

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the members of the Company will be held on Tuesday, 25th September, 2012 at 10.00 A.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 Balance Sheet of the Company as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors' thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Suresh Kumar Patni, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jayanta Kumar 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 conclusion of the next Annual General Meeting and to authorise 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 an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, consent of the members be and is hereby accorded for the re-appointment of Mr. Binit Jain as an Executive Director of the Company for a further period of 1 (one) year w.e.f. 1st September, 2012, 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 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."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, consent of the members be and

is hereby accorded for the re-appointment of Mr. Rohit Patni as Managing Director of the Company for a further period of 5 (Five) years w.e.f. 27th August, 2012, to continue to hold office as Managing 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 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. Rohit Patni, within the limits specified in Schedule XIII of the Act, as may be amended from time to time."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") where the Equity Shares of the Company are listed and the Regulations for preferential issues issued by the Securities and Exchange Board of India ("SEBI") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any duly authorised committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorised to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all or any of the powers hereby conferred to any duly authorised committee thereof) to create, issue, offer and allot on preferential basis, at its sole and absolute discretion, 3,35,00,000 (Three Crores Thirty Five Lacs) Equity Shares of ₹ 10 each at a price of ₹ 60 per

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Equity Share (including a premium of ₹ 50 per share) calculated as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 with 24th August, 2012, as the relevant date, of an amount aggregate ₹ 201 Crores (Rupees Two Hundred One Crores only) to the following persons/entities :

| Sl. No. | Name of the Proposed Allottees | Equity Shares Proposed to be allotted | Category |
|---------|---|---------------------------------------|----------------|
| 1 | Mr. Suresh Kumar Patni | 650,000 | Promoter |
| 2 | Mrs. Sarita Patni | 450,000 | Promoter |
| 3 | Mr. Rohit Patni | 350,000 | Promoter |
| 4 | Mr. Ankit Patni | 350,000 | Promoter |
| 5 | Arthodock Vinimay Private Limited | 4,000,000 | Promoter Group |
| 6 | Invesco Finance Private Limited | 3,000,000 | Promoter Group |
| 7 | Nucore Exports Private Limited | 1,100,000 | Promoter Group |
| 8 | VNG Mercantiles Private Limited | 510,000 | Promoter Group |
| 9 | Shreyansh Leafin Private Limited | 3,000,000 | Promoter Group |
| 10 | Whitestone Suppliers Private Limited | 3,000,000 | Promoter Group |
| 11 | Poddar Mech Tech Services Private Limited | 2,500,000 | Promoter Group |
| 12 | Vasupujya Enterprises Private Limited | 3,000,000 | Promoter Group |
| 13 | Suanvi Trading & Investment Co. Private Limited | 3,000,000 | Promoter Group |
| 14 | Rotomac Vinimay Private Limited | 1,667,000 | Non-Promoter |
| 15 | Singrodia Bros. Holding Private Limited | 1,667,000 | Non-Promoter |
| 16 | Avantika Consultants LLP | 2,500,500 | Non-Promoter |
| 17 | Quest Financial Services Limited | 1,255,500 | Non-Promoter |
| 18 | MSV Fiscal Services Private Limited | 500,000 | Non-Promoter |
| 19 | Simpro Vanijya Limited | 500,000 | Non-Promoter |
| 20 | Welon Advisory Services Private Limited | 500,000 | Non-Promoter |
| | Total | 33,500,000 | |

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be 24th August, 2012, in accordance with SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the entire pre-issue shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of preferential allotment or such other period as may be applicable under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above shall be subject to the lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above, shall be listed and traded on all the Stock Exchanges on which the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Company do make application to the National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) for admission of the new Equity Shares to be issued on preferential basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the Equity Shares so issued with any Indian stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authorities of this resolution."

By Order of the Board
For Rohit Ferro-Tech Limited

Place : Kolkata
Date : 24th August, 2012

Pradip Kumar Agarwal
Company Secretary

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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. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business in Item No. 6, 7 and 8 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 person seeking appointment/re-appointment as Director under Item No. 3, 4, 6 and 7 is annexed hereto as additional information.
4. Register of Members and Share Transfer Books shall remain closed from Thursday, 20th September, 2012 to Tuesday, 25th September, 2012 (both days inclusive).
5. The dividend, if any declared at this Annual General Meeting will be paid to those members whose names appear on the Register of Members of the Company as on 25th September, 2012, after giving effect to all the valid transfers in physical forms lodged with the Company and its Registrar and Transfer Agent on or before 19th September, 2012. The members whose shares are held in electronic form, the dividend will be paid to those beneficial owners as per details furnished by the depositories at the close of business hours on 19th September, 2012.
6. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956, the dividend remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (fund) set up by the Central Government. The amount of dividend declared for the Financial Year 2005-06 will become due for transfer to the fund on 25th October, 2013. Members who have so far not claimed the dividend declared as aforesaid and for subsequent years, are requested to forward their claims to the Company's Registrar and Share Transfer Agents immediately as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.
7. 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 are advised only to the Depository Participants by the Shareholders.
8. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 and to

their respective DPs in respect of Equity Shares held in dematerialised form.

9. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
10. Members/Proxies are requested to bring their Attendance Slip for attending the Meeting.
11. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
13. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.

Important Announcement to Members

Pursuant to Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the Companies are allowed to send notices, documents and other communication to the shareholders in electronic mode.

In view of the above circulars issued by MCA, like last year, this year too the Company is sending documents like the notice convening the General Meeting, Financial Statements, Directors' Report, Auditors' Report etc. to the email addresses provided by you to your Depository Participant(DP)/Company's Registrar and Transfer Agent, M/s. Maheshwari Datamatics Private Limited.

The Company encourages its shareholders to support the 'Green Initiative' by registering their email address with their respective depositories/Company's Registrar and Transfer Agent and intimate changes in the email address from time to time.

Even after registering the email address, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier free of cost.

The Annual Report of 2012 (including notice of Annual General Meeting) will also be available on the Company's website www.rohitferrotech.com for download by the members. Format for request letter for registration/changes of email id is also available in the Investor's Corner of the Company's website.

The Physical copies of the aforesaid documents will also be available at the Company's Corporate Office for inspection during business hours upto the date of Annual General Meeting.

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

Item No. 6

The terms of appointment of Mr. Binit Jain as an Executive Director will expire on 31st August, 2012. Subject to approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company at its meeting held on 24th August, 2012 has re-appointed Mr. Binit Jain as an Executive Director of the Company for a further period of 1 (One) year w.e.f. 1st September, 2012 on the terms and conditions mentioned in the Agreement dated 24th August, 2012, based on the recommendation of the Remuneration Committee.

The material terms and remuneration payable in terms of Agreement dated 24th August, 2012 are as follows :

(a) **Tenure :** 1st September, 2012 to 31st August, 2013.

(b) **Remuneration :** Salary of ₹ 1,00,000 (Rupees One Lac 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 Part II of the Act, as may be amended from time to time.

Perquisites : Perquisites applicable to the Executive Director are as follows :-

- I. Leave : Mr. Binit Jain will be entitled to leave as per applicable rule of the Company.
- II. Leave Encashment : As per applicable rule of the Company.
- III. Company's contribution to Provident Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.

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

(c) General

I. The Executive Director shall subject to the provisions of Companies Act, 1956, the Articles of Association of the Company and to the terms of Agreement with the Board of Directors shall have the whole, or substantially the whole of the management, control and superintendence for the affairs of the Company's factories.

Provided that the Executive Director shall exercise his powers subject to the superintendence, control and direction of the Board of Directors and the Managing Director. He shall further exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter referred to as the Board) shall from time to time determine subject to any directions and restrictions given or imposed by the Board.

- II. He shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
- III. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving two months notice in writing.

IV. If at any time Mr. Binit Jain ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Executive Director of the Company.

The terms and conditions for the re-appointment and the remuneration payable to Mr. Binit Jain as an Executive Director of the Company as set out in the Notice and Explanatory Statement should also be treated as an Abstract of the terms of his re-appointment and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The relevant agreement entered by the Board is available for inspection of the members of the Company at the Corporate Office of the Company on any working day during business hours.

None of the Directors except Mr. Binit Jain are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 6 for your consideration and approval.

Item No. 7

The terms of appointment of Mr. Rohit Patni as Managing Director will expire on 26th August, 2012. Subject to approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company at its meeting held on 24th August, 2012 has re-appointed Mr. Rohit Patni as Managing Director of the Company for a further period of 5 (Five) years w.e.f. 27th August, 2012 on the terms and conditions mentioned in the Agreement dated 24th August, 2012, based on the recommendation of the Remuneration Committee.

The material terms and remuneration payable in terms of Agreement dated 24th August, 2012 are as follows :

(a) **Tenure :** 27th August, 2012 to 26th August, 2017.

(b) **Remuneration :** Salary of ₹ 5,00,000 (Rupees Five Lacs 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 Part II of the Act, as may be amended from time to time.

Perquisites : Perquisites applicable to the Managing Director are as follows :-

- I. Leave : Mr. Rohit Patni will be entitled to leave as per applicable rule of the Company.
- II. Leave Encashment : As per applicable rule of the Company.
- III. Company's contribution to Provident Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.

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

c) General

I. The Managing Director shall subject to the provisions of the Companies Act, 1956, the Articles of Association of the Company and to the terms of agreement with the Board of Directors shall

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have the whole, or substantially the whole of the management, control and superintendence of the affairs of the Company.

Provided that the Managing Director shall exercise his powers subject to the superintendence, control and direction of the Board of Directors. He shall further exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter referred as the Board) shall from time to time determine subject to any directions and restrictions given or imposed by the Board.

- II. He shall not be paid any sitting fees for attending meeting of the Board or Committee(s) thereof.
- III. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving two months notice in writing.
- IV. If at any time Mr. Rohit Patni ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

The terms and conditions for the re-appointment and the remuneration payable to Mr. Rohit Patni as Managing Director of the Company as set out in the Notice and Explanatory Statement should also be treated as an Abstract of the terms of his re-appointment and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The relevant agreement entered by the Board is available for inspection of the members of the Company at the Corporate Office of the Company on any working day during business hours.

Apart from Mr. Rohit Patni himself, as the aforesaid terms and conditions relates to his own re-appointment, Mr. Suresh Kumar Patni being relative of Mr. Rohit Patni, be also considered as concerned or interested in the said re-appointment.

The Board of Directors recommends the resolution set out in item no. 7 for your consideration and approval.

Item No. 8

As part of its expansion program, the Company proposes to increase its manufacturing capacity, installing a 33 MVA sub merged arc furnace at Kalinganagar Industrial Complex, Dist-Jajpur, Odisha with a total capital outlay of ₹ 268.55 Crores. The said expansion shall be funded through a combination of bank borrowings and equity infusion. Further, the Company also requires ₹ 109.00 Crores for its long term working capital requirements and ₹ 25.00 Crores towards investment in its Wholly Owned Subsidiary Company, SKP Overseas Pte Limited. In view of the confirmations received from the proposed allottees, the Board of Directors proposes to issue and allot 3,35,00,000 Equity Shares of ₹ 10 each at a price of ₹ 60 per Equity Share (including premium of ₹ 50 per Equity Share) aggregating to ₹ 201.00 Crores on a preferential basis in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto from time to time ("SEBI (ICDR) Regulations").

As on date, your Company owes ₹ 59.18 Crores to the allottees in the promoter group in respect of the unsecured loans extended by them to the Company, which shall be adjusted towards the share application money for the proposed issue of Equity Shares.

