

# Corporate Governance Report

## Corporate Governance Philosophy

The Company firmly believes in high standard of Corporate Governance and adheres to sound Corporate practices, constantly striving to improve them and adopt the best practice for sustainable corporate growth and long term value creation of our stakeholders. The Company has always been taking the spirit of various legislations as guiding principles and proposes to go well beyond statutory compliance by establishing such systems and procedures as are required to make the management completely transparent and institutionally sound. The Company is deeply committed to conduct the business upholding the core values like transparency, integrity, honesty, accountability and compliance of all statutes. We recognise that this is a conscious and continuous process across the Organisation, which enables the Company to adopt best practices as we incorporate improvements based on the past experience.

## Board of Directors

As on 31st March, 2015 the Board consisted of 7 (Seven) Directors headed by Mr. Suresh Kumar Patni, Non-Executive Chairman with 2 (Two) Executive Directors and 4 (Four) Non-Executive Independent Directors, of which, 4 (Four) are Independent. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

None of the Directors on the Board are member of more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies of which they are the Directors. The Directors regularly inform the Company about the changes in their positions as and when changes take place, apart from the annual disclosures.

The composition and category of the Board of Directors of the Company as on 31st March, 2015 along with the number of Board meetings attended by the Directors during the year 2014-15 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/ Non-Executive Chairman	16	6	1	-	No
Mr. Rohit Patni (Resigned w.e.f. 22.08.2015)	Promoter/ Executive Managing Director	16	4	-	-	Yes
Mr. Jatindra Nath Rudra	Independent/Non-Executive	17	1	1	1	No
Mr. Ankit Rungta (Appointed w.e.f. 02.12.2014)	Independent/Non-Executive	8	1	-	1	No
Mrs. Sujata Agarwal (Appointed w.e.f. 02.12.2014)	Independent/Non-Executive	8	4	1	2	No
Rohit Jain (Appointed w.e.f. 23.03.2015)	Independent/Non-Executive	1	2	2	2	No
Mr. Jayanta Kumar Chatterjee (Resigned w.e.f. 02.12.2014)	Independent/Non-Executive	7	-	-	-	Yes
Mr. Asoke Kumar Basu (Resigned w.e.f. 02.12.2014)	Independent/Non-Executive	9	-	-	-	NO

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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. Jay Shanker Shukla (Resigned w.e.f. 23.03.2015)	Independent/Non-Executive	7	-	-	-	Yes
Mr. Dinesh Biyanee #	Executive	17	-	-	-	Yes
Mr. Venkata Bhaskara Rao Maddala*	Promoter/Non-Executive	-	2	-	-	No

## Notes :

§ Only the two committees viz. Audit Committee, and Stakeholder Relationship Committee are considered for this purpose.

# Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of members in the ensuing Annual General Meeting, Mr. Dinesh Biyanee has been re-appointed as an Executive Director (Works) of the Company for a period of 3 year w.e.f. 1st April, 2015 subject to retire by rotation.

\* Mr. Venkata Bhaskara Rao Maddala has been appointed as Additional Director on 22.08.2015

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except for holding Directorship & receiving sitting fee, save and except Mr. Suresh Kumar Patni who is also the Promoter of the Companies, which has a business relation with the Company.

## Meeting

Seventeen (17) Board Meetings were held during the year 2014-15 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

7th May, 2014; 30th May, 2014; 5th June, 2014; 30th June, 2014; 4th July, 2014; 24th July, 2014; 12th August, 2014; 25th August, 2014; 14th November, 2014; 2nd December, 2014; 29th December, 2014; 10th January, 2015; 7th February, 2015; 14th February, 2015; 19th February, 2015; 9th March, 2015 and 23rd March, 2015.

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

The information as specified in Annexure- IA to Clause 49 of the Listing Agreement entered into with the Stock Exchange is regularly made available to the Board whenever applicable.

