committee is reconstituted on 11th August, 2017.

### A. Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as follows:

1. To identify person who are qualified to become Directors and who may be appointed in Senior Management as per their criteria.
2. To recommend to the Board the appointment and removal of the Directors and Senior Management.



# Corporate Governance Report

3. To carry out evaluation of every director's performance.
4. To formulate criteria for determining qualification, positive attributes and independence of a Director.
5. Devise a policy on Board diversity.
6. To recommend to the Board a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees.
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To perform such other functions as may be necessary or appropriate for performance of its duties.

## B. Composition, Name of Members and Chairperson, Meetings and Attendance during the year

The Nomination and Remuneration Committee comprises of Three (3) Non-Executive Directors. Majority of the members of the Committee are Independent/Non-Executive. Mr. Ravindra Kumar Mehra, Independent Director, is the Chairman of the Nomination and Remuneration Committee.

The present Composition of the Nomination & Remuneration Committee and the details of meetings attended by the Committee members are given below:

Name of the Member	Designation	Category	No. of Meeting Attended
Mr. Rohit Jain\$	Chairman	Independent/Non-Executive	5
Mr. Ravindra Kumar Mehra@	Chairman	Independent/Non-Executive	–
Mr. Sujata Agarwal	Member	Independent/Non-Executive	5
Mr. Ankit Patni	Member	Promoter/Non Executive	5

Note:

- \$ Resigned from the Board of Directors w.e.f 11th August, 2017.
- @ Consequent to resignation of Mr. Rohit Jain, Mr. Ravindra Kumar Mehra (DIN: 07898952) was appointed as Chairman of the Committee w.e.f. 11th August, 2017.

The Chairman was present at the last Annual General Meeting.

## C. Nomination and Remuneration Policy

### ➤ For Non-Executive Directors/ Independent Directors

#### i. Sitting fees

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

#### ii. Commission

No Commission shall be paid.

#### iii. Stock Options

An Independent Director shall not be entitled to any stock option as per the Companies Act, 2013.

### ➤ For Executive Directors/KMP's

#### i. Fixed pay

- a. The Managing Director/ Executive Directors/ KMP's and Senior Management Personnel shall be eligible for a monthly remuneration and perquisites as may be approved by the Board on the recommendation of the Committee. The statutory and retiral benefits shall be paid as per the applicable laws.
- b. The remuneration to be paid to the Managing Director/Executive Director shall be paid on recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### ii. Minimum Remuneration

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

# Corporate Governance Report

## iii. Provisions for excess remuneration

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

## D. Performance Evaluation

Pursuant to the provisions of section 178 of the Companies Act, 2013 read with Rules framed thereunder along with Schedule IV of the Act and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee and by the Board.

The Chairman and Managing Director is evaluated on key aspects of the role which includes inter-alia effective leadership to the Board and adequate guidance to the each level of Management. Based on prescribed criteria as laid down, the performance of the Board, various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee, and Individual were evaluated at satisfaction level. During the year under review, the Independent Directors of the Company reviewed the performance of Non-Independent Directors and Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The Board as a whole is a balanced unit where diverse views are expressed and dialogued whenever required. All the directors are participative, interactive and communicative. The Chairman has abundant knowledge experience, skills and understanding of the Board's functioning processes. The information flow between the Company's Management and the Board is timely and sufficient.

## E. REMUNERATION OF DIRECTORS

### a. NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors consists of only sitting fees @ ₹ 1,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the equity shares held by them as on 31st March, 2017 are as follows:

Name of the Director	Sitting Fee paid (₹)	No. of Shares held as on 31st March, 2017
Mr. Ankit Patni	21,000	1,75,600
Mr. Nanda Samai	13,500	Nil
Mr. Rohit Jain	21,000	Nil
Mrs. Sujata Agarwal	15,000	Nil

### b. EXECUTIVE DIRECTORS

The Company has paid remuneration only by way of salary to its Managing Director/Executive Director and the same is within the limits specified under Schedule V of the Companies Act, 2013 and duly approved by the Board as well as by the Shareholders of the Company. Details of remuneration paid during 2016-17 are as follows:

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni	12,00,000/-	01.07.2013	30.06.2018	2 months
Mr. Satish Kumar Singh	9,76,340/-	24.08.2015	23.08.2018	2 months

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders' Relationship Committee was constituted to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, etc. The existing Stakeholders Relationship Committee is reconstituted on 11th August, 2017.

### A. Terms of Reference

The Terms of Reference of the Stakeholders' Relationship Committee are as follows:

- To review and ensure compliance of statutory provisions of the Companies Act, 2013, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of shares/debentures of the Company.

# Corporate Governance Report

2. To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
3. Approve transfers/transmission of shares/debenture and demat/remat of the shares/debenture.
4. Approve issue of duplicate shares certificates/debenture certificates, issue of certificates on consolidation/sub-division/rematerialisation.
5. To consider and resolve all shareholders queries, grievance and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. are attended and redressed in an expeditious manner.
6. Monitor implementation of Company's Code of Conduct for Prohibition of Insider Trading.
7. Any other matter referred by the Board relating to equity shareholders of the Company.

## B. Composition, Name of Members and Chairperson, Meetings and Attendance during the year

The Stakeholders Relationship Committee consists of Three (3) Directors, out of which Two (2) are Independent Directors and One (1) is Executive Director. The Chairman of the Committee is an Independent Director. During the year under review, the Committee has met once on 22nd April, 2016.

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

Name of the Member	Designation	Category	No. of Meeting Attended
Mrs. Sujata Agarwal	Chairman	Independent/Non-Executive	1
Mr. Suresh Kumar Patni	Member	Promoter/Executive	1
Mr. Rohit Jain §	Member	Independent/Non-Executive	1
Mr. Ravindra Kumar Mehra@	Member	Independent/Non-Executive	N.A.

Note:

➤ § Resigned from the Board of Directors w.e.f 11th August, 2017.

➤ @ Consequent to resignation of Mr. Rohit Jain, Mr. Ravindra Kumar Mehra (DIN: 07898952) was appointed as Member of the Committee w.e.f. 11th August, 2017.

## C. Name and Designation of Compliance Officer

Ms. Richa Agarwal, Company Secretary has been designated as Secretary to the Committee and as Compliance Officer of the Company. The Committee has delegated the authority to approve the requests for transfers/transmission, split and remat/demat of shares to the Company Secretary. The Committee reviews the transfer/demat/remat approved by the Company Secretary and take note thereof in their subsequent meeting.

## D. Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

## E. Status of Invertor's Grievances

The details of the complaints during the year 2016-17, excluding correspondences which are not in the nature of complaints are given below:

Number of complaints received from the shareholders	1
Number of complaints redressed	1
Number of complaints not solved/pending	0

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company as per the provisions of section 135 of the Companies Act, 2013 read with Corporate Social Responsibility (CSR) Rules, 2014 as amended from time to time. The Corporate Social Responsibility Committee has been re-constituted on 30th September, 2015.

### A. Terms of Reference

The Terms of Reference of the Corporate Social Responsibility Committee are as follows:

1. Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy.

# Corporate Governance Report

3. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
4. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

## B. Composition, Name of Members and Chairperson, Meetings and Attendance during the year

The Corporate Social Responsibility (CSR) Committee consists of Three (3) Directors, out of which One (1) is Independent Directors, One (1) is a Non-Executive Director and One (1) is Executive Director. The Chairman of the Committee is an Independent Director. During the year under review, the Committee has met once on 30th March, 2017.

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

Name of the Member	Designation	Category	No. of Meeting Attended
Mr. Nanda Samai	Chairman	Independent/Non-Executive	1
Mr. Satish Kumar Singh	Member	Executive	1
Mr. Ankit Patni	Member	Promoter/Non-Executive	1

## EXECUTIVE COMMITTEE

The Executive Committee of the Board of Directors was originally constituted on 14th February, 2015 and reconstituted on 30th September, 2015 with necessary powers delegated to it with a view to conduct the affairs of the Company smoothly.

### A. Terms of Reference

The Terms of Reference of the Executive Committee are as follows:

1. To review and follow up on the action taken on the Board decisions;
2. To review the operations of the Company in general;
3. To review the systems followed by the Company;
4. To review, propose and monitor annual budget including additional budget, if any, subject to the ratification of the Board;
5. To review capital expenditure against the budget;
6. To authorize opening and closing of bank accounts; To authorize additions/deletions to the signatories pertaining to banking transactions;
7. To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivative products;
8. To delegate and authorise the Company officials to represent and appear before the various courts, government authorities on behalf of the Company;
9. To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference;
10. To execute Power of Attorney in favour of Company officials to represent and appear before the various courts, government authorities on behalf of the Company;
11. To seek information from any employee as considered necessary;
12. To obtain outside legal professional advice as considered necessary;
13. To secure attendance of outsiders with relevant expertise; and
14. To investigate any activity within terms of reference.

### B. Composition, Name of Members and Chairperson with Designation

The Executive Committee consists of Three (3) Directors, out of which Two (2) is Executive Directors and One (1) is Non-Executive Promoter Director. The Chairman of the Committee is an Executive Director.

The composition of the Committee are given hereunder:

Name of the Member	Designation	Category
Mr. Suresh Kumar Patni	Chairman	Promoter/Executive
Mr. Satish Kumar Singh	Member	Executive
Mr. Ankit Patni	Member	Promoter/Non-Executive

# Corporate Governance Report

## GENERAL BODY MEETING

### A. Details of the Location and time of the last three Annual General Meeting held

Date	Financial Year	Place	Time
27th September, 2016	2015-16	<b>AIKATAN</b> , Eastern Zonal Cultural Center (EZCC), IA-290, Sector-III, Salt Lake City, Kolkata- 700 097	10.00 AM
28th September, 2015	2014-15	<b>PURBASHREE</b> , Bhartiya Cultural Multiplex, IB-201, Sector-III, Salt Lake City, Kolkata – 700 106	10.00 AM
27th September, 2014	2013-14	<b>PURBASHREE</b> , Bhartiya Cultural Multiplex, IB-201, Sector-III, Salt Lake City, Kolkata – 700 106	10.00 AM

### Special Resolutions Passed at the last three Annual General Meetings

Financial Year	Items
2015-16	NIL
2014-15	<ul style="list-style-type: none"> <li>• Re-appointment of Executive Director.</li> <li>• Approval, Ratification and Confirmation of the Corporate Debt Restructuring Scheme by and between the Company and the Rupee Lenders of the Company.</li> <li>• Conversion of Loan into Equity.</li> <li>• Increase in Authorized Share Capital of the Company and consequential amendment to the Memorandum of Association of the Company.</li> <li>• Issue of Equity Shares on Preferential basis to the Promoters.</li> </ul>
2013-14	<ul style="list-style-type: none"> <li>• Alteration of Articles of Association of the Company</li> </ul>

No Resolution was passed during the financial year 2016-17 through Postal Ballot under section 110 of the Companies Act, 2013 and Rules framed thereunder. The Company does not propose to conduct any Special Resolution through postal ballot at the ensuing AGM.