As stipulated by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Board submits the following for the information of the members :

The Company has received inclination from the following prospective persons/entities :-

| Sl. No. | Name of the Proposed Allottees | Equity Shares Proposed to be allotted | Category |
|---------|---|---------------------------------------|----------------|
| 1 | Mr. Suresh Kumar Patni | 650,000 | Promoter |
| 2 | Mrs. Sarita Patni | 450,000 | Promoter |
| 3 | Mr. Rohit Patni | 350,000 | Promoter |
| 4 | Mr. Ankit Patni | 350,000 | Promoter |
| 5 | Arthodock Vinimay Private Limited | 4,000,000 | Promoter Group |
| 6 | Invesco Finance Private Limited | 3,000,000 | Promoter Group |
| 7 | Nucore Exports Private Limited | 1,100,000 | Promoter Group |
| 8 | VNG Mercantiles Private Limited | 510,000 | Promoter Group |
| 9 | Shreyansh Leafin Private Limited | 3,000,000 | Promoter Group |
| 10 | Whitestone Suppliers Private Limited | 3,000,000 | Promoter Group |
| 11 | Poddar Mech Tech Services Private Limited | 2,500,000 | Promoter Group |
| 12 | Vasupujya Enterprises Private Limited | 3,000,000 | Promoter Group |
| 13 | Suanvi Trading & Investment Co. Private Limited | 3,000,000 | Promoter Group |
| 14 | Rotomac Vinimay Private Limited | 1,667,000 | Non-Promoter |
| 15 | Singrodia Bros. Holding Private Limited | 1,667,000 | Non-Promoter |
| 16 | Avantika Consultants LLP | 2,500,500 | Non-Promoter |
| 17 | Quest Financial Services Limited | 1,255,500 | Non-Promoter |
| 18 | MSV Fiscal Services Private Limited | 500,000 | Non-Promoter |
| 19 | Simpro Vanijya Limited | 500,000 | Non-Promoter |
| 20 | Welon Advisory Services Private Limited | 500,000 | Non-Promoter |
| | Total | 33,500,000 | |

Hereinafter the aforesaid persons shall be individually and collectively called as "proposed allottee/(s)"

Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under :

a) Objects of the Issue :

To part finance the setting up of a 33 MVA sub merged arc furnace at Kalinganagar Industrial Complex, Dist-Jajpur, Odisha, to meet

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the long term working capital requirements of the Company and to make further investment in its Wholly Owned Subsidiary Company, SKP Overseas Pte Limited.

b) Relevant Date & Price :

As per Chapter VII of the SEBI (ICDR) Regulations, issue of Equity Shares on a preferential basis to an investor, shall be made at a price not less than higher of the following :

The average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the twenty six weeks preceding the relevant date; or

The average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the relevant date.

The "Relevant Date" for determining the issue price of the preferential issue of Equity Shares shall be 26th August, 2012 being the date which is 30 days prior to the date on which the Annual General Meeting is to be held to consider the proposed issue under Section 81(1A) of the Companies Act, 1956. As the date of Annual General Meeting of shareholders is on 25th September, 2012 the "relevant date" is 26th August, 2012. However, in terms of the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations 2012 dated 30th January 2012, where the relevant date falls on a Weekend/Holiday, the

day preceding the Weekend/Holiday will be reckoned to be the relevant date. Since, 26th (Sunday) and 25th (Saturday) August 2012 is a weekend, therefore 24th August 2012 (Friday) shall be deemed to be the Relevant Date.

The Stock Exchange means National Stock Exchange of India Limited being the exchange where the highest trading volume in respect of the shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date.

The average price as computed on the above basis during the twenty six weeks preceding the Relevant Date is ₹ 29.60 per Equity Share where as during the two weeks preceding the Relevant Date is ₹ 28.10 per Equity Share. Hence the floor price is ₹ 29.60 per Equity Share .

The price at which the preferential issue is being made, i.e., ₹ 60 per Equity Share is higher than the floor price computed on the basis of the SEBI (ICDR) Regulations.

c) Intention of Promoters/Directors/Key Management Persons to subscribe to the Offer :

The Promoter Group intends to subscribe to the extent of 24,910,000 Equity Shares being 21.89% of the post issue capital of the Company.

d) Shareholding Pattern before and after the issue :

| Category of Shareholder | Pre Issue | | Post Issue | |
|--|---------------------|--|---------------------|--|
| | Total No. of Shares | Total Shareholding as a % of total No. of Shares | Total No. of Shares | Total Shareholding as a % of total No. of Shares |
| (A) Shareholding of Promoter and Promoter Group | | | | |
| (1) Indian | | | | |
| Individuals/Hindu Undivided Family | 4,265,638 | 5.31 | 6,065,638 | 5.33 |
| Bodies Corporate | 52,742,204 | 65.70 | 75,852,204 | 66.67 |
| Sub Total | 57,007,842 | 71.01 | 81,917,842 | 72.00 |
| (2) Foreign | - | - | - | - |
| Total shareholding of Promoter and Promoter Group (A) | 57,007,842 | 71.01 | 81,917,842 | 72.00 |
| (B) Public Shareholding | | | | |
| (1) Institutions | | | | |
| Financial Institutions/Banks | - | - | - | - |
| Sub Total | - | - | - | - |
| (2) Non-Institutions | | | | |
| Bodies Corporate | 8,107,131 | 10.10 | 16,697,131 | 14.68 |
| Individuals | | | | |
| Individual shareholders holding nominal share capital up to ₹ 1 lac | 8,984,089 | 11.19 | 8,984,089 | 7.90 |
| Individual shareholders holding nominal share capital in excess of ₹ 1 lac | 5,683,038 | 7.08 | 5,683,038 | 4.99 |
| Any Others (Specify) | | | | |
| Non Resident Indians | 466,129 | 0.58 | 466,129 | 0.41 |
| Clearing Members | 27,894 | 0.03 | 27,894 | 0.02 |
| Sub Total | 23,268,281 | 28.99 | 31,858,281 | 28.00 |

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| Category of Shareholder | Pre Issue | | Post Issue | |
|--|---------------------|--|---------------------|--|
| | Total No. of Shares | Total Shareholding as a % of total No. of Shares | Total No. of Shares | Total Shareholding as a % of total No. of Shares |
| Total Public shareholding (B) | 23,268,281 | 28.99 | 31,858,281 | 28.00 |
| Total (A)+(B) | 80,276,123 | 100.00 | 113,776,123 | 100.00 |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | - | - | - | - |
| Total (A)+(B)+(C) | 80,276,123 | 100.00 | 113,776,123 | 100.00 |

e) Proposed time within which allotment shall be completed :

The allotment of Shares pursuant to this resolution will be completed within 15 days from the passing of this resolution. Provided that if the approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission, as the case may be.

f) Identity and details of the proposed allottees :

| Sl. No. | Name | Category | Address | Pre-Issue Holding | No. of Shares (Proposed for Allotment) | Post Issue Holding | (%) Holding of Post Issue Capital |
|---------|---|----------------|---|-------------------|--|--------------------|-----------------------------------|
| 1 | Mr. Suresh Kumar Patni | Promoter | "Sarita Kunj", 15 Burdwan Road, Kolkata - 700 027 | 1,536,403 | 650,000 | 2,186,403 | 1.92 |
| 2 | Mrs. Sarita Patni | Promoter | "Sarita Kunj", 15 Burdwan Road, Kolkata - 700 027 | 1,099,694 | 450,000 | 1,549,694 | 1.36 |
| 3 | Mr. Rohit Patni | Promoter | "Sarita Kunj", 15 Burdwan Road, Kolkata - 700 027 | 850,952 | 350,000 | 1,200,952 | 1.06 |
| 4 | Mr. Ankit Patni | Promoter | "Sarita Kunj", 15 Burdwan Road, Kolkata - 700 027 | 778,589 | 350,000 | 1,128,589 | 0.99 |
| 5 | Arthodock Vinimay Private Limited | Promoter Group | 35, C. R. Avenue, 4th Floor, Kolkata- 700 012 | 1,250,000 | 4,000,000 | 5,250,000 | 4.61 |
| 6 | Invesco Finance Private Limited | Promoter Group | 35, C. R. Avenue, 4th Floor, Kolkata- 700 012 | 8,039,317 | 3,000,000 | 11,039,317 | 9.70 |
| 7 | Nucore Exports Private Limited | Promoter Group | 35, C. R. Avenue, 4th Floor, Kolkata - 700 012 | - | 1,100,000 | 1,100,000 | 0.97 |
| 8 | VNG Mercantiles Private Limited | Promoter Group | 35, C. R. Avenue, 4th Floor, Kolkata - 700 012 | 475,000 | 510,000 | 985,000 | 0.87 |
| 9 | Shreyansh Leafin Private Limited | Promoter Group | SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026 | 7,993,150 | 3,000,000 | 10,993,150 | 9.66 |
| 10 | Whitestone Suppliers Private Limited | Promoter Group | SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026 | 7,907,765 | 3,000,000 | 10,907,765 | 9.59 |
| 11 | Poddar Mech Tech Services Private Limited | Promoter Group | 35, C.R. Avenue, Kolkata - 700 012 | 10,479,933 | 2,500,000 | 12,979,933 | 11.41 |
| 12 | Vasupujya Enterprises Private Limited | Promoter Group | 35, C.R. Avenue, Kolkata - 700 012 | 8,359,538 | 3,000,000 | 11,359,538 | 9.98 |
| 13 | Suanvi Trading & Investment Co. Private Limited | Promoter Group | 35, C. R. Avenue, 4th Floor, Kolkata - 700 012 | 8,237,501 | 3,000,000 | 11,237,501 | 9.88 |
| 14 | Rotomac Vinimay Private Limited | Non-Promoter | 35, C.R. Avenue, 6th Floor, Room No. 26/7, Kolkata - 700 012 | - | 1,667,000 | 1,667,000 | 1.47 |
| 15 | Singrodia Bros. Holding Pvt. Ltd. | Non-Promoter | 35, C.R. Avenue, 6th Floor, Room No. 26/7, Kolkata - 700 012 | - | 1,667,000 | 1,667,000 | 1.47 |
| 16 | Avantika Consultants LLP | Non-Promoter | Hastings Chambers, 7C, Kiran Shankar Roy Road, 1st Floor Room No. 1M, Kolkata - 700 001 | - | 2,500,500 | 2,500,500 | 2.20 |

Notice

| Sl. No. | Name | Category | Address | Pre-Issue Holding | No. of Shares (Proposed for Allotment) | Post Issue Holding | (%) Holding of Post Issue Capital |
|---------|---|--------------|--|-------------------|--|--------------------|-----------------------------------|
| 17 | Quest Financial Services Limited | Non-Promoter | "Centre Point" 21, Hemanta Basu Sarani, Room No. 230, 2nd Floor, Kolkata - 700 001 | - | 1,255,500 | 1,255,500 | 1.10 |
| 18 | MSV Fiscal Services Private Limited | Non-Promoter | 2, D J Temple Road, 1st Floor, Room No. 28, Kolkata - 700 007 | - | 500,000 | 500,000 | 0.44 |
| 19 | Simpro Vanijya Limited | Non-Promoter | 7/1A Grant Lane, 4th Floor, Room No. 4, Kolkata - 700 012 | - | 500,000 | 500,000 | 0.44 |
| 20 | Welon Advisory Services Private Limited | Non-Promoter | 6, Hanspukur Lane, 1st Floor, Room No. 106, Kolkata - 700 007 | - | 500,000 | 500,000 | 0.44 |

g) Change in Control or Composition of the Board :

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

h) Auditors' Certificate :

M/s. S. Jaykishan, Chartered Accountants, Statutory Auditors of the Company have certified that the proposed preferential issue is being made in accordance with the requirements contained in SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 for Preferential Issue. A copy of the said certificate is available for inspection by the shareholders at the Corporate Office of the Company on all working days except Saturdays, Sundays and public holidays between 3 p.m. and 5 p.m. prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

i) Lock-in of proposed issue of shares :

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of allotment in terms of Regulation 78 of SEBI Regulations for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment of shares.

j) Undertaking :

The Company hereby undertakes that :

The Company shall re-compute the price of the specified securities in terms of the provisions of these Regulations where it is required to do so.

If the amount payable on account of the re-computation of the

price is not paid within the time stipulated in the Regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the Stock Exchanges on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI (ICDR) Regulations require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution. Hence the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis.

Except Mr. Suresh Kumar Patni & Mr. Rohit Patni being Promoters of the Company and (Mr. Suresh Kumar Patni, Mr. Ankit Patni & Mr. Rohit Patni) being promoters of Arthodock Vinimay Private Limited, Invesco Finance Private Limited, Nucore Exports Private Limited, VNG Mercantiles Private Limited, Shreyansh Leafin Private Limited, Whitestone Suppliers Private Limited, Poddar Mech Tech Services Private Limited, Vasupujya Enterprises Private Limited and Suanvi Trading & Investment Co. Private Limited, none of the Directors of your Company shall be concerned or deemed to be interested in the said resolution.

The Board recommends the resolution set out in Item no. 8 for your consideration and approval.

