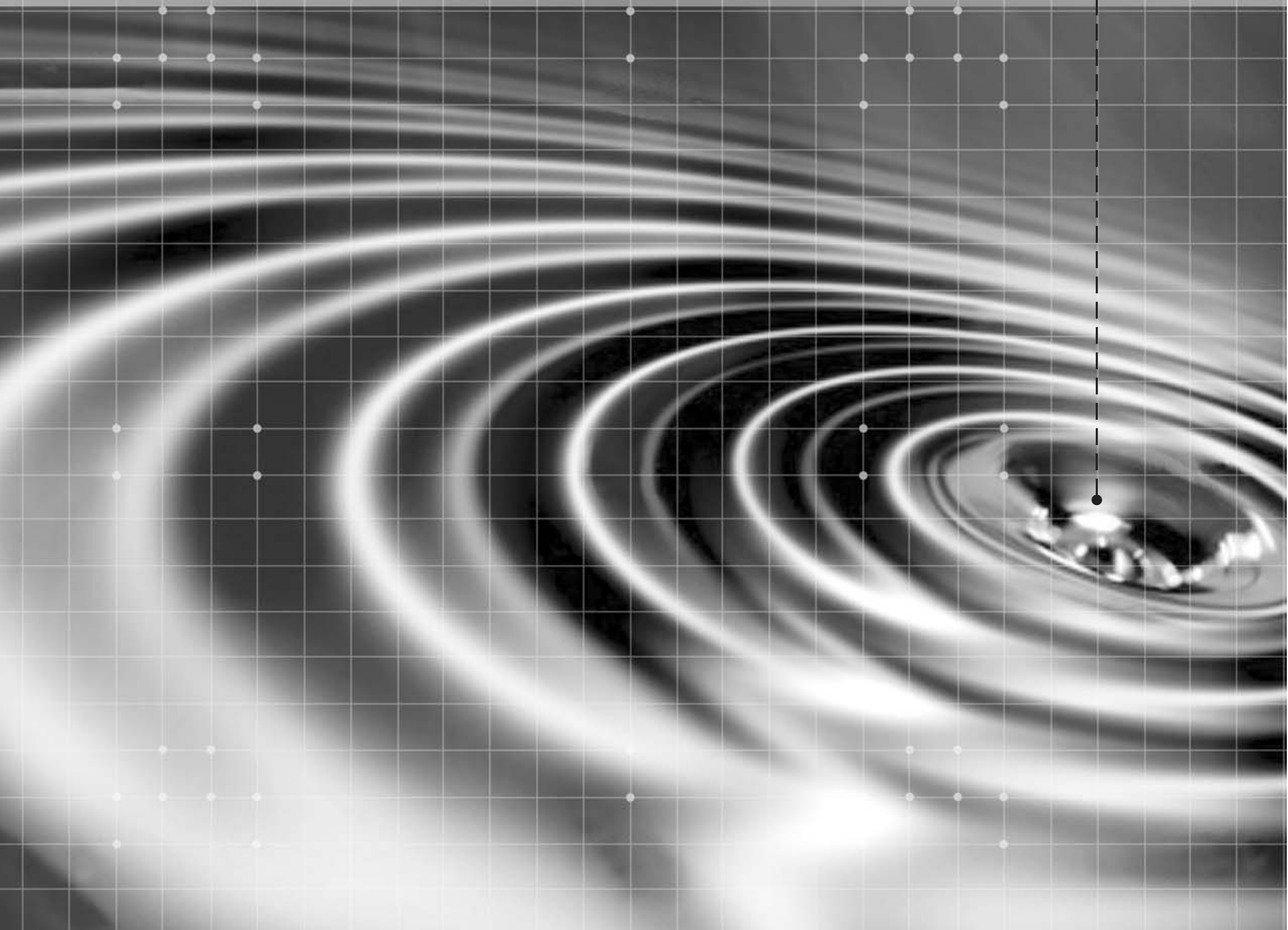
You wish... you soar ... you expand



ROHIT FERRO-TECH LIMITED

Annual Report 2008-2009

Contents

Notice

NOTICE is hereby given that the 9th Annual General Meeting of the Shareholders of M/s **Rohit Ferro-Tech Limited** will be held on Tuesday, 22nd September, 2009 at 1:30 P.M. at 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 31st March, 2009 and the report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Kailash Chand Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jayanta Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. S. Jaykishan, Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conslusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 Mr. Binit Jain whose term as an Executive Director has been expired on 31.05.2009, be re-appointed from the said date for a further period of fifteen months i.e., from 01.06.2009 to 31.08.2010, to continue to hold office as an Executive Director of the Company upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the agreement submitted to this meeting and initialed by the Chairman for the purpose of identification, with an authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment during the continuance of the tenure on the recommendation of the remuneration committee and grant such further increases in remuneration from time to time as they may deem fit and agreed by Mr. Binit Jain, within the limits specified in Schedule XIII of the Act, as may be amended from time to time."

By Order of the Board
For **ROHIT FERRO-TECH LIMITED**

Place : Kolkata
Date : 25th August, 2009

Rohit Patni
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND STAMPED MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING OF THE AFORESAID MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business in item no. 6 to be transacted is annexed hereto.
3. The relevant details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Director under item no. 3 and 4 above is annexed hereto as additional information.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 15th September, 2009 to Tuesday, 22nd September, 2009 both days inclusive. If the Dividend as recommended by the Board of Directors is approved at the meeting, payment of such Dividend will be made on and after 22nd September, 2009 as under :
   a) *To all beneficial owners in respect of shares held in electronic form* : As per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Ltd. as on the close of business hours on 14th September, 2009.
   b) *To all shareholders in respect of shares held in physical form* : After giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14th September, 2009.
5. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the Dividend. The Company or its Registrar cannot act on any request received directly from the Shareholders holding shares in electronic form for any change in Bank particulars or bank mandates. Such changes should be advised only to the Depository Participants by the Shareholders.
6. Shareholders holding shares in physical form are requested to advice any change of address immediately to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata – 700 001.

7. Corporate Member intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. Members 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.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

(Annexure to the Notice convening the 9th Annual General Meeting to be held on Tuesday, 22nd September, 2009)

Item No. 6

The members had, at the Annual General Meeting of the Company held on 21st September, 2006 approved the re-appointment and payment of remuneration to Mr. Binit Jain, Executive Director for a period of 3 years effective from 01.06.2006 to 31.05.2009.

Mr. Binit Jain was actively involved in the overall management of the Bishnupur plant of the Company, and under his supervision, the performance of the plant has improved considerably.

The Board of Directors, on the recommendation of the Remuneration Committee, have re-appointed Mr. Binit Jain vide resolution dated 29th July, 2009 as an Executive Director of the Company for a further period of 15 months, with effect from 1st June, 2009 on the following terms of remuneration :

REMUNERATION

Salary of Rs. 50,000/- (Rupees Fifty Thousand) only per month with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits specified in Schedule XIII of the Act, as may be amended from time to time.

However, in case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Binit Jain shall be restricted to Part II Section II [1A] of Schedule XIII of the Act.

Copy of agreement may be inspected at the registered office of the Company on any working day during business hours.

Your Directors recommend this resolution for approval.

The abstract of the terms and Memorandum of Concern or interest under Section 302 of the Companies Act, 1956 has already been sent to the members.

None of the Directors except Mr. Binit Jain are concerned or interested in the resolution at item no. 6 of the Notice.

ADDITIONAL INFORMATION

Disclosure pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (Refer item no. 3 and 4 of the notice) :

Name of the Director	Age	Date of Appointment	Brief resume and nature of expertise in functional area	Other Directorships/ Committee Memberships
Mr. Kailash Chand Jain	61 years	05.09.2005	He is a Practicing Chartered Accountant and has more than 35 years of Industrial & Commercial experience and has expertise in finance & accounts. He is a B.Com (Hons) Gold Medalist and also a LLB, FCA, FCS & FICWA. He is the past Chairman of the Eastern India Regional Council of The Institute of Chartered Accountants of India. He is also a member of Institute of Internal Auditors, Florida, USA (IIA); and Indian Management Association (IMA).	**Directorships :** Ankit Metal & Power Ltd. Vikash Metal & Power Ltd. **Committee Memberships :** In Ankit Metal & Power Ltd. : - Audit Committee - Remuneration Committee In Vikash Metal & Power Ltd. : - Audit Committee - Remuneration Committee
Mr. Jayanta Chatterjee	66 years	05.09.2005	He works as a Consultant having expertise in the field of Ferro Alloys, Coal & Minerals. He is a Science Graduate from Calcutta University, and Graduate degree (B.Met.) in Metallurgy from Jamshedpur Institute of Technical Education, and also of Fellow member of Indian Institute of Metals. He has a wide experience of over 40 years in steel & mining sector while serving in Tata Steel.	**Directorships :** Nil **Committee Memberships :** Nil

Mr. Kailash Chand Jain and Mr. Jayanta Chatterjee does not hold any equity shares in the Company.

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting their Ninth Annual Report together with audited statement of accounts for the financial year ending 31st March, 2009.

FINANCIAL RESULTS (Rs. in Crores)

Particulars	Current Year 31st March, 2009	Previous year 31st March, 2008
Net Sales	874.75	622.64
Operating Profit	69.81	127.59
Interest	46.00	25.10
Depreciation	9.91	7.09
Profit before Tax (PBT)	13.90	95.40
Tax Expense	4.86	14.98
Profit after Tax (PAT)	9.04	80.43
Balance brought forward from previous year	118.23	48.56
Adjustment for earlier years	(1.82)	(0.21)
Profit available for Appropriation	125.44	128.78
Less : Appropriated as under :		
- Proposed Dividend (5%) including Tax	2.31	6.05
- Transfer to General Reserve	–	4.50
Surplus carried to Balance Sheet	123.31	118.23

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 0.50 per share on 39,482,945 Equity Shares of Rs. 10/- each for the financial year ended March 31, 2009 as compared to Rs. 1.50 per share in the previous year considering the funds needed for various ongoing expansion programmes. The total payout on dividend (including tax) will be Rs. 2.31 Crores as against Rs. 6.05 Crores in the previous year. Since the Dividend recommended is 5%, the Company was not required to transferred any amount to General Reserve and an amount of Rs. 4.90 Crores is retained in the profit and loss account.

OPERATIONAL REVIEW

The Company's both the units viz. Bishnupur and Jajpur operated all its furnaces to produce chrome as well as manganese based alloys, and also made a test trial production of ferro silicon during the year.

This apart, Bishnupur unit has started production from its 5th Furnace of 9 MVA during the year, enhancing the total annual capacity of the Company to produce 180,000 MT of different kinds of ferro alloys.

Operational highlights of 2008-09 vis-à-vis last year :

- Production of 115,376 MT as compared to 97,477 MT.
- Turnover of Rs. 875 Crores as against Rs. 623 Crores.
- Export of Rs. 544 Crores as against Rs. 414 Crores.

With firm commitment and persistent quality and efforts, your Company continues to maintain cordial relation with its global customers and has increased its client portfolio during the year to 65 as against 58 in the previous year.

Your Company's products are marketed globally and are internationally acclaimed for its premium quality and customisation. Your Company exports its products to all major user countries, especially to quality-conscious countries in Europe, Middle East and Eastern countries including China, Japan, Korea etc. The Company serves as the single-basket supplier for its customers comprising of different manganese based and chromium based alloys and thus, holds an edge over its competitors.

NEW PROJECTS & EXPANSIONS

At present, your Company is in expansion mode and has three proposed projects in pipeline. Captive Power Plant along with a furnace in Jajpur, Ferro Alloys Project at Haldia which has been granted 100% EOU status recently, and the recently announced Stainless Steel facility in Bishnupur.

The Company is yet to start the implementation of its proposed Project for 110 MW Captive Power Plant and a 33 MW furnace for additional 50,000 MT per annum of ferro alloys production in Jajpur as it is awaiting environmental clearance from the concerned Government Ministry.

The Company is currently executing its expansion project in Haldia for 6 x 9 MVA furnaces for 110,000 MT per annum of Manganese Alloys. The same is going on in full swing. Out of the six furnaces to be implemented, in a phase wise implementation, 2 furnaces are expected to commence commercial production by the end of financial year 2009-10. The Company has already secured the financial closure for the same for a total sum of Rs. 175 Crores of term loan from State Bank of India and United Bank of India.

With the present facilities, the Company can produce 180,000 MT of Ferro Alloys per annum and with the start of the Haldia unit in the last quarter of the financial year 2009-10, it will add up another 30,000 to 35,000 MT to its capacity for the financial year 2009-10. After the completion of Haldia project and Jajpur project, the Company will stand with a capacity to produce 330,000 MT of Ferro Alloys per annum making your Company the largest merchant producer of Ferro Alloys in the country.

In an attempt to forward integrate under the flagship of RFTL, your Company has been working extensively on the front of end use of the Ferro Alloys, and finally has conceptualised the implementation of a Stainless Steel Plant of size 100,000 MT of finished Stainless Steel per annum at estimated Project cost of Rs. 98 Crores, to be executed as an expansion to the Bishnupur unit. For this, around 12 acres of land has been acquired within the West Bengal Industrial Growth Centre at Bankura adjacent to its existing facilities. The necessary Environmental Approvals and Clearances have already been availed from the respective Government agencies.

During the year, the Company has floated a wholly owned subsidiary in Singapore named SKP Overseas Pte. Ltd. and acquired economic interest in two coal mining companies in Indonesia with a reserve of 20 million tonnes of Thermal Coal and 5 million tonnes of Coking Coal. This subsidiary will be holding 60% economic stake in these coal mining Companies. The operation of thermal coal mine has already been started, and that of coking coal is expected to start in early 2010. The Company proposes to use the coal out of both of the mines for its captive use in power plant and ferro alloys.

The Company has decided to defer its chromite ore mines acquisition in Iran due to disturbed political situation, although it has identified some mining properties and has imported the chrome ore from Iran for its consumption during the year.

PROCEEDS FROM PREFERENTIAL ISSUE

During the year, the Company has received Rs. 19.42 Crores from warrant holders holding 50,20,000 warrants towards balance subscription money and issued 50,20,000 equity shares converting these warrants. The balance 29,80,000 warrants had not been subscribed fully till their validity date, and thus the initial application money Rs. 1.28 Crores received on these warrants were forfeited and credited to the Capital Reserve on 29th June, 2009. The amount raised has been utilised fully for the purpose of new project expansion and investment overseas.

DIRECTORS

Mr. Kailash Chand Jain and Mr. Jayanta Chatterjee, Directors of your Company, are retiring by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

A brief resume/details related to Directors seeking appointment/ re-appointment is furnished as an annexure to the notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- that they have prepared the accounts for the financial year on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT

The Statutory Auditors M/s. S. Jaykishan, Chartered Accountants, holds the office until the conclusion of the ensuing AGM and being eligible, offers themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956 and they are not otherwise disqualified within the meaning of sub-section (3) of Section 226 of the Companies Act, 1956 for such appointment.

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

The undisputed outstanding dues of Rs. 47,400/- towards purchase tax payable as observed by the Auditors at point no. (ix) (a) in Annexure to their report has now been paid.

CONSOLIDATED FINANCIAL STATEMENT

As stipulated in the Listing Agreement with the stock exchanges, the Company has prepared Consolidated Financial Statements in accordance with the relevant Accounting Standards (AS - 21) issued by the Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statements along with the Auditors Report thereon form part of the Annual Report.

SUBSIDIARIES

During the year, the Company has floated a wholly owned subsidiary in Singapore named SKP Overseas Pte. Ltd. The Statement as required under Section 212 of the Companies Act, 1956 is attached hereto forming a part of this report. The Audited Accounts and Directors' Report of the subsidiary is also forming part of the Annual Report.

DEMAT SUSPENSE ACCOUNT

The Company has opened a Demat Suspense account as per SEBI's Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated 24/09/2009 and transferred the unclaimed 653 shares in aggregate allotted to three applicants in the IPO of the Company on 5th April, 2006 which were lying with the Company/Registrar's pool account due to wrong data/address provided by the applicants. No shareholders have approached the Company for transfer of the same till date. The voting rights on these shares will remain frozen till the owners claim these shares.

FINANCIALS

During the year the company has converted 50,20,000 warrants into equity shares which lead to increase in equity shares from 34,462,945 to 39,482,945 and paid-up capital from Rs. 34.46 Crores to Rs. 39.48 Crores.

The total outstanding long term debts stood at Rs. 84.38 Crores (Previous year - Rs. 88.17 Crores). This includes the borrowings made for the Haldia project. During the year under review, the Company has repaid Rs. 18.17 Crores of term loan taken for its Bishnupur and Jajpur projects.

The Networth stands at Rs. 223.45 Crores as at 31st March, 2009 as against Rs. 198.73 Crores representing an increase of Rs. 24.72 Crores contributed by retained earnings and increased equity shares on conversion of warrants.

The Gross Fixed Assets increased by Rs. 41.26 Crores representing capital expenditure on land acquisition for new projects at Haldia, investment made on 5th Furnace installed at Bishnupur plant capitalised during the year and other maintenance capital expenditure.

Long Term Investments stood at Rs. 18.69 Crores on account of new investments in subsidiaries and ventures.

The above activities were funded mainly from the term loans and internal accruals. The Company had cash and cash equivalents aggregating to Rs. 4.12 Crores as on 31st March, 2009 as against Rs. 3.09 Crores as on 31st March, 2008 a part of which represents cash generation from operating activities. The Company has sufficient financial flexibility, in terms of available committed facilities from banks/financial institution to finance the future growth plans and capitalize on emerging opportunities.

CREDIT RATING

The Company has been assigned credit rating BBB- (Triple B minus) for long/medium term facilities, and PR3 (PR Three) for short term facilities by CARE.

INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. After taking into account all the relevant factors, including the risk benefit trade-off, the Company has consciously decided not to take insurance cover for loss of profit arises due to machinery breakdown.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public and as such, no amount of principal and interest was outstanding on the date of the Balance Sheet.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

A Management Discussion & Analysis Report and a Report on Corporate Governance along with the certificate from the Company Secretary in practice regarding compliance with mandatory requirements as stipulated under Clause 49 of the Listing Agreement with stock exchanges, is presented in a separate section forming part of the Directors' Report.

PARTICULARS OF EMPLOYEES

Details of employees drawing remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended during 2008-09 is given as statement herein below :

Name	Age (Years)	Qualification	Date of employment	Designation	Remuneration received (gross)	Experience (Years)	Last employment
Mr. Rohit Patni	25	BE, MBA	27.08.2007	Managing Director	Rs. 36,00,000/-	3	Continuing as Jt. MD in Ankit Metal & Power Ltd.
Mr. Ankit Patni	24	CFA	27.08.2007	Jt. Managing Director	Rs. 24,00,000/-	4	Continuing as MD in Ankit Metal & Power Ltd.