## MEANS OF COMMUNICATION

### A. Quarterly Results

In compliance with the requirements of the Listing Agreements/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has intimated Audited Financial Results as well as the Unaudited Quarterly Results to the Stock Exchanges immediately after they are taken on record by the Board.

### B. Newspapers

The aforesaid Financial Results are published in English National daily–“Business Standard” and in a local vernacular newspaper–“Dainik Statesman” widely circulated in the state of West Bengal.

### C. Website

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

### D. Annual Report

The Annual Report containing, inter alia, Audited Financial Statements, Directors’ Report, Auditors’ Report and other important information is circulated to members and others entitled thereto. The Management’s Discussion and Analysis (MD&A) Report forms part of the Annual Report.

# Corporate Governance Report

## GENERAL SHAREHOLDER INFORMATION

### A. Annual General Meeting

- i. **Day, Date & Time** : Thursday, 21st September at 3.00 P.M.
- ii. **Venue** : PaschimBanga Bangla Academy, Rabindra Okakura Bhavan, DD-27/A/1, DD Block, Sector – I

### B. Financial Year

Financial Calendar (Tentative) : 1st April to 31st March

#### ➤ Financial Reporting for 2017-18

- First Quarter\* : On or before 14th September, 2017.
- Second Quarter and Half Yearly \* : Within 75 days from the end of the quarter.
- Third Quarter and Nine Months : Within 45 days from the end of the quarter.
- Fourth Quarter and Annual (Audited) : Within 60 days from the end of the quarter.

\* 30 (Thirty) Days of extension is granted for the 1st Two quarters by the SEBI vide circular No. CIR/CFD/FAC/62/2016, dated July 5, 2016, for the implementation of Ind-AS

- **Annual General Meeting for the year ending on 31st March, 2018** : On or before 30th September, 2018

### C. Dividend Payment Date

: N.A.

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

Name of the Stock Exchange	Address	Stock Code
BSE Ltd. (BSE)	"PhirozeJeejeebhoy Tower" Dalal Street, Mumbai-400 001	532614
National Stock Exchange of India Ltd. (NSE)	"Exchange Plaza" Bandra - KurlaComplexBandra (E), Mumbai - 400 051	IMPEXFERRO

The Company has paid the listing fee for the year 2017-18 to both the Stock Exchanges where the shares of the Company are listed.

### E. Date of Book Closure

: 14th September, 2017 to 21st September, 2017

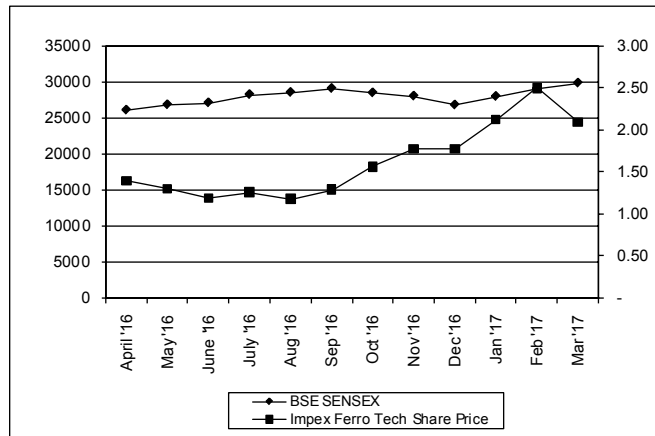
### F. Market Price Data

The Stock Market data on BSE & NSE for the last Twelve (12) months are provided herein

Month	National Stock Exchange of India Ltd. (₹)		BSE Ltd. (₹)	
	HIGH	LOW	HIGH	LOW
April, 2016	1.40	1.20	1.39	1.26
May, 2016	1.30	1.05	1.29	1.09
June, 2016	1.20	1.00	1.18	1.03
July, 2016	1.25	1.10	1.25	1.07
August, 2016	1.20	1.00	1.17	1.06
September, 2016	1.30	1.05	1.28	1.10
October, 2016	1.70	1.20	1.56	1.24
November, 2016	1.90	1.40	1.77	1.59
December, 2016	1.85	1.50	1.77	1.49
January, 2017	2.15	1.50	2.12	1.51
February, 2017	2.50	2.00	2.50	2.13
March, 2017	2.00	1.60	2.09	1.80

# Corporate Governance Report

## G. Performance of the Company in comparison with BSE Sensex



## H. The International Security Identification Number (ISIN) for NSDL & CDSL : INE691G01015

### I. Registrar and Share Transfer Agent

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

### J. Share Transfer System

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

### K. Distribution of Shareholding as on 31st March, 2017

Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Total
Upto 500	6496	56.33	14,17,197	1.61
501 to 1000	1942	16.84	17,62,342	2.00
1001 to 2000	1192	10.34	20,21,243	2.30
2001 to 3000	488	4.23	12,98,962	1.48
3001 to 4000	218	1.89	8,05,327	0.92
4001 to 5000	339	2.94	16,48,343	1.87
5001 to 10000	434	3.76	34,13,625	3.88
10001 and above	423	3.67	7,55,64,565	85.94
<b>Total</b>	<b>11532</b>	<b>100.00</b>	<b>8,79,31,604</b>	<b>100.00</b>

### L. Dematerialization of shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both NSDL and CDSL. As on 31st March, 2017, 8,71,75,502 Equity Shares representing 99.14% of the share capital are held in dematerialized form viz., CDSL – 7,11,47,942 Equity Shares and NSDL – 1,60,27,560 Equity Shares.

### M. Outstanding ADR's & GDR's, Warrants or any other convertible instruments, conversion date and likely impact on Equity Shares

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

# Corporate Governance Report

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

Category	No. of Shares	% of holding
Promoter & Promoter Group	6,07,64,846	69.10
Bodies Corporate	23,24,422	2.64
Individuals	2,35,92,477	26.83
Non-Resident Individuals	2,61,228	0.30
Clearing Member	9,88,131	1.12
Trusts	500	0.01
<b>Total</b>	<b>8,79,31,604</b>	<b>100.00</b>

## O. Plant Locations

Kadavita Dendua Road  
P.O. Kalyaneshwari, P.S. Kult  
Dist. – Burdwan, West Bengal – 713 369  
Phone : +91 341 2522248/49  
Fax : +91 341 2522961

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

Ms. Richa Agarwal  
Company Secretary & Compliance Officer  
Impex Ferro Tech Limited  
SKP House,  
132A, S.P. Mukherjee Road,  
Kolkata – 700 026  
Ph.: +9133-4016 8000/8100  
Fax: +9133-4016 8191/8107  
Email Id: cs@impexferrotech.com

### Address for Correspondence

#### Registered Office:

Impex Ferro Tech Limited  
35, C. R. Avenue  
Kolkata – 700 012  
Phone: +91 33 22110225/0226  
Email Id: grievance@impexferrotech.com  
CIN: L27101WB1995PLC071996

#### Corporate Office:

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

## OTHER DISCLOSURES

- a. There are no materially significant related party transactions, i.e. transactions of the Company of material in nature with its Promoters, Directors or the Management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arm's length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the Note No: 35 to the Annual Accounts of the Company.

Review of Related Party Transactions by Audit Committee and grant of omnibus approval.

- b. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- c. **Vigil Mechanism**

In order to strengthen the process of conducting the business in a fair, transparent and ethical manner, the Company has set up a Vigil Mechanism or Whistle Blower Policy. The policy is intended to establish a mechanism for employees to report to the management genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics, for which a dedicated email id vigil.mechanism@impexferrotech.com has been



# Corporate Governance Report

established. Mr. Ravindra Kumar Mehra (Upon resignation of Mr. Rohit Jain w.e.f. 11th August, 2017), Chairman of the Audit Committee of the Company has been nominated by the Board as Ombudsperson for this purpose. The mechanism provides adequate safeguard against victimization of the persons using this mechanism. No employee was denied access to the Audit Committee.

- d. The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges as well as regulations and guidelines of SEBI.
- e. The Company does not have any Subsidiary.
- f. **Web link of Related Party Transactions Policy**  
[http://www.impexferrotech.com/related\\_party\\_transaction\\_policy.pdf](http://www.impexferrotech.com/related_party_transaction_policy.pdf)
- g. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standards.
- h. A Risk Management Policy has been formed by the Company on 30th May, 2015. The risk assessment and minimisation procedures are in place and the Board is regularly informed by the Senior Executives about the business risks, if any occurs, and the steps taken to mitigate the same.
- i. **Management Discussion & Analysis Report**

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

## DISCRETIONARY CORPORATE GOVERNANCE REQUIREMENTS

In terms of Regulation 27 (1) of the Listing Regulation read with Schedule II of the said Regulation, the disclosure on account of the extent to which the discretionary requirements as specified in Part E of Schedule II are given below:

### A. The Board

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

### B. Shareholder's Right

The Company does not consider circulating the Half Yearly declaration of financial results separately to each household of the Shareholders.

### C. Modified opinion (s) in audit report

The Company's Financial Statements has been accompanied with Auditor's qualification for financial year ended 31st March, 2017.

### D. Separate Posts of Chairperson and Chief Executive Officer

The Company has same individual as the Chairman and the Managing Director or Chief Executive Officer.

### E. Reporting of Internal Auditor

The Internal Auditor of the Company reports all the matters considered to its audit directly to the Audit Committee.

## DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF REGULATION 46(2) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

- a. Board of Directors
- b. Audit Committee
- c. Nomination and Remuneration Committee
- d. Stakeholders' Relationship Committee
- e. Risk Management Committee : **Not Applicable**
- f. Vigil Mechanism
- g. Related Party Transactions
- h. Corporate governance requirements with respect to subsidiary of Company : **No Subsidiary**

# Corporate Governance Report

- i. Obligations with respect to Independent Directors
- j. Obligations with respect to Directors and senior management
- k. Other Corporate governance requirements as stipulated under the Regulations
- l. Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

## CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGEMENT

The Code of Conduct for the Board of Directors and Senior Management Personnel as adopted is available on the Company's website [www.impexferrotech.com](http://www.impexferrotech.com). All the Members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

### DECLARATION

In accordance with Regulation 26 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2017.

For Impex Ferro Tech Limited

Place: Kolkata  
Date: 30th May, 2017

**Suresh Kumar Patni**  
*Chairman cum Managing Director*

## CODE OF CONDUCT OF INDEPENDENT DIRECTORS

As per the provisions of section 149(8) of the Companies Act, 2013, the Independent Directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a Code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a Code for Independent Directors of the Company and ensures that all the Independent Directors of the Company follows the same.

## CEO/CFO CERTIFICATION

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:

- a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;  
(ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c. we accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to Financial Reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. we have indicated to the Auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year if any;
  - ii. significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the Financial Statements if any ; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over financial reporting.

## CORPORATE GOVERNANCE COMPLIANCE

The Company has complied with all the mandatory requirements as mandated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the purpose of ensuring Corporate Governance. A Certificate from the Practicing Company Secretary to this effect has been included in this report.