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, 4, 6 and 7 of the Notice):

Notice

| Name of the Director | Age | Date of Appointment | Brief resume and nature of expertise in functional area | Other Directorships*/Committee** Memberships |
|-----------------------------|----------|---------------------|--|--|
| Mr. Suresh Kumar Patni | 52 years | 7th April, 2000 | He is a Commerce Graduate from Calcutta University. He has a wide experience of more than two decades in Iron & Steel and Ferro Alloys Industry. He is also the Co-promoter of Impex Ferro Tech Limited and Ankit Metal & Power Limited. | Directorship : - Impex Metal & Ferro Alloys Limited - VSN Agro Products Limited - Impex Industries Limited - SKP Power Ventures Limited - Sarita Steel & Power Limited - Ankit Metal & Power Limited - Impex Ferro Tech Limited - SKP Aviation Services Limited - Patni Metal & Ferro Alloys Limited - Dhodwala Enterprises Limited - Gold Mohar Steel Limited Committee Memberships : In Ankit Metal & Power Limited - Audit Committee In Impex Ferro Tech Limited - Investors Grievance Cum Share Transfer Committee |
| Mr. Jayant Kumar Chatterjee | 69 years | 16th May, 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. | Directorship : Nil Committee Memberships : Nil |
| Mr. Binit Jain | 33 years | 15th October, 2004 | He is a Commerce graduate and looks after the overall operations of the Company's Bishnupur plant. He is associated with the Bishnupur Plant of the Company since its inception, and was instrumental in the overall commissioning of the plant. After having rich experience in setting up the plant at Bishnupur, he was also actively involved in the setting up of the Ferro Alloys Plant at Jajpur, Odisha. | Directorships : Hira Concast Limited. Committee Memberships : Nil |
| Mr. Rohit Patni | 28 years | 27th August, 2007 | He has done his Engineering (BE) from PESIT, Bangalore and is a Gold Medalist. He has also done his MBA from Cardiff University, Cardiff, UK. Academically, he possesses a good engineering background and is experienced in implementation of the various Projects. | Directorships : Impex Metal & Ferro Alloys Limited SKP Power Ventures Limited Sarita Steel & Power Limited SKP Aviation Services Limited VSN Agro Products Limited Impex Industries Limited Dhodwala Enterprises Limited Committee Memberships : Nil |

Mr. Jayanta Kumar Chatterjee and Mr. Binit Jain do not hold any Equity Shares in the Company.

Mr. Rohit Patni holds 8,50,952 Equity Shares and Mr. Suresh Kumar Patni holds 15,36,403 Equity Shares in the Company.

* Excludes Directorship in Private/Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

** Committee herein refers Audit Committee/Investors' Grievance cum Share Transfer Committee and Remuneration Committee.

DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present the 12th Annual Report of the Company together with Audited Accounts for the financial year ended 31st March, 2012.

Financial Highlights

(₹ in Crores)

| Particulars | Standalone | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| | 31.03.2012 | 31.03.2011 |
| Revenue from Operation (net) | 1,677.30 | 1,166.72 |
| Other Income | 7.62 | 12.99 |
| Total Revenue | 1,684.92 | 1,179.71 |
| Profit before Finance Cost, Depreciation and Tax | 188.15 | 146.25 |
| Less : Depreciation & Amortisation | 21.69 | 13.33 |
| Less : Finance Cost | 106.21 | 65.07 |
| Less : Tax Expenses | 19.94 | 21.66 |
| Net Profit after Tax | 40.31 | 46.19 |
| Add : Balance brought forward from previous year | 197.98 | 155.00 |
| Profit available for appropriation | 238.29 | 201.19 |
| Appropriation of Profits | | |
| Proposed Dividend | 4.01 | 2.76 |
| Corporate Dividend Tax | 0.65 | 0.45 |
| Balance carried over to Balance Sheet | 233.63 | 197.98 |
| | 238.29 | 201.19 |

Financial and Operational Review

During the year under review the net sales/income from operation increased from ₹ 1166.72 Crores in FY 2010-11 to ₹ 1677.30 Crores in FY 2011-12 representing an increase of 43.76%. Profit before tax for the year stood at ₹ 60.25 Crores as compared to ₹ 67.85 Crores in previous year registering a decline of 11.20% which was mainly due to increase in finance cost and pressure on margin due to high input cost.

Dividend

Your Directors are pleased to recommend a dividend @ 5% i.e., ₹ 0.50 per share on 8,02,76,123 Equity Shares of ₹ 10/- each for the financial year ended 31st March, 2012 subject to approval of the members at the ensuing Annual General Meeting. The total outflow on account of dividend on Equity Shares together with the Corporate Tax on Dividend will be ₹ 4.66 Crores.

Subsidiary

SKP Overseas Pte. Ltd. was incorporated on 9th April, 2008 in Singapore as Wholly-Owned Subsidiary of your Company. The Ministry of Company Affairs has granted a general exemption to Companies, by General Circular No-2/2011 dated 8th February, 2011 under section

212(8) of the Companies Act, 1956, from attaching individual accounts of the subsidiaries with their annual report. Accordingly, the Board of Directors of the Company has, by resolution, given consent for not attaching the accounts of its subsidiary in the annual report of the Company for the financial year ended 31st March, 2012. The financial data of the subsidiary forms part of the Annual Report.

The Company will make available documents/details of the subsidiary Company upon request by any member or investor of the Company/Subsidiary Company. The Annual Accounts of the Subsidiary Company will be kept open for inspection by any investor/member at the Corporate Office of the Company and also that of the Subsidiary Company.

Consolidated Financial Statement

As stipulated in Clause 41 of the Listing Agreement entered into 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.

Changes in Share Capital

During the year under review, the Company has allotted 2,50,00,000 Equity Shares of ₹ 10/- each on preferential basis at a premium of ₹ 50/- per share aggregating to ₹ 150.00 Crores to the entities belonging to promoter group and strategic investors belonging to non promoters group.

Consequent to the said allotment, the paid up Share Capital of the Company stood increased to ₹ 80,27,61,230.00. The entire proceeds received from the preferential allotment has been utilised towards the object of the issue.

Issue of Equity Share on Preferential Basis

The Board of Directors in their meeting held on 24th August, 2012, subject to the approval of the members in the ensuing Annual General Meeting, has decided to raise a sum of ₹ 201.00 Crores by issuing 3,35,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- per share on preferential basis to the entities belonging to promoter group and strategic investors belonging to non-promoter group.

The amount raised will be utilised to part finance installation of 33MVA Sub-merged Arc Furnace, to meet long-term working capital requirement and to make further investment in the Wholly Owned Subsidiary Company.

New Projects and Expansions

• Haldia Unit - West Bengal

Your Directors are pleased to inform you that all the six furnaces of 9 MVA capacity of 100% EOU project at Haldia achieved full commercial production by 2011-12.

Directors' Report

• Jajpur Unit - Odisha

Captive Power Plant of 67.5 MW

The Directors of your Company are pleased to inform that the installation of the 67.5 MW Captive Power Plant at its Jajpur unit is in progress as per schedule. The basic engineering, civil work and structural fabrication has progressed significantly. The Company has released order for equipment having delivery schedule and has applied for and received necessary approvals required for implementation of the project. After installation of the Captive Power Plant, the power cost of the unit will be reduced and will ensure competitive advantage over other market players.

33 MVA Furnace

The Company is setting up an additional Sub Merged Arc Furnace of 33 MVA rating at its Jajpur Unit. The Company has achieved financial closure for the project and on completion of this project, the total capacity of the Jajpur unit will be 99 MVA. The enhanced capacity will increase the production capacity of the plant to 1,50,000 MTPA of Ferro Alloys.

Coal Mines

The Company has acquired 60% economic interest in a coal mine in Indonesia through its Subsidiary Company SKP Overseas Pte. Ltd. The mine has a proven Coking Coal reserve of over 5 million tonnes and estimated Thermal Coal reserve of 20 million tonnes.

Amalgamation

The Board of Directors of the Company in their meeting held on 30th May, 2012, took up the proposal of amalgamation of the group Company, M/s. Impex Ferro Tech Limited with the Company, subject to the approval of the members and creditors of the respective Company, the Hon'ble Calcutta High Court and other Concerned Authorities.

Credit Rating

The Company has retained CARE BBB (Triple B) credit rating for its long term and medium term debts/facilities and CARE A3 (A Three) credit rating for its short term debts/facilities accorded by the credit rating agency Credit Analysis & Research Ltd (CARE).

Public Deposits

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

Insurance

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

Awards & Achievements

During the year under review the Company was awarded National Award for Export Excellence by EEPC INDIA for star performance in 2009-2010 under Large Enterprise in Ferro Alloy Segment.

Directors

Mr. Suresh Kumar Patni and Mr. Jayanta Kumar Chatterjee retires by rotation and being eligible, offer themselves for re-appointment.

Mr. Binit Jain, Executive Director of the Company, whose terms of appointment will expire on 31st August, 2012 has been re-appointed by the Board of Directors for a further period of one year w.e.f. 1st September, 2012, subject to the approval of the shareholders in the ensuing Annual General Meeting.

Mr. Rohit Patni, Managing Director of the Company, whose terms of appointment expires on 26th August, 2012 has been re-appointed by the Board of Directors for a further period of five years w.e.f. 27th August, 2012, subject to the approval of the shareholders in the ensuing Annual General Meeting.

Mr. Ankit Patni has resigned from the position of Joint Managing Director as well as from the Directorship of the Company with effect from 24th August, 2012. The Board of Directors recorded its appreciation for the valuable services rendered by Mr. Ankit Patni to the Company.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 274(1)(g) of the Companies Act, 1956. As required under Clause 49 of the Listing Agreement the additional information on the Directors seeking appointment/re-appointment is annexed as an additional information to the notice.

Management Discussion & Analysis and Corporate Governance Report

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 Annual Report.

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;

Directors' Report

- 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 office till the conclusion of the ensuing Annual General Meeting and being eligible, offer 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.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes to accounts referred to in the Auditors' Report are self-explanatory, and therefore, do not call for any further comments/explanation.

Cost Audit

As per the requirement of the Central Government and pursuant to the provision of Section 233B of the Companies Act, 1956, the Company has appointed Mr. S. Banerjee, Cost Auditors to audit the cost accounts of the Company for the year 2011-12 from 1st April, 2011 to 31st March, 2012 for which necessary approval from Central Government has been received. The Cost Audit Report in respect of the financial year 2011-12 will be filed on or before the due date. The Company has re-appointed Mr. S. Banerjee as Cost Auditors for the financial year 2012-13.

Particulars of Employees

None of the employees of the Company has drawn remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgoing

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.

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 endeavour to build and nurture strong links with trade based on mutuality, respect and co-operation with each other. The Board wishes to record their deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board

Kolkata, 24th August, 2012

Suresh Kumar Patni
Chairman

Annexure to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956

A. Conservation of Energy

- a) Energy Conservation Measure :
- Close monitoring of high energy consuming equipment in plants.
 - Using power factor controller/capacitors to maintain power factor.
 - Keeping maximum demand under control by scheduling other load during equipment testing, among others.
 - Installation of HT & LT Capacitor bank.
 - Installation of VVVF driver with ID fans.
 - Installed energy efficient light fittings in the shop floor, office and other areas.
 - Effective maintenance and daily monitoring of Capacitor bank for improvement of power factor.
 - Replacement of old motors with energy efficient motor.
 - Right sizing of motors.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
- To install LED lamps, energy efficient equipments, resizing of motors etc. The Company also proposes to install solar power equipments like night lighting systems and solar power pump sets to further conserve carbon emitting thermal power.
- c) Impact of the measures at (a) and (b) above, for reduction of energy consumption, and consequent impact on cost of production of goods.

The power requirements in certain products/process has come down and emission level has also come down.

- d) Total energy consumption and energy consumption per unit of production as per **Form A** attached.

B. Technology Absorption

Particulars with respect to technology absorption as per **Form B** attached

C. Foreign Exchange Earning and Outgo

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans :

Sizeable income of the Company comes in foreign exchange as a result of export of ferro alloys. The export revenue during the year under review was ₹ 725.96 Crores against ₹ 713.29 Crores during the previous year. The export team regularly visits the international market, customers and end users. The export team participates in all major trade fairs and events to improve the Company's visibility amongst the global market and geographies.