Notes :

1. Remuneration, as above, includes only the salary.
2. Mr. Rohit Patni and Mr. Ankit Patni are brothers and are sons of Mr. Suresh Kumar Patni (Chairman) and Mrs. Sarita Patni (Ex Director).
3. None of the Company's employees are related to the Directors of the Company.

DISCLOSURE OF PARTICULARS

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

HUMAN RESOURCES AND TRADE RELATIONS

Employees represent the backbone of our organisation, enhancing profitability and growth. The Company intends to continuously upgrade the professional and human resource skill of its employees. Your Directors wish to place on record their appreciation for the employees contribution at all levels and for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled your Company to grow steadily.

ACKNOWLEDGEMENT

The Board also desires to place on record its appreciation for the support and co-operation received from its Shareholders, Regulatory & Government Authorities, Suppliers, Customers and Bankers. Your Company has always looked upon them as partners in its progress. It will be your Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 25th August, 2009

Annexure to the Directors' Report

Particulars as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 :

A. CONSERVATION OF ENERGY

Measures taken for Conservation of Energy :

a) Close monitoring of high energy consuming equipment in plants;

b) Using power factor controller/capacitors to maintain power factor;

c) Keeping maximum demand under control by scheduling other load during equipment testing, among others;

d) Continuation and increasing scale of measures taken;

FORM - A

(Form for Disclosure of Particulars with respect to Conservation of Energy)

Particulars	2008-09	2007-08
Power and Fuel Consumption		
1. Electricity :		
Total unit Purchased/Consumed	472,601,200	398,088,800
Total Cost (Rs.)	1,276,725,213	996,904,733
Average rate per unit (Rs.)	2.70	2.50
2. Coal and Coke :		
Quantity (MT)	77,771	65,849
Total Cost (Rs.)	102,065,143	560,119,234
Average rate per MT (Rs.)	13,013	8,506
Consumption per unit of Production		
1. Electricity (Unit/MT)	4,096	4,083
2. Coal & Coke (Kg/MT)	674	676

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Research & Development

Intensive R&D activity is an overriding priority at the Company. The key areas where R&D resources and initiatives are focused on :

a) Improving and optimising furnace efficiency, developing process for pre-heating and pre-reduction of inputs;
b) Constant process improvement for increasing output quality to customers' specification;
c) Testing and Certification of products;
d) Participation in conference and seminars;
e) Analysing feedback from the users to improve products.

C. FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, the Company has been the net foreign exchange earner for the country. The Company is regularly attending the seminars and fairs held at different parts of the globe. The Company has also continuing memberships of various agencies and associations which leads to explore the export market for the company. During the year, the total foreign exchange used and earned :

Used	Rs. 221.64 Crores
Earned	Rs. 528.59 Crores

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 25th August, 2009

ECONOMIC ENVIRONMENT

In the year 2008-09, Economies around the world have been seriously affected following the financial shocks in the USA and Europe since mid September, 2008 and started with most Western economies and Japan slipping into recession. Thereafter, one by one other world economies joined the race.

Indian Economy also started experiencing severe head winds since October, 2008 with exports declining and all major sectors reporting demand contradiction. GDP growth forecasts have been downgraded to 6-7% for 2008-09 and around 6% for 2009-10. Even as demand (domestic and export) slows down, the supply pipeline (domestic and import) in most sectors continues on its earlier trajectory leading to an over supply situation in many areas, added by the new entrants also becoming active. The steep price fall in the commodity sector created an adverse impact on margins and profits.

Real Estate, Infrastructure and Automobile Industry were bearing the full brunt which in turn affected steel industry. The process of de-leveraging started with the western markets has created a shortage of funds in the emerging markets like India. Failure of Financial Systems, Banks and withdrawal of funds by the Foreign Institutional Investors has led to a stock market crash world wide which in turn, affected various consumer goods, housing, automobile sectors.

The timely fiscal stimulus packages announced by the Governments in several countries showed the ray of hopes and helped in countering the crises to a considerable extent. Inspite of negative impact on the global economy, the current global crisis have been combated through swift co-ordinated measures taken by the Governments announcing stimulus packages and easing monetary policies.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company is in the manufacturing of Chromium and Manganese based Ferro Alloys viz. High Carbon Ferro Chrome, Silico Manganese and Ferro Manganese. These Alloys primarily used as alloying elements in production of steel and are essential additives in steel making used for imparting desired properties to steel.

Ferro Alloys enhance the strength, durability, anti-corrosion and anti-stain properties of steel. They are used in alloys, special and stainless steels.

Alloy Steel Industry : The presence of one or more Ferro Alloys - Manganese, Silicon and Vanadium, among others, enhances strength and durability. The use of alloy steel has increased substantially across the industrial, consumer durables and automobile industries, the demand for which is expected to grow at a CAGR of 5% across 2013-14.

Stainless Steel Industry : This value-added product enjoys corrosion resistance due to a minimum 10.5% chromium presence. Ferro Chrome is used as deoxidiser in the production of stainless steel. Stainless steel's resistance to corrosion and staining, low maintenance and lustre make it an ideal base material for a host of commercial applications like utensils, infrastructure, automobile, builders' hardware and railways.

There is no substitute for chromium in stainless steel production, and is widely practiced as the substitute for nickel to some proportion.

The growth of Ferro Alloys Industry is directly linked with the growth of Iron and Steel Industry which in turn depend upon its user industry i.e. infrastructures and housing, automobiles, consumer durables etc. About 90% of world Ferro Alloy production is consumed by the Iron and Steel Industry with balance 10% being consumed by engineering sector.

FERRO ALLOYS SECTOR

The robust 7.5% growth in global steel production strengthened the upstream demand for ferro alloys by 7% in 2007-08 and China recorded the highest demand for ferro alloys, followed by India and Russia.

India, with a 5-7% share of the global ferro alloys industry, is among the 10 largest producers of the material in the world. In India, majority of the ferro alloys furnaces are largely located in Orissa, Andhra Pradesh, West Bengal, Chattisgarh and Goa due to proximity to mines. Most ferro alloy companies manufacture manganese or chrome alloys.

Indian bulk ferro alloys supply constitutes of Ferro Chrome about 32%, Ferro Manganese and Silico Manganese about 62% and rest others.

India enjoys a natural advantage as it has the fifth-largest in chrome ore with a 100 million tonnes estimated reserve and the sixth-largest in manganese ore with an estimated 176 million tonnes reserve.

The Steel Industry as a whole has witnessed a roller-coaster trend in 2008 starting from a moderate surge to very high and then a sharp fall in demand as well as prices. The first half witnessed a surge in steel demand leading to historic record prices followed by a steep slide in demand and prices in the second half. The slow down in investment activity due to declining income caused by job losses led to accelerated fall in demand for consumer durables, automobile which affected the steel sector. Responding to the collapsing demand and prices, the Global Steel Industry announced production cuts, resulting into 25% fall in world steel production in October to December, 2008.

OUTLOOK

The outlook of the Ferro Alloys industry is expected to remain positive owing to revival in the demand in certain user industry due to Government initiatives to mitigate the impact of global meltdown.

The Indian government has recently announced several stimulus packages to improve the steel demand and has given three stimulus packages since December 2008 and has announced investment of $8.95 Billion in the current fiscal year to develop infrastructure like networks of road, irrigation, phones and electricity. Reintroduction of export incentive scheme to encourage exports, various measures to encourage auto sector - an important steel consumer, series of benefits to housing and real estate sector, modernization of airports and huge investment plan in railway and infrastructure projects are expected to encourage the demand of steel which promises the revival in demand of Ferro alloys industry.

OPPORTUNITIES & THREATS

Ferro Alloy industry is a Power Intensive industry. So, Captive Power as well as Captive supply of raw materials are the key success factors for this industry. The volatility in the major input cost i.e. ores, coal and power holds threat of increase in cost of production. The volatility of the ore prices as well as the finished product prices are the other major concern.

However, with the positive prospects of the industry, availability of all inputs within the country and the Company's current linkage with renowned overseas manganese ore miners, the Company is confident of maintaining cost competitiveness and prevail over the competition in the market place.

The Company's proposed Captive Power Plant of 110 MW in Orissa will also help the Company to mitigate the risk of availability of power as well as increasing power cost in future.

The Company has recently secured coal supply for its own consumption as well as its proposed power plant by acquiring economic stake in its thermal and coking coal mines in Indonesia, to make it more competitive and secured on the energy front.

The Company's proposed ongoing project in Haldia for ferro alloys alongwith a beneficiation plant for upgrading the widely available manganese ore fines will also help in reducing the product cost and give cutting edge to the Company in this competitive world. This proposed Haldia unit has recently got the 100% EOU status from the Ministry which will avail the Company a host of benefits compared to its competitors.

The Company has a very effective marketing management with exporting about 70% of its total production, and the Company's highest quality assurance are very well accepted in the world market.

The perceived threats to the Company - acute competition from existing competitors and also by new entrants in this field, increasing raw material cost, un-remunerative prices and un-availability of raw materials and inputs, thus can be easily addressed by your Company.

RISKS AND CONCERNS

Non-availability and price rise of raw materials and other inputs such as power etc. are the main area of concern for the Company. However, these factors are not particular to our Company, but are across the industry, and thus, can be mitigated by passing the burden of the increased prices to the consumers of the finished products. This is a general phenomenon, not limited to the Company alone, but to the industry as a whole.

In the normal course of business, the Company is also exposed to external risks such as fluctuation in demand, competition in the market etc. as well as internal risks like variations in operational efficiency, manpower issues etc. The Company is also exposed to financial risks like changes in interest rates, foreign exchange fluctuations etc. The risks which are identified are taken care of by the management by taking appropriate steps such as Insurance, hedging of foreign currencies, Risk Assessment Exercises etc. All the key function and division heads of the Company are independently responsible to monitor the risk associated in their respective area. Periodical review are done of the general business risks by the Audit Committees and the Board.

RESEARCH & DEVELOPMENT ACTIVITIES & QUALITY CONTROL

In order to meet the challenges of the market and also to take on competition, the Company had always embarked to improve various process parameters like electrical power consumption, coke consumption, pre-reduction of the ore and also improvement of the quality of the raw materials charge to reduce the cost of production as also to start development of new types of Alloys required by the Industries. In this process, the Company has successfully tried to produce Ferro Silicon in its existing furnace.

The Company's quality excellence comprise of a check on all incoming raw material, multi-step shop-floor quality assurance and a multi-parameter inspection of finished goods prior to dispatch. The Company has fully equipped and best qualified manned laboratory comprising of CS apparatus and Digital Heat Analyzer to maintain stringent metallurgical control across all operations. It has deployed the LICO-CS-200 equipment to accelerate a check of carbon and sulphur level impurities in the end product in 40 seconds as compared to 24 hours earlier. It has achieved to restrict sulphur and silicon content in the end products to enhance product performance. The Company also intend to have a photo spectrometer for trace-analysis in end products.

The Company enjoys ISO 9001:2000 Certification for its quality compliance.

SEGMENT-WISE PERFORMANCE

The Company operates in only one reportable primary segment i.e. Ferro Alloys. The performance of the product during the year 2008-09 has been given in details in the Directors Report. The secondary segment which is identified as Geographical segment, is given in detail in Note No. B-15 in Schedule 22 to the Annual Accounts of the Company.

INTERNAL CONTROL

The Company has proper and adequate system of internal control commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and the applicable statutes are duly complied with. The Company has an internal audit system with qualified team which strives to ensure compliance of internal control systems, and the same is reviewed by the Audit Committee periodically for strengthening and upgrading the system to take care of changing risk parameters.

INDUSTRIAL RELATION AND HUMAN RESOURCES

Human Resource Management is critically owing to a dearth of skills and experience as well as high attrition. The employee base of the Company is a prudent mix of youth and experience. The Company has taken a policy to employ contract labours in its manufacturing units.

The Company recruited selectively through industry contacts, newspaper advertisements and consultancies. The trainees were selected from reputed ITIs, technical as well as professional institutes. The Company provides induction training to recruits, followed by on-the-job training and follow-up specialised training under supervision. The employees attend conferences in India and abroad to enhance their knowledge.

The Company's compensation structure is designed in line with the best industry standards; performance-linked incentives are paid to outstanding achievers.

The Company's self-appraisal model helped rate performance. While employees identifies their key performance areas and informed the management about their expectations, the management compares it with its own studies. All employees are appraised annually.

The Company embarked on restructuring its HR policies, strengthening its HR focus through the creation of a dedicated department.

CAUTIONARY STATEMENT

In this Annual Report we may have disclosed certain forward-looking information to enable investors to know our product, portfolio, business logic and direction and comprehend our prospects. This report and other statements written and oral, that we periodically make are based on our assumptions.

We cannot guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated or projected. Readers may bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE GOVERNANCE PHILOSOPHY

We believe that good Corporate Governance is a key driver of sustainable corporate growth and long term value creation of our stakeholders. Corporate Governance involves being responsive to aspirations of our stakeholders besides ensuring compliance with regulatory requirements. 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. We are committed to conduct the business upholding the core values like transparency, integrity, honesty, accountability and compliance of all statutes. We recognize that this is a conscious and continuous process across the organization, which enables the Company to adopt best practices as we incorporate improvements based on the past experience.

BOARD OF DIRECTORS

The Company has an optimum Board consisting 8 Directors headed by Mr. Suresh Kumar Patni, Non-Executive Chairman with 3 Executive Directors and 5 Non-Executive Directors, of which, 4 are Independent. The number of Non-Executive Directors are more than 50% of the total strength of the Board.

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 in which they are the Directors. The Directors regularly inform the company about the changes in their positions as and when the changes takes place, apart from the annual disclosures.

The composition and category of the Board of Directors of the Company currently, and the number of Board meetings attended by the Directors during the year 2008-09 are given below :

Name of the Director	Category	No. of Board Meetings Attended	No. of Membership in Other Boards and Other Committees as on March 31st, 2009 #		Whether attended the Last AGM
			Board	Committee$	
Mr. Suresh Kumar Patni	Promoter/Non-Executive	18	6	2	Yes
Mr. Rohit Patni	Promoter/Executive	18	3	-	Yes
Mr. Ankit Patni	Promoter/Executive	10	2	1	No
Mr. Binit Jain	Executive	11	1	-	No
Mr. Kailash Chand Jain	Independent/Non-Executive	12	2	2 (Chairman – 2)	No
Mr. Jatindra Nath Rudra	Independent/Non-Executive	14	1	2 (Chairman – 1)	Yes
Mr. Jayanta Chatterjee	Independent/Non-Executive	10	-	-	Yes
Mr. Asoke Kumar Basu*	Independent/Non-Executive	6	-	-	Yes
Mrs. Sarita Patni**	Promoter/Non-Executive	8	2	-	No

Excluding Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.

$ Only the two committees viz. Audit Committee and Shareholder's Grievance Committee are considered for this purpose.

* Appointed w.e.f. 11th day of August, 2008.

** Resigned w.e.f. 11th day of August, 2008.

Notes :

1. 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 and Mrs. Sarita Patni, who are also the promoters of the company (ies), which has a business relation with this company.
2. 19 (Ninteen) Board Meetings were held during the year 2008-09 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :

   10th April, 2008; 13th May, 2008; 20th May, 2008; 31st May, 2008; 20th June, 2008; 8th July, 2008; 28th July, 2008; 5th August, 2008; 11th August, 2008; 29th August, 2008; 1st September, 2008; 13th September, 2008; 20th September, 2008; 31st October, 2008; 31st December, 2008; 13th January, 2009; 31st January, 2009; 10th February, 2009 and 13th March, 2009.
3. The information as specified in Annexure-IA to the clause 49 of the Listing Agreement entered into with the Stock Exchange, is regularly made available to the Board whenever applicable.

4. 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.
5. Mr. Rohit Patni, MD and Mr. Ankit Patni, JMD are the sons of Mr. Suresh Kumar Patni and Mrs. Sarita Patni. No other directors in the Board are related to each other.

CODE OF CONDUCT

The code of conduct for the Board of Directors and Senior Management Personnel as adopted is available on the Company's website http://www.rohitferrotech.com. All the members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

Declaration

As provided under 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, 2009.

For Rohit Ferro-Tech Limited

Rohit Patni

Kolkata, 25th August, 2009

Managing Director

COMMITTEES OF DIRECTORS

1. Audit Committee

The Company has an Audit Committee with the scope as set out in Clause 49 of the Listing Agreements read with Section 292A of the Companies Act, 1956.

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

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

Name of the Director	Category	No. of meetings attended during the year
Mr. Kailash Chand Jain	Independent Director (Chairman)	5
Mr. Jatindra Nath Rudra	Independent Director	4
Mr. Jayanta Chatterjee	Independent Director	4

The Managing Director, Joint Managing Director and VP-Finance & Accounts are permanent invitees to the Committee. Mr. Pramod Kumar Jain, CFO & Company Secretary acts as the Secretary of the Audit Committee. The Audit Committee invites, as and when considers appropriate, the representatives from the auditors to be present at the meeting of the Committee.

Mr. Kailash Chand Jain, Independent Director having expertise in finance, is the Chairman of the Audit Committee. He was not present at the last Annual General Meeting of the company held on 25th September, 2008.

During the financial year ended 31st March, 2009 five Audit Committee Meetings were held on 10th April, 2008; 20th June, 2008; 28th July, 2008; 31st October, 2008 and 31st January, 2009. The necessary quorum was present at these meetings.

The Annual Accounts for the year ended 31st March, 2009 were duly reviewed by the Audit Committee at its meeting held on 29th June, 2009 prior to adoption by the Board.

2. Remuneration Committee

The Company has a remuneration committee consisting of three Independent Directors, viz. Mr. Jatindra Nath Rudra (Chairman), Mr. Kailash Chand Jain and Mr. Jayanta Chatterjee.

The terms of reference of the Remuneration Committee are broadly as follows :

a) To determine and recommend to the Board of Directors the remuneration package of the Managing Director(s) and Whole-time Director(s) including periodical revisions therein.

b) To approve, in the event of loss or inadequate profit in any year, the minimum remuneration payable to the Managing Director(s) and Whole-time Director(s) within the limits and subject to the parameters prescribed in Schedule XIII to the Companies Act, 1956.

The committee met once during the year on 31st January, 2009. All the members of the Committee have attended the meeting.

The Chairman of the committee has attended the last Annual General Meeting for giving replies to shareholder's queries; if any.

Remuneration Policy

A. For Executive Directors :

The Board of Directors on the recommendation made by the Remuneration Committee decides the remuneration of the Executive Directors subject to the approval of members. The remuneration structure comprises only of the salary. No severance fees is payable to the Directors on termination of the employment. The Company does not have any scheme for Stock-option either for the directors (executive/non-executive) or the employees.

B. For Non-Executive Directors :

The Non-executive directors are paid sitting fees for attending each meeting of the Board and/or committee thereof and the same is within the limits prescribed by the Companies Act, 1956.