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

## Independent Directors Meeting

During the year under review the Independent Directors met on 26th day of March, 2015, inter alia to review the performance of non independent directors including that of the Chairman taking into account the views of the Executive and Non – Executive Directors; assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters.

## Code of Conduct

The Code of Conduct for the Board of Directors and Senior Management Personnel as adopted is available on the

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Company's website [www.rohitferrotech.com](http://www.rohitferrotech.com). All the Members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

## Declaration

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, 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, 2015.

For **Rohit Ferro-Tech Limited**

**Rohit Patni**  
Managing Director

Kolkata, 30th May, 2015

## Committees of Directors

### 1. Audit Committee

The Company has an Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

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

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Rohit Jain (appointed on Board w.e.f. 23.03.2015)	Chairman	Independent/Non-Executive	-
Mr. Ankit Rungta (appointed on Board w.e.f. 02.12.2014)	Member	Independent/Non-Executive	3
Mrs. Sujata Agarwal (appointed on Board w.e.f. 02.12.2014)	Member	Independent/Non-Executive	3
Mr. Jay Shanker Shukla (Resigned w.e.f. 23.03.2015)	Chairman (Previous)	Independent/Non-Executive	5
Mr. Jatindra Nath Rudra (resigned from Audit Committee w.e.f. 30.05.2014)	Member	Independent/Non-Executive	1
Mr. Ashok Kumar Basu (resigned w.e.f. 02.12.2014)	Member	Independent/Non-Executive	3
Mr. Jayanta Kumar Chatterjee (resigned w.e.f. 02.12.2014)	Member	Independent/Non-Executive	4

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

The Audit Committee comprises of 3 (three) Directors all of whom are financially literate. All the members of the Committee are Independent/Non-Executive. Mr. Rohit Jain, Independent Director having expertise in finance, is the Chairman of the Audit Committee. The Previous Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 25th September, 2014.

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During the financial year ended 31st March, 2015 Seven Audit Committee Meetings were held on 30th May, 2014, 12th August, 2014, 25th August, 2014, 14th November, 2014, 10th January 2015, 14th February, 2015 and 19th February, 2015.

The Annual Accounts along with the Financial Statement of the Company's wholly owned subsidiary M/s. SKP Overseas Pte. Ltd. for the year ended 31st March, 2015 were duly reviewed by the Audit Committee at its meeting held on 30th May, 2015 prior to adoption by the Board.

The terms of reference of the Audit Committee includes the powers as laid down in Clause 49 (III) (C) and the role as stipulated in Clause 49 (III) (D) of the Listing Agreement and review of information as laid down in Clause 49 (III) (E).

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 utilised 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 including internal financial control and physical stock verification process.
10. To scrutinize inter-corporate loans and investments, if any.
11. To value of 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.

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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.
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.

## 2. Nomination and Remuneration Committee

In compliance of provision of Section 178 of the Companies Act, 2013, rules framed thereunder and amended Clause 49 of the Listing Agreement with the Stock Exchanges the existing Remuneration Committee has been renamed as Nomination and Remuneration Committee **during the year under review. The Committee consists of 3 (three) Non-Executive/Independent Directors.** The Committee met 5 times during the year on i) 12.8.2014, ii) 10.11.2014, iii) 14.11.2014, iv) 12.01.2015 and v) 19.02.2015. The present composition of the Nomination and Remuneration Committee and details of the meeting attended by the member are given below:

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Jatindra Nath Rudra	Chairman	Independent/Non-Executive	5
Mr. Rohit Jain (appointed on Board w.e.f. 23.03.2015)	Member	Independent/Non-Executive	-
Mr. Ankit Rungta (appointed on Board w.e.f. 02.12.2014)	Member	Independent/Non-Executive	2
Mr. Jayanta Kumar Chatterjee (resigned w.e.f. 02.12.2014)	Member	Independent/Non-Executive	3
Mr. Jay Shanker Shukla (resigned w.e.f. 23.03.2015)	Member	Independent/Non-Executive	2

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;

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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.