- b) Total Foreign Exchange used and earned :

| | | (₹ In Crores) | |
|---------|-------------------------|---------------|------------|
| Sl. No. | Particulars | 31-03-2012 | 31-03-2011 |
| 1 | Foreign exchange earned | 707.61 | 698.91 |
| 2 | Foreign exchange used | 392.54 | 260.10 |

FORM - A

(Disclosure of Particulars with respect to Conservation of Energy)

| Particulars | 31-03-2012 | 31-03-2011 |
|---|---------------|---------------|
| A. Power and fuel consumption | | |
| 1. Electricity | | |
| Total unit Purchased/Consumed | 862,543,800 | 695,754,950 |
| Total Cost (₹) | 3,823,629,936 | 2,781,669,312 |
| Average rate per unit (₹) | 4.43 | 4.00 |
| 2. Coal and Coke | | |
| Quantity (MT) | 111,997 | 97,160 |
| Total Cost (₹) | 1,369,115,393 | 1,373,224,369 |
| Average rate per MT (₹) | 12,225 | 14,134 |
| B. Consumption Per Unit of Production - Ferro Alloys | | |
| 1. Electricity (Unit/MT) | 4,027 | 3,836 |
| 2. Coal and Coke (Kg/MT) | 543 | 536 |
| Consumption Per Unit of Production - Stainless Steel | | |
| 1. Electricity (Unit/MT) | 569 | NIL |

Annexure to the Directors' Report

FORM - B

(Disclosure of Particulars with respect to Technology Absorption)

A. Research and Development (R&D)

- a) Specific Areas in which R & D carried out by the Company :
- Quality Control Management and Technology
 - Cost & Productivity
- b) Benefits derived as a result of the above R & D :
- High Chromium recovery in finished goods.
 - Better Metal recovery from Slag.
 - Reduction in per unit Power consumption.
 - Increased acceptability of products in local and global market.
- c) Future plan of Action :
Adoption of new technology to make ore fines suitable for direct charging into furnace.
- d) Expenditure on R & D :

| | |
|---|--------------|
| a) Capital | Nil |
| b) Recurring | ₹ 17.84 lacs |
| c) Total | ₹ 17.84 lacs |
| d) Total R&D expenditure as a percentage of total Turnover. | 0.011% |

B. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :

The Company has adopted and is continually updating the latest available technology. The technical team visits global market periodically to adopt and update the latest available technology.

2. Benefits derived as a result of the above efforts :

The Company is successful in improving the quality of its products and reducing consumption of input.

3. Particulars of imported technology during last 5 years : Nil

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 24th August, 2012

CORPORATE GOVERNANCE REPORT

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 recognise that this is a conscious and continuous process across the Organisation, which enables the Company to adopt best practices as we incorporate improvements based on the past experience.

Board of Directors

As on 31st March, 2012 the Board consisted of 8 (Eight) Directors headed by Mr. Suresh Kumar Patni, Non-Executive Chairman with 3 (Three) Executive Directors and 5 (Five) Non-Executive Directors, of which, 4 (Four) were Independent. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

Post 31st March, 2012 the following changes took place in the composition of the Board of the Company :

- Mr. Ankit Patni has resigned from the position of Joint Managing Director as well as from the Directorship of the Company w.e.f. 24th August, 2012.

After the aforesaid changes as on the date of this report the Board comprises of 7 (Seven) Directors, out of which the Chairman is a Non-Executive-Promoter-Director, 4 (Four) are Independent/Non-Executive Directors and 2 (Two) are Executive Directors. The composition of the Board is in compliance with Clause 49 of the Listing Agreement as on the date of the report.

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

The composition and category of the Board of Directors of the Company as on 31st March, 2012 along with the number of Board meetings attended by the Directors during the year 2011-12 are given below :

| Name of the Director | Category | No. of Board Meetings Attended | No. of Directorship in other Public Limited Companies incorporated in India | No. of Committee positions held in other Public Limited Companies\$ | | Whether attended the Last AGM |
|------------------------------|--|--------------------------------|---|---|-------------|-------------------------------|
| | | | | As Member | As Chairman | |
| Mr. Suresh Kumar Patni | Promoter/ Non-Executive Chairman | 15 | 8 | 2 | - | No |
| Mr. Rohit Patni | Promoter/ Executive | 14 | 6 | 1 | - | Yes |
| Mr. Ankit Patni* | Promoter/ Executive | 11 | 6 | 2 | - | Yes |
| Mr. Binit Jain | Executive | 11 | 1 | - | - | No |
| Mr. Kailash Chand Jain | Independent/ Non-Executive | 12 | 2 | - | 2 | Yes |
| Mr. Jatindra Nath Rudra | Independent/ Non-Executive | 12 | 1 | 1 | 1 | Yes |
| Mr. Jayanta Kumar Chatterjee | Independent/ Non-Executive | 13 | - | - | - | No |
| Mr. Asoke Kumar Basu | Independent/ Non-Executive | 12 | - | - | - | No |

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

* Mr. Ankit Patni has resigned from the position of Joint Managing Director as well as from the Directorship of the Company w.e.f. 24th August, 2012.

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 who is also the promoter of the Companies, which has a business relation with this Company.

Corporate Governance Report

- Sixteen (16) Board Meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:
29th April, 2011; 16th May, 2011; 20th May, 2011; 2nd June, 2011; 28th June, 2011; 3rd August, 2011; 12th August, 2011; 12th October, 2011; 20th October, 2011; 14th November, 2011; 20th December, 2011; 14th February, 2012; 20th February, 2012; 16th March, 2012; 20th March, 2012 and 26th March, 2012.
- Board meeting are held at the Corporate Office of the Company. The Agenda along with explanatory notes are sent in advance to the Directors to get their input in the discussion. The information as specified in Annexure-IA to Clause 49 of the Listing Agreement entered into with the Stock Exchange is regularly made available to the Board whenever applicable.
- The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.
- Mr. Rohit Patni, Managing Director and Mr. Ankit Patni, Joint Managing Director are the sons of Mr. Suresh Kumar 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 www.rohitferrotech.com. All the Members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

Declaration

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2012.

For **Rohit Ferro-Tech Limited**

Rohit Patni

Kolkata, 24th August, 2012

Managing Director

Committees of Directors

1. Audit Committee

The Company has an Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 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 and review of information as laid down in Clause 49 (II) (E).

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

| Name of the Member | Designation | Category | No. of Meetings Attended |
|------------------------------|-------------|----------------------------|--------------------------|
| Mr. Kailash Chand Jain | Chairman | Independent/ Non-Executive | 4 |
| Mr. Jatindra Nath Rudra | Member | Independent/ Non-Executive | 4 |
| Mr. Jayanta Kumar Chatterjee | Member | Independent/ Non-Executive | 4 |

The Managing Director, Joint Managing Director and VP-Finance & Accounts are permanent invitees to the Committee. The Company Secretary acts as Secretary of the Audit Committee. The representative of internal auditors also attends the meeting. The Audit Committee invites, as and when considers appropriate, the representatives from the Statutory Auditors to be present at the meeting of the Committee.

The Audit Committee comprises of three Directors all of whom are financially literate. All the members of the Committee are Independent/Non-Executive. Mr. Kailash Chand Jain, Independent Director having expertise in finance, is the Chairman of the Audit Committee. He was present at the last Annual General Meeting of the Company held on 15th September, 2011 to answer the queries raised by the Shareholders.

During the financial year ended 31st March, 2012 four Audit Committee Meetings were held on 20th May, 2011; 12th August, 2011; 14th November, 2011 and 14th February, 2012.

The Annual Accounts for the year ended 31st March, 2012 were duly reviewed by the Audit Committee at its meeting held on 30th May, 2012 prior to adoption by the Board. The financial statement of the Company's Wholly Owned Subsidiary M/s. SKP Overseas Pte. Ltd. has been placed before the Audit Committee for review.

2. Remuneration Committee

The Company has a Remuneration Committee consisting of three Non-Executive/Independent Directors. The Committee met once during the year, i.e, on 12th August, 2011. The composition of the Remuneration Committee and details of the meeting attended by the members are given below :

| Name of the Member | Designation | Category | No. of Meeting Attended |
|------------------------------|-------------|----------------------------|-------------------------|
| Mr. Jatindra Nath Rudra | Chairman | Independent/ Non-Executive | 1 |
| Mr. Jayanta Kumar Chatterjee | Member | Independent/ Non-Executive | 1 |
| Mr. Kailash Chand Jain | Member | Independent/ Non-Executive | 1 |

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

- To determine on behalf of the Board and on behalf of the shareholders, the Company's policy on specific remuneration packages for Executive Directors.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Corporate Governance Report

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 or for 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 and the same is within the limits specified under Schedule XIII of the Companies Act, 1956 and duly approved by the Board as well as by the shareholders of the Company. Details of remuneration paid during 2011-12 are as follows :

| Name of the Director and Designation | Salary paid (₹) | 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) | 6,00,000/- | 01.09.2011 | 31.08.2012 | 2 months |

*resigned from the position of Joint Managing Director as well as from the Directorship of the Company w.e.f. 24th August, 2012.

The Board of Directors, on the recommendation of the remuneration committee, in their meeting held on 24th August, 2012 has re-appointed Mr. Rohit Patni as Managing Director of the Company, for a further period of 5 years w.e.f. 27th August, 2012, subject to the approval of members in the ensuing Annual General Meeting.

The Board of Directors, on the recommendation of the remuneration committee, in their meeting held on 24th August, 2012 has re-appointed Mr. Binit Jain as an Executive Director of the Company, for a further period of 1 year w.e.f. 1st September, 2012, subject to the approval of members in the ensuing Annual General Meeting.

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists of only sitting fees @ ₹ 2,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the Equity Shares held by them as on 31st March, 2012 are as follows:

| Name of the Director | Sitting Fee paid (₹) | No. of Shares held as on 31st March, 2012 |
|-----------------------------|----------------------|---|
| Mr. Asoke Kumar Basu | 30,000 | Nil |
| Mr. Jatindra Nath Rudra | 45,000 | Nil |
| Mr. Jayant Kumar Chatterjee | 47,500 | Nil |
| Mr. Kailash Chand Jain | 42,500 | Nil |
| Mr. Suresh Kumar Patni | 40,000 | 15,36,403 |

3. Investor Grievance cum Share Transfer Committee

The Investor Grievance cum Share Transfer Committee was constituted to specifically look into the redressal of investors' complaints like transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, etc.

The Investor Grievance cum Share Transfer Committee consist of three Non-Executive Directors, out of which two are Independent Directors. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following :

- Redressal of shareholder and investors' complaints including but not limited to transfer of shares and issue of duplicate share certificates, non-receipt of Balance Sheet and non-receipt of declared dividends, etc.
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company.

During the year under review, the Committee has met once on 30th March, 2012.

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

| Name of the Member | Designation | Category | No. of Meeting Attended |
|------------------------------|-------------|----------------------------|-------------------------|
| Mr. Jayanta Kumar Chatterjee | Chairman | Independent/ Non-Executive | 1 |
| Mr. Jatindra Nath Rudra | Member | Independent/ Non-Executive | 1 |
| Mr. Suresh Kumar Patni | Member | Non-Executive/ Promoter | 1 |

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

The Company has received 7 Investor's grievances/complaints during the year ended 31st March, 2012 all of which were replied/resolved to the satisfaction of the shareholders. No complaints were pending at the end of the year.

Corporate Governance Report

Subsidiary Companies

The Audit Committee reviews the consolidated financial statement of the Company and the investment made by the unlisted subsidiary Company. The minutes of the subsidiary Company as well as the statement of the significant transactions and arrangement entered into by the unlisted subsidiary Company are placed before the board for their review.