Remuneration of Executive Directors

The Company has paid remuneration only by way of salary to its Executive Directors within the limits specified under Schedule XIII of the Companies Act, 1956 and approved by the Board as well as by the shareholders of the Company, during the year ended 31st March, 2009 as follows :

Name of the Director and Designation	Salary paid (Rs.)	Period of Contract		Notice Period
		From	To	
Mr. Rohit Patni (Managing Director)	36,00,000/-	27.08.2007	26.08.2012	2 Months
Mr. Ankit Patni (Jt. Managing Director)	24,00,000/-	27.08.2007	26.08.2012	2 Months
Mr. Binit Jain* (Executive Director)	3,00,000/-	01.06.2006	31.05.2009	2 Months

* Mr. Binit Jain has been re-appointed for a further period of 15 months i.e., w.e.f. 01.06.2009, and is subject to the approval of shareholders in the ensuing Annual General Meeting.

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists only of sitting fees for attending the meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the shares/convertible warrants held by them as on 31st March, 2009 are as follows :

Name of the Director	Sitting Fee paid (Rs.)	No. of Shares held as on 31.03.2009	No. of Convertible Warrants held as on 31.03.2009
Mrs. Sarita Patni*	17,500	680100	600000
Mr. Kailash Chand Jain	36,000	Nil	Nil
Mr. Jatindra Nath Rudra	41,000	Nil	Nil
Mr. Jayanta Chatterjee	32,000	Nil	Nil
Mr. Suresh Kumar Patni	46,000	1020100	600000
Mr. Asoke Kumar Basu**	15,000	Nil	Nil

* Resigned from the directorship w.e.f. 11th August, 2008.
** Appointed as director w.e.f. 11th August, 2008.

3. INVESTOR GRIEVANCE CUM SHARE TRANSFER COMMITTEE

The Investor Grievance cum Share Transfer Committee has three Directors out of which two are Independent Directors and one is Non-Executive Director in compliance with clause 49 of the Listing Agreement.

The Committee shall look into the following :

a) To review and ensure compliance of statutory provisions of the Companies Act, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of share/debenture of the company.

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/debentures.

d) Approve issue of duplicate shares certificates, consolidate/sub-division of share certificates on completion of the procedures as may be stipulated.

e) Ensure 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) Any other matters referred by the Board relating to equity shareholders of the Company.

The Committee met thrice during the year for reviewing the investor's complaints/grievances etc. and transfer/split/remat/demat on 28th July, 2008; 31st December, 2008 and 10th February, 2009.

The composition of the Committee & the details of meeting attended by the Directors are given below :

Name of the Director	Category	No. of meetings attended during the year
Mr. Jayanta Chatterjee	Independent Director (Chairman)	3
Mr. Jatindra Nath Rudra	Independent Director	3
Mr. Suresh Kumar Patni	Non-Executive Director	3

Mr. Pramod Kumar Jain, Company Secretary, has been designated as secretary to the committee and as compliance officer to the Company. The Company Secretary has been delegated the authority to approve the requests for transfers/transmission, split and remat/demat of shares of the Company. The committee reviews the transfer/demat/remat/transmission/split as approved by the Company Secretary and take note thereof in their subsequent meeting(s).

The Company has received total 5 Investor's grievances/complaints during the year ended 31st March, 2009 all of which were replied/resolved to the satisfaction of the shareholders. No complaints were pending.

SUBSIDIARY COMPANIES

A wholly owned subsidiary of our company has been incorporated in Singapore on 9th April, 2008. The minutes of the meetings of the subsidiary company were placed at the Board Meetings alongwith statement of significant transactions entered.

PROCEDURE FOR COMMITTEE MEETINGS

The Company's procedure relating to Board Meetings are applicable to Committee meetings as far as may be practicable. Minutes of the proceedings of the committee meetings are placed before the Board meetings for perusal and noting.

CEO/CFO CERTIFICATION

The Company is duly placing a certificate to the Board from CEO and CFO in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed in respect of the financial year ended 31st March, 2009 has been placed before the Board in the meeting held on 29th June, 2009.

GENERAL BODY MEETINGS

The last three Annual Genral Meetings were held as under :

Financial Year	Date	Time	Place
2005-2006	21st September, 2006	11A.M.	'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020
2006-2007	28th September, 2007	11A.M.	'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020
2007-2008	25th September, 2008	11A.M.	'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020

Special Resolutions passed at the last three AGMs :

Financial Year	Items
2005-2006	None
2006-2007	Two-Appointment of Managing Director and Jt. Managing Director
2007-2008	None

No Special resolution requiring Postal Ballot was passed during the last year. No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

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 parties were on an arms length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the 'Related Party Transactions' Note No: B-16 in Schedule-22 to the Annual Accounts of the Company.
- While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards are followed.
- 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.
- The risk assessment and minimization procedures are in place and the Board is regularly informed by the senior executives about the business risks and the steps taken to mitigate the same.
- Though the company does not have a whistle blower policy, the Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event which is against the company's interest.
- In terms of clause 49(IV)(F)(ii) of the listing agreement, the senior management have 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 received Rs. 19.42 Crores towards the Conversion of 50,20,000 warrants exercised by the warrant holders. The said amount has been utilised for the investment in overseas ventures and new projects expansion and the statement of funds utilised has been placed before the audit committee.
- All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.

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 the leading national dailies in English and in a local vernacular newspaper widely circulated in the state of West Bengal. The results were also placed on the company's website at http://www.rohitferrotech.com. Results for quarter ended 30th September, 2006 and onwards are also be available on the SEBI's EDIFAR system which can be accessed at http://www.sebiedifar.nic.in. Hence, the quarterly results are not sent to all households of shareholders.

2. Other Information

The Company has its own website http://www.rohitferrotech.com wherein other related information is available. The Company has a dedicated help desk E-mail ID: grievance@rohitferrotech.com in the secretarial department for providing necessary information to the investors as well as for registering any complaints/ grievances. The Company also holds press meets/analysts meets to appraise and make public the information relating to the Company's working and future outlook. The company also 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 Director seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the listing agreement are given in the explanatory statement to the notice of ensuing Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting (AGM)**

Day, Date & Time	Tuesday, 22nd September, 2009 at 1:30 P.M.
Venue	'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020

2. **Date of Book Closure** — 15th September, 2009 to 22nd September, 2009 (both days inclusive)

3. **Dividend payment date** — On or after 22nd September, 2009

4. **Financial Calendar**

Indicative calendar of events for the financial year 2009-2010 is as under :

Financial Year	1st April to 31st March
Unaudited Financial Results for :	
First Quarter	Already disclosed on 29th July 2009
Second Quarter	October, 2009
Third Quarter	January, 2010
Fourth Quarter/FY	April, 2010/June, 2010, if audited
Annual General Meeting	On or before 30th September, 2010

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

Name of the Stock Exchange	Address	Stock Code
Bombay Stock Exchange Ltd. (BSE)	"Phiroze Jeejeebhoy Tower" 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 2009-10 to both the Stock Exchanges where the shares of the Company are listed and also to the depositories.

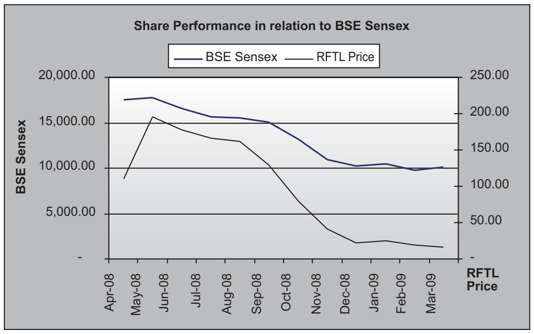
6. **The International Security Identification Number (ISIN) for NSDL & CDSL :** INE248H01012.

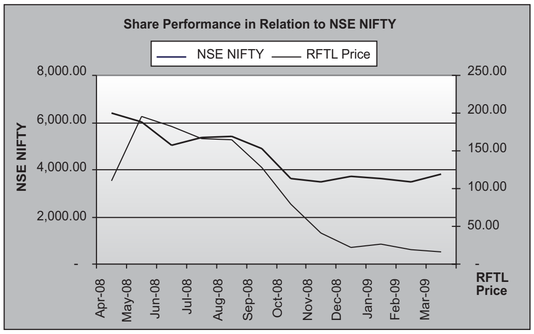
7. **Market Price Data**

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

Month	National Stock Exchangeof India Limited		Bombay Stock Exchange Limited	
	High	Low	High	Low
April, 2008	109.65	64.20	109.60	63.00
May, 2008	194.95	105.65	194.95	105.80
June, 2008	182.00	124.65	178.00	124.65
July, 2008	166.50	105.15	166.10	105.30
August, 2008	164.50	117.60	162.00	118.00
September, 2008	127.70	74.30	129.00	74.40
October, 2008	79.35	35.55	79.65	35.65
November, 2008	41.30	17.45	41.30	17.60
December, 2008	22.45	14.35	22.50	15.10
January, 2009	25.75	17.15	25.70	17.25
February, 2009	19.45	15.00	19.80	15.00
March, 2009	16.70	12.30	16.75	12.35

8. **Performance of the Company in comparison with broad based indices**





9. **Shareholding Pattern as on 31st March, 2009**

Shareholding of Promoter and Promoter Group	No. of Shares	% of total Shares
Indian Promoters	20,886,507	52.90
Financial Institutions/Banks	1,036,193	2.62
Domestic Bodies Corporate	7,367,903	18.66
Resident Individuals	9,614,627	24.35
Non-Resident Individuals	577,715	1.46
Total	**39,482,945**	**100.00**

10. **Distribution of Shareholding as on 31st March, 2009**

No. of shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
Upto 500	13,095	80.16	2,122,448	5.38
501 to 1000	1,575	9.64	1,317,357	3.34
1001 to 10000	1,494	9.15	4,347,901	11.01
10001 to 100000	147	0.90	3,617,223	9.16
100001 and above	25	0.15	28,078,016	71.11
Total	**16,336**	**100.00**	**39,482,945**	**100.00**

11. **Dematerialization of shares and Liquidity**

The Companies Shares are compulsorily traded in dematerialized form which is available for trading on both NSDL and CDSL. As on 31st March, 2009 25,151,812 equity shares representing 63.70% of the share capital are held in dematerialized form viz. CDSL - 9,797,022 equity shares and NSDL - 15,354,790 equity shares.

12. **Registrar and Share Transfer Agent**

Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd 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.

13. **Share Transfer System**

The share transfer requests are processed on behalf of the Company by Registrar and Share Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd. and are placed before the Company Secretary who has been delegated by Investor Grievance cum Share Transfer Committee to approve transfers.

14. **Name, Designation & Address of Compliance Officer for Complaints & Correspondence**

Mr. Pramod Kumar Jain
CFO & Company Secretary

Rohit Ferro-Tech Limited
35, C. R. Avenue, 4th Floor
Kolkata - 700 012, India
Phone : +91 33 2211 9805/9806 (Ext. 401)
Fax : +91 33 2211 0522
E-mail : grievance@rohitferrotech.com

15. **Plant Locations**

BISHNUPUR	WBIIDC Road, P.O. : Dwarika Bishnupur - 722 122 District : Bankura (West Bengal)
JAJPUR	Kalinganagar Industrial Complex Duburi - 755 026, District : Jajpur (Orissa)
HALDIA *(under implimentation)*	Jaynagar, P.O. : Buniaraichak, P.S. : Durgachak District : Purba Medinipur (West Bengal)

16. **Outstanding GDR's/ADR's/Warrants or any Convertible instruments, Conversion date and likely impact on equity**

The Company has allotted 80,00,000 (Eighty Lacs) Convertible Warrants on 23rd November, 2007 convertible into equal number of equity shares at the option of the warrant holders within a period of 18 months from the date of the allotment. During the year, the Company on the request of allottees, has converted 50,20,000 warrants into equal number of equity shares. The balance 29,80,000 warrants were not fully paid up and not requested for conversion before 18 months and hence Rs. 1.28 Crores received as application money against these warrants have been forfeited in the meeting of the Board of Directors held on 29th June, 2009 and credited to Capital Reserve. The paid-up share capital of the Company has been increased to Rs. 39.48 Crores from Rs. 34.46 Crores. As on date, there is no GDR's/ADR's/Warrants or any convertible instruments outstanding.

NON-MANDATORY REQUIREMENTS

1. **Chairman of the Board**

   A Chairman's office with requisite facilities is being provided and maintained at the Company's expense for use by the Non-Executive Chairman. All expenses incurred in furtherance of the Company's business interest are reimbursed by the Company.

2. **Remuneration Committee**

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

3. **Audit Qualification**

   The Auditor's remarks has been replied in the Directors' Report under the heading 'Auditors and Auditors' Report' and the Company is continuously making attempts to move towards a regime of Unqualified Financial Statement.

4. **Other Items**

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

For and on behalf of the Board

Suresh Kumar Patni

Kolkata, 25th August, 2009 *Chairman*

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

To
The members of
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 2009, 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 **AJ & ASSOCIATES**
Company Secretaries
Abhijeet Jain
Proprietor
C.P. No. 3426

Date : 25th August, 2009
Place : Kolkata

Auditors' Report

To
The Members of
Rohit Ferro-Tech Limited

1. We have audited the attached Balance Sheet of **ROHIT FERRO-TECH LIMITED** as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
   b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts, read with the Accounting Policies & Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
      (ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date, and
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251

Dated : The 29th day of June, 2009
Place : Kolkata

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our Report of even date)

(i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.

(b) We are informed that fixed assets of significant value have been physically verified by the management at reasonable intervals, in a phased programme and no material discrepancies were noticed in respect of the assets verified.

(c) The Company has not made any disposal of Fixed Assets during the year.

(ii) (a) As explained to us, inventories have been physically verified by the management during the year at reasonable intervals.

(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion, the Company has maintained proper records of inventories and the discrepancies noticed on physical verification as compared to book records were not material.

(iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act,1956.

(b) Since the company has not granted any Loans as aforesaid, sub-clauses (b), (c) & (d) of this clause are not applicable.

(c) The Company has taken Unsecured Loan of Rs. 67,700,000/- (Rs. 9,500,000/- repaid during the year) from a company covered in the register maintained under Section 301 of the Companies Act,1956. The maximum amount involved during the year was Rs. 62,700,000/- and the year end balance was Rs. 62,680,628/-.

(d) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of loan taken from a company as aforesaid are prima facie not prejudicial to the interest of the Company.

(e) In respect of the above loan, there are no stipulations as to repayment thereof.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.

(b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956, and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The maintenance of cost records under Section 209(1)(d) of the Companies Act,1956, has not been prescribed by the Central Government in respect of the products of the Company.

(ix) (a) According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues. According to the information and explanations given to us, there is no undisputed outstanding statutory dues as at 31st March, 2009 for a period exceeding six months from the date they became payable *except Purchase Tax Payable Rs.47,400/-.*

(b) On the basis of our examination of records and according to explanations given to us, there are no dues as on 31st March, 2009 of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for the following :

Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Orissa VAT	551,477/-	Joint Commissioner of Commercial Taxes (Jajpur, Orissa)
Orissa VAT	310,082/-	”
Entry Tax	594,010/-	”
Central Sales Tax	887,736/-	”

(x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses in the financial year under report or in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.

(xii) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) Clause (xiii) of the Order is not applicable, as the Company is not a chit fund company or nidhi/mutual benefit fund/society.

(xiv) In respect of shares, securities, debentures and mutual fund units dealt or traded by the Company and held as investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments have been held by the company in its own name.

(xv) According to the information and explanations given to us, the Company has given a Corporate Guarantee to secure financial assistanceto SKP Overseas Pte Ltd, a wholly owned subsidary, which is not considered prejudicial to the interest of the Company.

(xvi) On the basis of review of utilisation of funds pertaining to term loans on a overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.

(xvii) In our opinion, and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has made no fresh allotment of shares during the year to parties and companies covered in the Register maintained u/s 301 of the Companies Act, 1956.

(xix) No debentures have been issued by the Company and hence the question of creating security or charge in respect thereof does not arise.

(xx) The company has not raised any money by way of public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251

Dated : The 29th day of June, 2009
Place : Kolkata

Balance Sheet as at 31st March, 2009

(Amount in Rs.)

Particulars	Schedule	As at 31st March, 2009	As at 31st March, 2008
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	394,829,450	344,629,450
b) Deposit against share warrants [Refer Note no.B-6 in Schedule 22]		12,814,000	34,400,000
c) Reserves and Surplus	2	1,834,861,373	1,620,169,949
2. Loan Funds			
a) Secured Loans	3	2,492,254,466	1,725,703,278
b) Unsecured Loans	4	670,892,033	386,115,754
3. Deferred Tax Liability [Refer Note no.B-18 in Schedule 22]		131,784,748	84,417,765
TOTAL		**5,537,436,070**	**4,195,436,195**
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	2,498,197,159	2,085,589,155
b) Less : Depreciation		222,719,588	123,638,392
c) Net Block		2,275,477,570	1,961,950,763
d) Capital Work-in-Progress [Refer Note no.B-12 in Schedule 22]		111,426,728	171,340,425
2. Investments	6	187,782,503	849,026
3. Current Assets, Loans & Advances			
a) Inventories	7	3,018,793,672	1,267,909,845
b) Sundry Debtors	8	733,188,422	617,774,571
c) Cash & Bank Balances	9	316,313,197	395,425,175
d) Loans & Advances	10	1,054,787,512	991,979,862
		5,123,082,802	3,273,089,453
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	2,126,868,735	1,052,315,375
b) Provisions	12	41,399,322	171,379,884
		2,168,268,057	1,223,695,259
Net Current Assets		2,954,814,745	2,049,394,195
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	13	7,934,524	11,901,786
TOTAL		**5,537,436,070**	**4,195,436,195**
Significant Accounting Policies & Notes on Accounts	22		

Schedule 1 to 13 & 22 referred above form an integral part of the Balance Sheet

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

Profit & Loss Account *for the year ended 31st March, 2009*

(Amount in Rs.)