## **Auditors' Certificate on Corporate Governance**

To,  
The Members of  
**Impex Ferro Tech Limited**

We have examined the compliance of conditions of Corporate Governance by Impex Ferro Tech Limited for the year ended 31st March, 2017 as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

We state that in respect of Investors' grievances received during the financial year ended on 31st March, 2017, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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 **H M CHORARIA & CO.**  
*Practising Company Secretaries*

**(H M Choraria)**  
*Proprietor*

F.C.S. No. 2398, C. P. No. 1499

Place: Kolkata  
Date: 11th August, 2017

# Independent Auditors' Report

To  
The Members of  
**Impex Ferro Tech Limited**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of **IMPEX FERRO TECH LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

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

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

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

## Basis for Qualified Opinion

- (a) The lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset (NPA). The Company is in active discussion/negotiation with its lenders to restructure its debt at a sustainable level. In view of the above, pending finalisation of the restructuring plan, the Company has not provided accrued interest in its books during the year and reversed interest provided in earlier periods pertaining to the period the account was declared NPA by the respective lenders. The amount of interest reversed for earlier periods is ₹ 281.01 lacs. The amount of interest not provided for the year ended 31st March, 2017 is ₹ 3,227.11 lacs. Had the aforesaid interest expense been recognised, the net loss for the year ended 31st March, 2017 would have been ₹ 14,218.88 lacs instead of ₹ 10,710.76 lacs.

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of our observation stated in (a) above* the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of Balance Sheet of the **state of affairs** of the Company as at 31st March 2017; **and**
- (b) In the case of Statement of Profit & Loss of the **loss** of the Company for the year ended on that date, **and**
- (c) In the case of Cash Flow Statement, of the **cash flows** of the Company for the year ended on that date.

# Independent Auditors' Report

## Emphasis of Matter

- (a) We draw your attention to Note No. 37 of the Financial Statements which indicate that as at 31st March, 2017, the accumulated losses amounting to ₹ 25,197.12 lacs has eroded the entire net worth of the Company, indicating the existence of a material uncertainty about the Company's ability to continue as a going concern. The Financial Statements have been prepared on a going concern basis for the reasons stated in the said note.
- (b) Pending confirmations of certain unsecured loans and advances, trade receivables, trade payables and other liabilities as referred in Note no. 32 of accompanying statements, are subject to confirmations and reconciliation.

Our report is not qualified in this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and, *except for the possible effects of matter (a) described in the Basis of Qualified Opinion paragraph above*, 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, *except for the possible effects of matter (a) described in the Basis of Qualified Opinion paragraph above*, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) *Except for the possible effects of matter (a) described in the Basis of Qualified Opinion paragraph above*, in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in the basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of section 164 (2) of the Act.
  - (g) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
  - (h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i) The Company has disclosed the impact of pending litigations on the financial position in the Financial Statements – Refer Note – 28 (b) to (f) to its Financial Statements;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.
    - iv) The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the Company.

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership Number: 064308

Place: Kolkata  
Date: 30th May, 2017

# Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Financial Statements of the Company for the year ended 31st March, 2017, we report that:

- i. In respect of its Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) The Fixed Assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Fixed Assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the stocks of finished goods have been physically verified in accordance with the instruction of the management at the end of the Financial Year and for stocks of raw materials, for which there is a perpetual inventory system, a substantial portion of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable. In our opinion and according to the information and explanations given to us, the discrepancies noted on verification between the physical stock and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted loans to Companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013; and therefore reporting under paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee. Accordingly the paragraph 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of section 73 to section 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of manufacture of iron and Steel product and power generation unit pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the records have been maintained. We have not however made a detailed examination for the records with a view to determine whether they are accurate & complete.
- vii. In respect of statutory dues:
  - (a) According to the information & explanation given to us and on the basis of examination of the books of account, the Company has generally been irregular in depositing undisputed statutory dues, in respect of Provident Fund, Employee's State Insurance, Income Tax, Tax deducted at sources, Professional Tax, Service Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities. The following statutory dues remain over due for a period greater than six months as at 31 March, 2017:

Sl. No.	Nature of Dues	₹ (Lacs)
1	Tax Deducted Source	3.55
2	Service tax on Reverse Charge	73.97
<b>TOTAL</b>		<b>77.52</b>

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Value added Tax, Service Tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute except the following :-

## Annexure 'A' to the Independent Auditors' Report

Name of the statute	Nature of Dues	Financial Year	₹/lacs	Forum where Dispute is Pending
Central Excise Act, 1994	Excise Duty	2005-06	12.36	Commissioner of Central Excise (Appeals) (III)
		2007-08	15.55	CESTAT, Calcutta Bench
<b>Total</b>			<b>27.91</b>	<b>₹ 20.92 lacs paid under protest</b>
Central Sales Tax and Local Sales Tax Act	VAT	2005-06	304.13	WBCT, Appellate and Revisional Board
		2006-07	479.91	WBCT, Appellate and Revisional Board
		2008-09	748.45	WBCT, Appellate and Revisional Board
		2009-10	211.18	Sr. Joint Commissioner of Commercial Taxes
<b>Total</b>			<b>1,743.67</b>	<b>₹ 88.43 lacs paid under protest</b>
W.B. Entry Tax Act	Entry Tax	2012-13 & 2013-14	272.51	Hon'ble High Court of Calcutta
<b>Total</b>			<b>272.51</b>	
Income Tax Act, 1961	Income Tax	2011-12	1,606.46	Commissioner of Income Tax (Appeals), Kolkata
<b>Total</b>			<b>1,606.46</b>	

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

### Amount of default of Principal portion as on the Balance

(₹ in lacs)

Name of Bank	Funded Interest Term Loan	Restructured Term Loan	Working Capital Term Loan	Cash Credit	Period of default	TOTAL
State Bank of India	109.12	47.43	353.04	-	Refer Note 5 (IV) (v) of Financial Statements	509.59
Bank of Baroda	37.76	7.56	146.24	-		191.65
Punjab National Bank	29.84	15.84	88.72	-		134.40
State Bank of Travancore	45.20	-	201.20	-		246.40
United Bank of India	44.32	-	196.80	-		241.12
<b>Grand Total</b>	<b>266.24</b>	<b>70.92</b>	<b>986.00</b>	<b>-</b>		<b>1,323.16</b>

### Amount of default of Interest portion as on the Balance

Name of Bank	Funded Interest Term Loan	Restructured Term Loan	Working Capital Term Loan	Cash Credit	Period of default	TOTAL
State Bank of India	144.28	202.26	532.75	850.60	Refer Note 7(b) of Financial Statements	<b>1,729.89</b>
Bank of Baroda	32.67	34.84	237.28	251.54		<b>556.33</b>
Punjab National Bank	34.18	77.78	155.33	231.68		<b>498.97</b>
State Bank of Travancore	45.84	-	251.81	147.20		<b>444.85</b>
United Bank of India	74.11	-	236.43	115.44		<b>425.98</b>
<b>Grand Total</b>	<b>331.08</b>	<b>314.88</b>	<b>1,413.60</b>	<b>1,596.47</b>		<b>3,656.03</b>

- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised monies during the year by way of initial public issue/follow-on offer including debt instruments and term loans.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, we report that managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

## Annexure 'A' to the Independent Auditors' Report

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, reporting under Paragraph 3 (xii) of the Order are not applicable to the Company.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards and Companies Act, 2013.
- xiv. The Company has not made any preferential allotment of shares during the year under review. Therefore, reporting under Paragraph 3 (xiv) of the Order is not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the reporting under Paragraph 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, reporting under Paragraph 3 (xvi) of the Order is not applicable to the Company and hence not commented upon.

Place: Kolkata  
Date: 30th May, 2017

For **R. Kothari & Company**  
*Chartered Accountants*  
FRN: 307069E  
**CA Manoj Kumar Sethia**  
*Partner*  
Membership Number: 064308



# Annexure ‘B’ to the Independent Auditors’ Report

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

We have audited the Internal Financial Controls over Financial Reporting of **M/s. IMPEX FERRO TECH LIMITED** (“the Company”) as of 31st March, 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls system over Financial Reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company’s internal financial control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorization 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, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2017, based on the internal control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R. Kothari & Company**  
Chartered Accountants  
FRN: 307069E

**CA Manoj Kumar Sethia**  
Partner

Membership Number: 064308

Place: Kolkata  
Date: 30th May, 2017

# Balance Sheet as at 31st March, 2017

(₹ in Lacs)

S.N.	PARTICULARS	NOTE NO.	31st March, 2017	31st March, 2016
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholders' Funds</b>			
	(a) Share Capital	<b>3</b>	8,793.16	8,793.16
	(b) Reserves and Surplus	<b>4</b>	(19,538.02)	(8,827.37)
			(10,744.86)	(34.21)
	<b>(2) Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	<b>5</b>	15,434.15	22,651.25
	(b) Deferred Tax Liability (Net)	<b>6</b>	-	-
	(c) Long Term Provisions		-	-
			15,434.15	22,651.25
	<b>(3) Current Liabilities</b>			
	(a) Short-Term Borrowings	<b>7</b>	13,657.28	12,015.47
	(b) Trade Payables	<b>8</b>	12,645.53	13,491.45
	(c) Other Current Liabilities	<b>9</b>	4,941.60	4,692.40
	(d) Short-Term Provisions	<b>10</b>	182.58	98.98
			31,426.99	30,298.29
	<b>Total</b>		<b>36,116.28</b>	<b>52,915.34</b>
<b>II</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	<b>11</b>	17,361.66	17,909.53
	(ii) Intangible Assets	<b>11</b>	2.59	3.41
	(iii) Capital Work-In-Progress	<b>12</b>	-	-
			17,364.25	17,912.94
	(b) Non Current Investments		-	-
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long-Term Loans And Advances	<b>13</b>	30.75	169.29
	(e) Other Non Current Assets		-	-
			17,395.00	18,082.23
	<b>(2) Current Assets</b>			
	(a) Current Investments		-	-
	(b) Inventories	<b>14</b>	6,345.27	8,246.50
	(c) Trade Receivables	<b>15</b>	9,282.41	22,105.87
	(d) Cash And Cash Equivalents	<b>16</b>	453.76	580.67
	(e) Short-Term Loans And Advances	<b>17</b>	2,211.75	3,414.31
	(f) Other Current Assets	<b>18</b>	428.09	485.76
			18,721.28	34,833.11
	<b>Total</b>		<b>36,116.28</b>	<b>52,915.34</b>
	Summary of Significant Accounting Policies	<b>2</b>		

Accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board

For **R. Kothari & Company**

Chartered Accountants

FRN: 307069E

**CA Manoj Kumar Sethia**

Partner

Membership No: 064308

Kolkata, 30th May, 2017

**Suresh Kumar Patni**  
Managing Director

**Ankit Patni**  
Director

**Richa Agarwal**  
Company Secretary

**S. K. Gupta**  
Chief Financial Officer

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

(₹ in Lacs)