General Body Meetings

The last three Annual General Meetings were held as under :

| Financial Year | Date | Place | Time |
|----------------|----------------------|---|------------|
| 2010-2011 | 15th September, 2011 | 'ROTARY SADAN' 94/2, Chowringhee Road Kolkata - 700 020 | 10.30 A.M. |
| 2009-2010 | 27th September, 2010 | 'ROTARY SADAN' 94/2, Chowringhee Road Kolkata - 700 020 | 3.00 P.M. |
| 2008-2009 | 22nd September, 2009 | 'ROTARY SADAN' 94/2, Chowringhee Road Kolkata - 700 020 | 1.30 P.M. |

Special Resolutions Passed at the last three AGMs :

| Financial Year | Items |
|----------------|---|
| 2010-2011 | None |
| 2009-2010 | Re-appointment of Executive Director (Mr. Binit Jain) |
| 2008-2009 | Re-appointment of Executive Director (Mr. Binit Jain) |

No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting. However, four (4) resolutions were passed through Postal Ballot during the year 2011-12 in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The results of the Postal Ballot are given hereunder :

| Particulars of Resolutions | Type of Resolution | Resolution passed on | Applicable Section of the Companies Act, 1956 | No. and % of votes in favour | No. and % of votes in against |
|---|---------------------|----------------------|--|------------------------------|-------------------------------|
| Increase of Authorised Share Capital and consequent amendment to Memorandum of Association of the Company | Ordinary Resolution | 8th June, 2011 | Section 16, 94 and other applicable provisions, if any of the Companies Act, 1956. | 3,68,87,368 99.984% | 5,925 0.016% |
| Alteration in Articles of Association | Special Resolution | 8th June, 2011 | Section 31 of the Companies Act, 1956 | 3,68,86,613 99.987% | 4,770 0.013% |
| Issuance of Equity Shares through ADR/GDR/FCCB/QIP/OC | Special Resolution | 8th June, 2011 | Section 81(1A) of the Companies Act, 1956 | 3,69,05,588 99.984% | 6,075 0.016% |
| Increase the FII Investment Limit in the Company. | Special Resolution | 8th June, 2011 | For increase in the FII Investment limits in the Company | 3,68,83,573 99.985% | 5,330 0.018% |

The Postal Ballot result was declared on 8th June, 2011 at the Corporate Office of the Company and was also placed on the Company's website.

CS Abhijeet Jain, Practicing Company Secretary was appointed as Scrutiniser for conducting the Postal Ballot process which was conducted in terms of the procedures laid down in the Companies (Passing of Resolution by Postal Ballot) Rules 2001, read with relevant provisions of the Companies Act, 1956.

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 Note No: 36 to the Annual Accounts of the Company.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- The risk assessment and minimisation procedures are in place and the Board is regularly informed by the Senior Executives about the business risks, if any occurs, and the steps taken to mitigate the same.
- Though the Company does not have a whistle blower policy, the Company promotes ethical behavior 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 has disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.
- **Proceeds from the Preferential Issue :**
During the year under review, the Company has raised ₹ 150 Crores by issuing 25,000,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- on preferential basis to the entities belonging to Promoter and Strategic Investors belonging to Non-promoter group. The entire proceeds received from the preferential issue were fully utilised towards the object of the issue. Besides this, the Company did not raise any amount through public or right or preferential issues.

Corporate Governance Report

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

CEO/CFO Certification

The requisite certificate from the Managing Director and the VP (Finance) of the Company for the financial year ended 31st March, 2012 required to be given under Clause 49 (V) of the Listing Agreement has been placed before the Board meeting held on 30th May, 2012.

Means of Communication

1. Financial Results

In compliance with the requirements of the Listing Agreements, the Company has intimated Audited Financial Results as well as the Unaudited Quarterly Results to the Stock Exchanges immediately after they are taken on record by the Board. Further coverage has been given for the information of the shareholders and investors by publication of the financial results in English National daily - "The Economic Times/Financial Express" and in a local vernacular newspaper - "Dainik Statesman/Ek Din" widely circulated in the state of West Bengal. The results were also placed on the company's website at www.rohitferrotech.com.

2. Other Information

The Company has its own website 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 posts on its website all its official news releases, important announcements and presentations made before the press meets, analysts and institutional investors from time to time for the benefit of its investors and public at large.

Profile of Directors Seeking Appointment/Re-appointment

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

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, 25th September, 2012 at 10.00 A.M.
Venue : 'Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700020

2. Date of Book Closure

20th September, 2012 to 25th September, 2012 (both days inclusive)

3. Dividend payment date

On or after 25th September, 2012

4. Financial Calendar

Indicative calendar of events for the financial year 2012-2013 is as under :

| | |
|----------------|-------------------------|
| Financial Year | 1st April to 31st March |
|----------------|-------------------------|

Financial Reporting for the Quarters :

| | |
|-------------------------------------|--|
| First Quarter | Disclosed on 14th August, 2012 |
| Second Quarter and Half Yearly | Within 45 days from the end of the quarter |
| Third Quarter and Nine Months | Within 45 days from the end of the quarter |
| Fourth Quarter and Annual (Audited) | Within 60 days from the end of the quarter/Financial year. |
| Annual General Meeting | On or before 30th September, 2013 |

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 2012-13 to both the Stock Exchanges where the shares of the Company are listed as well as Custodial Fees to the depository.

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

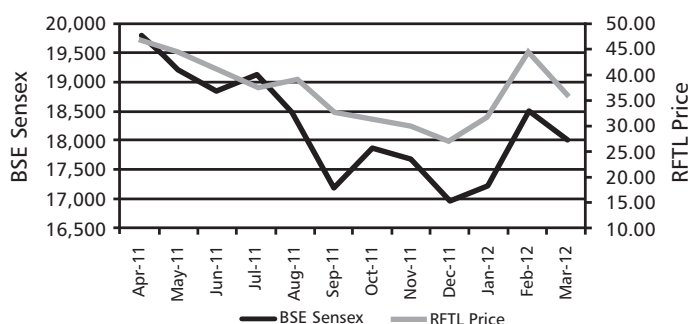
7. Market Price Data

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

| Month | National Stock Exchange of India Limited | | Bombay Stock Exchange Limited | |
|-----------------|--|-------|-------------------------------|-------|
| | High | Low | High | Low |
| April, 2011 | 46.25 | 41.00 | 46.35 | 41.70 |
| May, 2011 | 43.30 | 36.90 | 43.90 | 36.90 |
| June, 2011 | 40.50 | 34.00 | 40.40 | 34.00 |
| July, 2011 | 37.00 | 33.00 | 37.05 | 32.90 |
| August, 2011 | 38.85 | 27.25 | 38.75 | 27.65 |
| September, 2011 | 32.50 | 26.95 | 32.65 | 27.05 |
| October, 2011 | 29.20 | 26.50 | 30.70 | 26.05 |
| November, 2011 | 29.60 | 22.05 | 29.65 | 22.10 |
| December, 2011 | 26.70 | 21.75 | 26.50 | 21.45 |
| January, 2012 | 31.25 | 22.55 | 31.15 | 23.10 |
| February, 2012 | 44.00 | 29.30 | 44.00 | 29.40 |
| March, 2012 | 35.50 | 29.00 | 35.60 | 29.20 |

Corporate Governance Report

8. Performance of the Company in comparison with BSE Sensex



9. Shareholding Pattern as on 31st March, 2012

| Category | No. of Shares | % of holding |
|---------------------------|--------------------|---------------|
| Promoter & Promoter Group | 5,70,07,842 | 71.01 |
| Bodies Corporate | 85,96,153 | 10.71 |
| Individuals | 1,41,95,746 | 17.69 |
| Non-Resident Individuals | 4,22,812 | 0.53 |
| Clearing Member | 53,570 | 0.07 |
| Total | 8,02,76,123 | 100.00 |

10. Distribution of Shareholding as on 31st March, 2012

| Range | No. of Shareholders | % of Total Shareholders | No. of Shares | % of Total |
|------------------|---------------------|-------------------------|--------------------|---------------|
| Upto 500 | 15,472 | 78.47 | 25,85,948 | 3.22 |
| 501 to 1,000 | 2,016 | 10.22 | 17,02,398 | 2.12 |
| 1,001 to 2,000 | 1,011 | 5.13 | 15,75,314 | 1.96 |
| 2,001 to 3,000 | 380 | 1.93 | 9,83,371 | 1.23 |
| 3,001 to 4,000 | 170 | 0.86 | 6,23,721 | 0.78 |
| 4,001 to 5,000 | 163 | 0.83 | 7,80,811 | 0.97 |
| 5,001 to 10,000 | 269 | 1.36 | 20,49,008 | 2.55 |
| 10,001 and above | 237 | 1.20 | 6,99,75,552 | 87.17 |
| Total | 19,718 | 100.00 | 8,02,76,123 | 100.00 |

11. Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both NSDL and CDSL. As on 31st March, 2012; 80,261,422 Equity Shares representing 99.98% of the share capital are held in dematerialised form viz., CDSL - 25,750,907 Equity Shares and NSDL - 54,510,515 Equity Shares.

12. Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata - 700 001 are the Registrar and Share Transfer Agent of the Company, both for Physical and Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

13. Share Transfer System

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

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

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

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

Mr. Pradip Kumar Agarwal

Company Secretary & Compliance Officer

(Appointed w.e.f. 14th February, 2012)

Rohit Ferro-Tech Limited

SKP House

132A, S.P. Mukherjee Road, Kolkata - 700 026

Ph : +91 33 4016 8000/8100, Fax : +91 33 4016 8189/8107

Email Id : cs@rohitferrotech.com

Address for Correspondence

Registered Office Rohit Ferro-Tech Limited
35, C. R. Avenue, Kolkata - 700 012
Phone : +91 33 2211 0225/0226, 4064 0021/22
Email Id : grievance@rohitferrotech.com

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

16. Plant Locations

BISHNUPUR WBIDC Road, P.O. Dwarika, Bishnupur - 722 122,
Dist : Bankura (West Bengal)

JAJPUR Kalinganagar Industrial Complex
Duburi - 755 026, Dist : Jajpur (Odisha)

HALDIA Jaynagar, P.O. : Buniaraichak, PS : Durgachak
Dist : Purba Medinipur (West Bengal)

Corporate Governance Report

Non-Mandatory Requirements

1. The Board :

The Non-Executive Chairman has an office at the Company's premises. None of the independent Directors of the Company has tenures exceeding a period of 9 (nine) years on the Board.

2. Remuneration Committee :

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

3. Audit Qualifications :

There are no qualifications in the financial statements of the Company for the year 2011-12.

4. Other Items :

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

For Rohit Ferro-Tech Limited

Suresh Kumar Patni
Chairman

Kolkata, 24th August, 2012

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, 2012 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 the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For A J & Associates
Company Secretaries

Abhijeet Jain
Proprietor
C.P. No. 3426

Date : 24th August, 2012
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, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended as 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012 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 financial statements, read together with the Notes thereon and attached thereto, 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, 2012,
 - ii. in the case of the Statement of Profit & Loss, 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 of the Company for the year ended on that date.

For S. Jaykishan
Chartered Accountants
FRN : 309005E

(B.K. Newatia)
Partner

M. No. 050251

Place : Kolkata
Dated : The 30th day of May, 2012

Annexure to the Auditors' Report

(Annexure referred to in paragraph (3) of our report of even date to the shareholders of Rohit Ferro-Tech Limited on the financial statements for the year ended 31st March, 2012)

- (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 disposed off any substantial/major part 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.
- (e) The Company has taken Unsecured Loans from nine companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of the said loans were ₹ 97.19 Crores and ₹ 23.09 Crores respectively.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken as aforesaid are prima facie not prejudicial to the interest of the Company.
- (g) In respect of the above loans, 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 its size and nature of its business.
- (viii) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Order made by the Central Government for maintenance of cost records under Section 209(1)(d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (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 are no undisputed outstanding statutory dues as at 31st March, 2012 for a period exceeding six months from the date they became payable.
- (b) On the basis of our examination of records and according to explanations given to us, there are no dues as on 31st March, 2012 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 :

Annexure to the Auditors' Report

| Name of Statute | Nature of Dues | Amount in ₹ | Forum where dispute is pending |
|---|---------------------------------------|--------------|---|
| Odisha VAT Act, 2004 | Odisha VAT | 527,442/- | Division Bench, Appellate Tribunal |
| Odisha VAT Act, 2004 | Odisha CST | 304,063/- | Deputy Commissioner of Commercial Taxes |
| Odisha VAT Act, 2004 | Odisha CST | 1,905,524/- | Commissioner (Appeal) |
| Odisha Entry Tax Act, 1999 | Entry Tax | 70,357/- | Joint Commissioner of Commercial Taxes (Jajpur, Odisha) |
| The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005 | Central Sales Tax and Value Added Tax | 41,738,424/- | Sr. Joint Commissioner of Commercial Taxes |
| The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005 | Central Sales Tax and Value Added Tax | 8,919,061/- | Member of West Bengal Taxes Appellate Board, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 13,297,659/- | Commissioner of Central Excise (Appeals)-IV |
| Central Excise Act, 1944 | Excise Duty | 10,000/- | Sr. Commissioner of Central Excise |
| Central Excise Act, 1944 | Excise Duty | 3,083,857/- | Customs & Central Excise Settlement Commission |
| Odisha Central Excise Department | Excise Duty | 40,958,756/- | Appellate Tribunal, Bhubaneswar |
| Service Tax Act, 1994 | CENVAT | 340,996/- | Commissioner of Central Excise (Appeals)-IV |
| Income Tax Act, 1961 | Income Tax | 2,168,300/- | Income Tax Appellate Tribunal |
| Employees' State Insurance Act, 1948 | Employees' State Insurance | 1,024,947/- | Deputy Director of ESI Department |

(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) The Company has not defaulted in repayment of dues to any bank or financial institution, except in respect of repayment of ₹ 21.37 lacs due since February, 2012 out of bridge loan taken from WBIDC Ltd. against interest subsidy. However, the Company has applied for linking the repayments with receipt of subsidy amount.