The Chairman of the Committee did not attend the last Annual General Meeting.

## Remuneration Policy

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

#### i) Fixed pay

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

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

#### ii) Minimum Remuneration

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

#### iii) Provisions for excess remuneration

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

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

#### Sitting fees

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

#### Commission

No Commission shall be paid.

#### Stock Options

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

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

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## Remuneration of Executive Directors

The Company has paid remuneration only by way of salary to its Executive Directors and the same is within the limits specified under Schedule XIII of the Companies Act, 1956 / 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 2014-15 are as follows:

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Rohit Patni (Managing Director) (Resigned on 22.08.2015)	24,00,000/-	27.08.2012	26.08.2017	2 months
Mr. Dinesh Biyanee (Executive Director - Works)*	22,77,500/-	01.04.2014	31.03.2015	1 months

\* Re-appointed as Executive Director w.e.f. 1st April, 2015 for a further period of three years.

## Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists of only sitting fees @ ₹ 2,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the equity shares held by them as on 31st March, 2015 are as follows:

Name of the Member	Sitting Fees Paid (₹)	No. of Shares held as on 31st March, 2015
Mr. Suresh Kumar Patni	40,000	21,86,403
Mr. Ankit Rungta (appointed on Board w.e.f. 02.12.2014)	27,500	Nil
Mrs. Sujata Agarwal (appointed on Board w.e.f. 02.12.2014)	25,000	Nil
Mr. Asoke Kumar Basu (resigned w.e.f. 02.12.2014)	30,000	Nil
Mr. Jatindra Nath Rudra	47,500	Nil
Mr. Jayanta Kumar Chatterjee (resigned w.e.f. 02.12.2014)	27,500	Nil
Mr. Rohit Jain (appointed on Board w.e.f. 23.03.2015)	2,500	Nil
Mr. Jay Shanker Shukla (resigned w.e.f. 23.03.2015)	32,500	Nil

## 3. Stakeholders Relationship Committee

In compliance of provision of Section 178(5) of the Companies Act, 2013 read with revised Clause 49 of the Listing Agreement 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 Investor Grievance cum Share Transfer Committee has been renamed as **Stakeholders Relationship Committee** during the year under review.

The Stakeholders Relationship Committee consists of three Non-Executive Directors, out of which two are Independent Directors. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following:

- To review and ensure compliance of statutory provisions of the Companies Act, 1956 and/or 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.

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- b. To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
- c. Approve transfers/transmission of shares/debenture and demat/remat of the shares/debenture.
- d. Approve issue of duplicate shares certificates/debenture certificates, issue of certificates on consolidation/sub-division/ rematerialisation.
- e. 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.
- f. Monitor implementation of Company's Code of Conduct for Prohibition of Insider Trading
- g. Any other matter referred by the Board relating to equity shareholders of the Company.

During the year under review, the Committee has met once on 23rd March, 2015.

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 Meetings Attended
Mrs. Sujata Agarwal (appointed on Board w.e.f. 02.12.2014)	Chairman	Independent/Non-Executive	1
Mr. Jayanta Kumar Chatterjee (resigned w.e.f. 02.12.2014)	Chairman (Previous)	Independent/Non-Executive	N.A.
Mr. Jatindra Nath Rudra	Member	Independent/Non-Executive	1
Mr. Suresh Kumar Patni	Member	Promoter /Non-Executive	1

The 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. During the financial year ended 31.03.2015, the Company has not received any complaint from the shareholders and none of the complaints received were pending as on that date.

The Stakeholders Relationship Committee has been re-constituted during the year under review. Mrs. Sujata Agarwal, a Non-Executive Independent Director has been appointed as Chairman to the Committee due to resultant vacancy caused by resignation of Mr. Jayanta Kumar Chatterjee with two other members as mentioned above.