S.N.	PARTICULARS	NOTE NO.	31st March, 2017	31st March, 2016
	<b>INCOME</b>			
	Revenue from Operations (Gross)	19	13,456.89	28,122.66
	Less: Excise Duty		1,325.41	926.81
	Revenue from Operations (Net)		12,131.48	27,195.85
	Other Income	20	288.65	121.12
I	<b>Total Revenue</b>		<b>12,420.13</b>	<b>27,316.97</b>
	<b>EXPENSES</b>			
	Cost of Materials Consumed	21	8,220.32	14,413.42
	Purchases of Stock-In-Trade	22	–	8,291.84
	Changes in Inventories of Finished Goods and Work in Progress	23	2,669.40	(142.97)
	Employee Benefits Expense	24	524.29	442.26
	Finance Costs	25	52.40	3,424.13
	Depreciation And Amortization Expense	11	730.87	730.26
	Other Expenses	26	10,933.63	8,295.23
II	<b>Total Expenses (IV)</b>		<b>23,130.91</b>	<b>35,454.17</b>
III	<b>(Loss)/Profit before exceptional &amp; extraordinary items &amp; tax</b>		<b>(10,710.78)</b>	<b>(8,137.19)</b>
IV	Exceptional Items		–	–
V	<b>(Loss)/Profit before extraordinary items &amp; tax</b>		<b>(10,710.78)</b>	<b>(8,137.19)</b>
VI	Extraordinary Items		–	–
VII	<b>(Loss)/Profit before tax</b>		<b>(10,710.78)</b>	<b>(8,137.19)</b>
VIII	<b>Tax Expenses of continuing operations</b>			
	Current Tax		–	–
	Less : MAT Credit entitlement		–	–
	<b>Net Current Tax</b>		<b>–</b>	<b>–</b>
	Deferred Tax		–	–
IX	<b>(Loss)/Profit for the year from Continuing Operations</b>		<b>(10,710.78)</b>	<b>(8,137.19)</b>
X	<b>(Loss)/Profit for the year from Discontinuing Operations</b>		<b>–</b>	<b>–</b>
XI.	<b>(Loss)/Profit for the period (IX+X)</b>		<b>(10,710.78)</b>	<b>(8,137.19)</b>
	Earning Per Equity Share (Nominal Value of Share – ₹ 10/–) Basic & Diluted (₹)	36	(12.18)	(9.77)
	Summary of Significant Accounting Policies	2		

Accompanying notes are an integral part of the Financial Statements

As per our report of even date

For **R. Kothari & Company**

Chartered Accountants

FRN: 307069E

**CA Manoj Kumar Sethia**

Partner

Membership No: 064308

Kolkata, 30th May, 2017

For and on behalf of the Board

**Suresh Kumar Patni**

Managing Director

**Ankit Patni**

Director

**Richa Agarwal**

Company Secretary

**S. K. Gupta**

Chief Financial Officer

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

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extra-Ordinary Items	(10,710.76)	(8,137.19)
Adjustments for :		
Depreciation	730.87	730.26
Finance costs	36.43	3,266.42
Interest Received	(21.95)	(36.09)
Sundry Balances Written Back	-	-
Loss on Sale of Investments	-	4.50
	745.35	3,965.09
<b>Operating Profit before Working Capital Changes</b>	<b>(9,965.41)</b>	<b>(4,172.11)</b>
Adjustments for :		
(Increase)/Decrease in Inventories	1,901.23	3,781.45
(Increase)/Decrease in Trade Receivables	12,823.59	1,362.17
(Increase)/Decrease in Loans and Advances	1,341.53	250.39
(Increase)/Decrease in Other Assets	57.67	113.24
Increase/(Decrease) in Trade Payables	(762.32)	(1,695.66)
Increase/(Decrease) in Other Liabilities	(1,392.02)	(738.86)
	13,969.68	3,072.73
<b>Cash generated from operations</b>	<b>4,004.27</b>	<b>(1,099.38)</b>
Direct Tax Paid	(0.43)	(7.68)
<b>Net Cash from Operating Activities</b>	<b>4,003.84</b>	<b>(1,107.06)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(182.18)	(65.53)
Investment sold (SKP Mining)	-	0.50
Interest Income	21.95	36.09
Maturity Proceeds of Fixed Deposits	199.54	170.39
Purchase of Fixed Deposits with Banks	-	-
<b>Net Cash used in Investing Activities</b>	<b>39.31</b>	<b>141.45</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	-	1,267.00
Increase/(Decrease) in Short Term Borrowings	(3,811.47)	941.57
Proceeds from Long Term Borrowings	63.28	(813.48)
Repayment of Long Term Borrowings	(426.00)	(44.76)
Finance Costs	203.69	(571.87)
<b>Net Cash from Financing Activities</b>	<b>(3,970.50)</b>	<b>778.46</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	72.65	(187.14)
Cash & Cash Equivalents at the beginning of the year (Refer Note No.16 to the Accounts)	53.54	240.69
<b>Cash &amp; Cash Equivalents at the end of the year (Refer Note No.16 to the Accounts)</b>	<b>126.19</b>	<b>53.54</b>

## Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".
- Cash comprises cash in hand, Current Accounts and deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

As per our report of even date

For **R. Kothari & Company**

Chartered Accountants

FRN: 307069E

**CA Manoj Kumar Sethia**

Partner

Membership No: 064308

Kolkata, 30th May, 2017

For and on behalf of the Board

**Suresh Kumar Patni**

Managing Director

**Ankit Patni**

Director

**Richa Agarwal**

Company Secretary

**S. K. Gupta**

Chief Financial Officer

# Notes to and forming part of the Financial Statements as at 31st March, 2017

## NOTE 1 CORPORATE INFORMATION

Impex Ferro Tech Ltd, "the Company" is domiciled in India and was incorporated in June, 1995 under the provisions of the Companies Act, 1956. The Company has its registered office situated in Kolkata and manufacturing facility at Kalyaneshwari, Burdwan, West Bengal. The Company is primarily engaged in manufacture of Ferro Alloys (ferro-manganese / silico manganese), trading in Iron & Steel products. As a part of backward integration, the Company have a power plant.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of Financial Statements

- (a) The Financial Statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The Financial Statements have been prepared on an accrual basis of accounting. The accounting policies applied by the Company are consistent with those used in the Prior Period.
- (b) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.
- (c) Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these Financial Statements.

### 2.2 Use of Estimates

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Financial Statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

### 2.3 Revenue Recognition

- (a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.
- (b) Sales are recognised when significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Sales are recognised net of trade discounts, rebates, sales taxes and excise duties.
- (c) Export Incentives arising out of Export Sales under Duty Entitlement Pass Book Scheme/Duty Drawback are accounted for on accrual basis. Profit or loss on sale of DEPB Licenses is accounted for in the year of such sale.
- (d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.
- (e) Purchases are inclusive of freight and net of CENVAT/Duty Credit, trade discount and claims.

### 2.4 Tangible Assets, Intangible Assets and Capital Work-in-Progress

- (a) Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment, if any. The cost of acquisition comprises purchase price inclusive of duties (net of CENVAT), taxes, incidental expenses, erection/commissioning/trial run expenses and interest etc, up to the date the assets are ready for intended use. Machinery spares which can be used only in connection with an item of tangible fixed assets and whose use, as per technical assessment, is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets. Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
- (b) Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Computer software not being part of hardware operating system are capitalised as intangible asset.
- (c) Depreciation on Fixed Asset is calculated on the straight line method over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. Depreciation on assets added/disposed off during the year is

# Notes to and forming part of the Financial Statements as at 31st March, 2017

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

provided on prorata basis with reference to the date of addition/disposal. Software is amortized over a period of five years.

- (d) The carrying amount of fixed assets is assessed at each Balance Sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognized wherever the carrying amount of a fixed asset exceeds the recoverable amount. The recoverable amount is the higher of the fixed asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.
- (e) Cost of the fixed assets not ready for their intended use at the Balance Sheet date together with all related expenses is shown as Capital Work-in-progress/Intangible Assets under Development.

### 2.5 Inventories

Raw materials and Stores, Spares & Consumables are valued at cost (computed on First In First Out basis). Goods under Process and Finished Goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on average basis. Saleable scrap, scrap usable as raw materials and by-products are valued at estimated net realizable value. 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.

### 2.6 Investments

Long Term Investment are valued at cost. Provision is made for diminution in value to recognize a decline, if any other than of temporary in nature.

### 2.7 Foreign Currency Translation

#### (a) Initial Recognition

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

#### (b) Conversion

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

#### (c) Exchange Differences

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

#### (d) Forward Exchange Contracts

The Company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognised as income or expense for the year.

### 2.8 Government Grants

Government Grants are recognized on a prudent basis when there is a reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Government grants in the form of promoters' contribution is credited to capital reserve. Capital grant relating to specific assets is reduced from the gross value of the respective fixed assets. Government grants related to revenue are recognized by credit over the period to match them on a systematic basis to the costs, which it intended to compensate.

### 2.9 Retirement and other Employee Benefits

#### (a) Defined Contribution Plan :

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

# Notes to and forming part of the Financial Statements as at 31st March, 2017

<b>NOTE</b>	<b>2</b>	<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
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**(b) Defined Benefit Plan :**

Liability with regard to long-term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain / loss is recognised in the Statement of Profit and Loss. The Company has an Employees Gratuity Fund managed by the SBI Life Insurance Company Limited.

**(c) Short-term compensated absences are provided for based on estimates.**

**2.10 Borrowing Costs**

(a) Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognised as expense in the period in which they are incurred.

**2.11 Expenditure on New Projects & Substantial Expansion**

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

**2.12 Taxes on Income**

(a) Tax expense comprises of current tax and deferred tax.

(b) Current tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 deferred MAT Credit entitlement is separately recognised under the head 'Short Term Loans and Advances'. Deferred MAT Credit Entitlement is recognised and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

(c) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(d) Deferred Tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier periods are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

**2.13 Earnings per Share (EPS)**

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

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

**2.14 Prior Period Items**

Significant items of income and expenditure which relate to prior accounting periods, other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year, are accounted for in the Statement of Profit and Loss under the head "Prior Period Items".

**2.15 Provisions / Contingencies**

(a) Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

(b) Contingent Liabilities are shown by way of notes to the accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) Contingent Assets are neither recognized nor disclosed in the Financial Statements.

# Notes to and forming part of the Financial Statements as at 31st March, 2017

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.16 Preliminary & Share Issue Expenses

As the future economic benefit of Preliminary & Public issue expenses is not ascertainable & thus the same is adjusted with the share premium.

### 2.17 Segment reporting

- (a) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the preparation and presenting the Financial Statements of the Company as a whole. Further, Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.
- (b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

### 2.18 Cash and Cash Equivalents

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash on hand, cash at bank and short-term deposits with an original maturity of three months or less.