(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 assistance to SKP Overseas Pte. Ltd, a wholly owned subsidiary, which is not prima facie considered prejudicial to the interest of the Company.

(xvi) On the basis of review of utilisation of funds pertaining to term loans on an 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 fresh Preferential Allotment of shares during the year to companies covered in the register maintained under Section 301 of the Companies Act, 1956 and such allotment is not prima facie prejudicial to the interest of the Company.

(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 raised funds by way of Preferential Allotment and according to the information and explanations given to us, the proceeds of the same have been utilized for the objects of the issue.

(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
FRN : 309005E

(B.K. Newatia)
Partner

Place : Kolkata
Dated : The 30th day of May, 2012

M. No. 050251

Balance Sheet

as at 31st March, 2012

(₹ in Lacs)

| Particulars | Note | 31-03-2012 | 31-03-2011 |
|------------------------------------|------|-------------------|-------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 8,027.61 | 5,527.61 |
| (b) Reserves & Surplus | 3 | 49,834.08 | 33,804.66 |
| | | 57,861.69 | 39,332.27 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 43,407.66 | 29,469.45 |
| (b) Other Non-Current liabilities | 5 | 226.04 | - |
| (c) Deferred Tax Liabilities (Net) | 6 | 4,619.40 | 2,645.08 |
| | | 48,253.10 | 32,114.53 |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 7 | 59,732.40 | 37,134.46 |
| (b) Trade Payables | 8 | 23,063.35 | 16,250.24 |
| (c) Other Current Liabilities | 9 | 15,070.63 | 10,449.71 |
| (d) Short-Term Provisions | 10 | 1,727.82 | 1,679.17 |
| | | 99,594.21 | 65,513.58 |
| Total | | 205,709.00 | 136,960.38 |
| II ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 58,747.97 | 32,318.95 |
| (ii) Capital Work-in-Progress | 12 | 7,977.74 | 24,742.80 |
| | | 66,725.71 | 57,061.76 |
| (b) Non-Current Investments | 13 | 5,869.16 | 3,988.14 |
| (c) Long-Term Loans and Advances | 14 | 13,222.93 | 4,951.89 |
| | | 85,817.81 | 66,001.79 |
| (2) Current Assets | | | |
| (a) Current Investments | 15 | 500.00 | 500.00 |
| (b) Inventories | 16 | 64,914.97 | 45,707.86 |
| (c) Trade Receivables | 17 | 19,675.52 | 5,970.65 |
| (d) Cash and Bank Balances | 18 | 8,667.66 | 4,278.60 |
| (e) Short-Term Loans and Advances | 19 | 23,221.79 | 11,902.63 |
| (f) Other Current Assets | 20 | 2,911.25 | 2,598.86 |
| | | 119,891.19 | 70,958.59 |
| Total | | 205,709.00 | 136,960.38 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes form integral part of the Financial Statements

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2012

(₹ in Lacs)

| Particulars | Note | 31-03-2012 | 31-03-2011 |
|---|-----------|-------------------|-------------------|
| I REVENUE : | | | |
| Revenue from Operations (Gross) | 21 | 175,262.62 | 120,498.14 |
| Less : Excise Duty | | 7,532.10 | 3,826.16 |
| Revenue from Operations (Net) | | 167,730.52 | 116,671.98 |
| II Other Income | 22 | 761.95 | 1,299.30 |
| III Total Revenue (I + II) | | 168,492.47 | 117,971.28 |
| IV EXPENSES : | | | |
| Cost of Materials Consumed | 23 | 76,310.40 | 66,028.09 |
| Purchase of Stock-in-Trade | 24 | 16,016.17 | 4,413.31 |
| Changes in Inventories of Finished Goods & Work-in-Progress | 25 | (234.25) | (6,849.98) |
| Employee Benefits Expense | 26 | 1,944.20 | 1,280.63 |
| Finance Costs | 27 | 10,620.52 | 6,507.38 |
| Depreciation and Amortisation Expense | | 2,169.45 | 1,332.94 |
| Other Expenses | 28 | 55,641.55 | 38,473.85 |
| Total Expenses (IV) | | 162,468.04 | 111,186.21 |
| PROFIT BEFORE TAX (III-IV) | | 6,024.43 | 6,785.07 |
| Current Tax | | 1,203.38 | 1,357.95 |
| MAT Credit Entitlement | | (1,203.38) | (183.13) |
| Earlier Years' Tax | | 19.18 | 218.74 |
| Deferred Tax | | 1,974.32 | 772.46 |
| PROFIT FOR THE YEAR | | 4,030.92 | 4,619.05 |
| Earnings per Equity Share [Nominal Value of Share - ₹ 10/-] | | | |
| Basic & Diluted | 29 | 6.94 | 9.95 |
| Significant Accounting Policies | 1 | | |

Accompanying notes form integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lacs)

| | Year Ended 31st March, 2012 | | Year Ended 31st March, 2011 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before Tax & Extra-Ordinary Items | | 6,024.43 | | 6,785.07 |
| Adjustments for : | | | | |
| Depreciation | 2,169.45 | | 1,332.94 | |
| Finance Costs | 10,620.52 | | 6,507.38 | |
| Interest Received | (636.47) | | (432.65) | |
| Loss on Redemption of Mutual Funds | 0.16 | | - | |
| Loss on Sale of Fixed Assets | 15.95 | | - | |
| Investment & Advance written off | 66.91 | | - | |
| Liabilities no longer required written back | (11.34) | | (42.94) | |
| Sundry Balances written back | (6.47) | | (9.94) | |
| Preliminary & Pre-Operative Expenses Written Off | - | | 39.67 | |
| | | 12,218.70 | | 7,394.46 |
| Operating Profit before Working Capital Changes | | 18,243.13 | | 14,179.53 |
| Adjustments for : | | | | |
| (Increase)/Decrease in Inventories | (19,207.12) | | (15,664.72) | |
| (Increase)/Decrease in Trade Receivables | (13,698.40) | | (191.35) | |
| (Increase)/Decrease in Loans and Advances | (10,419.30) | | (5,856.81) | |
| (Increase)/Decrease in Other Assets | (312.39) | | 834.46 | |
| Increase/(Decrease) in Trade Payables | 6,824.45 | | 2,097.99 | |
| Increase/(Decrease) in Other Liabilities | 4,797.11 | | 1,430.39 | |
| | | (32,015.66) | | (17,350.03) |
| Cash generated from operations | | (13,772.53) | | (3,170.50) |
| Direct Tax Paid | | (1,143.72) | | (1,150.89) |
| Net Cash from Operating Activities | | (14,916.24) | | (4,321.39) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets (including Capital Work-in-Progress and Capital Advances) | (20,003.95) | | (22,289.18) | |
| Sale of Fixed Assets | 24.25 | | - | |
| Interest Income | 738.01 | | 330.92 | |
| Purchase of Investment | (1,891.05) | | (1,920.88) | |
| Redemption of Mutual Funds | 9.84 | | 1.00 | |
| (Increase)/Decrease in Fixed Deposits with Banks | (3,009.77) | | (598.03) | |
| Net Cash used in Investing Activities | | (24,132.67) | | (24,476.17) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Issue of Shares | 15,000.00 | | 4,635.91 | |
| Increase/(Decrease) in Long Term Borrowings | 13,690.68 | | 16,594.00 | |
| Increase/(Decrease) in Short Term Borrowings | 22,597.94 | | 14,306.78 | |
| Share Issue Expenses | (35.00) | | (25.43) | |
| Finance Costs | (10,505.71) | | (6,450.82) | |
| Dividend Paid | (276.38) | | (197.41) | |
| Corporate Dividend Tax | (44.84) | | (32.79) | |
| Net Cash from Financing Activities | | 40,426.70 | | 28,830.23 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | | 1,377.78 | | 32.67 |
| Cash & Cash Equivalents at the beginning of the year (Refer Note No.18 to the Accounts) | | 837.80 | | 805.13 |
| Cash & Cash Equivalents at the end of the year (Refer Note No.18 to the Accounts) | | 2,215.58 | | 837.80 |

Cash Flow Statement (Contd.)

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash and cheques in hand and bank balances on current accounts [Refer Note No.18 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

For and on behalf of the Board

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 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) During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed in preparation of financial statements. The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.
- (d) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI (Revised) to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.
- (e) 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/materialize.

1.2 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 inclusive of freight and net of CENVAT/VAT Credit, Trade Discount and Claims.
- (e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.3 Fixed Assets

- (a) Fixed Assets are stated at cost, less accumulated 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.

1.4 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 of cost and fair value.

1.5 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.

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.6 Foreign Currency Transactions

(a) Initial Recognition

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

(b) Conversion

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

(c) Exchange Differences

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

(d) Forward Exchange Contracts

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

1.7 Derivative Instruments

The Company has entered into forward contracts to hedge a firm commitment 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 marking them to market keeping in view the principle of prudence.

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

1.9 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 Statement of Profit and Loss for 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.

1.10 Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Company.

1.11 Borrowing Costs

(a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs and are shown as "Applicable Net Gain/Loss in Foreign Currency Transactions and Translations" (under "Finance Costs").

(b) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

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

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.12 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 capitalised upto the date of commissioning of project to the cost of the respective assets.

1.13 Taxes on Income

Tax expense comprises of current tax and deferred tax.

Current income 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 the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

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.

1.14 Earnings per Share (EPS)

- (a) Basic earnings per share is 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.

1.15 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.

1.16 Provisions/Contingencies

- (a) 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.

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

- (c) A Contingent Asset is not recognized in the Accounts.

1.17 Preliminary & Share Issue Expenses

Share Issue expenses incurred during the year are adjusted with the balance available in Securities Premium in accordance with Section 78 of the Companies Act, 1956.

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 2 SHARE CAPITAL | | |
| Authorised 150,000,000 (P.Y. - 80,000,000) Equity Shares of ₹ 10/- each | 15,000.00 | 8,000.00 |
| Issued, Subscribed and Paid-up 80,276,123 (P.Y. - 55,276,123) Equity Shares of ₹ 10/- each fully paid up | 8,027.61 | 5,527.61 |

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

| Equity Shares | 31-03-2012 | | 31-03-2011 | |
|--------------------------------|------------|-----------|------------|-----------|
| | Nos. | ₹ in Lacs | Nos. | ₹ in Lacs |
| At the Beginning of the Period | 55,276,123 | 5,527.61 | 39,482,945 | 3,948.29 |
| Issued During the Period | 25,000,000 | 2,500.00 | 15,793,178 | 1,579.32 |
| At the End of the Period | 80,276,123 | 8,027.61 | 55,276,123 | 5,527.61 |

b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

| | No. of Shares | % holding | No. of Shares | % holding |
|--|---------------|-----------|---------------|-----------|
| Equity Shares of ₹ 10 each fully paid | | | | |
| Suanvi Trading and Investment Co. Pvt. Ltd. | 8,237,501 | 10.26 | 8,237,501 | 14.90 |
| Vasupujya Enterprises Pvt. Ltd. | 8,359,538 | 10.41 | 8,097,938 | 14.65 |
| Invesco Finance Pvt. Ltd. | 8,039,317 | 10.01 | 8,039,317 | 14.54 |
| Poddar Mech Tech Services Pvt. Ltd. | 10,479,933 | 13.05 | 8,017,448 | 14.50 |
| Shreyansh Leafin Pvt. Ltd. | 7,993,150 | 9.96 | * | * |
| Whitestone Suppliers Pvt. Ltd. | 7,907,765 | 9.85 | * | * |

*Not holding more than 5% of Equity Shares as on that date.

d) During the year, the Company has made preferential allotment of 25,000,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- per share, aggregating to ₹ 15,000 Lacs to part finance the setting up of a 67.5 MW Captive Power Plant at Jajpur and to meet the long term working capital requirement of the Company. The proceeds of the issue have been utilised towards the objects of the said issue .