Particulars	Schedule	Year ended 31st March, 2009	Year ended 31st March, 2008
I. INCOME			
Sales	14	9,071,261,907	6,457,991,587
Less : Excise Duty		(323,746,133)	(231,611,876)
		8,747,515,774	6,226,379,711
Other Income	15	47,916,215	27,959,387
Increase/(Decrease) in Stock	16	234,210,821	262,933,676
		9,029,642,810	**6,517,272,775**
II. EXPENDITURE			
Raw Materials Consumed	17	4,926,124,546	3,025,069,921
Purchase of Traded Goods		828,121,900	519,791,859
Manufacturing Expenses	18	1,576,237,712	1,292,565,651
Payments to & Provisions for Employees	19	65,238,613	39,602,026
Administrative, Selling & Other Expenses	20	935,854,534	368,310,658
Interest & Finance Charges	21	459,975,065	247,034,641
Depreciation		99,074,623	70,854,560
		8,890,626,993	**5,563,229,316**
Profit before Tax		**139,015,817**	**954,043,459**
Provision for Taxation			
- Current		15,750,492	109,700,000
- Deferred		47,366,983	38,856,886
- Fringe Benefit Tax		1,272,571	1,200,000
Deferred MAT Credit Entitlement		(15,750,492)	–
Profit after Tax		**90,376,263**	**804,286,573**
Less : Income Tax for Earlier Years		(9,438,580)	(2,136,908)
Surplus from last year		1,182,285,049	485,615,268
Balance available for Appropriation		**1,263,222,732**	**1,287,764,933**
Appropriations			
Dividend for earlier years		7,530,000	–
Proposed Dividend		19,741,473	51,694,418
Corporate Tax on Dividend		4,634,787	8,785,466
Transfer to General Reserve		–	45,000,000
Balance carried to Balance Sheet		1,231,316,473	1,182,285,049
		1,263,222,732	**1,287,764,933**
Earnings Per Share (Face Value - Rs. 10/- each) [Refer Note no. B-17 in Schedule 22]			
Before extraordinary item			
- Basic		2.41	23.34
- Diluted		2.13	21.57
After extraordinary item			
- Basic		2.16	23.28
- Diluted		1.91	21.52
Significant Accounting Policies & Notes on Accounts	22		

Schedule 14 to 22 referred above form an integral part of the Profit & Loss Account

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

Cash Flow Statement *for the year ended 31st March, 2009*

(Amount in Rs.)

Particulars	Year ended 31st March, 2009		Year ended 31st March, 2008	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary Items		139,015,817		954,043,459
Adjustments for :				
Depreciation	99,074,623		70,854,560	
Investment Income	(147,682)		–	
Interest Income	(42,507,625)		(21,602,332)	
Interest Expenses	459,975,065		250,986,363	
Liabilities no longer required written back	(285,908)		–	
Sundry Balances written off	220,413		375,419	
Share Issue Expenses written off	3,967,262		3,967,262	
Preliminary Expeses written off	–	520,296,148	133,168	304,714,439
Operating Profit before Working Capital Changes		**659,311,965**		**1,258,757,898**
Adjustments for :				
Trade & Other Receivables	(99,298,462)		(882,405,457)	
Inventories	(1,750,883,827)		(454,218,012)	
Trade Payables & Other Liabilities	1,052,892,147	(797,290,142)	617,680,448	(718,943,020)
Cash Generated from Operations		**(137,978,177)**		**539,814,878**
Direct Taxes Paid		(136,754,174)		(25,209,092)
Net Cash from/(used in) Operating Activities		**(274,732,351)**		**514,605,786**
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & Capital W.I.P.	(339,915,898)		(566,473,249)	
Advances for Capitalised Goods	(46,622,234)		32,726,367	
Purchase of Investment	(187,782,503)		–	
Sale of Investments	996,708		–	
Interest Received	50,610,099		10,359,636	
Advance to Subsidiary	(7,023,254)		–	
Decrease/(Increase) in Fixed Deposits	89,784,141		(266,858,500)	
Net Cash from/(used in) Investing Activities		**(439,952,941)**		**(790,245,746)**

Cash Flow Statement *(Contd.)*

(Amount in Rs.)

Particulars	Year ended 31st March, 2009		Year ended 31st March, 2008	
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Deposit against share warrants	–		34,400,000	
Proceeds of Shares issued on coversion of warrants	194,274,000		–	
Proceeds from Long Term Loan	150,261,986		84,800,000	
Repayments of Long Term Loan	(188,200,048)		(148,100,000)	
Increase in Short Term Borrowings	804,489,250		230,358,255	
Increase in Inter Corporate Deposits & Other Loans	284,776,280		383,091,415	
Interest Paid	(452,642,042)		(252,384,066)	
Dividend Paid	(59,224,418)		(34,462,945)	
Corporate Dividend Tax Paid	(8,785,466)		(5,856,978)	
Net Cash from/(used in) Financing Activities		**724,949,542**		**291,845,681**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**10,264,250**		**16,205,721**
Cash and Cash Equivalents at the beginning of period		**30,940,984**		**14,735,263**
Cash and Cash Equivalents at the end of period		**41,205,234**		**30,940,984**

Notes :

i) The Cash Flow Statement has been prepared under the “Indirect Method” set out in Accounting Standard - 3 on “Cash Flow Statement” notified by the Companies (Accounting Standards) Rules, 2006.

ii) Cash and Cash Equivalents include Cash-in-Hand and Bank balances in current account. (Refer Schedule 9)

iii) Figures in brackets indicate Cash outflow.

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March, 2008
1. SHARE CAPITAL		
Authorised		
45,000,000 Equity Shares of Rs.10/- each	**450,000,000**	**450,000,000**
(Previous year - 45,000,000 Equity Shares of Rs.10/- each)		
Issued, Subscribed & Paid-up		
39,482,945 Equity Shares of Rs.10/- each fully paid-up in Cash	394,829,450	344,629,450
(Previous year - Rs. 34,462,945 Equity Shares of Rs. 10/- each) (During the year, the Company has allotted 50,20,000 equity shares of Rs. 10/- each to Preferential Convertible Warrant holders at a premium of Rs. 33/- per share)		
	394,829,450	**344,629,450**

2. RESERVES & SURPLUS		
Securities Premium		
As per last account	368,884,900	368,884,900
Add : Received during the year on allotment of shares to		
Preferential Convertible Warrant holders	165,660,000	–
	534,544,900	368,884,900
Capital Reserve		
Capital Investment Subsidy - As per last account	24,000,000	24,000,000
General Reserve		
As per last account	45,000,000	45,000,000
Surplus as per Profit & Loss A/c annexed	1,231,316,473	1,182,285,049
	1,834,861,373	**1,620,169,949**

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March, 2008
3. SECURED LOANS		
A) Term Loans		
State Bank of India	143,900,000	219,760,542
State Bank of Travancore	60,000,000	80,976,458
State Bank of Hyderabad	59,975,124	80,929,882
United Bank of India	229,670,000	300,078,290
United Bank of India (for Haldia Project)	150,261,986	–
B) Working Capital Loans		
Cash Credit :		
State Bank of India	252,740,941	58,761,230
State Bank of Hyderabad	89,239,171	89,368,207
State Bank of Travancore	99,501,728	86,394,316
United Bank of India	299,548,844	214,533,587
Export Packing Credit :		
State Bank of India	250,000,555	251,977,811
Stand by Line of Credit :		
State Bank of India	50,008,793	50,671,721
State Bank of Hyderabad	25,000,000	25,143,837
State Bank of Travancore	30,000,000	–
Buyers' Credit :		
State Bank of India	374,800,413	–
United Bank of India	177,606,911	67,107,397
C) Rupee Loan		
IDBI Bank Ltd.	200,000,000	200,000,000
	2,492,254,466	**1,725,703,278**

Notes :

A. Securities for Loans :

1) Term Loans (other than for Haldia Project) are secured by way of 1st charge on pari-passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Bishnupur & Jajpur Units with collateral security by equitable mortgage on pari- passu basis of i) office premises at Kolkata & ii) property of Shubham Complex (P) Ltd. and 2nd pari-passu charge on current assets of the Company and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

2) Term Loan for Haldia Project is secured by way of 1st charge on entire fixed assets of the said Project and 2nd charge on pari-passu basis on the current assets of the Company and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

3) Working Capital Loans are secured by way of 1st charge on pari-passu basis by hypothecation of Inventories, Book Debts and Other Current Assets with 2nd charge on Company's Fixed Assets at Bishnupur & Jajpur Units and collateral security by equitable mortgage on pari-passu basis of i) office premises at Kolkata & ii) property of Shubham Complex (P) Ltd., and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

4) Loan from IDBI Bank Ltd. is secured by 1st charge on Escrow account for Power Subsidy receivable.

B. Term Loans repayable within one year : Rs. 3218.44 Lacs (Previous year - Rs. 1817.30 Lacs)

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March, 2008
4. UNSECURED LOANS		
Standard Chartered Bank	65,961,545	148,986,970
(Personally guaranteed by the promoter directors & one of the group companies)		
State Bank of Bikaner & Jaipur	150,000,000	–
(Personally guaranteed by the Managing Director)		
Citi Bank	70,000,000	–
(Personally guaranteed by the promoter directors & one of the group companies)		
IndusInd Bank	100,000,000	–
WBIDC Ltd. (Bridge Loan against Power Subsidy receivable)	67,898,630	129,967,507
Other Bodies Corporate	217,031,858	107,161,277
	670,892,033	**386,115,754**

5. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2008	Additions during the year	Deductions during the year	As at 31.03.2009	As at 01.04.2008	For the year*	As on 31.03.2009	As at 31.03.2009	As at 31.03.2008
1 Land and Land Development									
a) Leasehold	172,147,019	112,419,532	–	284,566,551	–	–	–	284,566,551	172,147,019
b) Freehold	3,820,075	–	–	3,820,075	–	–	–	3,820,075	3,820,075
2 Factory Shed & Building	445,286,111	65,545,812	–	510,831,923	21,912,081	15,620,190	37,532,271	473,299,652	423,374,030
3 Office Building	9,008,533	–	–	9,008,533	312,006	146,839	458,846	8,549,687	8,696,527
4 Guest House	1,725,500	–	–	1,725,500	84,378	28,126	112,504	1,612,996	1,641,122
5 Plant & Machineries	853,826,675	169,912,818	–	1,023,739,493	59,448,508	48,596,446	108,044,954	915,694,539	794,378,167
6 Electrical Installations	563,387,257	54,823,198	–	618,210,455	36,955,468	31,261,275	68,216,743	549,993,712	526,431,789
7 Tools & Equipments	7,764,092	85,279	–	7,849,371	780,203	372,534	1,152,737	6,696,634	6,983,889
8 Air Conditioners	2,377,059	352,991	–	2,730,050	218,515	124,073	342,588	2,387,461	2,158,543
9 Office Equipments	1,693,470	415,527	–	2,108,997	156,391	93,779	250,170	1,858,827	1,537,079
10 Computers	3,478,564	1,891,940	–	5,370,504	901,275	717,668	1,618,943	3,751,561	2,577,289
11 Motor Cars	11,470,935	3,195,342	–	14,666,277	1,826,236	1,325,864	3,152,100	11,514,177	9,644,699
12 Furniture & Fixtures	9,573,540	3,823,026	–	13,396,566	1,036,643	789,537	1,826,180	11,570,386	8,536,897
13 Fire Extinguisher	30,325	142,539	–	172,864	6,687	4,865	11,552	161,312	23,638
TOTAL	**2,085,589,155**	**412,608,004**	**–**	**2,498,197,159**	**123,638,392**	**99,081,196**	**222,719,588**	**2,275,477,570**	**1,961,950,763**
Figures as on 31.03.08	1,211,359,234	874,229,921	–	**2,085,589,155**	52,783,832	70,854,560	**123,638,392**	**1,961,950,763**	–
Capital Work-in-Progress	171,340,425	151,730,048	211,643,745	**111,426,728**	–	–	**–**	**111,426,728**	171,340,425
Previous year	565,177,563	342,434,470	736,271,608	**171,340,425**	–	–	**–**	**171,340,425**	–

*Includes Rs. 6,573/- debited to Capital Work-in-Progress

Notes :

The original cost of vehicles & equipments includes Rs. 56,43,724/- (Previous year - Rs. 69,51,912/-) acquired from loans taken from banks & financial institutions, of which Rs.19,06,803/- (Previous year - Rs. 37,43,924/-) were outstanding as at 31.03.2009.

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March, 2008
6. **INVESTMENTS** (Long Term)		
Trade (Unquoted)		
Investment in Subsidiaries		
SKP Overseas Pte Ltd.	187,679,325	–
(6,000,000 Shares of S$ 1 (Rs. 31.28) each fully paid-up)		
Investment in Equity Shares		
SKP Power Ventures Ltd.	100,000	–
(10,000 Shares of Rs. 10/- each fully paid up)		
Rohit Persia Mines & Industries PJSC	3,178	–
(49 Shares of 10,000 Rials (Rs. 64.87) each fully paid-up)		
Non-Trade (Unquoted)		
Investment in Mutual Funds		
Bajaj Allianz Equity Plus Fund (Previous year - 590.184 units)	–	7,067
Bajaj Allianz Cash Plus Fund (Previous year - 70317.307 units)	–	841,959
	187,782,503	**849,026**

7. **INVENTORIES**		
(as taken, valued & certified by the management)		
Raw Materials	2,326,735,269	846,079,118
Finished Goods (including in transit Rs. 130,057,505/-)	383,586,333	264,634,706
Work-in-Progress	257,837,123	142,577,929
Packing Materials	5,212,689	3,115,230
Stores & Spares	45,422,258	11,502,861
	3,018,793,672	**1,267,909,845**

8. **SUNDRY DEBTORS**		
(Unsecured, Considered Good)		
Due for more than 6 months	145,484,195	16,034,503
Other Debts	587,704,227	601,740,068
	733,188,422	**617,774,571**

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March, 2008
9. CASH & BANK BALANCES		
Cash-in-Hand		
(As Certified by the Management)	2,464,681	5,841,665
Balances With Scheduled Banks		
Current Accounts	38,740,553	25,099,319
Public Issue Account :		
H.D.F.C Bank Ltd.	14,820	14,820
Dividend Accounts :		
H.D.F.C Bank Ltd.	467,951	60,038
Fixed Deposit Accounts :		
(pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)		
State Bank of India	90,000,000	273,952,833
State Bank of Hyderabad	48,406,289	5,572,000
State Bank of Travancore	15,304,383	37,500,000
United Bank of India	77,364,348	32,600,000
Centurion Bank of Punjab Ltd.	1,291,000	14,784,500
IndusInd Bank	10,724,172	–
Yes Bank	31,535,000	–
	316,313,197	**395,425,175**

Particulars	As at 31st March, 2009	As at 31st March, 2008
10. LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received :		
For Capital Goods	65,066,860	18,444,626
To Subsidiary	7,023,254	–
To Suppliers & Others	163,873,049	279,204,254
Accrued Interest on Deposits	4,898,726	11,566,851
Prepaid Expenses	29,028,786	5,775,857
Security & Other Deposits	192,784,337	194,940,985
Balance with Excise Department	106,579,179	23,987,787
Cenvat/Vat Credit Receivable	136,546,850	55,077,743
Export Incentives Receivable	42,246,413	38,423,806
Power Subsidy Receivable	226,319,747	316,303,729
Income Tax Payments (including TDS)	20,975,650	4,560,054
Income Tax Refundable	203,770	203,770
MAT Credit Entitlement (Refer Note no.B-19 in Schedule 22)	59,240,891	43,490,399
	1,054,787,512	**991,979,862**

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March, 2008
11. CURRENT LIABILITIES		
Acceptances	141,231,672	357,592,573
Sundry Creditors :		
Dues to Micro, Small & Medium Enterprises	–	–
Dues to Others :		
For Supplies	1,676,058,298	325,155,707
For Capital Goods	9,345,003	22,116,838
For Expenses	269,224,381	248,044,306
For Pending Disbursements	18,509,502	32,711,967
Advances from Parties	2,474,089	65,843,478
Income received in advance	2,209,996	775,647
Interest accrued but not due	7,333,023	–
Unclaimed Dividends*	467,951	60,038
Share Application Money Refundable	14,820	14,820
	2,126,868,735	**1,052,315,375**

*There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

Particulars	As at 31st March, 2009	As at 31st March, 2008
12. PROVISIONS		
For Taxation	15,750,492	109,700,000
For Fringe Benefit Tax	1,272,571	1,200,000
For Proposed Dividend	19,741,473	51,694,418
For Corporate Tax on Dividend	4,634,787	8,785,466
	41,399,322	**171,379,884**

Particulars	As at 31st March, 2009	As at 31st March, 2008
13. MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	–	133,168
Less : Amortised during the year	–	133,168
	–	–
Share Issue Expenses		
Opening Balance	11,901,786	15,869,048
Less : Amortised during the year	3,967,262	3,967,262
	7,934,524	11,901,786
	7,934,524	**11,901,786**

(Amount in Rs.)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
14. SALES		
Sale of Manufactured Goods :		
Export Sales	5,437,436,267	4,135,009,660
Domestic Sales	2,614,451,565	1,650,174,642
Sale of Raw Materials	104,633,202	–
Sale of Traded Goods	854,685,495	577,560,765
Export Incentives	60,055,378	95,246,520
	9,071,261,907	**6,457,991,587**
15. OTHER INCOME		
Interest on Credit Sales (TDS - Rs. 1,927,013/-, Previous year - Rs. 2,432,824/-)	6,360,837	6,959,293
Interest on Fixed Deposits with Banks	25,870,293	14,643,039
(TDS - Rs. 5,778,823/-, Previous year - Rs.1,232,183/-)		
Interest on Other deposits (TDS - Rs. 954,446/-, Previous year - Nil)	7,884,714	–
Interest Received on advances (TDS - Rs. 492,707/-, Previous year - Nil)	2,391,781	–
Foreign Exchange Fluctuation Gain	–	6,357,055
Premium on Forward Contract	4,975,000	–
Liability no longer required written back	285,908	–
Profit on redemption of investment with Mutual Funds	147,682	–
(Current Investments - Other than trade)		
	47,916,215	**27,959,387**
16. INCREASE/(DECREASE) IN STOCK		
Closing Stock of Finished Goods (including in transit)	383,586,333	264,634,706
Closing Work-in-Progress	257,837,123	142,577,929
	641,423,456	407,212,635
Less : Opening Stock of Finished Goods & Work-in-Progress	407,212,635	144,278,959
	234,210,821	**262,933,676**
17. RAW MATERIALS CONSUMED		
(Including cost of raw materials sold)		
Opening Stock	846,079,119	660,119,890
Add : Purchases (including freight)	6,406,780,695	3,211,029,150
	7,252,859,814	3,871,149,040
Less : Closing Stock	2,326,735,269	846,079,118
	4,926,124,546	**3,025,069,921**

(Amount in Rs.)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
18. MANUFACTURING EXPENSES		
Labour Charges	91,979,951	49,579,187
Power & Fuel	1,276,725,213	996,904,733
Water Supply Charges	3,527,183	2,126,015
Stores & Spares	149,099,739	171,732,802
Packing Materials	19,218,882	6,472,800
Material Handling Charges	48,063,164	25,420,028
Excise Duty on variation in stocks (Refer Note no.B-9 in Schedule 22)	(19,230,815)	18,392,901
Machinery Hire Charges	1,705,491	3,691,045
Repairs & Maintenance :		
To Factory Shed & Buildings	211,449	4,898,241
To Plant & Machinery	4,937,455	13,347,898
	1,576,237,712	**1,292,565,651**
19. PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Factory Wages	36,431,033	20,125,230
Salaries	15,706,744	9,204,789
Contribution to Provident Fund	2,693,276	1,649,632
Gratuity	675,100	599,042
Directors' Remuneration	6,300,000	5,880,645
Welfare Expenses	3,432,460	2,142,688
	65,238,613	**39,602,026**
20. ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	15,192,977	1,513,158
Rates & Taxes	3,616,245	1,704,410
Electricity Charges	240,855	273,434
Insurance	13,878,672	5,604,093
Printing & Stationery	2,390,204	1,941,555
Postage, Telegram & Courier	808,705	661,966
Telephone Charges	2,793,120	2,244,334
Travelling & Conveyance	15,548,005	8,605,302
Car Running & Maintenance	4,549,524	4,280,445
Other Repairs & Maintenance	3,546,806	1,474,128
Security Service Charges	18,783,984	14,605,937
Membership & Subscription	2,433,907	1,588,689
Legal & Professional Charges	10,993,860	3,587,794