### 2.19 Excise duty & Custom duty

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

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised:</b>		
950.00 lacs (PY. 950.00 lacs) Equity Shares of ₹ 10/- each	9,500.00	9,500.00
<b>Issued, Subscribed and Paid-up:</b>		
879.32 lacs (PY. 879.32 lacs) Equity Shares of ₹ 10/- each fully paid up.	8,793.16	8,793.16

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

Equity Shares	31st March, 2017		31st March, 2016	
	No. in Lacs	Amt (₹ Lacs)	No. in Lacs	Amt (₹ Lacs)
At the Beginning of the Period	879.32	8,793.16	815.97	8,159.66
Issued During the Period (Refer Note below)	–	–	63.35	633.50
<b>At the End of the Period</b>	<b>879.32</b>	<b>8,793.16</b>	<b>879.32</b>	<b>8,793.16</b>

### (b) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. However, no dividend has been proposed by the Board for the current year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	31st March, 2017		31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Suanvi Trading & Investment Co. Pvt. Ltd	150.73	17.14	150.73	17.14
Vasupujya Enterprises Pvt. Ltd.	106.00	12.05	106.00	12.05
Poddar Mech-Tech Services Pvt. Ltd.	106.34	12.09	106.34	12.09
Invesco Finance Pvt. Ltd.	108.71	12.36	108.71	12.36
Astabhuja Properties Pvt. Ltd.	63.35	7.20	63.35	7.20



# Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 4 RESERVES AND SURPLUS</b>		
<b>Capital Reserve - As per last account</b>		
- State Capital Subsidy	278.62	278.62
- Forfeiture of Share Warrants	133.80	133.80
	<b>412.42</b>	<b>412.42</b>
<b>Securities Premium Account</b>		
At the beginning of the accounting period	5,246.67	4,613.17
Additions during the year	-	633.50
	5,246.67	5,246.67
Share Issue / Preliminary Expenses written off	-	-
At the end of the accounting period	<b>5,246.67</b>	<b>5,246.67</b>
<b>Surplus (Balance in the Statement of Profit &amp; Loss)</b>		
Balance as per last Financial Statement	(14,486.36)	(6,349.28)
Profit for the year	(10,710.76)	(8,137.19)
Closing Balance	(25,197.12)	(14,486.47)
<b>Total</b>	<b>(19,538.03)</b>	<b>(8,827.37)</b>

	Non-current portion		Current Maturities	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
<b>NOTE 5 LONG-TERM BORROWINGS</b>				
<b>Secured Loans</b>				
<b>Loan from Banks</b>				
Restructured Term Loans	2,093.90	2,235.90	213.00	71.00
Funded Interest Term Loans	2,172.89	2,438.72	632.00	266.00
Working Capital Term Loans	9,982.99	11,338.99	2,342.00	986.00
<b>Loans from Related Party (Refer Note 35)</b>				
From Bodies Corporate (Unsecured)	218.00	218.00	-	-
From Directors & Promoters (Unsecured)	417.00	417.00	-	-
<b>Other Loans &amp; Advances</b>				
From Bodies Corporate (Unsecured)	549.37	6,002.64	-	-
	<b>15,434.15</b>	<b>22,651.25</b>	<b>3,187.00</b>	<b>1,323.00</b>
The above amount includes				
Secured Borrowings	14,249.78	16,013.61	3,187.00	1,323.00
Unsecured Borrowings	1,184.37	6,637.64	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 9)	-	-	(3,187.00)	(1,323.00)
	<b>15,434.15</b>	<b>22,651.25</b>	<b>-</b>	<b>-</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2017

### (A) Details of Security

#### (A) Terms of Repayment

##### (I) Term Loans

Terms of Repayment	Nature of Securities	Interest Rate (p.a.)	Loan Amount as at 31st March 2017
<b><u>Restructured Term Loans</u></b> In equal quarterly installments of respective years as follows starting from July, 2016. ₹ 0.71 Crores in 2016-17, ₹ 1.42 Crores in 2017-18, ₹ 2.36 Crores in 2018-19, ₹ 2.84 Crores in 2019-20, ₹ 3.07 Crores in 2020-21, ₹ 3.31 Crores in 2021-22, ₹ 4.26 Crores in 2022-23, ₹ 5.67 Crores in 2023-24."	See note below	11.05 % (Linked to MI Base Rate) (subject to be reset after completion of 2 years)	2,306.90
<b><u>Funded Interest Term Loans</u></b> In equal quarterly installments of respective years as follows starting from July, 2016. ₹ 2.66 Crores in 2016-17, ₹ 3.66 Crores in 2017-18, ₹ 4.49 Crores in 2018-19, ₹ 5.32 Crores in 2019-20, ₹ 5.66 Crores in 2020-21, ₹ 5.49 Crores in 2021-22, ₹ 4.99 Crores in 2022-23, ₹ 1.00 Crores in 2023-24.	–Do–	10.55% (Linked to MI Base Rate) (subject to be reset after completion of 2 years)	2,804.89
<b><u>Working Capital Term Loans-I</u></b> In equal quarterly installments of respective years as follows starting from July, 2016. ₹ 4.80 Crores in 2016-17, ₹ 6.59 Crores in 2017-18, ₹ 8.09 Crores in 2018-19, ₹ 9.59 Crores in 2019-20, ₹ 10.19 Crores in 2020-21, ₹ 9.89 Crores in 2021-22, ₹ 8.99 Crores in 2022-23, ₹ 1.80 Crores in 2023-24.	–Do–	10.55% (Linked to MI Base Rate) (subject to be reset after completion of 2 years)	10,987.00
<b><u>Working Capital Term Loans-II</u></b> In equal quarterly installments of respective years as follows starting from July, 2016. ₹ 5.06 Crores in 2016-17, ₹ 6.96 Crores in 2017-18, ₹ 8.55 Crores in 2018-19, ₹ 10.13 Crores in 2019-20, ₹ 10.76 Crores in 2020-21, ₹ 10.44 Crores in 2021-22, ₹ 9.50 Crores in 2022-23, ₹ 1.90 Crores in 2023-24.	–Do–	10.55% (Linked to MI Base Rate) (subject to be reset after completion of 2 years)	1,338.00
<b><u>Unsecured Loans from Bodies Corporates</u></b> a) Repayable after 30th June, 2023 b) Others	N.A.	Interest Free  12%-13%	218.00  549.37

##### (II) Working Capital Term Loan (WCTL) :

Upon implementation of the CDR Package (Refer Note 27), the overdrawn portion of the Cash Credit Accounts of the Company has been carved out into separate Working Capital Term Loans (WCTL).

##### (III) Funded Interest Term Loan (FITL) :

Upon implementation of the CDR Package (Refer Note 27), funding of interest had been provided for:

- Interest on existing term loans for a period of 24 months from the Cut-Off Date i.e from 1st May , 2014 to 30th April, 2016;
- Interest on WCTL for a period of 24 months from the Cut-Off Date i.e from 1st May , 2014 to 30th April, 2016.

The lenders have stopped charging interest on debts, since the dues from the Company have been categorised as Non Performing Asset. The Company is in active discussion/negotiation with its lenders to restructure its debt at a sustainable level. In view of the above, pending finalization of the restructuring plan, the Company has not provided accrued interest in its books during the quarter and reversed interest provided in earlier quarters pertaining to the period the account was declared NPA by the respective lenders. The amount of interest not provided for the year ended 31st March, 2017 is ₹ 3,227.11 lacs. The amount of interest reversed for earlier periods during the year is ₹ 1,752.09 lacs. The same have

## Notes to and forming part of the Financial Statements as at 31st March, 2017

consequential impact on the reported figures of the Financial Year ending 31st March, 2017. The Statutory Auditor have qualified their Audit Report in respect of this matter.

### (IV) Details of Security :

- (i) In terms of the CDR package, Rupee Term Loans , Working Capital Term Loans, Funded Interest Term Loans and Working Capital Loan (Refer Note 27) are pooled together and secured as under:
- First pari-passu charge on fixed assets by way of equitable mortgage of the land & building / shed along with all movable and immovable plant & machinery and other fixed assets thereon at Kalyaneshwari, Dist: Burdwan, West Bengal.
  - First pari-passu charge on the entire Current Assets of the Company comprised of stock of raw materials, semi finished and finished goods and book debts, outstanding moneys, receivables, both present and future pertaining to the Company's manufacturing units/divisions at Kalyaneshwari, Dist: Burdwan, West Bengal.
  - Collateral Security of equitable mortgage on office space at 35, C. R. Avenue, Kolkata standing in the name of the Company on pari passu basis.
  - Additional Security of Equitable mortgage of Two Floors at the Corporate office of the group at SKP House, 132A, S.P. Mukherjee Road, Kolkata - 700 026 standing in the name of Marble Arch Properties Pvt Ltd on pari passu basis.
  - Personal guarantee of Promoters / Directors - Mr. Suresh Kumar Patni, Mr. Rohit Patni, & Mr. Ankit Patni.
  - Further, the restructured facilities has been secured by pledge of promoter & promoter group stake in Company (in Demat Form), representing 69.10% (PY 66.71%) of paid up capital of Company. Out of that, 63.35 lac shares issued during the previous year pursuant to CDR package have been pledged.

### (V) Amount of default of Principal portion as on the Balance Sheet Date :

(₹ in Lacs)

Name of Bank	Funded Interest Term Loan	Restructured Term Loan	Working Capital Term Loan	TOTAL
State Bank of India	109.12	47.43	353.04	509.59
Bank of Baroda	37.76	7.65	146.24	191.65
Punjab National Bank	29.84	15.84	88.72	134.40
State Bank of Travancore	45.20	–	201.20	246.40
United Bank of India	44.32	–	196.80	241.12
<b>Grand Total</b>	<b>266.24</b>	<b>70.92</b>	<b>986.00</b>	<b>1,323.16</b>

### (VI) Amount of default of Interest portion as on the Balance Sheet Date :

Name of Bank	Funded Interest Term Loan	Restructured Term Loan	Working Capital Term Loan	TOTAL
State Bank of India	144.28	202.26	532.75	879.29
Bank of Baroda	32.67	34.84	237.28	304.79
Punjab National Bank	34.18	77.78	155.33	267.29
State Bank of Travancore	45.84	–	251.81	297.65
United Bank of India	74.11	–	236.43	310.54
<b>Grand Total</b>	<b>331.08</b>	<b>314.88</b>	<b>1,413.60</b>	<b>2,059.56</b>

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 6 DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability</b>		
- Difference in WDV as per Companies Act and Income Tax Act	1,786.72	1,527.19
<b>Deferred Tax Asset</b>		
- Related to Unabsorbed Depreciation	(1,954.66)	(1,487.76)
- Related to Unabsorbed Business Loss	(7,891.69)	(5,556.56)
<b>Deferred Tax Liability/(Assets)</b>	<b>(8,059.63)</b>	<b>(5,517.13)</b>

**Note :** Net Deferred Tax Assets (DTA) of ₹ 8,059.63 lacs as at 31st March, 2017 has not been recognized in the accounts as a matter of prudence and in terms of the accounting policy indicated in Note no. 2.12 above.

# Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 7 SHORT-TERM BORROWINGS</b>		
<b>Loan guaranteed by Promoters &amp; Directors</b>		
Working Capital Loans from Banks (Secured)		
Rupee Loans	13,657.28	12,015.47
	<b>13,657.28</b>	<b>12,015.47</b>

## Details of security :

- (a) Pari pasu 1st charge on all movable & immovable assets of the Company, both present & future which is pooled and charges thereon created to secure all the facilities of the Company which will rank pari pasu with the other lenders. All the aforesaid facilities will also be secured by personal guarantee of Mr. Suresh Kumar Patni, Mr. Rohit Patni and Mr. Ankit Patni.
- (b) Working Capital facilities from banks carries interest of 11.05% p.a. (Linked to MI base rate), subject to reset of every year.