Note 3 RESERVES AND SURPLUS

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Capital Reserve | | |
| As per last account | | |
| - Capital Investment Subsidy | 240.00 | 240.00 |
| - Forfeiture of Deposit against Share Warrants | 128.14 | 128.14 |
| | 368.14 | 368.14 |
| Securities Premium Account | | |
| At the beginning of the accounting period | 13,188.10 | 5,345.45 |
| Additions during the year | 12,500.00 | 7,896.59 |
| | 25,688.10 | 13,242.04 |
| Share Issue Expenses written off | (35.00) | (53.94) |
| At the end of the accounting period | 25,653.10 | 13,188.10 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|------------------|
| Note 3 RESERVES AND SURPLUS (Contd.) | | |
| General Reserve | | |
| As per last account | 450.00 | 450.00 |
| Surplus (Balance in the Statement of Profit & Loss) | | |
| Balance as per last Financial Statement | 19,798.42 | 15,500.58 |
| Profit for the year | 4,030.92 | 4,619.05 |
| Less : Appropriations | | |
| Proposed equity dividend (Amount per share ₹ 0.50 (P.Y.-₹ 0.50)) | 401.38 | 276.38 |
| Tax on proposed equity dividend | 65.11 | 44.84 |
| Closing Balance | 23,362.85 | 19,798.42 |
| | 49,834.08 | 33,804.66 |

Note 4 LONG-TERM BORROWINGS

| | Non-current portion | | Current Maturities | |
|--|---------------------|------------------|--------------------|------------|
| | 31-03-2012 | 31-03-2011 | 31-03-2012 | 31-03-2011 |
| Term Loans (Secured) | | | | |
| Rupee Loans From Banks | 33,365.93 | 24,863.45 | 4,256.99 | 2,351.80 |
| FCNRB Loan From Banks | - | - | - | 2,258.46 |
| | 33,365.93 | 24,863.45 | 4,256.99 | 4,610.26 |
| Loans from related party | | | | |
| Loan from Body Corporates (Unsecured) | 2,309.00 | 2,499.00 | - | - |
| | 2,309.00 | 2,499.00 | - | - |
| Other Loans and Advances | | | | |
| Loan from Body Corporates (Unsecured) | 7,509.50 | 2,009.00 | - | - |
| Loans against Vehicles & Equipments (Secured) | 223.23 | 98.00 | 179.76 | 74.01 |
| | 7,732.73 | 2,107.00 | 179.76 | 74.01 |
| | 43,407.66 | 29,469.45 | 4,436.75 | 4,684.27 |
| The above amount includes | | | | |
| Secured Borrowings | 33,589.16 | 24,961.45 | 4,436.75 | 4,684.27 |
| Unsecured Borrowings | 9,818.50 | 4,508.00 | - | - |
| Amount disclosed under the head - "Other Current Liabilities" (Refer Note 9) | | | (4,436.75) | (4,684.27) |
| | 43,407.66 | 29,469.45 | - | - |

(A) Details of Security

- (i) Term Loans from banks are secured by way of :
 - a) 1st charge on pari-passu basis on the entire Fixed Assets of the Company, both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and second charge on pari-passu Basis on entire Current Assets of the Company, both present and future.
 - b) Collateral security by equitable mortgage of Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Subham Complex Pvt. Ltd. and Office space measuring 835 sq. ft. located at Flat no.21B, 4th Floor, Bowbazar, 35, C.R. Avenue, Kolkata-12, held in the name of Mr. S.K.Patni.
 - c) Personal Guarantee of the Promoter Directors - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.
 - d) Corporate Guarantee of the Group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.
- (ii) Loans against Vehicles & Equipment are secured by way of hypothecation of the underlying asset financed.

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 4 LONG-TERM BORROWINGS (Contd.)

(B) Terms of Repayment

(i) Term Loans

| Name of the Lendor | Loan Outstanding as on 31st March, 2012 (₹ in Lacs) | Period of Maturity with respect to Balance Sheet date | No of Instalments outstanding as on 31st March, 2012 | Installment Amount (₹ in Lacs) |
|---------------------------|---|---|--|--------------------------------|
| Allahabad Bank | 2,892.85 | 6 yrs 6 m | 26 (Quarterly) | 107.15 |
| Allahabad Bank* | 3,608.55 | 14 yrs | 44 (Quarterly) | 114.00 |
| Canara Bank | 2,892.86 | 6 yrs 6 m | 26 (Quarterly) | 107.00 |
| State Bank of India* | 4,293.05 | 13 yrs | 44 (Quarterly) | 227.00 |
| State Bank of India | 6,250.00 | 5 yrs | 20 (Quarterly) | 312.50 |
| State Bank of Hyderabad* | 3,615.66 | 13 yrs | 44 (Quarterly) | 114.00 |
| State Bank of Travancore* | 3,989.64 | 13 yrs | 44 (Quarterly) | 114.00 |
| United Bank of India | 649.00 | 6 yrs 6 m | 26 (Quarterly) | 25.00 |
| United Bank of India | 198.02 | 1 yrs 2 m | 14 (Monthly) | 14.13 |
| United Bank of India* | 900.00 | 14 yrs | 42 (Quarterly) | 47.73 |
| United Bank of India | 8,333.29 | 5 yrs | 20 (Quarterly) | 416.67 |

* Part of the Term Loans are yet to be disbursed.

Term Loans carry an average interest rate of 13.71% .

(ii) Unsecured Loan of Bodies Corporate from Related Parties and Others aggregating to ₹ 9,818.50 Lacs are interest free. The said loans are repayable at the option of the Company and are stated by the management to be in the nature of Long Term Borrowings.

(iii) Loans against Vehicles & Equipments are repayable by way of Equated Monthly Installments subsequent to taking of such loan. The original period of such loans is 3 years.

| | (₹ in Lacs) | |
|---|-------------|------------|
| | 31-03-2012 | 31-03-2011 |
| Note 5 OTHER NON-CURRENT LIABILITIES | | |
| Derivative Contracts Payable | 226.04 | - |
| | 226.04 | - |

Note 6 DEFERRED TAX LIABILITY (NET)

| | | |
|-----------------------------------|-----------------|-----------------|
| Deferred Tax Liability | | |
| Related to Fixed Assets | 4,755.27 | 2,645.08 |
| Deferred Tax Asset | | |
| Unabsorbed Depreciation | 135.87 | - |
| Net Deferred Tax Liability | 4,619.40 | 2,645.08 |

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

Note 7 SHORT-TERM BORROWINGS

| | | |
|---|------------------|------------------|
| Working Capital Loans from Banks (Secured) | | |
| Rupee Loans | 49,859.27 | 26,833.11 |
| FCNRB - Demand Loan | - | 1,348.58 |
| Buyer's Credit | 9,766.28 | 8,881.57 |
| Other Loans and Advances (Unsecured) | | |
| Bridge Loan from WBIDC Ltd. (against interest subsidy receivable) | 106.85 | 71.20 |
| | 59,732.40 | 37,134.46 |

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 7 SHORT-TERM BORROWINGS (Contd.)

(A) Details of Security

- (i) Working Capital Loans are secured by way of :
- 1st charge on pari passu-basis on the entire Current Assets of the Company, both present and future, and second charge on pari-passu basis on entire fixed assets of the Company including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) both present and future.
 - Collateral security by equitable mortgage of Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Subham Complex Pvt. Ltd. and Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C.R.Avenue, Kolkata -12, held in the name of Mr. S.K.Patni.
 - Personal Guarantee of the Promoter Directors - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.
 - Corporate Guarantee of the Group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.
- (ii) Bridge Loan from WBIDC was sanctioned against Interest Subsidy Receivable by the Company under West Bengal Incentive Scheme, 2000. As per the stipulated repayment terms, the said Bridge Loan is overdue for repayment since February, 2012. The Company intends to link the repayment of the said bridge loan with the receipt of admitted subsidy amount.

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|------------------|------------------|
| Note 8 TRADE PAYABLES | | |
| Due to Micro & Small Enterprises [Refer Note below] | - | - |
| Due to others | 23,063.35 | 16,250.24 |
| | 23,063.35 | 16,250.24 |

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. 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.

Note 9 OTHER CURRENT LIABILITIES

| | | |
|---|------------------|------------------|
| Current maturities of long-term debt (Refer Note 4) | 4,436.75 | 4,684.27 |
| Interest Accrued and due on Borrowings | 251.36 | 86.27 |
| Income Received in Advance | - | 15.45 |
| Interest Accrued but not due on Borrowings | 190.42 | 75.61 |
| Advance from Parties | 1,111.52 | 546.08 |
| Unclaimed Dividend * | 9.75 | 8.25 |
| Share Application Money Refundable* | 0.10 | 0.10 |
| Derivative Contracts Payable | 205.99 | - |
| Other Payables | | |
| For Statutory Dues | 326.61 | 205.04 |
| For Capital Goods | 1,071.17 | 874.67 |
| For Accrued Expenses | 7,466.96 | 3,953.97 |
| | 15,070.63 | 10,449.71 |

* Includes uncashed warrants/ECS rejected. There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

Note 10 SHORT-TERM PROVISIONS

| | | |
|-------------------------------|-----------------|-----------------|
| For Taxation | 1,261.33 | 1,357.95 |
| For Proposed Dividend | 401.38 | 276.38 |
| For Corporate Tax on Dividend | 65.11 | 44.84 |
| | 1,727.82 | 1,679.17 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| Particulars | Land | | Building | Plant & Machinery | Furniture & Fixtures | Vehicles | Office Equipments | Others | Total |
|--|----------|-----------|-----------|-------------------|----------------------|----------|-------------------|--------|-----------|
| | Freehold | Leasehold | | | | | | | |
| Note 11 TANGIBLE ASSETS | | | | | | | | | |
| Gross Block | | | | | | | | | |
| As at 1st April, 2010 | 38.20 | 2,863.13 | 5,540.15 | 17,093.41 | 140.63 | 233.92 | 122.92 | 0.30 | 26,032.66 |
| Additions | 366.36 | 1,196.30 | 1,786.30 | 6,346.05 | 282.30 | 90.41 | 113.22 | - | 10,180.94 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Other Adjustments | | | | | | | | | |
| - Borrowing Costs | - | - | 158.52 | 590.15 | - | - | - | - | 748.67 |
| As at 31st March, 2011 | 404.56 | 4,059.42 | 7,484.97 | 24,029.60 | 422.93 | 324.33 | 236.15 | 0.30 | 36,962.27 |
| Additions | 676.17 | - | 5,495.97 | 18,909.62 | 11.03 | 166.23 | 119.51 | - | 25,378.52 |
| Disposals | - | - | - | - | - | 73.66 | - | - | 73.66 |
| Other Adjustments | | | | | | | | | |
| - Borrowing Costs | - | - | 347.74 | 2,916.17 | - | - | - | - | 3,263.92 |
| As at 31st March, 2012 | 1,080.73 | 4,059.42 | 13,328.68 | 45,855.39 | 433.96 | 416.90 | 355.66 | 0.30 | 65,531.05 |
| Depreciation & Amortisation | | | | | | | | | |
| Upto 1st April, 2010 | - | - | 553.69 | 2,647.28 | 26.98 | 48.48 | 33.85 | 0.10 | 3,310.38 |
| Charge for the year | - | - | 220.40 | 1,054.78 | 14.31 | 27.03 | 16.41 | 0.01 | 1,332.94 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2011 | - | - | 774.10 | 3,702.06 | 41.29 | 75.51 | 50.26 | 0.11 | 4,643.32 |
| For the year* | - | - | 413.36 | 1,666.57 | 27.26 | 35.03 | 30.98 | 0.01 | 2,173.22 |
| Deductions | - | - | - | - | - | 33.46 | - | - | 33.46 |
| As at 31st March, 2012 | - | - | 1,187.45 | 5,368.63 | 68.54 | 77.08 | 81.24 | 0.12 | 6,783.07 |
| Net Block | | | | | | | | | |
| As on 31st March, 2011 | 404.56 | 4,059.42 | 6,710.87 | 20,327.54 | 381.64 | 248.82 | 185.89 | 0.19 | 32,318.95 |
| As on 31st March, 2012 | 1,080.73 | 4,059.42 | 12,141.23 | 40,486.76 | 365.41 | 339.82 | 274.42 | 0.18 | 58,747.97 |

Note: The original cost of vehicles & equipments includes ₹ 587.38 Lacs (P.Y. - ₹ 259.27 Lacs) acquired from loans taken from banks & financial institutions, of which ₹ 402.98 Lacs (P.Y. - ₹ 172.01 Lacs) were outstanding as at 31st March, 2012.