(Amount in Rs.)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Auditors Remuneration :		
For Audit	150,000	100,000
For Tax Audit	30,000	30,000
For Income Tax matters	11,000	–
In any other matter	56,000	28,000
Directors' Sitting Fees	187,500	87,500
Miscellaneous Expenses	10,893,880	8,815,442
Bank Charges	89,306,337	41,972,503
Bill Discounting Charges	1,361,524	3,951,722
Processing Fees to WBIDC Ltd.	2,673,397	1,373,814
Testing & Inspection Charges	7,543,711	4,557,981
Donations	339,832	947,362
Advertisement, Publicity & Sales Promotion	6,387,929	6,380,814
Freight & Forwarding on Export	239,231,373	153,218,845
Transportation, Loading & Labour Charges	56,610,819	88,845,627
Commission on Sales - Other than sole selling agent	3,274,427	1,784,878
Discounts & Rebates	–	2,322,683
Foreign Exchange Fluctuation Loss	416,729,338	–
Sales Tax/Entry Tax on Assessment	1,044,913	540,307
Prior Period Expenses (Refer Note no.B-10 in Schedule 22)	1,058,015	792,086
Sundry Balances written off	220,413	375,419
Preliminary Expenses written off	–	133,168
Share Issue Expenses written off	3,967,262	3,967,262
	935,854,534	**368,310,658**

21. INTEREST & FINANCE CHARGES		
Interest to Banks/Financial Institutions :		
On Fixed Loans	130,205,332	91,466,865
Others	284,536,314	143,017,164
Motor Car Finance Charges	312,219	245,508
Equipment Finance Charges	–	9,365
Interest to Others	44,921,201	12,295,739
	459,975,065	**247,034,641**

22. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.

b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

2. Revenue Recognition

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

b) Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of excise duty but net of Trade Discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Domestic sales are recognised at the time of despatch of materials to the buyer. Export sales are recognised on the issue of bill of lading.

c) Export incentives arising out of Export Sales are accounted for on accrual basis.

d) Purchases are net of CENVAT/VAT Credit, Trade Discounts and Claims.

e) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3. Fixed Assets

a) Fixed Assets are stated at cost, less accummulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT/duty credits availed or available thereon) and any attributable cost of bringing the asset to its working condition for the intended use.

b) Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. No write off is made in respect of leasehold land as these are long term leases.

c) The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

d) Cost of the fixed assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

4. Investments

Investments classified as long-term investments are stated at cost. Provision is made to recognise any diminution other than temporary in the value of such investments. Current Investments are carried at lower cost and fair value.

5. Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

6. **Foreign Currency Transactions**

   i) Initial Recognition :

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

   ii) Conversion :

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

   iii) 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.

   iv) 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 forward exchange contract is recognised as income or expense for the year.

7. **Derivative Instruments**

   The Company has entered into forward contracts to hedge a firm comittment or a highly probable forecast transaction to which Accounting Standard (AS) 11 is not applicable. The Company has applied announcement of The Institute of Chartered Accountants of India on “Accounting for Derivatives” inter alia requiring provision for losses on all derivative contracts outstanding at the Balance Sheet date by making them to market keeping in view the principle of prudence.

8. **Government Grants**

   Government grants are recognized 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 are credited to capital reserve. Capital grant relating to specific assets is reduced form 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 is intended to compensate.

9. **Employee Benefits**

   a) Defined Contribution Plan :

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

   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 immediately in the statement of profit and loss. The Company has an Employees Gratuity Fund managed by the Life Insurance Corporation of India.

   c) Short-term Compensated Absences are provided for based on estimates.

10. **Borrowing Costs**

   a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period untill 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.

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 commissionig of project to the cost of the respective assets.

12. **Taxes on Income**

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

a) Current Income Tax and Fringe Benefit 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 MAT under Section 115JB of he Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company wil pay normal income tax during the specified period.

b) Deferred Tax arising on account of “timing differences” and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred Tax Asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

13. **Earnings Per Share (EPS)**

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

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

14. **Provisions & Contingent Liabilities**

Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

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.A Contingent Asset is not recognized in the Accounts.

15. **Share Issue Expenses**

Share Issue Expenses are amortised over a period of 5 years under Section 35D of the Income Tax Act, 1961.

16. **Prior Period Items**

Prior Period and Extraordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in the books of Accounts in respect of :

a) Bank Guarantees - Rs. 846,000/- (Previous year - Rs. 1,721,042/-).

b) Bills Discounted with Banks, outstanding as on 31st March, 2009 - Rs. 680,792,008/- (Previous year - Rs. 873,526,956/-).

c) Letters of Credit opened in favour of suppliers, outstanding as on 31st March, 2009 - Rs. 33,794,920/-. (Previous year - Rs. 453,246,166/-).

d) Corporate Gurantee extended in favour of Indian Overseas Bank Hongkong to secure the financial assistance to SKP Overseas Pte Ltd, a wholly owned subsidary, amounting to USD 15 million.

e) Tax Demands disputed in appeal :

Orissa VAT for the year 2005-06 - Rs. 551,477/- and for 2006-07 - Rs. 310,082/-.
Entry Tax for 2006-07 Rs. 594,010/-.
Central Sales Tax for 2006-07 Rs. 887,736/-.

f) Excise Duty Liability arising out of search operation by the Directorate General of Central Excise Intelligence. However, the Company has paid under protest a sum of Rs. 1.50 Crore pending issuance of any show cause notice.

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - Rs. 125,907,600/- (Previous year - Rs. 28,300,000/-).

3. In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation 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.

4. Certain balances of Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation.

5. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are oustanding for more than 45 days as at 31st March, 2009. 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.

6. In the year 2007-08, the Company had issued 8,000,000 Preferential Convertible Warrants (Exercise Price of Rs. 43 each) on preferential basis to promoters & other strategic investors. Each warrant carried a right to convert the same into one Equity Share of Rs. 10/- each at a premium of Rs. 33/- each [as per the formula prescribed under the SEBI (DIP) guidelines] over a period of 18 months from the date of allotment.

   Of the above, 5,020,000 warrants have been converted into the Equity Shares during the year.

   The total proceeds from the said issue have been utilised for capital expenditure and investment in Subsidiary.

   Rs.12,814,000 being 10% of the excerise price of 2,980,000 warrants outstanding as on 31st March, 2009, has been shown as “Deposit against Share Warrants” in the Balance Sheet.

7. Sundry Debtors include Rs. 275,901,296/- (Previous year - Rs. 321,752,489/-) covered by letters of credit in favour of the Company.

8. a) Details of payments and provisions on account of remuneration to managerial personnel is as under :

(Amount in Rs.)

Particulars	2008-09	2007-08
i) Salaries to Managing Directors		
S. K. Patni	–	2,000,000
Rohit Patni - Managing Director	3,600,000	2,148,387
Ankit Patni - Joint Managing Director	2,400,000	1,432,258
	6,000,000	5,580,645
ii) Salaries to Executive Director		
Binit Jain	300,000	300,000
	300,000	300,000
iii) Perquisites	–	–
iv) Sitting Fees to Other Directors	187,500	87,500
	187,500	87,500
	6,487,500	**5,968,145**

Liability for gratuity and leave encashment is provided on acturial basis for the company as a whole. The amount pertaining to the directors is not ascertainable and therefore, not included above.

b) The computation of net profit for the purpose of Director’s Remuneration under Section 349 of Companies Act, 1956, has not been enumerated since no commission has been paid to any of the directors. Fixed managerial remuneration has been paid to the whole-time directors as per Schedule XIII of the Companies Act, 1956.

9. Amount of excise duty on variation in stocks shown in Schedule 19 represents differential excise duty on opening and closing stock of finished goods.

10. Prior period expenses for the year comprise of the followings :

(Amount in Rs.)

Particulars	2008-09	2007-08
Labour Charges	–	21,420
Water Supply Charges	36,497	–
Material Handling Charges	177,180	–
Machinery Hire Charges	74,618	–
Excise Duty	(771,641)	
Entry Tax	–	326,837
Factory Wages	1,038,295	–
Salaries	60,000	–
Contribution to Provident Fund	–	21,078
Discount Received	(461,445)	–
Rent	810,000	–
Electricity Charges	–	3,750
Telephone Expenses	84,511	–
Service Charges	2,500	–
Bank Charges	–	364,788
Miscellaneous Expenses	7,500	–
Interest on Car Loan	–	54,213
	1,058,015	**792,086**

11. The Company has commenced commercial production from 5th Furnance at its Bishnupur unit on 27th August, 2008. Accordingly, pre-operative expenses relating to the said project have been capitalised by transfer to Factory Shed & Building, Plant & Machinery and Electrical installations in proportion to their respective costs.

12. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets:

Particulars	2008-09	2007-08
Pre-Operative Expenses		
Opening Balance	7,390,534	53,275,524
Add : Expenditure incurred during the period		
Salary	372,500	–
Welfare Expenses	7,226	–
Rent	174,005	456,350
Rates & Taxes	1,800,697	–
Repairs & Maintainance	92,200	–
Insurance	–	153,648
Electricity Charges	6,806	–
Printing & Stationary	31,356	–

(Amount in Rs.)

Particulars	2008-09	2007-08
Telephone Charges	23,981	–
Travelling & Conveyence	7,414	–
Motor Car Expenses	8,809	–
Legal, Professional & Consultancy Charges	550,000	–
Bank Charges	13,556	–
Miscellaneous Expenses	109,444	–
Advertisement & Sales Promotion	28,300	–
Transportation, Loading & Labour Charges	95,878	–
Interest (Includes Rs.4,425,015/- (Previous year - Rs.65,147,428/-) on Term Loan)	11,033,088	65,147,428
Depreciation	6,573	–
Total	**21,752,367**	**119,032,950**
Less : Amount allocated to Fixed Assets	11,553,563	111,642,416
Closing Balance	**10,198,804**	**7,390,534**

13. Research and Development expenses aggregating to Rs. 657,829/- in the nature of revenue expenditure have been included under the appropriate account heads.

14. Disclosure pursuant to Accounting Standard - 15 (Revised) “Employee Benefits” :

a) Defined Contribution Plan : Amount of Rs. 2,693,276/- (Previous year - Rs. 16,49,632/-) is recognised as expense and included in “Payments to and Provision For Employees” in Schedule - 19 of the Profit & Loss Account.

b) Defined Benefit Plan :

i. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :

Particulars	2008-09	2007-08
a) Present Value of Defined Benefit Obligation at the beginning of the year	1,310,434	710,093
b) Interest Cost	74,105	56,807
c) Current Service Cost	382,818	382,818
d) Actuarial Losses/(Gains)	(24,469)	160,716
e) Benefits Paid	–	–
f) Present Value of Defined Benefit Obligation at the close of the year	1,742,888	1,310,434

ii. Changes in the Fair Value of Plan Assets and recociliation thereof :

Particulars	2008-09	2007-08
a) Fair Value of Plan Assets at the beginning of the year	1,310,434	–
b) Add : Expected Return on Plan Assets	118,986	1,299
c) Add/(Less) : Actuarial Gains/(Losses)	11,629	–
d) Add : Contributions	675,100	1,309,135
e) Less : Benefits Paid	–	–
f) Fair Value of Plan Assets at the close of the year	2,116,149	1,310,434
Actual Return on Plan Assets	130,615	1,299

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

(Amount in Rs.)

Particulars	2008-09	2007-08
a) Present Value of Defined Benefit Obligation	1,742,888	1,310,434
b) Less : Fair Value of Plan Assets	2,116,149	1,310,434
c) Present Value of unfunded obligation	–	–
d) Net Liability/(Assets) recognised in the Balance Sheet **	–	–

** The excess of assets over liabilities have not been recgnised as they are lying in an irrevocable trust fund.

iv. Amount recognised in the Profit & Loss Account are as follows :

Particulars	2008-09	2007-08
a) Current Service Cost	382,818	382,818
b) Interest Cost	74,105	56,807
c) Expected return on Plan Assets	(118,986)	(1,299)
d) Actuarial Losses/(Gains)	(36,098)	160,716
e) Past Service Costs	–	–
f) Effect of curtailment/settlement	–	–
g) Net asset not recognised as above	373,261	–
h) Recognised in the Profit & Loss Account	675,100	599,042

v. Broad Categories of Plan Assets as a percentage of Total Assets as at 31.03.2009

Particulars	2008-09	2007-08
Qualifying Insurance Policy	YES	YES

vi. Actuarial Assumptions as at the Balance Sheet date :

Particulars	2008-09	2007-08
a) Mortality table	(LIC 1994-96 Ultimate)	
b) Discount Rate	8%	8%
c) Salary Escalation Rate	4%	3%

vii. The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

15. (A) Business Segments : Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard - 17, the Company is predominantly engaged in a single reportable segment of ‘Ferro Alloys’ during the year. Trading of iron and steel & materials has not been considered as a separate reportable segment since segment revenue/result from the same is less than 10% of the total revenue/result.

(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 and liabilities are based on the location of such asset/liability.

Geographical Segments :

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Revenue (Gross Sales)		
Within India	36,338.26	23,229.82
Outside India	54,374.36	41,350.10
	90,712.62	64,579.92
Carrying Amount of Segment Assets		
Within India	71,671.42	50,971.44
Outside India	4,502.07	3,100.86
	76,173.49	54,072.30
Capital Expenditure		
Within India	3,526.94	4,803.93
Outside India	–	–
	3,526.94	4,803.93

16. **Related Party Disclosures**

i) Name of the related parties where control exists irrespective of whether transactions have occurred or not

a) Enterprise on which the Company has control — SKP Overseas PTE Ltd. (Wholly Owned Subsidiary)

b) Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control — None

c) Joint Ventures — Rohit Persia Mines & Industries PJSC

ii) Names of the other related parties with whom transactions have taken place during the year

a) Key Managerial Personnel — Suresh Kumar Patni
Rohit Patni
Ankit Patni
Binit Jain

b) Relatives of Key Managerial Person — Sarita Patni

c) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives — Arin Minerals Pvt. Ltd. (Formerly known as Manju Cement Co. Pvt. Ltd.)
Impex Metal & Ferro Alloys Ltd.
Impex Ferro Tech Ltd.
Ankit Metal & Power Ltd.
Vasupujya Enterprises (P) Ltd.
Marble Arch Properties Pvt. Ltd. (w.e.f 27.03.2009)
SKP Power Ventures Ltd.

iii) **Details of Transactions with Related Parties**

(Amount in Rs.)

Sl. No.	Nature of Transactions	2008-09	2007-08
1.	**Advance to Subsidiary**		
	SKP Overseas PTE Ltd.	7,023,254	–
2.	**Advance to Joint Venture Company**		
	Rohit Persia Mines & Industries PJSC	7,098,056	–
3.	**Deposit against Share Warrants**		
	Ankit Patni	–	2,580,000
	Rohit Patni	–	2,580,000
	Sarita Patni	–	2,580,000
	Suresh Kumar Patni	–	2,580,000
4.	**Investment in Subsidiary**		
	SKP Overseas PTE Ltd.	187,679,325	–
5.	**Investment in Equity Shares**		
	Rohit Persia Mines & Industries PJSC	3,178	–
	SKP Power Ventures Ltd.	100,000	–
6.	**Loans Taken**		
	Vasupujya Enterprises (P) Ltd.	67,700,000	13,500,000
7.	**Loans Repaid**		
	Vasupujya Enterprises (P) Ltd.	9,500,000	10,000,000
8.	**Interest Paid**		
	Vasupujya Enterprises (P) Ltd.	1,235,048	–
9.	**Purchase of Goods**		
	Ankit Metal & Power Ltd.	79,042,987	35,062,501
	Arin Minerals Pvt. Ltd.	2,503,126	–
	Impex Metal & Ferro Alloys Ltd.	555,584,644	45,442,104
	Rohit Persia Mines & Industries PJSC	2,204,967	–
10.	**Sales of Goods**		
	Impex Ferro Tech Ltd.	–	76,063,098
	Ankit Metal & Power Ltd.	41,282,506	2,846,410
	Impex Metal & Ferro Alloys Ltd.	241,052,285	241,074,412
11.	**DEPB Licence Purchased**		
	Ankit Metal & Power Ltd.	1,971,503	–
	Impex Metal & Ferro Alloys Ltd.	1,430,908	–
12.	**Directors' Remuneration**		
	Suresh Kumar Patni	–	2,000,000
	Rohit Patni	3,600,000	2,148,387
	Ankit Patni	2,400,000	1,432,258
	Binit Jain	300,000	300,000
13.	**Sitting Fees**		
	Ankit Patni	–	7,500
	Suresh Patni	45,500	25,000
	Sarita Patni	17,500	2,500

iv) **Outstanding Balances**

(Amount in Rs.)