## Period & amount of continuing default in payment of interest

Particulars	Amount of default as at the balance sheet date	Period of default
State Bank of India	850.60	February, 2016 to March, 2017
State Bank of Travancore	251.54	March, 2016 to March, 2017
Bank of Baroda	231.68	February, 2016 to March, 2017
Punjab National Bank	147.20	January, 2016 to March, 2017
United Bank of India	115.44	April, 2016 to March, 2017

	31st March, 2017	31st March, 2016
<b>NOTE 8 TRADE PAYABLES</b>		
Acceptances	–	1,754.79
Sundry creditors for goods, services etc.	12,645.53	11,736.66
	<b>12,645.53</b>	<b>13,491.45</b>

- a) There are no micro, small and medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- b) The trade payable includes ₹ 123.47 Lacs (P.Y. ₹ 2325.40) due to related parties (Refer Note No. 35)

	31st March, 2017	31st March, 2016
<b>NOTE 9 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts (Refer Note No. 5)	3,187.00	1,323.00
Interest accrued and due on Borrowings	99.79	322.56
Advance from Customers	1,352.41	2,819.08
Other Payables		
For Statutory Dues	186.24	65.46
For Capital Goods	116.17	162.29
	<b>4,941.61</b>	<b>4,692.39</b>

	31st March, 2017	31st March, 2016
<b>NOTE 10 SHORT TERM PROVISIONS</b>		
Provisions for Employee Benefits	79.90	60.53
Provisions for Expenses	102.67	38.44
	<b>182.57</b>	<b>98.97</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2017

## NOTE 11 FIXED ASSETS

(₹ in Lacs)

Particulars	Tangible Assets								Intangible Assets
	Freehold land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total	ERP Software
<b>Gross Block</b>									
As at 31st March, 2015	183.36	3,888.23	20,267.45	38.28	27.62	14.20	18.20	24,437.34	26.90
Additions	1.26		105.94	0.05	-	0.58	0.63	108.46	
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2016	184.62	3,888.23	20,373.39	38.33	27.62	14.78	18.83	24,545.80	26.90
Additions	-	150.06	24.40	0.06	-	0.53	7.13	182.18	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2017	184.62	4,038.29	20,397.79	38.39	27.62	15.31	25.96	24,727.98	26.90
<b>Depreciation &amp; Amortisation</b>									
As at 31st March, 2015	-	827.23	5,006.09	27.11	25.38	10.30	12.36	5,908.47	20.99
Charge for the year	-	120.39	602.76	0.86	0.86	1.90	1.00	727.76	2.50
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-
Deductions / Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March, 2016	-	947.62	5,608.85	27.97	26.24	12.20	13.36	6,636.23	23.49
Charge for the year	-	124.79	600.09	0.81	1.15	1.89	1.32	730.05	0.82
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-
Deductions / Adjustments	-	-	-	-	-	-	-	-	-
As at 31st March, 2017	-	1,072.41	6,208.94	28.78	27.39	14.09	14.68	7,366.28	24.31
<b>Net Block</b>									
As at 31st March, 2016	184.62	2,940.61	14,764.53	10.35	1.38	2.58	5.47	17,909.53	3.41
As at 31st March, 2017	184.62	2,965.88	14,188.85	9.61	0.23	1.22	11.28	17,361.69	2.59

**Note:** The management has evaluated and is of the opinion that there are no major components of Fixed Assets for adopting components based accounting as per AS - 10 (Revised). However, the technical report in respect of the same is in process and the impact, if any, will be made on the receipt of technical report.

	31st March, 2017	31st March, 2016
<b>NOTE 12 CAPITAL WORK-IN-PROGRESS</b>		
<b>At the beginning of the year</b>	-	42.89
Add : Incurred during the year	-	-
Less : Capitalised during the year	-	42.89
<b>At the end of the year</b>	-	-
<b>Opening Balance</b>	-	8.25
<b>Add : Expenditure incurred during the period</b>		
Less : Amount allocated to Fixed Assets	-	8.25
<b>Closing Balance</b>	-	-

	31st March, 2017	31st March, 2016
<b>NOTE 13 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Capital Advances	-	139.24
Security Deposits	30.75	30.05
	<b>30.75</b>	<b>169.29</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 14 INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials [includes in transit ₹ 432.62 Lacs (P.Y.- ₹ 550.71 Lacs)]	5,320.31	4,566.64
Work In Progress	463.69	3,405.73
Finished Goods	350.67	62.86
Stores & Spares	209.90	208.29
Packing Material	0.70	2.99
	<b>6,345.27</b>	<b>8,246.51</b>

	31st March, 2017	31st March, 2016
<b>NOTE 15 TRADE RECEIVABLES</b>		
<b>(Unsecured)</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	8,895.20	13,235.98
Considered Doubtful	1,860.15	
	<b>10,755.35</b>	<b>13,235.98</b>
Other Debts		
Considered Good	387.21	8,869.89
	11,142.56	22,105.87
Less: Provision for doubtful Debts	(1,860.15)	-
Other Debts	9,282.41	22,105.87
	<b>22,105.87</b>	<b>23,468.06</b>

Note: The Trade Receivable includes ₹ 975.05 Lacs (P.Y. ₹ 1428.17 lacs) due to Related Parties (Refer Note No. 35)

	31st March, 2017	31st March, 2016
<b>NOTE 16 CASH &amp; BANK BALANCES</b>		
<b>i) Cash &amp; Cash Equivalents</b>		
(A) Cash in Hand (as Certified)	6.51	30.58
(B) Balance with Banks		
In Current Accounts	119.67	22.96
	<b>126.18</b>	<b>53.54</b>
<b>ii) Other Bank Balances</b>		
- Term Deposits with Banks	327.58	527.13
	327.58	527.13
<b>Total</b>	<b>453.76</b>	<b>580.67</b>

**Note :** Term Deposits amounting to NIL (P.Y. ₹ 527.13 Lacs) have been pledged as margin money against Letter of Credit and Bank guarantee facilities.

# Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 17 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	1,417.47	2,195.51
Considered Doubtful	318.52	–
Less: Provision for doubtful Debts	(318.52)	–
	1,417.47	2,195.51
Balance with Central Excise & CENVAT Receivable	406.64	823.96
VAT Credit Receivable/Refundable	120.93	128.56
Income Tax Payments	73.41	72.98
MAT Credit Entitlement	193.30	193.30
	<b>2,211.75</b>	<b>3,414.31</b>

	31st March, 2017	31st March, 2016
<b>NOTE 18 OTHER CURRENT ASSETS</b>		
(Unsecured, considered Good)		
Interest/charges Refundable from banks	83.74	83.74
Incentives Receivable	60.35	250.75
Rent receivable	2.00	2.00
Other Current Assets	282.00	149.27
	<b>428.09</b>	<b>485.76</b>

	31st March, 2017	31st March, 2016
<b>NOTE 19 REVENUE FROM OPERATIONS (GROSS)</b>		
<b>Sale of Products</b>		
Sale of Manufactured Goods - Ferro Alloys	12,627.96	14,901.23
Sale of Raw Materials		
Manganese Ore	680.85	4,500.30
Coal & Coke	94.53	33.61
Sale of Traded Goods		
Iron and Steel Products	–	8,243.33
<b>Other Operating Revenues</b>		
Export Incentives	53.55	444.19
	<b>13,456.89</b>	<b>28,122.66</b>

	31st March, 2017	31st March, 2016
<b>NOTE 20 OTHER INCOME</b>		
Interest Income		
- On Fixed Deposits	21.95	36.09
- On others	7.10	15.80
Foreign Exchange Fluctuation Gain	19.13	–
Sale of Scrap	54.92	45.52
Commission Income	–	21.72
Rent Income	–	2.00
Sundry Balances Written Back	185.56	–
	<b>288.65</b>	<b>121.12</b>

## Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 21 COST OF MATERIALS CONSUMED</b>		
(Including cost of raw material sold)		
Raw materials at the beginning of the year	4,560.92	8,483.16
Add : Purchases	8,796.95	10,491.17
	13,357.87	18,974.34
Less : Raw materials at the end of the year	5,137.55	4,560.92
<b>Cost of Materials Consumed</b>	<b>8,220.32</b>	<b>14,413.42</b>
<b>Details of Raw Materials Consumed</b>		
Manganese Ore	5,229.32	6,791.93
Coal and Coke	1,547.44	2,776.68
Dolomite	4.39	26.94
Others	72.30	120.36
	<b>6,853.45</b>	<b>9,715.90</b>
<b>Details of Cost of Raw Materials Sold</b>		
Manganese Ore	1,274.81	4,146.65
Coal and Coke	92.07	488.18
Others	-	62.69
	<b>1,366.87</b>	<b>4,697.51</b>

	31st March, 2017	31st March, 2016
<b>NOTE 22 PURCHASES OF STOCK-IN-TRADE</b>		
Iron and Steel Products	-	8,291.84
	-	<b>8,291.84</b>

	31st March, 2017	31st March, 2016
<b>NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<b>Inventories at the beginning of the period</b>		
Finished Goods	62.86	592.16
Work-In-Progress	3,405.73	2,750.13
	3,468.59	3,342.29
<b>Inventories at the closing end of the period</b>		
Finished Goods	350.67	62.86
Work-In-Progress	463.69	3,405.73
	814.36	3,468.59
Less: Excise Duty on increase/ ( Decrease) of Finished Goods #	15.18	(16.68)
	<b>2,669.40</b>	<b>(142.97)</b>

# Excise duty on Inventories represents differential excise duty on opening and closing stock of finished goods.



## Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

	31st March, 2017	31st March, 2016
<b>NOTE 24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Bonus	487.95	408.11
Contribution to Provident & Other Funds	31.03	27.37
Staff Welfare Expenses	5.31	6.77
	<b>524.29</b>	<b>442.26</b>

	31st March, 2017	31st March, 2016
<b>NOTE 25 FINANCE COSTS</b>		
Interest Expense	36.43	3,266.42
Other Borrowing Costs	15.97	157.71
	<b>52.40</b>	<b>3,424.13</b>

	31st March, 2017	31st March, 2016
<b>NOTE 26 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	408.68	656.83
Packing Materials	27.40	31.84
Power [Refer Note (a) below]	4,410.24	6,200.91
Rent	7.90	6.02
Rates & Taxes	26.48	10.00
Repairs & Maintenance		
- Building	6.52	14.74
- Plant and Machinery	14.96	14.32
- Others	1.49	2.75
Insurance	20.12	33.58
Manufacturing Expenses	294.52	405.96
Vehicle Hire & Maintenance Charges	80.42	77.80
Directors' Sitting Fees	0.72	0.83
Auditors' Remuneration [Refer Note (b) below]	9.10	11.20
Travelling & Conveyance	7.15	19.09
Sales Commission	7.56	4.75
Legal & Professional Charges	27.60	37.66
Security Charges	96.77	96.70
Miscellaneous Expenses	40.47	89.29
Rebates and Discounts	0.42	5.19
Freight & Forwarding	76.10	540.96
Testing Charges	7.96	21.01
Sundry Balances Written off	1,260.89	9.05
Provision for Bad & Doubtful Debts	2,178.67	-
Foreign Exchange Fluctuation Loss	-	4.77
Prior Period Expenses [Refer Note (c) below]	1,921.50	-
	<b>10,933.64</b>	<b>8,295.23</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