#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors was constituted on 7th May, 2014 in terms of the provisions of the Companies Act, 2013. The objective, composition & terms of reference of the Committee are as under:

##### a. Policy Objective:

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

##### b. Role:

The Committee, referred above, shall

- a. 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;
- b. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- c. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.



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- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

## c. Activities/Projects

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

The composition of the Committee is as under:

Name of the Member	Designation	Category
Mrs. Sujata Agarwal (appointed on Board w.e.f. 02.12.2014)	Chairman	Independent/Non-Executive
Mr. Ashoke Kumar Basu (Resigned on 02.12.2014)	Chairman (Previous)	Independent/Non-Executive
Mr. Dinesh Biyanee	Member	Executive
Mr. Suresh Kumar Patni	Member	Promoter/Non-Executive

During the year under review there was one committee meeting held on 23.03.2015

Due to the losses incurred by the Company during year under review, the obligations of making expenditure on account of CSR does not arise. However, as a matter of routine, the Company has undertaken certain CSR initiative like donation & help for Eye Check up, Social activity for Villagers, expenses for Blood donation camp, Motor Pump Set & Pipeline Installation in village and Cloth Distribution to poor class of people in village.

## 5. Executive Committee:

An Executive Committee was constituted on 14th February, 2015 as under :

Name of the Member	Designation	Category
Mr. Suresh Kumar Patni	Chairman	Non-Executive
Mr. Rohit Patni (Resigned on 22.08.2015)	Member	Executive
Mr. Dinesh Biyanee	Member	Executive
Mr. Venkata Bhaskara Rao Maddala (appointed on Board w.e.f. 22.08.2015)	Member	Non-Executive

The Company Secretary acts as Secretary to the Committee.

The Brief description of terms of reference:

The Committee is constituted with powers and responsibilities including but not limited to

- To review and follow up on the action taken on the Board decisions;
- To review the operations of the Company in general;
- To review the systems followed by the Company;
- To review, propose and monitor annual budget including additional budget, if any, subject to the ratification of the Board;
- To review capital expenditure against the budget;
- To authorise opening and closing of bank accounts;
- To authorise additions/deletions to the signatories pertaining to banking transactions;
- To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivative products;
- To delegate and authorise the Company officials to represent and appear before the various courts, government authorities on behalf of the Company;

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- To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference;
- 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;

Further, the Executive Committee is empowered to do the following:

- To seek information from any employee as considered necessary;
- To obtain outside legal professional advice as considered necessary;
- To secure attendance of outsiders with relevant expertise; and
- To investigate any activity within terms of reference.

## Performance Evaluation

The Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria for Performance Evaluation of the Board, Committees and each Director. 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 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 an integrated and balanced unit where diverse views are expressed and dialogued when required. All the directors are participative, interactive and communicative. The Chairman has vast and varied knowledge, experience, skills and understanding of the Board's functioning and processes. The information flow between your Company's Management and the Board is timely & sufficient.

## Details of compliance with mandatory requirements and adoption of non mandatory requirements

All mandatory requirements have been complied with and the non-mandatory requirements are dealt with at the end of the Report.

## Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. Significant issues pertaining to Subsidiary companies are discussed at Audit Committee meetings of the Company.

The minutes of the Subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the Subsidiary companies.

## General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date	Place	Time
2013-2014	25th September, 2014	'PURBASHREE' Bharatiyam Cultrual Multiplex, IB-201, Sector-III, Salt Lake City Kolkata- 700 106	10.00 AM
2012-2013	28th September, 2013	'ROTARY SADAN' 94/2, Chowringhee Road Kolkata - 700 020	10.00 AM
2011-2012	25th September, 2012	'ROTARY SADAN' 94/2, Chowringhee Road Kolkata - 700 020	10.00 AM

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## Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2013-2014	i). Re-appointment of Mr. Dinesh Biyanee as Executive Directors (works) and ii). Amendment in Articles of Association of the Company
2012-2013	None
2011-2012	Issue of Equity Shares to the Promoter and Non-Promoter Group on Preferential Basis.