Sl. No.	Nature of Transactions	2008-09	2007-08
1.	**Sundry Creditors**		
	Impex Metal & Ferro Alloys Ltd.	–	7,815,807
2.	**Sundry Debtors**		
	Impex Ferro Tech Ltd	–	58,585,284
	Ankit Metal & Power Ltd.	8,578,514	–
3.	**Loan Taken**		
	Vasupujya Enterprises (P) Ltd.	62,680,628	3,500,000
4.	**Advances Given**		
	Rohit Persia Mines & Industries PJSC	6,765,393	–
	Marble Arch Properties Pvt. Ltd.	15,000,000	–
5.	**Advance to Subsidiary ***		
	SKP Overseas PTE Ltd.	7,023,254	–
6.	**Investment in Subsidiary**		
	SKP Overseas PTE Ltd.	187,679,325	–
7.	**Investment in Equity Shares**		
	Rohit Persia Mines & Industries PJSC	3,178	–
	SKP Power Ventures Ltd.	100,000	–
8.	**Deposit against Share Warrants**		
	Ankit Patni	2,580,000	2,580,000
	Rohit Patni	2,580,000	2,580,000
	Sarita Patni	2,580,000	2,580,000
	Suresh Kumar Patni	2,580,000	2,580,000

* Maximum amount outstanding at any time during the year - Rs. 7,023,254/-

17. **Earnings Per Share (EPS)**

Particulars	As at 31st March, 2009	As at 31st March 2008
(a) Number of Shares considered as weighted average shares for calculation of Basic Earnings Per Share	37,437,397	34,462,945
Dilutive effect of issue of shares on exercise of warrants	5,025,548	2,819,672
Number of shares considered as weighted average shares and potential shares outstanding for calculation of Diluted EPS	42,462,945	37,282,617
(b) (i) Profit after Tax, before extraordinary item (Rs.)	90,376,263	804,286,573
(ii) Profit after Tax, after extraordinary item (Rs.)	80,937,683	802,149,665
(c) Nominal Value of Equity Share (Rs.)	10.00	10.00
(d) Earning Per Share (Basic) in Rs. :		
(i) Before extraordinary item	2.41	23.34
(ii) After extraordinary item	2.16	23.28
(e) Earning Per Share (Diluted) in Rs. :		
(i) Before extraordinary item	2.13	21.57
(ii) After extraordinary item	1.91	21.52

18. Components of Deferred Tax Liability as per AS-22, "Accounting for Taxes on Income" is as under : (Amount in Rs.)

Nature of Timing Differences	As at 31st March, 2009	As at 31st March, 2008
Deferred Tax Lability		
- Depreciation	146,668,579	84,417,765
Deferred Tax Asset		
- Unabsorbed Depreciation	14,883,831	–
Net Deferred Tax Liability	**131,784,748**	**84,417,765**

Deferred Tax Asset on account of unabsorbed depreciation has been recognised as there exists virtual certainity of realisation on reversal of deferred tax liability in future years on account of depreciation.

19. The Company has made current tax provision for Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT Credit receivable has been recognised as an asset in accordance with the recommendations contained in Guidance note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the profit & loss account and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

20. Forward contracts/helping instruments outstanding as at the Balance Sheet date are as follows :

Nature (Nos.) of Contract	Foreign Currency	Buy/Sell	Amount in Foreign Currency	Purpose
Forward Contract (1)	USD	Sell	2,000,000	Hedging Purpose

Particulars of unhedged foreign currency exposure as at 31.03.2009 are as follows :

	Currency	2008-09	2007-08
Amount Receivable	USD	3,019,799	7,771,580
	EURO	100,893	–
Amount Payable	USD	19,279,500	9,861,654

21. 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.

22. The Company has entered into a Joint Venture namely "Rohit Persia Mines and Industries PJSC" with 49% interest to acquire mines in Iran. The said Joint Venture is yet to acquire the same. The Company has invested a sum of Rs. 67,68,571/- (including advances for supplies) as on 31st March, 2009.

23. There are no transactions [other than transactions with subsidiaries as given in para 16(iv)(5) above] which are required to be disclosed under Clause 32 of the Listing Agreement.

24. **Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.**

A) **Capacity, Production, Sales & Stock**

Licenced Capacity : N.A.

Installed Capacity : Ferro Alloys 172,875 M.T. Per Annum (Previous year - 151,525 M.T.)

(Installed Capacity has been certified by the management and not verified by the auditors being a technical matter)

Particulars	**For the Year Ended 31.03.2009** Qty. (M.T.)	Value (Rs.)	**For the Year Ended 31.03.2008** Qty. (M.T.)	Value (Rs.)
Opening Stock	3631.490	264,634,706	1071.100	46,464,019
Production	115376.030	–	97476.560	–
Sales	110066.300	8,051,887,832	94916.170	5,785,184,302
Closing Stock	8941.220	383,586,333	3631.490	264,634,706
B) **Raw Materials Consumed** (Including cost of raw materials sold)				
Chrome Ore	193274.905	2,352,171,132	270667.910	1,972,257,084
Manganese Ore	74782.510	1,251,267,239	17045.570	309,306,542
Coke	74770.640	1,012,065,143	65848.605	560,119,234
Others (being less than 10% of total consumption individually)		310,621,033		183,387,061
		4,926,124,546		**3,025,069,921**
Break-up				
Imported	1,657,035,514	33.64%	615,368,915	20.34%
Indigenious	3,269,089,032	66.36%	2,409,701,007	79.66%
Total	**4,926,124,546**	**100.00%**	**3,025,069,921**	**100.00%**
C) **Stores, Spares & consumables**		149,099,739		171,732,802
Break-up				
Imported	1,461,662	0.98%	–	–
Indigenious	147,638,077	99.02%	171,732,802	100.00%
Total	**149,099,739**	**100.00%**	**171,732,802**	**100.00%**
D) **Sale of Raw Materials**				
Manganese Ore	2,846.550	43,381,560	–	–
Coke	4142.760	55,119,048	–	–
Others		6,132,594	–	–
		104,633,202	**–**	**–**
E) **Purchases & Sales of Items traded**				
i) **Purchases**				
Iron & Steel	20752.065	693,372,071	11253.870	288,682,976
Minerals	13715.832	134,749,829	28552.775	231,108,883
		828,121,900		**519,791,859**
ii) **Sales**				
Iron & Steel	20752.065	715,917,917	11253.870	297,131,870
Minerals	13715.832	138,767,578	28552.775	280,428,895
		854,685,495		**577,560,765**

(Amount in Rs.)

Particulars	31st March, 2009	31st March, 2008
F) **Value of Imports/Expenditure in Foreign Currency**		
CIF Value of Imports		
a) Raw Materials	2,190,399,728	645,853,815
b) Stores & Spares	1,327,121	–
c) Capital Goods	15,996,016	5,179,373
	2,207,722,865	**651,033,188**
Expenditure in Foreign Currency		
a) Travelling & Conveyance	4,083,161	3,215,490
b) Membership & Subscription	2,181,637	829,461
c) Legal & Professional Fees	82,915	40,070
d) Comission on Sales	2,337,811	–
d) Miscellaneous Expenses	–	113,386
	8,275,524	**4,198,407**
G) **Earnings in Foreign Currency**		
FOB Value of Exports	**5,285,894,184**	3,937,544,723

25. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary. Accordingly, amounts and other disclosures for the preceeding 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.

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

Information as required under Part IV of Schedule VI to the Companies Act, 1956

a) Registration Details

Registration No.	91629	State Code	21
Balance Sheet date	31032009		

b) Capital raised during the year (Figures in Rs. Thousand)

Public Issue	NIL	Bonus Issue	NIL
Rights issue	NIL	Private Placement	50200

c) Position of Mobilisation & Deployment of funds (Figures in Rs. Thousand)

Total Liabilities	5537436	Total Assets	5537436
SOURCES OF FUNDS			
Paid-up Capital	394829	Deposit Against Share Warrants	12814
Reserves & Surplus	1834861	Secured Loans	2492254
Unsecured Loans	670892	Deferred Tax liability	131785
APPLICATION OF FUNDS			
Net Fixed Assets	2275478	Net Current Assets	2954815
Capital work-in-progress	111427	Investments	187783
Misc. expenditure to the extent not written off	7935		

d) Performance of the Company (Figures in Rs. Thousand)

Total Income	8795432	Total Expenditure	8656416
Profit before Tax	139016	Profit after Tax	90376
Earnings Per Share (Rs.)	2.41	Dividend Rate (%)	5

e) Generic Names of the Principal Products/Services of the Company

Item Code No. (ITC Code)	7202.2100
Product Description	Ferro-Alloys

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

Statement pursuant to Section 212 of the Companies Act, 1956

Name of the subsidiary	SKP OVERSEAS PTE LIMITED
The financial year of the Subsidiary Company ended on	31st March, 2009
Number of shares held by Holding Company as on the above date	6,000,000
Extent of interest of the Holding Company at the end of financial year of the subsidiary	100%
Date from which it became a Subsidiary	9th April, 2009 (Since Incorporation)
The net aggregate amount of Profits/(Losses) of the Subsidiary so far as they concern the members of the Holding Company not dealt with in the holding company's accounts	
- For the Fiinancial Year of the subsidiary	Loss Rs.139,46,219/-
- For the previous Financial Year of the subsidiary since it became the holding company's subsidiary	N.A.
The net aggregate amount of Profits/(Losses) of the Subsidiary so far as they concern the members of the Holding Company dealt with in the holding company's accounts	
- For the financial year of the subsidiary	Nil
- For the previous Financial year of the Subsidiary since it became the holding company's subsidiary	Nil
Change in the interest of Holding Company between the end of subsidiary's financial year and 31st March, 2009	The subsidiary's financial year is same as that of the Company.
Material changes between the end of subsidiary's financial year and 31st March, 2009 in :	The subsidiary's financial year is same as that of the Company.
(i) Fixed assets	
(ii) Investments	
(iii) Moneys lent by the subsidiary	
(iv) Moneys borrowed by the subsidiary other than for meeting current liabilities	

For & on behalf of the Board

Dated : The 29th day of June, 2009
Place : Kolkata

Pramod Jain	**Suresh Kumar Patni**	**Rohit Patni**
CFO & Company Secretary	*Chairman*	*Managing Director*

Directors' Report

The Directors have pleasure in presenting their report to the members together with the audited financial statements of the Company for the financial period ended 31st March, 2009.

1. **Directors**

   The Directors of the Company in office at the date of this report are :

   Mr. Rohit Patni

   Mr. Ankit Patni

   Ms. Ragini Dhanvantray

2. **Arrangements to enable Directors to acquire Shares and Debentures**

   Neither at the end of the financial period nor at any time during that period did there subsist any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3. **Directors interests in Shares and Debentures**

   No Director holding office at the end of the financial period had an interest in shares or debentures of the company as recorded in the register of Directors' shareholdings.

4. **Directors receipts and entitlement to contractual benefits**

   Since the beginning of the financial period, no Director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

5. **Option to take up unissued Shares**

   During the financial period, no option to take up unissued shares of the company was granted.

6. **Options exercised**

   During the financial period, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

7. **Unissued shares under Option**

   At the end of the financial period, there were no unissued shares of the Company under option.

8. **Auditors**

   M/s. S. Renganathan & Co., has expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

Date : 26th June, 2009
Place : Singapore

Rohit Patni
Director

Ankit Patni
Director

Statement by Directors for the financial period ended 31st March, 2009

In the opinion of the Board of Directors of the Company :

(i) the financial statements as set out on notes to the financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the results, changes in equity and cash flows of the Company for the period ended on that date in accordance with the Singapore Financial Reporting Standards; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors of the Company has, on the date of this statement, authorized these financial statements for issue.

On behalf of the Board of Directors

Date : 26th June, 2009
Place : Singapore

Rohit Patni
Director

Ankit Patni
Director

Independent Auditors' Report

To
The Members of
SKP Overseas PTE. Ltd.

We have audited the accompanying financial statements of **SKP OVERSEAS PTE. LTD.** which comprise the Balance Sheet as at 31st March, 2009 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the period then ended and a summary of Significant Accounting Policies and other Explanatory Notes.

Management's responsibility for the Financial Statements

The company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes : devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Profit & Loss Statement and Balance Sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, 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.

Opinion

In our opinion :

a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, and so as to present fairly the state of affairs of the Company as at 31st March, 2009 and of the results, changes in equity and cash flows of the Company for the period ended on that date; and

b) the accounting and other records, required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

S. Renganathan & Co.
Public Accountants &
Certified Public Accountants

Date : 26th June, 2009
Place : Singapore

Balance Sheet *as at 31st March, 2009*

(Amount in US$)

Particulars	Notes	2009
ASSETS		
Current Assets		
Cash and Cash Equivalent	3	1,036,339
Other Receivables	4	1,082,171
Total Current Assets		2,118,510
Non-Current Assets		
Investment	5	7,000,000
Deferred Expenditure	6	78,300
Total Assets		**9,196,810**
LIABILITIES		
Current Liabilities		
Trade Payables	7	1,397
Other Payables	8	185,846
Borrowings	9	1,000,000
Total Current Liabilities		1,187,243
Non-Current Liabilities		
Borrowings	9	4,000,000
Total Liabilities		**5,187,243**
NET ASSETS		**4,009,567**
SHARE CAPITAL AND RESERVES		
Share Capital	10	4,316,347
Accumulated Losses		(306,780)
Total Shareholders Equity		**4,009,567**

The annexed accounting policies and explanatory notes form an integral part of the financial statements.

Income Statement *for the financial period ended 31st March, 2009*

(Amount in US$)

Particulars	Notes	2009
Revenue	2j	–
Less : Direct Expenses		–
Gross Profit		**–**
Other Operating Income		–
Interest Income		2,290
Administrative Expenses		(39,953)
Operating Expenses		(53,525)
Net Loss from the Operations	11	**(91,188)**
Financial Cost		(215,592)
Net Loss before Tax		**(306,780)**
Taxation	12	–
Net Loss after Tax		**(306,780)**

The annexed accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity *for the financial period ended 31st March, 2009*

(Amount in US$)

Particulars	Share Capital	Accumulated Losses	Total
Balance at 9th April, 2008	7,357	–	7,357
Additions	4,308,990	–	4,308,990
Net Loss for the period	–	(306,780)	(306,780)
Balance at 31st March, 2009	**4,316,347**	**(306,780)**	**4,009,567**

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Cash Flow Statement *for the financial period ended 31st March, 2009*

Particulars	2009
CASH FLOW FROM OPERATING ACTIVITIES	
Net Loss before Taxation	(306,780)
Adjustments for :	
Interest Expenses	215,592
Operating Cash before Working Capital Changes	(91,188)
Change in Operating Assets and Liabilities :	
Other Receivables	(1,082,171)
Trade Payables	1,397
Other Payables	185,846
Cash generated from Operations	(894,928)
Net Cash inflow from Operating Activities	**(986,116)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment	(7,000,000)
Net Cash outflow from Investing Activities	**(7,000,000)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds of Share Issue	4,316,347
Borrowings – Term Loan	5,000,000
Deferred Expenditure	(78,300)
Interest Expenses	(215,592)
Net Cash outflow from Financing activities	**9,022,455**
Net Increase/(Decrease) in Cash and Cash Equivalents held	1,036,339
Cash and Cash Equivalents at the beginning of the period	–
Cash and Cash Equivalents at the end of the period	**1,036,339**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate Information

The Company (Registration Number : 200806931E) is incorporated in Singapore with its registered and the administration office at 20 Cecil Street, #14-01, Equity Plaza, Singapore - 049705.

The financial statements are presented in United States dollars which is also the Company's functional currency.

The principal activities of the company are that of business management and consultancy services.

There has been no significant change in the nature of this activity during the financial period.

The Financial Statements of the Company, Balance Sheet and Statement of Changes in Equity of the Company for the period ended 31st March, 2009 were authorized for issue by the Board of Directors on 26th June, 2009.

2. Significant Accounting Policies

(a) Basis of Preparation

The preparation of financial statements in conformity with FRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Company's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where estimates and assumptions are significant to the financial statements, are disclosed in Note 3.

(b) Changes and Adoption of Financial Reporting Standards

For the year ended 31st March, 2009 the following new or revised Singapore Financial Reporting Standards were adopted for the first time. The new or revised standards did not require any material modification of the measurement method or the presentation in the financial statements.

FRS No.	Title
FRS 1	Presentation of Financial Statements - Amendments relating to capital disclosures
FRS 107	Financial Instruments : Disclosures
INT FRS 108	Scope of FRS 102
INT FRS 111	FRS 102 – Group and Treasury Share Transactions

The adoption of the above new or revised FRS did not result in any substantial change to the Company's accounting policies.

(c) Future Changes in Accounting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to have a material impact on the financial statements.

FRS No.	Title	Effective date for periods beginning on or after
FRS 23	Borrowing Costs	1.1.2009
FRS 108	Operating Segments	1.1.2009

The standards that are relevant to the Company's financial statements would not have any material impact on the financial statements.

(d) Financial Instrument

Financial Assets and Financial Liabilities are recognized on the group's Balance Sheet when the group becomes a party to the contractual provisions of the instrument.

Financial Assets

Investments are recognized and de-recognised on a trade date where the purchase or sale of an investment in under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories : financial assets “at fair value through profit or loss”, “held-to-maturity investments”, “available-for-sale” financial assets and “loans and receivables”. The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other than those financial instruments “at fair value though profit or loss”.

Available-for-sale financial assets

Certain shares and debt securities held by the Company are classified as being available for sale and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in the revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognized directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the revaluation reserve is included in profit or loss for the period. Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company’s right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognized in profit or loss, and other changes are recognized in equity.

Trade Receivables

Trade Receivables are stated at original invoice value less any allowance for doubtful receivables based on a review of all outstanding amounts at the period end. An allowance for doubtful receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivable. Bad Debts are written off when identified.

Loans and Receivables

Trade Receivables, Loans and Other Receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial Assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial Assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognized directly in equity.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Allowance for obsolete, slow-moving or defective inventories is made where necessary.

(f) Financial Liabilities

Other Financial Liabilities

Trade and Other Payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation under the contract recognized as a provision in accordance with FRS 37 Provisions, Contingent Liabilities Assets and the amount initially recognized less cumulative amortization in accordance with FRS 18 Revenue.

Derecognition of Financial Liabilities

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

(g) Non-Current Assets held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one period from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

(h) Impairment of Tangible Assets

At each Balance Sheet date, the Company reviews the carrying amounts of its/their tangible and intangible assets to determine whether there is any indication of those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be easily measured. Revenue is measured at the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities.

Sale of Goods

Sales are recognized when the Company has delivered the goods to the customers, the customers have accepted the goods and the collectability of the related receivables is reasonably assured. Sales are presented, net of goods and services tax, rebates and discounts.

Interest Income

Interest on short-term deposits are accounted on accrual basis.

(k) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the Company re-acquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders and no gain or loss is recognized in the income statement.

(l) Retirement Benefit Costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

(m) Employee Leave Benefit

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the Balance Sheet date. No provision for the estimated liability for annual leave was made during the current period as the amount was not material.

(n) Fair Value of Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows :

a) the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

b) the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(o) Income Tax

Income Tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the Balance Sheet date.

Deferred Tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet Liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred Tax Liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred Tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect if taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquires identifiable assets, liabilities and contingent liabilities over cost.

(p) Foreign Currency Transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in United States dollars at the rate of exchange prevailing at the dates of the transactions. At each Balance Sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the Balance Sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

(q) Cash and Cash Equivalents

Cash and Cash Equivalents are stated in the Balance Sheet at cost. For the purposes of consolidated cash flow, cash and cash equivalent comprise of cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(r) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical Judgements in applying the entity's accounting policies

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(s) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the income and expenditure statement on a straight-line basis over the lease term.

3. Cash and Cash Equivalent (Amount in US$)

Particulars	2009
Cash at Bank	34,049
Fixed Deposit	1,002,290
	1,036,339

Fixed Deposits have an average maturity of 1 month.

The weighted average effective interest rate at Balance Sheet date is 1%.

4. Other Receivables (Amount in US$)

Particulars	2009
Advances	1,080,000
Deposits	2,171
	1,082,171

The carrying values of these other receivables approximate their fair values and they are denominated in United States Dollar.