## a) Power includes following expenses incurred on the operation of Captive Power Plant :

	31st March, 2017	31st March, 2016
<b>Cost of Materials Consumed - Coal, Coke and Dolochar</b>		
Inventory at the beginning of the year	5.72	8.04
Add: Purchases during the year	4,057.20	54.22
Less: Transferred to Ferro alloys division	–	–
Less: Inventory at the end of the year	182.76	5.72
Consumption	3,880.16	56.54
Consumption of Stores and Spares	272.92	32.28
Repairs & Maintenance		
- Building	11.04	–
- Plant and Machinery	11.02	0.08
- Others	170.31	14.88
Material Handling Expenses	–	–
Vehicle Hire & Maintenance Charges	64.81	2.39
	<b>4,410.26</b>	<b>106.18</b>

## b) Auditor's Remuneration

	31st March, 2017	31st March, 2016
i) To Statutory Auditor		
a) For Audit (including Tax Audit)	5.15	5.15
b) For Certification work & other services	1.55	2.30
ii) To other Auditors	2.40	3.75
	<b>9.10</b>	<b>11.20</b>

### NOTE 27 CORPORATE DEBT RESTRUCTURING

As a part of its financial revival process, the lenders of the Company have already approved the Corporate Debt Restructuring of debts. CDR EG vide its letter dated 10th November, 2014 has approved the loan restructuring scheme for the Company. The CDR Package includes reliefs/measures such as reduction in interest rates, funding of interest, rearrangement of securities etc., the salient features of which are as follows:

- Cut off date for implementation: 30th April, 2014 and upon implementation, the financial effect thereof has duly been taken into accounts. The said accounts are subject to confirmation and reconciliation with the Lenders. The reported financials would have consequential impact once the reconciliation is completed, the quantum where of remains unascertained.
- Waiver of liquidated damages/compounding interest/penal interest for the period from 30th April, 2014 till implementation of the CDR package.
- Restructuring of existing loans into Restructured Term Loans, conversion of irregular portion of working capital facilities into Working Capital Term Loan of ₹ 12,324.00 lacs and creation of Funded Interest Term Loan (FITL) of ₹ 3,328.00 lacs from interest on Restructured Term Loan and working capital term loan for the period from 1st May, 2014 to 30th April, 2016.
- Restructuring of existing fund based and non fund based financial facilities.
- Rate of interest on Term Loans/WCTL/FITL would be reset after completion of 2 years and rate of interest on working capital would be reset every year.
- The option of selling off the 30 MW CPP or part thereof may be explored and considered with prior approval of the lenders and the CDR EG to liquidate the bank's dues.
- The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the Company is contingent on various factors, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/ to be made by CDR Lenders as per the CDR package is approximately ₹ 15,117 lacs.
- Contribution of ₹ 1,267.00 lacs in the Company by the promoters in lieu of bank sacrifices. The contribution is to be brought initially in the form of unsecured loan and the same has to be converted into equity.

# Notes to and forming part of the Financial Statements as at 31st March, 2017

## NOTE 28 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities not provided for in the books of accounts in respect of :-

- Bills discounted with Banks outstanding as on 31st March 2017 - ₹ NIL (P.Y. ₹ NIL).
- Excise Demand of ₹ 27.67 lacs (P.Y. ₹ 36.67 lacs) for the financial year 2005-06, 2007-08 disputed in appeal. The Company has paid a sum of ₹ 20.92 lacs till date (P.Y. ₹ 20.92 lacs) under protest.
- Sales Tax Demand disputed in appeal for the F.Y. 2005-06, 2006-07, 2008-09 & 2009-10 aggregates to ₹ 1743.67 lacs (P.Y. ₹ 1743.67 lacs). The Company has paid a sum of ₹ 88.43 lacs till date under protest.
- Several Parties including the Company have disputed the basis of levy of Fuel Surcharge in the electricity bills of Damodar Valley Corporation (DVC). Pending finalisation of the outcome of the matter, an amount of ₹ 2927.66 lacs (P.Y. ₹ 2650.16 lacs) (after considering waiver of electricity duty admitted by DVC) has not been provided for by the Company.
- The Company has challenged the constitutional validity of Entry Tax levied by the Government of West Bengal w.e.f 1st April, 2012. In view of the stay granted by the Hon'ble High Court of Calcutta, the Company has not provided for the same in the books of accounts amounting to ₹ 272.51 Lacs.
- Relating to A.Y. 2012-13, a demand of ₹ 1,606.46 lacs was raised by Income Tax Department against which the Company has filed an application to respective department.
- Right to Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines, amounting to ₹ 3437 lacs.

		(₹ in Lacs)	
		31st March, 2017	31st March, 2016
<b>NOTE 29</b>	<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
<b>Foreign Exchange Earnings :</b>			
F.O.B. Value of Exports		6,103.10	11,899.53
<b>CIF Value of Imports:</b>			
Raw Materials		4,713.16	4,239.85
<b>Expenditure in Foreign Currency :</b>			
Sales Commission		6.64	4.01
Compensation		-	28.88

		31st March, 2017		31st March, 2016	
		%	(₹ in Lacs)	%	(₹ in Lacs)
<b>NOTE 30</b>	<b>BREAK UP INTO IMPORTED &amp; INDIGENEOUS</b>				
<b>a) Cost of Materials Consumed :</b>					
Indigenous		24.99%	1,712.40	30.40%	2,953.37
Imported		75.01%	5,141.05	69.60%	6,762.53
		<b>100.00%</b>	<b>6,853.45</b>	<b>100.00%</b>	<b>9,715.90</b>
<b>b) Stores, Spares &amp; Consumables :</b>					
Indigenous		100%	681.60	100.00%	689.11
Imported		-	-	-	-
		<b>100.00%</b>	<b>681.60</b>	<b>100.00%</b>	<b>689.11</b>

## NOTE 31 AMOUNTS RECEIVABLE / PAYABLE IN FOREIGN CURRENCY

- Forward contracts/ hedging instruments outstanding as at the Balance Sheet date are ₹ NIL. (P.Y. ₹ NIL)
- Particulars of unhedged foreign currency exposures as at 31.03.17 are as follows:

Particulars	Currency	31st March, 2017	31st March, 2016
Amount payable in foreign currency	USD Lacs	7.48	5.52
Amount receivable in foreign currency	USD Lacs	-	0.27

## Notes to and forming part of the Financial Statements as at 31st March, 2017

### NOTE 32

The current and non-current assets, in the opinion of the management, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities. However, there is no such demand as per the letter no. AAACI5448R/1840 dt. 2nd March, 2017 received from the ACIT, Central Circle, Kolkata. The Management is reconciling the same with the Department pending which no provision has been made for the same. Certain Balances of the sundry creditors, sundry debtors, unsecured loans and advances are subject to confirmation and reconciliation. The reported financials might have consequential impact once the reconciliation is completed, the quantum where of remains unascertained.

### NOTE 33 EMPLOYEE BENEFITS

The disclosures of Employee benefits as defined in Accounting Standard – 15 are given below:

#### Defined Contribution Plan :

**Contribution to Defined Contribution Plan, recognized as expense for the year is as under:** (₹ in Lacs)

Particulars	31st March, 2017	31st March, 2016
Employer's Contribution to Provident and Other Funds	31.03	26.65

#### Defined Benefit Plan :

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2017, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in Lacs)

Particulars	Gratuity (Funded)	
	31st March, 2017	31st March, 2016
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation:</b>		
Defined Benefit obligation at beginning of the year	54.80	48.20
Current Service Cost	9.13	7.45
Interest Cost	4.08	3.74
Actuarial (Gain)/Loss	15.06	(3.99)
Benefits paid	(4.99)	(0.60)
Defined Benefit obligation at the year end	<b>78.08</b>	<b>54.80</b>
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of Plan Assets:</b>		
Fair value of plan assets at beginning of the year	80.13	74.26
Expected return on plan assets	6.21	5.94
Actuarial Gain/(Loss)	(0.06)	0.53
Employers' contribution	–	–
Benefits paid	(4.99)	(0.60)
Fair value of plan assets at the year end	81.29	80.13
Actual return on plan assets	6.15	6.47
<b>(iii) Reconciliation of fair value of assets and obligation:</b>		
Fair value of plan assets	81.29	80.13
Present value of obligation	78.08	54.80
	<b>3.21</b>	<b>25.33</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

Particulars	Gratuity (Funded)	
	31st March, 2017	31st March, 2016
<b>NOTE 33 EMPLOYEE BENEFITS (Contd.)</b>		
<b>(iv) Expenses recognised during the year in the Statement of Profit &amp; Loss:</b>		
Current Service Cost	9.13	7.45
Interest Cost	4.08	3.74
Expected return on plan assets	(6.21)	(5.94)
Actuarial (Gain)/Loss	15.12	(4.52)
Net Cost (recognised in "Contribution to Provident & Other Funds" under Note No. 24)	<b>22.12</b>	<b>0.72</b>
<b>(v) Break-up of Plan Assets as a percentage of total plan assets:</b>		
Insurer Managed Funds	100%	100%
<b>(vi) Actuarial Assumptions:</b>		
Mortality Table (IAL)	IALM 2006-08 ULTIMATE	IALM 2006-08 ULTIMATE
Discount rate (per annum)	6.69%	7.80%
Expected return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	10%F5Y & 6%TA	10%F5Y & 6%TA

<b>(vii) Other Disclosures</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>	<b>31-03-2013</b>
Defined Benefit Obligation	78.08	54.80	48.20	36.86	22.78
Plan Assets	81.29	80.13	74.26	56.60	32.34
Surplus/(Deficit)	3.21	25.33	26.05	19.74	9.56
Experience Adjustment on Plan Liabilities	(8.88)	(5.30)	(3.10)	(5.81)	(3.37)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.

The above information is certified by an Actuary.

## NOTE 34 SEGMENT REPORTING

**Business segments :** The Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys, Trading in Iron & steel and Generation of Power.