No special resolution was passed through postal ballot in the last year AGM. No special resolution requiring postal ballot is being proposed at the ensuing AGM.

However, the following Special Resolution has been passed by means of Postal Ballot during year under review:

## Special Resolution Passed by Postal Ballot during the Financial Year 2014-15:

Particulars of Resolution	Type of Resolution	Resolution passed on	Applicable Section of the Companies Act, 2013	No. & % of votes in favour	No. & % of votes against
To approve, ratify and confirm the Corporate Debt Restructuring Scheme.	Special Resolution	19.06.2014	Subject to the applicable provisions of Companies Act, 2013	82203324 99.99%	4449 0.01%
Option to CDR Lenders for converting Loans into Equity Shares	Special Resolution	19.06.2014	Sec 62(3) and other applicable provisions of Companies Act, 2013	82003629 99.75%	203124 0.25%
Creation of Charge/Mortgage on Company's properties	Special Resolution	19.06.2014	Sec 180(1) (a) and other applicable provisions of Companies Act, 2013	82202534 99.99%	4215 0.01%
Increase of Borrowing Limits	Special Resolution	19.06.2014	Sec 293 (1) (d) as per Companies Act, 1956 and Sec 180 (1) (c) and other applicable provisions of Companies Act, 2013	82197997 99.99%	8775 0.01%
Issue of Convertible Warrants on Preferential Basis	Special Resolution	23.02.2015	Sec 62 and other applicable provisions of Companies Act, 2013	82302353 99.99%	5139 0.01%
Transfer/ Sell/Otherwise dispose of Jajpur Manufacturing Unit of the Company as a Going Concern on Slump sale basis	Special Resolution	23.02.2015	Sec 180 (1) (a), Sec 110 read with Rule 22 of the Companies (Management and Administration) Rules, 2014	82305536 99.99%	1986 0.01%

**Note:** The Board of Directors decided to drop the Preferential Issue of Convertible Warrants on a meeting held on 9th March, 2015.

## Disclosures

- There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related

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parties were on an arm's length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the in the notes to the Financial Statement in the Annual Accounts of the Company.

- The Management confirm that the Financial Statement have been prepared in accordance with the Accounting Standard issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. 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.
- A Risk Management Policy has been formed by the Company on 30th May, 2014. 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.

- **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 the Vigil Mechanism. The policy is intended to establish a mechanism for employees to report to the management genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics, for which a dedicated email id [vigil.mechanism@rohiferrotech.com](mailto:vigil.mechanism@rohiferrotech.com) has been established. Mr. Rohit Jain, Chairman of the Audit Committee of the Company has been nominated by the Board as Ombudsperson for this purpose in place of previous Chairman Mr. Jay Shanker Shukla who has been resigned w.e.f. 23.03.2015. The mechanism provides adequate safeguard against victimisation of the persons using this mechanism. No employee was denied access to the Audit Committee. There has been no incidence reported to the Chairman of the Audit Committee during the period under review.

- In terms of clause 49(IV)(F)(ii) of the Listing Agreement, the senior management has disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.
- The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the practicing Company Secretary to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a Nomination and Remuneration Committee to consider and recommend the remuneration of the Directors. The extent of compliance relating to non-mandatory requirements is dealt under the head 'non-mandatory requirements'.

## **CEO/CFO Certification**

The requisite certificate from the Managing Director and the Chief Financial Officer of the Company for the financial year ended 31st March, 2015 required to be given under Clause 49 (V) of the Listing Agreement has been placed before the Board Meeting held on 30th May, 2015.

## **Means of Communication**

### **1. Financial Results**

In compliance with the requirements of the Listing Agreements, 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. Further coverage has been given for the information of the shareholders and investors by publication of the financial results in English National daily—"Financial Express" and in a local vernacular newspaper—"Dainik Statesman" widely circulated in the state of West Bengal. The results were also placed on the Company's website at [www.rohiferrotech.com](http://www.rohiferrotech.com).