5. Investment

These represent Exchangeable Bond issued by PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia). These can be exchange for shares in the subsidiaries of PT Pacific Samudra Perkasa. The subsidiaries hold mining rights in coal mines in Indonesia.

6. Deferred Expenditure

These represents expenditures incurred for feasible studies and documentation for the purposes of the investment. These will be amortised over a period of 5 years commencing from April 2009.

7. Trade Payables (Amount in US$)

Particulars	2009
Accrual	1,397

The carrying values of these trade creditors approximate their fair values and they are denominated in United States Dollar.

8. Other Payables (Amount in US$)

Particulars	2009
Amount due to holding company	137,846
Advance	48,000
	185,846

The carrying values of these other creditors approximate their fair values and they are denominated in United States Dollar.

9. Borrowings (Amount in US$)

	Effective interest rate	2009
Current		
- Term Loan	6 months LIBOR + 4.5%	1,000,000
Non-Current		
- Term Loan	6 months LIBOR +4.5%	4,000,000
Total borrowings		**5,000,000**

The above facilities are secured by pledge on the investment as well as corporate guarantee from the holding company and personal guarantees given by certain shareholders and directors of the holding company.

Borrowings Repayment Commitments (Amount in US$)

Particulars	2009
Within 12 months	1,000,000
Within 2 to 5 years	4,000,000
	5,000,000

10. Share Capital (Amount in US$)

Particulars	2009
Issued and fully paid 6,000,000 ordinary shares of Singapore Dollar 1 each, equivalent to US$	4,316,347

11. Loss from Operations

This is stated after charging/(crediting) : (Amount in US$)

Particulars	2009
Audit Fee	1,200
Exchange (Gain)/Loss	52,286
Interest Income	(2,290)

12. Income Tax

No provision for taxation is deemed necessary as the company has no chargeable income during the period ended 31st March, 2009.

13. Holding Company and Related Company Transactions

The company is a subsidiary of Rohit Ferro-Tech Ltd., incorporated in India which is also the corporation regarded by the Directors as being the company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

14. Staff Costs (Amount in US$)

Particulars	2009
Staff Costs	–
Cost of defined contribution plans included in staff costs	–

Defined Contribution Plans

The employees of the company are members of a retirement defined contribution scheme operated by the local government. The company is required to contribute a specific percentage of their payroll costs to the retirement scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contribution.

15. Financial Risk Management Policies

Risk management is carried out by the Executive Directors and Senior Management under policies approved by the Board. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investing excess liquidity. Such written policies are reviewed periodically by the Board of Directors to ensure that the Company's policy guidelines are complied with.

The Company's activities minimises the financial risks, foreign currency exchange rates and interest rates.

Foreign Exchange Risk

The Company transacts its business primarily in functional currency hence is not exposed to foreign exchange risk.

Interest Rate Risk

The Company does not incur interest rate risk as borrowings are interest free.

Credit Risk

The Company's principal financial assets are bank balances and cash, trade and other receivables and investments.

The credit risk on liquid funds is limited because the counterparts are banks with high credit-ratings. There are no derivative financial instrument.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity Risk

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities as well as funding from the holding company.

16. Comparative Figures

The financial statements cover the period since incorporation on 9th April, 2008 to 31st March, 2009. This being the first set of financial statements, there are no comparative figures.

Auditors' Report

To
The Board of Directors of
Rohit Ferro-Tech Limited

1. We have audited the attached Consolidated Balance Sheet of **ROHIT FERRO-TECH LIMITED** ("the Company") and its Subsidiary ("the Group") as at 31st March 2009 and also the Consolidated Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiary, SKP Overseas Pte. Ltd., (incorporated in Singapore), with total assets of Rs. 4685.77 Lacs as at 31st March, 2009, total revenue of Rs. 1.04 Lacs and total expenditure of Rs. 140.5 Lacs for the year ended on that date have not been audited by us. These financial statements have been audited by other auditor, whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of other auditor. However the financial statements of a Joint Venture, namely Rohit Persia Mines and Industries PJSC, are not considered for consolidation for the reasons cited in Note No. 1 of Schedule 22 of the Consolidated Financial Statement.
4. We report that the Consolidated Financial Statements have been prepared by the Group in accordance with the requirements of Accounting Standared (AS - 21), "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiary.
5. Based on our audit and on consideration of the report of other auditor on separate financial statements of the subsidiary, and on the basis of information and explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.
   (i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2009,
   (ii) in case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the Group for the year ended on that date.

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251

Dated : The 29th day of June, 2009
Place : Kolkata

Consolidated Balance Sheet *as at 31st March, 2009*

(Amount in Rs.)

Particulars	Schedule	As at 31st March, 2009
I. SOURCES OF FUNDS		
1. Shareholders' Funds		
a) Share Capital	1	394,829,450
b) Deposit against share warrants (Refer Note no. 6 in Schedule 22)		12,814,000
c) Reserves and Surplus	2	1,851,469,487
2. Loan Funds		
a) Secured Loans	3	2,747,004,466
b) Unsecured Loans	4	670,892,033
3. Deferred Tax Liability (Refer Note no. 18 in Schedule 22)		131,784,748
TOTAL		**5,808,794,184**
II. APPLICATION OF FUNDS		
1. Fixed Assets		
a) Gross Block	5	2,498,197,159
b) Less : Depreciation		222,719,588
c) Net Block		2,275,477,570
d) Capital Work-in-Progress (Refer Note no. 12 in Schedule 22)		111,426,728
2. Investments	6	356,753,178
3. Current Assets, Loans & Advances		
a) Inventories	7	3,018,793,672
b) Sundry Debtors	8	733,188,422
c) Cash & Bank Balances	9	369,114,670
d) Loans & Advances	10	1,102,900,870
		5,223,997,633
Less : Current Liabilities & Provisions		
a) Current Liabilities	11	2,129,385,512
b) Provisions	12	41,399,322
		2,170,784,834
Net Current Assets		3,053,212,799
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	13	11,923,909
TOTAL		**5,808,794,184**
Significant Accounting Policies & Notes on Accounts	22	

Schedule 1 to 13 & 22 referred above form an integral part of the Conslidated Balance Sheet

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

Conslidated Profit & Loss Account *for the year ended 31st March, 2009*

(Amount in Rs.)

	Particulars	Schedule	Year ended 31st March, 2009
I.	**INCOME**		
	Sales	14	9,071,261,907
	Less : Excise Duty		(323,746,133)
			8,747,515,774
	Other Income	15	48,020,318
	Increase/(Decrease) in Stock	16	234,210,821
			9,029,746,913
II.	**EXPENDITURE**		
	Raw Materials Consumed	17	4,926,124,546
	Purchase of Traded Goods		828,121,900
	Manufacturing Expenses	18	1,576,237,712
	Payments to & Provisions for Employees	19	65,238,613
	Administrative, Selling & Other Expenses	20	940,104,044
	Interest & Finance Charges	21	469,775,877
	Depreciation		99,074,623
			8,904,677,315
	Profit before Tax		**125,069,599**
	Provision for Taxation		
	- Current		15,750,492
	- Deferred		47,366,983
	- Fringe Benefit Tax		1,272,571
	Deferred MAT Credit Entitlement		(15,750,492)
	Profit after Tax		**76,430,045**
	Less : Income Tax for Earlier Years		(9,438,580)
	Surplus from last year		1,182,285,049
	Balance available for Appropriation		**1,249,276,514**
	Appropriations		
	Dividend for earlier year		7,530,000
	Proposed Dividend		19,741,473
	Corporate Tax on Dividend		4,634,787
	Balance carried to Balance Sheet		1,217,370,255
			1,249,276,514
	Earnings Per Share (Face Value - Rs. 10/- each) (Refer Note no. 17 in Schedule 22)		
	Before extraordinary item		
	- Basic		2.04
	- Diluted		1.80
	After extraordinary item		
	- Basic		1.79
	- Diluted		1.58
	Significant Accounting Policies & Notes on Accounts	22	

Schedule 14 to 22 referred above form an integral part of the Consolidated Profit & Loss Account

In terms of our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner
Membership No. 050251
Dated : The 29th day of June, 2009
Place : Kolkata

For & on behalf of the Board

Pramod Jain
CFO & Company Secretary

Suresh Kumar Patni
Chairman

Rohit Patni
Managing Director

(Amount in Rs.)

Particulars	As at 31st March, 2009
1. SHARE CAPITAL	
Authorised	
45,000,000 Equity Shares of Rs. 10/- each	**450,000,000**
Issued , Subscribed & Paid-up	
39,482,945 Equity Shares of Rs.10/- each fully paid-up in Cash	394,829,450
(During the year, the Company has allotted 50,20,000 equity shares of Rs. 10/- each to Preferential Convertible Warrant holders at a premium of Rs. 33/- per share)	
	394,829,450

2. RESERVES & SURPLUS	
Securities Premium	
As per last account	368,884,900
Add : Received during the year on allotment of shares to	
Preferential Convertible Warrant holders	165,660,000
	534,544,900
Capital Reserve	
Capital Investment Subsidy - As per last account	24,000,000
General Reserve	
As per last account	45,000,000
Foreign Exchange Translation Reserve	30,554,333
Surplus as per Profit & Loss A/c annexed	1,217,370,254
	1,851,469,487

(Amount in Rs.)

	Particulars	As at 31st March, 2009
3.	**SECURED LOANS**	
A)	**Term Loans**	
	State Bank of India	143,900,000
	State Bank of Travancore	60,000,000
	State Bank of Hyderabad	59,975,124
	United Bank of India	229,670,000
	United Bank of India (for Haldia Project)	150,261,986
	Indian Overseas Bank - Hongkong Branch (in foreign currency)	254,750,000
B)	**Working Capital Loans**	
	Cash Credit :	
	State Bank of India	252,740,941
	State Bank of Hyderabad	89,239,171
	State Bank of Travancore	99,501,728
	United Bank of India	299,548,844
	Export Packing Credit :	
	State Bank of India	250,000,555
	Stand by Line of Credit :	
	State Bank of India	50,008,793
	State Bank of Hyderabad	25,000,000
	State Bank of Travancore	30,000,000
	Buyers' Credit :	
	State Bank of India	374,800,413
	United Bank of India	177,606,911
C)	**Rupee Loan**	
	IDBI Bank Ltd.	200,000,000
		2,747,004,466

Notes :

A. Securities for Loans :

1) Term Loans (other than for Haldia Project) are secured by way of 1st charge on pari-passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Bishnupur & Jajpur Units with collateral security by equitable mortgage on pari-passu basis of i) office premises at Kolkata & ii) property of Shubham Complex (P) Ltd. and 2nd pari passu charge on current assets of the Company and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

2) Term Loan for Haldia Project is secured by way of 1st charge on entire fixed assets of the said Project and 2nd charge on pari-passu basis on the current assets of the Company and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

3) Working Capital Loans are secured by way of 1st charge on pari-passu basis by hypothecation of Inventories, Book Debts and Other Current Assets with 2nd charge on Company's Fixed Assets at Bishnupur & Jajpur Units and collateral security by equitable mortgage on pari passu basis of i) office premises at Kolkata & ii) property of Shubham Complex (P) Ltd., and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

4) Loan from IDBI Bank Ltd. is secured by 1st charge on Escrow account for Power Subsidy receivable.

5) Loan from Indian Overseas Bank is secured by pledge of investments in exchangeable bonds of PT Pacific Samudra Perkasa and personally guaranted by certain promoters and directors of the Parent Company. The Parent Company has further extended a corporate guarantee amounting to USD 15 million against the said loan.

B. Term Loans repayable within one year : Rs. 3727.94 Lacs (Previous year - Rs. 1817.30 Lacs)

(Amount in Rs.)

Particulars	As at 31st March, 2009
4. UNSECURED LOANS	
Standard Chartered Bank	65,961,545
(Personally guaranteed by the promoter directors & one of the group companies)	
State Bank of Bikaner & Jaipur	150,000,000
(Personally guaranteed by the Managing Director)	
Citi Bank	70,000,000
(Personally guaranteed by the promoter directors & one of the group companies)	
IndusInd Bank	100,000,000
WBIDC Ltd. (Bridge Loan against Power Subsidy receivable)	67,898,630
Other Bodies Corporate	217,031,858
	670,892,033

5. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2008	Additions during the year	Deductions during the year	As at 31.03.2009	As at 01.04.2008	For the year*	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
1 Land and Land Development									
a) Leasehold	172,147,019	112,419,532	–	284,566,551	–	–	–	284,566,551	
b) Freehold	3,820,075	–	–	3,820,075	–	–	–	3,820,075	
2 Factory Shed & Buildings	445,286,111	65,545,812	–	510,831,923	21,912,081	15,620,190	37,532,271	473,299,652	
3 Office Building	9,008,533	–	–	9,008,533	312,006	146,839	458,846	8,549,687	
4 Guest House	1,725,500	–	–	1,725,500	84,378	28,126	112,504	1,612,996	
5 Plant & Machineries	853,826,675	169,912,818	–	1,023,739,493	59,448,508	48,596,446	108,044,954	915,694,539	
6 Electrical Installations	563,387,257	54,823,198	–	618,210,455	36,955,468	31,261,275	68,216,743	549,993,712	
7 Tools & Equipments	7,764,092	85,279	–	7,849,371	780,203	372,534	1,152,737	6,696,634	
8 Air Conditioners	2,377,059	352,991	–	2,730,050	218,515	124,073	342,588	2,387,461	
9 Office Equipments	1,693,470	415,527	–	2,108,997	156,391	93,779	250,170	1,858,827	
10 Computers	3,478,564	1,891,940	–	5,370,504	901,275	717,668	1,618,943	3,751,561	
11 Motor Cars	11,470,935	3,195,342	–	14,666,277	1,826,236	1,325,864	3,152,100	11,514,177	
12 Furniture & Fixtures	9,573,540	3,823,026	–	13,396,566	1,036,643	789,537	1,826,180	11,570,386	
13 Fire Extinguishers	30,325	142,539	–	172,864	6,687	4,865	11,552	161,312	
TOTAL	**2,085,589,155**	**412,608,004**	**–**	**2,498,197,159**	**123,638,392**	**99,081,196**	**222,719,588**	**2,275,477,570**	
Capital Work-in- Progress	171,340,425	151,730,048	211,643,745	111,426,728	–	–	–	111,426,728	

* Includes Rs. 6,573/- debited to Capital Work-in-Progress

Notes :

The original cost of vehicles & equipments includes Rs. 56,43,724/- acquired from loans taken from banks & financial institutions, of which Rs. 19,06,803/- were outstanding as at 31.03.2009.

(Amount in Rs.)

Particulars	As at 31st March, 2009
6. **INVESTMENTS** (Long Term)	
Trade (Unquoted)	
Investment in Equity Shares	
SKP Power Ventures Ltd.	100,000
(10,000 shares of Rs. 10/- each fully paid-up)	
Rohit Persia Mines & Industries PJSC	3,178
(90 Shares of 10,000 Rials (Rs. 64.87) each fully paid-up)	
Investment in Exchangeable Bonds	
PT Pacific Samudra Perkasa	356,650,000
(3 Bonds of $ 1,000,000/- each & 1 Bond of $ 4,000,000/- each)	
	356,753,178

7. **INVENTORIES**	
(as taken, valued & certified by the management)	
Raw Materials	2,326,735,269
Finished Goods (including in transit Rs. 130,057,505)	383,586,333
Work-in-Progress	257,837,123
Packing Materials	5,212,689
Stores & Spares	45,422,258
	3,018,793,672

8. **SUNDRY DEBTORS**	
(Unsecured, Considered Good)	
Due for more than 6 months	145,484,195
Other Debts	587,704,227
	733,188,422

(Amount in Rs.)

Particulars	As at 31st March, 2009
9. CASH & BANK BALANCES	
Cash-in-Hand	2,464,681
(As Certified by the Management)	
Balances With Foreign Banks	
Current Accounts	1,734,797
Fixed Deposit Accounts	51,066,676
Balances With Scheduled Banks	
Current Accounts	38,740,553
Public Issue Account	14,820
Dividend Accounts	467,951
Fixed Deposit Accounts	274,625,192
(pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)	
	369,114,670

10. LOANS & ADVANCES	
(Unsecured, Considered good)	
Advances recoverable in cash or in kind or for value to be received :	
For Capital Goods	65,066,860
To Suppliers & Others	218,899,049
Accrued Interest on Deposits	4,898,726
Prepaid Expenses	29,028,786
Security & Other Deposits	192,894,949
Balance with Excise Department	106,579,179
Cenvat/Vat Credit Receivable	136,546,850
Export Incentives Receivable	42,246,413
Power Subsidy Receivable	226,319,747
Income Tax Payments (including TDS)	20,975,650
Income Tax Refundable	203,770
MAT Credit Entitlement (Refer Note no. 19 in Schedule 22)	59,240,891
	1,102,900,870

(Amount in Rs.)

Particluars	As at 31st March, 2009
11. CURRENT LIABILITIES	
Acceptances	141,231,672
Sundry Creditors :	
Dues to Micro, Small & Medium Enterprises	–
Dues to Others :	
For Supplies	1,676,058,298
For Capital Goods	9,345,003
For Expenses	269,295,558
For Pending Disbursements	18,509,502
Advances from Parties	4,919,689
Income received in advance	2,209,996
Interest accrued but not due	7,333,023
Unpaid Dividends*	467,951
Share Application Money Refundable	14,820
	2,129,385,512

*There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

Particluars	As at 31st March, 2009
12. PROVISIONS	
For Taxation	15,750,492
For Fringe Benefit Tax	1,272,571
For Proposed Dividend	19,741,473
For Corporate Tax on Dividend	4,634,787
	41,399,322
13. MISCELLANEOUS EXPENDITURE	
(to the extent not written off or adjusted)	
Preliminary Expenses	
Opening Balance	–
Addition during the year	3,989,385
	3,989,385
Less : Amortised during the year	–
	3,989,385
Share Issue Expenses	
Opening Balance	11,901,786
Addition during the year	–
	11,901,786
Less : Amortised during the year	3,967,262
	7,934,524
	11,923,909

(Amount in Rs.)

Particulars	Year ended 31st March, 2009
14. SALES	
Sale of Manufactured Goods :	
Export Sales	5,437,436,267
Domestic Sales	2,614,451,565
Sale of Raw Materials	104,633,202
Sale of Traded Goods	854,685,495
Export Incentives	60,055,378
	9,071,261,907
15. OTHER INCOME	
Interest on Credit Sales (TDS - Rs.1,927,013/-)	6,360,837
Interest on Fixed Deposits with Banks (TDS - Rs. 5,778,823/-)	25,974,396
Interest on Other Deposits (TDS - Rs. 954,446/-)	7,884,714
Interest Received on Advances	2,391,781
Premium on Forward Contract	4,975,000
Liabilities no longer required written back	285,908
Profit on redemption of investment with Mutual Funds	147,682
(Current Investments - Other than trade)	
	48,020,318
16. INCREASE/(DECREASE) IN STOCK	
Closing Stock of Finished Goods (including in transit)	383,586,333
Closing Work-in-Progress	257,837,123
	641,423,456
Less : Opening Stock of Finished Goods & Work-in-Progress	407,212,635
	234,210,821
17. RAW MATERIALS CONSUMED	
(Including cost of raw materials sold)	
Opening Stock	846,079,119
Add : Purchases (including freight)	6,406,780,695
	7,252,859,814
Less : Closing Stock	2,326,735,269
	4,926,124,546

(Amount in Rs.)