Particulars	31st March, 2017	31st March, 2016
<b>Segment Revenue</b>		
Ferro Alloys	12,131.49	18,952.52
Iron and Steel	–	8,243.33
Power	5,137.13	153.52
	17,268.62	27,349.37
Less: Inter Segment Revenue	5,137.13	153.52
<b>Total</b>	<b>12,131.49</b>	<b>27,195.85</b>
<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
Ferro Alloys	(9,331.91)	(4,308.89)
Iron and Steel	–	(48.52)
Power	595.04	(355.66)
<b>Total segment profit before prior period items, interest and tax</b>	<b>(8,736.87)</b>	<b>(4,713.06)</b>
Less: Prior period items	1,921.50	
Less: Finance Costs	52.40	3,424.13
<b>Profit before tax</b>	<b>(10,710.77)</b>	<b>(8,137.19)</b>
Less: Tax Expenses	–	–
<b>Profit after tax</b>	<b>(10,710.77)</b>	<b>(8,137.19)</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

## Other Information

Particulars	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Expenses (other than Depreciation)
<b>For the Financial Year 2016-17</b>					
Ferro Alloys	13,289.41	8,994.00	140.95	326.32	–
Iron and Steel	7,493.47	4,909.01	–	–	–
Power	14,692.00	306.00	41.23	404.55	–
Unallocated	265.71	–	–	–	–
<b>Total</b>	<b>35,740.59</b>	<b>14,209.01</b>	<b>182.18</b>	<b>730.87</b>	<b>–</b>
<b>For the Financial Year 2015-16</b>					
Ferro Alloys	20,359.77	17,861.22	105.94	326.34	–
Iron and Steel	17,740.84	7,111.94	–	–	–
Power	14,548.45	854.36	–	403.92	–
Unallocated	266.28	–	1.31	–	–
<b>Total</b>	<b>52,915.34</b>	<b>25,827.52</b>	<b>107.25</b>	<b>730.26</b>	<b>–</b>

**Geographical segments :** The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets are based on the location of such assets.

(₹ in Lacs)

			Segment Revenue (Based on Location of Customers)	Segment Assets (Based on Location of Assets)	Capital Expenditure
<b>Within India</b>	Year ended	31.03.2017	5,966.65	36,116.28	182.18
	Year ended	31.03.2016	14,765.43	52,898.16	108.46
<b>Outside India</b>	Year ended	31.03.2017	6,164.84	–	–
	Year ended	31.03.2016	12,430.42	17.18	–
<b>Total</b>	<b>Year ended</b>	<b>31.03.2017</b>	<b>12,131.49</b>	<b>36,116.28</b>	<b>182.18</b>
	<b>Year ended</b>	<b>31.03.2016</b>	<b>27,195.85</b>	<b>52,915.34</b>	<b>108.46</b>

## NOTE 35 RELATED PARTY DISCLOSURE

- (i) **Name of the related parties where control exists irrespective of whether transactions have occurred or not**
- (a) **Key Managerial Personnel (KMP)**
- Mr. Suresh Kumar Patni, Managing Director  
Mr. Ankit Patni, Director  
Mr. Satish Kumar Singh, Executive Director  
Mr. Sanjeet Kr. Gupta, Chief Financial Officer  
Ms. Richa Agarwal, Company Secretary
- (b) **Relatives of Key Managerial Personnel :**
- Mr. Rohit Patni  
Mrs. Sarita Patni
- (c) **Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control :**
- Subham Complex Pvt. Ltd.  
Relybulls Derivatives & Commodities Pvt. Ltd.  
SKP Power Ventures Ltd.  
SKP Aviation Services Ltd.  
A. B. Infratel Pvt. Ltd.  
SBM Steels Pvt. Ltd.  
Gajkarna Merchandise Pvt. Ltd.  
Gajavakra Merchandise Pvt. Ltd.

## Notes to and forming part of the Financial Statements as at 31st March, 2017

Gannath Commerce Pvt. Ltd.  
Mahabala Merchants Pvt. Ltd.  
Marble Arch Properties Pvt. Ltd.  
Narmada River Resources Pvt. Ltd.

**(d) Enterprises owned or significantly Influenced by the Key Managerial Personnel or their relatives :**

Ankit Metal & Power Ltd.  
Impex Metal & Ferro Alloys Ltd.  
Rohit Ferro-Tech Ltd.  
Suanvi Trading & Investment Co Pvt. Ltd.  
Shreyansh Leafin Pvt. Ltd.  
SKP Overseas Pte Ltd.  
Vasupujya Enterprises Pvt. Ltd.  
Whitestone Suppliers Pvt. Ltd.  
Asthabhuja Properties Pvt Ltd.

**(ii) Transactions with related parties referred to above, in ordinary course of the business, are as under:**

(₹ in Lacs)

Particulars	31st March, 2017	31st March, 2016
<b>Managerial Remuneration</b>		
Suresh Kumar Patni	12.00	12.00
Satish Kumar Singh	9.76	9.00
<b>Purchase of Goods</b>		
Ankit Metal & Power Ltd.	–	10.96
Impex Metal & Ferro Alloys Ltd.	31.35	338.01
Rohit Ferro-Tech Ltd.	3,337.76	1,865.94
<b>Sales of Finished Goods</b>		
Ankit Metal & Power Ltd.	–	248.68
Impex Metal & Ferro Alloys Ltd.	29.70	426.90
Rohit Ferro-Tech Ltd.	2,498.94	1,557.49
<b>Purchase of DEPB Licence</b>		
Impex Metal & Ferro Alloys Ltd.	–	16.71
Rohit Ferro-Tech Ltd.	26.34	20.10
<b>Sale of DEPB Licence</b>		
Rohit Ferro-Tech Ltd.	–	132.59
Impex Metal & Ferro Alloys Ltd.	40.89	–
<b>Sitting Fees</b>		
Mr. Ankit Patni	0.15	0.23
<b>Unsecured Loan</b>		
Asthabhuja Properties Pvt. Ltd.	–	168.00
Mr. Suresh Kr. Patni	–	–
Mr. Rohit Patni	–	60.00
Mr. Ankit Patni	–	–
<b>Advances Given, Refunded Back</b>		
SKP Overseas Pte Ltd.	–	163.31

## Notes to and forming part of the Financial Statements as at 31st March, 2017

(₹ in Lacs)

Particulars	31st March, 2017	31st March, 2016
<b>Outstanding Balances as at 31.03.2017</b>		
<b>Trade Receivable</b>		
Ankit Metal & Power Ltd.	–	354.52
Impex Metal & Ferro Alloys Ltd.	975.05	1,073.65
<b>Trade Payable</b>		
Rohit Ferro-Tech Ltd.	–	2,325.40
Ankit Metal & Power Ltd.	123.47	
<b>Unsecured Loan</b>		
Astabhuja Properties Pvt. Ltd.	218.00	218.00
Mr. Suresh Kr. Patni	112.00	112.00
Mr. Rohit Patni	100.00	100.00
Mr. Ankit Patni	205.00	205.00

Transactions with related parties have been disclosed for the period of existence of relationship. P.Y. transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

Particulars	31st March, 2017	31st March, 2016
<b>NOTE 36 EARNINGS PER SHARE</b>		
Weighted average number of Equity Shares outstanding during the year (No. in Lacs)	879.32	832.76
Number of Shares Considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share (in Lacs)		
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	879.32	832.76
Nominal Value of Ordinary Shares (₹)	<b>(10,710.76)</b>	<b>(8,137.19)</b>
<b>Earnings Per Share (Basic) (₹)</b>	<b>10.00</b>	<b>10.00</b>
<b>Earnings Per Share (Diluted) (₹) (Refer Note below)</b>	<b>(12.18)</b>	<b>(9.77)</b>
	<b>(12.18)</b>	<b>(9.77)</b>

### NOTE 37

The operations of the Company are severely impacted by weak steel industry scenario and lack of demand for Company's finished product. Lower utilisation of capacity and drop in finish goods price realisation has impacted the topline as well as bottom line of the Company. The Company has incurred loss of ₹ 10,710.76 Lacs for year ended 31st March, 2017. The accumulated loss as on 31st March, 2017 is ₹ 25,197.12 Lacs which is in excess of the entire net worth of the Company. The Company has made an application to State Bank of India, Lead Consortium Member, regarding revival plan of the Company. With the substantial improvement in raw material availability, likely improvement in market scenario with notification of Minimum Import Price on steel, it is expected that the overall financial health would improve considerably. Considering the above developments and favourable impact thereof on the Company's operations and financials, the Company has prepared the financial results on the basis of Going Concern assumption.

### NOTE 38

The Company has made a reference to the erstwhile Board for Financial and Industrial Reconstruction (BIFR) as per provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, since repealed, on 23rd November, 2016 in terms of Resolution passed by Circulation on 23rd November, 2016.



## Notes to and forming part of the Financial Statements as at 31st March, 2017

### NOTE 39

#### Disclosure in regard to Specified Bank Notes

(₹ in Lacs)

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November, 2016	–	8.52	8.52
(+) Permitted receipts	–	–	–
(-) Permitted payments	–	1.99	1.99
(-) Amount deposited in Banks	–	–	–
Closing Cash in Hand as on 30th December, 2016	–	6.53	6.53

### NOTE 40

The Company has not made any remittance in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made on behalf of non - resident shareholders.

### NOTE 41

PY.'s figures have been reworked, re-grouped, re-arranged and reclassified, wherever considered necessary. Accordingly amounts and other disclosures for the preceding year are included as an integral part of the current year Financial Statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

For **R. Kothari & Company**

*Chartered Accountants*

**FRN: 307069E**

**CA Manoj Kumar Sethia**

*Partner*

**Membership No: 064308**

Kolkata, 30th May, 2017

For and on behalf of the Board

**Suresh Kumar Patni**

*Managing Director*

**Ankit Patni**

*Director*

**Richa Agarwal**

*Company Secretary*

**S. K. Gupta**

*Chief Financial Officer*

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# Corporate Information

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## Board of Directors

Mr. Suresh Kumar Patni

Mr. Satish Kumar Singh

Mr. Ankit Patni

Mrs. Sujata Agarwal

Mr. Ravindra Kumar Mehra

*(Appointed w.e.f. 11th August, 2017)*

Mr. Nanda Samai

Chairman cum Managing Director

Executive Director

Promoter/Non-Executive Director

Independent/Non-Executive Director

Independent/Non-Executive Director

Independent/Non-Executive Director

## Chief Financial Officer

Mr. Sanjeet Kumar Gupta

## Company Secretary & Compliance Officer

Ms. Richa Agarwal

## Statutory Auditor

M/s. R. Kothari & Company

*Chartered Accountants*

16A, Shakespeare Sarani, Kolkata - 700 071

## Secretarial Auditor

CS H. M. Choraria

M/s. H. M. Choraria & Co.

*Practising Company Secretaries*

14/2, Old China Bazar Street

4th Floor, Room No. 401, Kolkata - 700 001

## Cost Auditors

M/s. A.J.S & Associates

Cost Accountants

65B, S.P. Mukherjee Road

Kolkata- 700 023

## Internal Auditors

M/s. NR & Associates

*Cost Accountants*

16A, Shakespeare Sarani,

5th Floor, Kolkata-700071,

New B.K Market.

## Bankers

State Bank of India

United Bank of India

Bank of Baroda

Punjab National Bank

## Registered office

35, C.R. Avenue, Kolkata -700 012

Phone: +91 33 2211 0225/0226

## Corporate office

SKP House, 132A, S. P. Mukherjee Road,

Kolkata - 700 026

Phone: +91 33 4016 8000/8100

Fax: +91 33 4016 8191/8107

E-mail: [info@impexferrotech.com](mailto:info@impexferrotech.com)

Website: [www.impexferrotech.com](http://www.impexferrotech.com)

## Plant Information

Kadavita Dendua Road

P.O.: Kalyaneshwari, P.S.: Kulti

Dist.: Burdwan

West Bengal - 713 369





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## **DISCLAIMER**

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

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

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

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