### **2. Other Information**

The Company has its own website [www.rohiferrotech.com](http://www.rohiferrotech.com) wherein other related information is available. The Company has a dedicated help desk e-mail id: [grievance@rohiferrotech.com](mailto:grievance@rohiferrotech.com) in the secretarial department for providing necessary information to the investors as well as for registering any complaints/grievances. The Company

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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.

## Profile of Directors Seeking Appointment/Re-appointment

Resume and other information of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement are given in the notice of ensuing Annual General Meeting as an Additional Information.

## General Shareholder Information

### 1. Annual General Meeting (AGM)

**Day, Date & Time** : Wednesday, 30th September, 2015 at 10.00 A.M.  
**Venue** : PURBASHREE, Bharatiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake City, Kolkata - 700 106

**2. Date of Book Closure** : 23rd September, 2015 to 30th September, 2015 (both days inclusive)

**3. Dividend payment date** : N.A.

### 4. Financial Calendar

Indicative calendar of events for the financial year 2015-2016 is as under :

Financial Year : 1st April to 31st March

### Financial Reporting for the quarters :

First Quarter	Disclosed on 13th August, 2015
Second Quarter and Half Yearly	Within 45 days from the end of the Quarter
Third Quarter and Nine Months	Within 45 days from the end of the Quarter
Fourth Quarter and Annual (Audited)	Within 60 days from the end of the Quarter/Financial Year
Annual General Meeting	On or before 30th September, 2016

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

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

The Company has paid the listing fee for the year 2015-16 to the Stock Exchanges where the shares of the Company are listed.

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

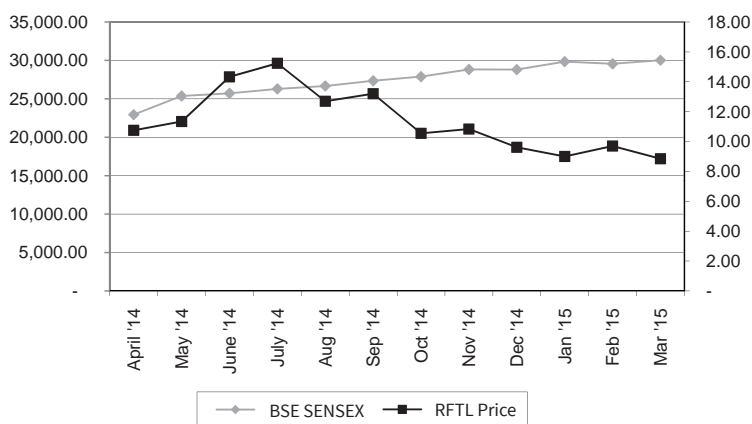
# Corporate Governance Report

## 7. Market Price Data

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

Month	National Stock Exchange of India Limited (₹)		BSE Limited (₹)	
	HIGH	LOW	HIGH	LOW
April, 2014	11.30	9.05	10.75	9.11
May, 2014	11.25	8.85	11.34	9.01
June, 2014	14.45	9.65	14.33	9.65
July, 2014	15.30	10.90	15.24	10.98
August, 2014	12.65	9.55	12.70	9.40
September, 2014	13.15	10.05	13.20	10.00
October, 2014	10.95	8.95	10.55	9.10
November, 2014	10.80	7.85	10.84	7.82
December, 2014	10.45	6.80	9.62	6.80
January, 2015	8.9	7.45	9.00	7.50
February, 2015	9.75	7.80	9.70	7.90
March, 2015	8.60	6.40	8.85	6.50

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



## 9. Shareholding Pattern as on 31st March, 2015

Category	No. of Shares	% of holding
Promoter & Promoter Group	8,19,17,842	72.00
Bodies Corporate	38,85,477	3.42
Individuals	2,65,34,119	23.32
Non-Resident Individuals	13,30,399	1.16
Clearing Member	1,08,286	0.10
<b>Total</b>	<b>11,37,76,123</b>	<b>100.00</b>