Particulars	Year ended 31st March, 2009
18. MANUFACTURING EXPENSES	
Labour Charges	91,979,951
Power & Fuel	1,276,725,213
Water Supply Charges	3,527,183
Stores & Spares	149,099,739
Packing Materials	19,218,882
Material Handling Charges	48,063,164
Excise Duty on variation in stocks (Refer Note no. 9 in Schedule 22)	(19,230,815)
Machinery Hire Charges	1,705,491
Repairs & Maintenance :	
To Factory Shed & Buildings	211,449
To Plant & Machinery	4,937,455
	1,576,237,712

Particulars	Year ended 31st March, 2009
19. PAYMENTS TO & PROVISIONS FOR EMPLOYEES	
Factory Wages	36,431,033
Salaries	15,706,744
Contribution to Provident Fund	2,693,276
Gratuity	675,100
Directors' Remuneration	6,300,000
Welfare Expenses	3,432,460
	65,238,613

Particulars	Year ended 31st March, 2009
20. ADMINISTRATIVE, SELLING & OTHER EXPENSES	
Rent	15,192,977
Rates & Taxes	3,616,245
Electricity Charges	240,855
Insurance	13,878,672
Printing & Stationery	2,393,840
Postage, Telegram & Courier	808,705
Telephone Charges	2,793,120
Travelling & Conveyance	15,548,005
Car Running & Maintenance	4,549,524
Other Repairs & Maintenance	3,546,806
Security Service Charges	18,783,984
Membership & Subscription	2,433,907
Legal & Professional Charges	12,627,647

(Amount in Rs.)

	Year ended 31st March, 2009
Auditors Remuneration :	
For Audit	204,552
For Tax Audit	30,000
For Income Tax Matters	11,000
In any other matter	56,000
Directors' Sitting Fees	266,464
Miscellaneous Expenses	10,942,841
Bank Charges	89,359,025
Bill Discounting Charges	1,361,524
Processing Fees to WBIDC Ltd	2,673,397
Testing & Inspection Charges	7,543,711
Donations	339,832
Advertisement, Publicity & Sales Promotion	6,387,929
Freight & Forwarding on Export	239,231,373
Transportation, Loading & Labour Charges	56,610,819
Commission on Sales - Other than sole selling agent	3,274,427
Foreign Exchange Fluctuation Loss	419,106,260
Sales Tax/Entry Tax on Assessment	1,044,913
Prior Period Expenses (Refer Note no. 10 in Schedule 22)	1,058,015
Sundry Balances Written Off	220,413
Share Issue Expenses Written Off	3,967,262
	940,104,044

21. INTEREST & FINANCE CHARGES	
Interest to Banks/Financial Institutions :	
On Fixed Loans	140,006,144
Others	284,536,314
Motor Car Finance Charges	312,219
Interest to Others	44,921,201
	469,775,877

22. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Principles of consolidation

The consolidated financial statements relate to Rohit Ferro-Tech Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis :

a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with the Accounting Standards (AS - 21) - "Consolidated Financial Statements".

b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Exchange Translation Reserve.

c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

d) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit & Loss Account as exceptional item being the profit or loss on disposal of investment in subsidiary.

e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Investments

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS - 13) - "Accounting for Investments".

3. Other Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of Rohit Ferro-Tech Limited.

B. NOTES ON ACCOUNTS

1. The Consolidated Financial Statement includes the financial statements of the parent company and its wholly-owned subsidiary, SKP Overseas Pte. Ltd., incorporated in Singapore. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

   The Company has entered into a Joint Venture namely "Rohit Persia Mines and Industries PJSC" with 49% interest to acquire mines in Iran. The said Joint Venture has not yet commenced its operation and hence not considered for consolidation. The Parent Company has invested a sum of Rs. 6,768,571/- (including advances for supplies) as on 31st March, 2009.

2. Contingent Liabilities not provided for in the books of Accounts in respect of :

   a) Bank Guarantees - Rs. 846,000/-.

   b) Bills Discounted with Banks, outstanding as on 31st March, 2009 - Rs. 680,792,008/-.

c) Letters of Credit opened in favour of suppliers, outstanding as on 31st March, 2009 - Rs. 33,794,920/-.

d) Tax Demands disputed in appeal :

Orissa VAT for the year 2005-06 - Rs. 551,477/- and for 2006-07 - Rs. 310,082/-.

Entry Tax for 2006-07 Rs. 594,010/-.

Central Sales Tax for 2006-07 - Rs. 887,736/-.

e) Excise Duty Liability arising out of search operation by the Directorate General of Central Excise Intelligence. However, the Company has paid under protest a sum of Rs. 1.50 crore pending issuance of any show cause notice.

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - Rs.125,907,600/-.

4. In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation 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.

5. Certain balances of Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation.

6. In the year 2007-08, the Company had issued 8,000,000 Preferential Convertible Warrants (Exercise Price of Rs. 43/- each) on preferential basis to promoters & other strategic investors. Each warrant carried a right to convert the same into one Equity Share of Rs. 10/- each at a premium of Rs. 33/- each [as per the formula prescribed under the SEBI (DIP) guidelines] over a period of 18 months from the date of allotment.

Of the above, 5,020,000 warrants have been converted into the Equity Shares during the year.The total proceeds from the said issue have been utilised for capital expenditure and investment in Subsidiary.

Rs.12,814,000 being 10% of the exercise price of 2,980,000 warrants outstanding as on 31st March, 2009 has been shown as “Deposit against Share Warrants” in the Balance Sheet.

7. Sundry Debtors include Rs. 275,901,296/- covered by letters of credit in favour of the Company.

8. Details of payments and provisions on account of remuneration to managerial personnel are as under :

(Amount in Rs.)

Particulars	2008-09
i) Salaries to Managing Directors	
S.K.Patni	–
Rohit Patni - Managing Director	3,600,000
Ankit Patni - Joint Managing Director	2,400,000
	6,000,000
ii) Salaries to Executive Director	
Binit Jain	300,000
	300,000
iii) Perquisites	–
iv) Sitting Fees to Other Directors	266,464
	266,464
	6,566,464

Liability for gratuity and leave encashment is provided on acturial basis for the company as a whole. The amount pertaining to the directors is not ascertainable and therefore, not included above.

9. Amount of excise duty on variation in stocks shown in Schedule 19 represents differential excise duty on opening and closing stock of finished goods.

10. Prior period expenses for the year comprise of the followings :

(Amount in Rs.)

Particulars	2008-09
Labour Charges	–
Water Supply Charges	36,497
Material Handling Charges	177,180
Machinery Hire Charges	74,618
Excise Duty	(771,641)
Entry Tax	–
Factory Wages	1,038,295
Salaries	60,000
Contribution to Provident Fund	–
Discount Received	(461,445)
Rent	810,000
Electricity Charges	–
Telephone Expenses	84,511
Service Charges	2,500
Bank Charges	–
Miscellaneous Expenses	7,500
Interest on car Loan	–
	1,058,015

11. The Company has commenced commercial production from 5th Furnace at its Bishnupur unit on 27th August, 2008. Accordingly, pre-operative expenses relating to the said project have been capitalised by transfer to Factory Shed & Building, Plant & Machinery and Electrical installations in proportion to their rspective costs.

12. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets :

Particulars	2008-09
Pre-Operative Expenses	
Opening Balance	7,390,534
Add : Expenditure incurred during the year	
Salary	372,500
Welfare Expenses	7,226
Rent	174,005
Rates & Taxes	1,800,697
Repairs & Maintainance	92,200
Insurance	–
Electricity Charges	6,806
Printing & Stationary	31,356
Telephone Charges	23,981
Travelling & Conveyence	7,414
Motor Car Expenses	8,809

(Amount in Rs.)

Particulars	2008-09
Legal, Professional & Consultancy Charges	550,000
Bank Charges	13,556
Miscellaneous Expenses	109,444
Advertisement & Sales Promotion	28,300
Transportation, Loading & Labour Charges	95,878
Interest (Includes Rs. 4,425,015/- (Previous year - Rs.65,147,428/-) on Term Loan)	11,033,088
Depreciation	6,573
Total	**21,752,367**
Less : Amount allocated to Fixed Assets	11,553,563
Closing Balance	**10,198,804**

13. Research and Development expenses aggregating to Rs. 657,829/- in the nature of revenue expenditure have been included under the appropriate account heads.

14. Disclosure pursuant to Accounting Standard - 15 (Revised) "Employee Benefits" :

a) Defined Contribution Plan : Amount of Rs. 2,693,276/- (Previous year - Rs. 16,49,632/-) is recognised as expense and included in "Payments to and Provisions For Employees" in Schedule - 19 of the Profit & Loss Account.

b) Defined Benefit Plan :

i. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :

Particulars	2008-09
a) Present Value of Defined Benefit Obligation at the beginning of the year	1,310,434
b) Interest Cost	74,105
c) Current Service Cost	382,818
d) Actuarial Losses/(Gains)	(24,469)
e) Benefits Paid	–
f) Present Value of Defined Benefit Obligation at the close of the year	1,742,888

ii. Changes in the Fair Value of Plan Assets and recociliation thereof :

Particulars	2008-09
a) Fair Value of Plan Assets at the beginning of the year	1,310,434
b) Add : Expected Return on Plan Assets	118,986
c) Add/(Less) : Actuarial Gains/(Losses)	11,629
d) Add : Contributions	675,100
e) Less : Benefits Paid	–
f) Fair Value of Plan Assets at the close of the year	2,116,149
Actual Return on Plan Assets	130,615

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

(Amount in Rs.)

Particulars	2008-09
a) Present Value of Defined Benefit Obligation	1,742,888
b) Less : Fair Value of Plan Assets	2,116,149
c) Present Value of unfunded obligation	–
d) Net Liability/(Assets) recognised in the Balance Sheet **	–

** The excess of assets over liabilities have not been recgnised as they are lying in an irrevocable trust fund.

iv. Amount recognised in the Profit & Loss Account are as follows :

Particulars	2008-09
a) Current Service Cost	382,818
b) Interest Cost	74,105
c) Expected return on Plan Assets	(118,986)
d) Actuarial Losses/(Gains)	(36,098)
e) Past Service Costs	–
f) Effect of curtailment/settlement	
g) Net asset not recognised as above	373,261
h) Recognised in the Profit & Loss Account	675,100

v. Broad Categories of Plan Assets as a percentage of Total Assets as at 31.03.2009

Particulars	2008-09
Qualifying Insurance Policy	YES

vi. Actuarial Assumptions as at the Balance Sheet date :

Particulars	2008-09
a) Mortality Table	LIC 1994-96 Ultimate
b) Discount Rate	8%
c) Salary Escalation Rate	4%

vii. The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

15. (A) Business Segments : Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard - 17, the Company is predominantly engaged in a single reportable segment of 'Ferro Alloys' during the year. Trading of iron and steel & materials has not been considered as a separate reportable segment since segment revenue/result from the same is less than 10% of the total revenue/result.

(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 and liabilities are based on the location of such asset/liability.

(Rs. in Lakhs)

Particulars	2008-09
Revenue (Gross Sales)	
Within India	36,338.26
Outside India	54,374.36
	90,712.62
Carrying Amount of Segment Assets	
Within India	71,671.42
Outside India	7,200.92
	78,872.33
Capital Expenditure	
Within India	3,526.94
Outside India	–
	3,526.94

16. **Related Party Disclosures**

i) Name of the related parties where control exists irrespective of whether transactions have occurred or not

a) Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control	None
b) Joint Ventures	Rohit Persia Mines & Industries PJSC

ii) Names of the other related parties with whom transactions have taken place during the year

a) Key Managerial Personnel	Suresh Kumar Patni Rohit Patni Ankit Patni Binit Jain
b) Relatives of Key Managerial Person	Sarita Patni
c) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives	Arin Minerals Pvt. Ltd. (Formerly known as Manju Cement Co. Pvt. Ltd.) Impex Metal & Ferro Alloys Ltd. Impex Ferro Tech Ltd. Ankit Metal & Power Ltd. Vasupujya Enterprises (P) Ltd. Marble Arch Properties Pvt. Ltd. (w.e.f 27.03.2009) SKP Power Ventures Ltd.

(Amount in Rs.)

iii) Details of Transactions with Related Parties

Sl. No.	Nature of Transactions	2008-09
1.	**Advance to Joint Venture Company**	
	Rohit Persia Mines & Industries PJSC	7,098,056
2.	**Investment in Equity Shares**	
	Rohit Persia Mines & Industries PJSC	3,178
	SKP Power Ventures Ltd.	100,000
3.	**Loans Taken**	
	Vasupujya Enterprises (P) Ltd.	67,700,000
4.	**Loans Repaid**	
	Vasupujya Enterprises (P) Ltd.	9,500,000
5.	**Interest Paid**	
	Vasupujya Enterprises (P) Ltd.	1,235,048
6.	**Purchase of Goods**	
	Ankit Metal & Power Ltd.	79,042,987
	Arin Minerals Pvt. Ltd.	2,503,126
	Impex Metal & Ferro Alloys Ltd.	555,584,644
	Rohit Persia Mines & Industries PJSC	2,204,967
7.	**Sales of Goods**	
	Ankit Metal & Power Ltd.	41,282,506
	Impex Metal & Ferro Alloys Ltd.	241,052,285
8.	**DEPB Licence Purchased**	
	Ankit Metal & Power Ltd.	1,971,503
	Impex Metal & Ferro Alloys Ltd.	1,430,908
9.	**Directors' Remuneration**	
	Rohit Patni	3,600,000
	Ankit Patni	2,400,000
	Binit Jain	300,000
10.	**Sitting Fees**	
	Suresh Patni	45,500
	Sarita Patni	17,500

iv) **Outstanding Balances**

(Amount in Rs.)

Sl. No.	Nature of Transactions	2008-09
1.	**Sundry Debtors**	
	Ankit Metal & Power Ltd.	8,578,514
2.	**Loan Taken**	
	Vasupujya Enterprises (P) Ltd.	62,680,628
3.	**Advances Given**	
	Rohit Persia Mines & Industries PJSC	6,765,393
	Marble Arch Properties Pvt. Ltd.	15,000,000
4.	**Investment in Equity Shares**	
	Rohit Persia Mines & Industries PJSC	3,178
	SKP Power Ventures Ltd.	100,000
5.	**Deposit against Share Warrants**	
	Ankit Patni	2,580,000
	Rohit Patni	2,580,000
	Sarita Patni	2,580,000
	Suresh Kumar Patni	2,580,000

17. **Earnings Per Share (EPS)**

(Amount in Rs.)

	Particulars	2008-09
(a)	Number of Shares considered as weighted average shares for calculation of Basic Earnings Per Share	37,437,397
	Dilutive effect of issue of shares on exercise of warrants	5,025,548
	Number of shares considered as weighted average shares and potential shares outstanding for calculation of Diluted EPS	42,462,945
(b)	(i) Profit after Tax, before extraordinary item (Rs.)	76,430,045
	(ii) Profit after Tax, after extraordinary item (Rs.)	66,991,465
(c)	Nominal Value of Equity Share (Rs.)	10.00
(d)	Earning Per Share (Basic) in Rs. :	
	(i) Before extraordinary item	2.04
	(ii) After extraordinary item	1.79
(e)	Earning Per Share (Diluted) in Rs. :	
	(i) Before extraordinary item	1.80
	(ii) After extraordinary item	1.58

ROHIT FERRO-TECH LIMITED

Registered Office :

35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012

Form of Proxy

I/We..

of...

....being a Member(s) of the above named Company,

hereby appoint..

of...

or failing him ....

of...as my/our proxy to vote for me/us on my/our behalf at the 9th Annual General Meeting of the Company to be held on Tuesday, the 22nd September, 2009 at 1:30 P.M. and at any adjournment thereof.

Signed this .... day of 2009

Signature .... Affix Revenue Stamp ....

Folio No. ....

DP ID No.....................................

Client ID No.................................

Note : This Form of Proxy must be deposited at the Registered Office of the Company, 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012, not less than 48 hours before the time of holding the meeting.

ROHIT FERRO-TECH LIMITED

Registered Office :

35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012

Attendance Slip

(To be handed over at the entrance of the Meeting Hall)

I hereby record my/our presence at the 9th Annual General Meeting of the above named Company held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020 on Tuesday, the 22nd September, 2009 at 1:30 P.M.

Full Name of Member/Proxy
attending the meeting ....

Full Name of First Holder
(if Joint Holder/Proxy attending) ....

Folio No... ....

Signature of the Member/Proxy

DP ID No.. (To be signed at the time of handing over this slip)

Client ID No...

Members who come to attend the meeting are requested to bring their copies of the Annual Report with them.

Corporate Information

BOARD OF DIRECTORS

Mr. Suresh Kumar Patni	*Non-Executive Chairman*
Mr. Rohit Patni	*Managing Director*
Mr. Ankit Patni	*Joint Managing Director*
Mr. Binit Jain	*Executive Director*
Mr. Kailash Chand Jain	*Director*
Mr. Jayanta Chatterjee	*Director*
Mr. Jatindra Nath Rudra	*Director*
Mr. Asoke Kumar Basu	*Director*

CFO & COMPANY SECRETARY

Mr. Pramod Kumar Jain

AUDITORS

S. Jaykishan
Chartered Accountants
12, Ho-Chi-Minh Sarani
Kolkata - 700 071

BANKERS

State Bank of India
State Bank of Travancore
State Bank of Hyderabad
United Bank of India

REGISTERED & CORPORATE OFFICE

35, Chittaranjan Avenue, Kolkata - 700 012
Phone : +91 33 2211 9805/9806
Fax : +91 33 2211 4134
E-mail : grievance@rohitferrotech.com
enquiry@rohitferrotech.com
Website : www.rohitferrotech.com

PLANT INFORMATIONS

Bishnupur

WBIIDC Road, P.O. : Dwarika
Bishnupur - 722 122
District : Bankura (West Bengal)

Jajpur

Kalinganagar Industrial Complex
Duburi - 755 026
District : Jajpur (Orissa)

Haldia
(under implementation)

Jaynagar, P.O. : Buniaraichak
P.S. : Durgachak
District : Purba Medinipur (West Bengal)

BOOK-POST

If undelivered, please return to :

Rohit Ferro-Tech Ltd.
35, Chittaranjan Avenuje, 4th Floor, Kolkata 700 012