# Corporate Governance Report

## 10. Distribution of Shareholding as on 31st March, 2015

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total
Upto 500	13,980	67.48	25,73,411	2.26
501 to 1000	2,840	13.71	24,81,808	2.18
1001 to 2000	1,566	7.56	25,11,884	2.21
2001 to 3000	658	3.18	17,17,040	1.51
3001 to 4000	315	1.52	11,43,971	1.01
4001 to 5000	322	1.55	15,40,000	1.35
5001 to 10000	540	2.61	40,98,241	3.60
10001 and above	495	2.39	9,77,09,768	85.88
<b>Total</b>	<b>20,716</b>	<b>100</b>	<b>11,37,76,123</b>	<b>100</b>

## 11. Dematerialisation 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, 2015, 11,37,61,521 equity shares representing 99.99 % of the share capital are held in dematerialized form viz., CDSL- 9,38,85,148 equity shares and NSDL - 1,98,76,373 equity shares.

## 12. Registrar and Share Transfer Agent

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

## 13. Share Transfer System

The share transfer requests are processed on behalf of the Company by Registrar & 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 (erstwhile Investor Grievance cum Share Transfer Committee) to approve transfers. The Company Secretary addresses all the requests fortnightly.

## 14. 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.

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

### Mr. Anil Prasad Shaw

Company Secretary & Compliance Officer

Rohit Ferro-Tech Limited

SKP House,

132A, S. P. Mukherjee Road

Kolkata - 700 026

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189/8107

Email Id : cs@rohitferrotech.com

# Corporate Governance Report

## Address for Correspondence

### Registered Office :

Rohit Ferro-Tech Limited  
35, C. R. Avenue,  
Kolkata - 700 012  
Phone : +91 33 4064 0021/0022  
Email Id : grievance@rohitferrotech.com  
CIN : L27101WB2000PLC091629

### Corporate Office :

Rohit Ferro-Tech Limited  
SKP House,  
132A, S. P. Mukherjee Road  
Kolkata - 700 026  
Phone : +91 33 4016 8000/8100  
Fax : +91 33 4016 8189/8107

## 16. Plant Locations

Bishnupur	WBIIIDC Road, P.O. Dwarika, Bishnupur - 722 122 Dist : Bankura (West Bengal)
Jajpur	Kalinganagar Industrial Complex, Duburi - 755 026 Dist : Jajpur (Odisha)
Haldia	Jaynagar, P.O. : Buniaraichak, PS : Durgachak Dist : Purba Medinipur (West Bengal)

## Non-Mandatory Requirements

### 1. The Board :

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

### 2. Nomination and Remuneration Committee :

The Company has a Nomination and Remuneration Committee comprising of 3 (three) Independent Non-Executive Directors as stated under 'Committees of Directors' in this report.

### 3. Audit Qualifications :

The Auditor's Report on Annual Accounts (Consolidated) of the Company includes certain observations which are based on the Auditor's Observations on the Financial Statements of the Company's Subsidiary in Singapore. The necessary explanations by the Board of Directors on the said observation are given in their report attached with the Annual Report.

### 4. Other Items :

The rest of the non-mandatory requirements such as Shareholder's Rights, training of Board members and Mechanism for evaluation of Non-Executive Board members will be implemented by the Company as and when required.

For **Rohit Ferro-Tech Limited**

**Suresh Kumar Patni**  
Chairman

Kolkata, 22nd August, 2015



# Corporate Governance Report

## Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement

To  
The Members of  
**M/s. Rohit Ferro-Tech Limited**

We have examined the compliance of conditions of Corporate Governance by Rohit Ferro-Tech Limited, for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance as stipulated in the said clause. 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, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 **A J & ASSOCIATES**  
*Company Secretaries*

**Abhijeet Jain**  
*Proprietor*  
FCS : 4975  
C.P. No. 3426

Kolkata,  
22nd August, 2015