* Includes ₹ 3.77 Lacs (P.Y. - Nil) debited to Capital Work-in-Progress

Note 12 CAPITAL WORK-IN-PROGRESS

| | 31-03-2012 | 31-03-2011 |
|------------------------------------|-----------------|------------------|
| At the beginning of the year | 24,742.80 | 13,019.27 |
| Add : Incurred during the year | 9,619.57 | 21,384.36 |
| Less : Capitalised during the year | 26,384.63 | 9,660.83 |
| At the end of the year | 7,977.74 | 24,742.80 |

Capital work-in-progress includes Pre Operative Expenses relating to project under implementation, pending allocation to Fixed Assets.

| | 31-03-2012 | 31-03-2011 |
|--|-----------------|---------------|
| Opening Balance | 2,865.85 | 937.53 |
| Add : Expenditure incurred during the period | | |
| Bank Charges | 6.78 | 198.42 |
| Depreciation | 3.77 | - |
| Electricity Charges | - | 10.90 |
| General Expenses | - | 2.53 |
| Hotel Expenses | 1.03 | 0.55 |
| Hiring Charges - Equipment | 11.53 | - |
| Insurance | 28.39 | 7.27 |
| Interest [Includes ₹ 2,458.55 Lacs (P.Y. - ₹ 2,088.29 Lacs) on Term Loan from Banks] | 2,458.55 | 2,098.50 |
| Legal, Professional & Consultancy Charges | 189.32 | 129.78 |
| License and Application Fees | 0.50 | 5.05 |
| Labour Charges | 5.65 | - |
| Motor Car Expenses | - | 1.20 |
| Power Hi Tension | - | 170.24 |
| Printing & Stationary | - | 0.46 |
| Rent | 2.16 | 4.53 |
| Repairs & Maintenance | 0.30 | 0.08 |
| Salary | 82.36 | 87.24 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|-----------------|-----------------|
| Note 12 CAPITAL WORK-IN-PROGRESS (Contd.) | | |
| Security Service Charges | 7.46 | 56.83 |
| Site Preparation Expenses | - | 104.28 |
| Telephone Charges | - | 0.57 |
| Transportation, Loading & Labour Charges | - | 0.35 |
| Travelling & Conveyance | 1.05 | 0.61 |
| Welfare Expenses | - | 0.59 |
| Total | 5,664.69 | 3,817.49 |
| Amount allocated to Fixed Assets | (3,775.31) | (951.65) |
| Closing Balance | 1,889.38 | 2,865.85 |

The Company has commenced commercial production during the year from Fifth and Sixth Furnace of 9 MVA each at its Haldia Unit. The Company has also started its Stainless Steel Project at Bishnupur on 23rd April, 2011. Further, it capitalised during the year, Sinter Plant at its Haldia Unit and Ladle Refining Furnace at its Stainless Steel Plant in Bishnupur. Accordingly, pre-operative expenses relating to the said projects have been capitalised by transfer to Factory Shed & Building, Plant & Machinery and Electrical Installations in proportion to their respective costs.

Note 13 NON-CURRENT INVESTMENTS

| | Number of shares/units for 31-03-2012 | Number of shares/units for 31-03-2011 | 31-03-2012 ₹ in Lacs | 31-03-2011 ₹ in Lacs |
|--|---------------------------------------|---------------------------------------|----------------------|----------------------|
| Trade Investments (at cost) | | | | |
| Equity Shares - Unquoted (Fully Paid Up) | | | - | - |
| In Subsidiaries | | | | |
| SKP Overseas Pte Ltd. (Shares of S\$ 1 each fully paid up) | 16,950,000 | 12,089,535 | 5,868.16 | 3,987.11 |
| Others | | | | |
| SKP Power Ventures Ltd. (F.V. ₹ 10 /-) | 10,000 | 10,000 | 1.00 | 1.00 |
| Rohit Persia Mines & Industries PJSC (F.V. 10,000 Rials) | - | 49 | - | 0.03 |
| Total of Non Current Investments | | | 5,869.16 | 3,988.14 |

Note 14 LONG-TERM LOANS & ADVANCES

(₹ in Lacs)

| | | |
|---|------------------|-----------------|
| (Unsecured, considered good) | | |
| Capital Advances (Refer Note No. 30 (ii)) | 10,296.79 | 1,969.94 |
| Security Deposits | 2,926.14 | 2,981.95 |
| | 13,222.93 | 4,951.89 |

Note 15 CURRENT INVESTMENTS

| | Number of shares/units for 31-03-2012 | Number of shares/units for 31-03-2011 | 31-03-2012 ₹ in Lacs | 31-03-2011 ₹ in Lacs |
|--|---------------------------------------|---------------------------------------|----------------------|----------------------|
| Unquoted Mutual Funds | | | | |
| (Pledged with Banks as margin for Letter of Credit facility) | | | | |
| SBI Mutual Fund | 5,000,000 | 5,000,000 | 500.00 | 500.00 |
| (NAV ₹ 550.84 Lacs (P.Y. - ₹ 504.75 Lacs)) | | | | |
| Total of Current Investments | | | 500.00 | 500.00 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|------------------|
| Note 16 INVENTORIES | | |
| (As taken, valued and certified by the management) | | |
| Raw Materials | 48,938.77 | 31,944.67 |
| Intermediates | 951.74 | - |
| Work In Process | 8,329.99 | 5,697.02 |
| Finished Goods* | 4,923.09 | 7,321.81 |
| Stores & Spares | 1,644.20 | 643.94 |
| Packing Material | 127.18 | 100.42 |
| | 64,914.97 | 45,707.86 |

* Includes in transit ₹ 1,061.18 Lacs (P.Y. - ₹ 3,851.70 Lacs)

Note 17 TRADE RECEIVABLES

| | | |
|--|------------------|-----------------|
| (Unsecured, Considered Good) | | |
| Debts outstanding for a period exceeding six months from the date they are due for payment | 810.03 | 171.81 |
| Other Debts | 18,865.49 | 5,798.84 |
| | 19,675.52 | 5,970.65 |

Note 18 CASH AND BANK BALANCES

| | | |
|--|-----------------|-----------------|
| i) Cash & Cash Equivalents | | |
| (A) Cash In Hand (as certified) | 79.94 | 30.88 |
| (B) Balances With Banks | | |
| In Current Accounts | 2,135.64 | 806.92 |
| Cash & Cash Equivalents | 2,215.58 | 837.80 |
| ii) Other Bank Balances | | |
| (A) Term Deposits with Banks * | 6,442.22 | 3,432.45 |
| (Includes ₹ 3,253.72 Lacs (P.Y. - ₹ 2,648.28 Lacs) having maturity greater than 12 months) | | |
| (B) Earmarked Balances With Banks | 9.86 | 8.35 |
| Other Bank Balances | 6,452.08 | 3,440.80 |
| Total | 8,667.66 | 4,278.60 |

* Held as margin against bank guarantee and letter of credit.

Note 19 SHORT-TERM LOANS & ADVANCES

| | | |
|---|------------------|------------------|
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| To Related Parties | 930.42 | 323.12 |
| To Subsidiary | 948.95 | 44.65 |
| To Others | 12,665.81 | 6,037.26 |
| Balance With Excise Department | 2,640.80 | 1,470.81 |
| CENVAT/VAT Receivable | 4,117.56 | 2,938.42 |
| Income Tax Payments (Including TDS) | 67.48 | 237.34 |
| Income Tax Refundable | 22.86 | 9.29 |
| MAT Credit Entitlement [Refer Note below] | 1,507.53 | 323.34 |
| Prepaid Expenses | 81.58 | 102.19 |
| Derivative Contracts Receivable | - | 60.43 |
| Accrued Interest on Deposits | 238.79 | 355.78 |
| | 23,221.79 | 11,902.63 |

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 19 SHORT-TERM LOANS & ADVANCES (Contd.)

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 for the amount in excess over tax liability as per normal computation has been recognised as an asset. MAT credit is 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 Statement of Profit & Loss and shown as MAT Credit Entitlement.

| | (₹ in Lacs) | |
|-------------------------------------|-----------------|-----------------|
| | 31-03-2012 | 31-03-2011 |
| Note 20 OTHER CURRENT ASSETS | | |
| (Unsecured, considered good) | | |
| Export Incentive Receivable | 2,110.32 | 1,381.07 |
| Subsidy Receivable | 800.94 | 1,217.79 |
| | 2,911.25 | 2,598.86 |

Note 21 REVENUE FROM OPERATIONS

| | | |
|------------------------------------|-------------------|-------------------|
| Sale of Products | | |
| Sale of Manufactured Goods | | |
| Export Sales | 72,596.23 | 71,188.00 |
| Domestic Sales | 79,610.40 | 40,472.57 |
| Sale of Raw Materials | 1,598.31 | 2,786.61 |
| Sale of Traded Goods | | |
| Export Sales | - | 140.74 |
| Domestic Sales | 18,251.94 | 3,818.64 |
| | 172,056.88 | 118,406.56 |
| Other Operating Revenues | | |
| Export Incentives | 3,205.74 | 2,091.58 |
| | 175,262.62 | 120,498.14 |
| Details of Sale of Products | | |
| Sale of Manufactured Goods | | |
| Ferro Alloys | 118,185.52 | 111,660.57 |
| Iron and Steel Products | 34,021.11 | - |
| Sale of Raw Materials | | |
| Manganese Ore | 1,425.11 | 1,635.73 |
| Coal & Coke | 93.41 | 1,150.89 |
| Others | 79.79 | - |
| Sale of Traded Goods | | |
| Ferro Alloys | 257.65 | 619.50 |
| Manganese Ore | 8,186.28 | - |
| Coal & Coke | 994.63 | - |
| Iron and Steel Products | 8,813.37 | 3,339.87 |
| | 172,056.88 | 118,406.56 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|---------------|-----------------|
| Note 22 OTHER INCOME | | |
| Interest Income | | |
| - On Credit Sales | 100.31 | 106.72 |
| - On Fixed Deposits | 351.14 | 278.59 |
| - Other Deposits | 185.02 | 47.34 |
| Sundry Balances written back | 6.47 | 9.94 |
| Premium on Forward Contracts | 76.23 | 80.83 |
| Liabilities no longer required written back | 11.34 | 42.94 |
| Lease Premium | - | 5.00 |
| Lease Rent Received | 3.60 | 1.80 |
| Miscellaneous Income | 1.53 | 18.13 |
| Insurance Claim Received | 26.31 | - |
| Foreign Exchange Fluctuation Gains | - | 708.01 |
| | 761.95 | 1,299.30 |

Note 23 COST OF MATERIALS CONSUMED

| | | |
|---|------------------|------------------|
| (including cost of Raw Materials sold) | | |
| Opening Stock of Raw Materials | 31,944.67 | 23,409.88 |
| Purchases during the year (Including Freight) | 94,256.24 | 74,562.88 |
| | 126,200.91 | 97,972.76 |
| Less : Closing Stock of Raw Materials | 48,938.77 | 31,944.67 |
| Cost of Raw Materials Consumed | 77,262.14 | 66,028.09 |
| Less : Closing Stock of Intermediates | 951.74 | - |
| Cost of Materials Consumed | 76,310.40 | 66,028.09 |
| Details of Raw Materials Consumed | | |
| Chrome Ore | 23,782.92 | 31,593.61 |
| Manganese Ore | 22,731.02 | 14,662.59 |
| Coal & Coke | 13,691.15 | 13,732.24 |
| Sponge Iron, Scrap & Billets | 8,514.20 | - |
| Others | 8,542.85 | 6,039.64 |
| | 77,262.14 | 66,028.09 |

Break up into Imported & Indigenous

| | 31-03-2012 | | 31-03-2011 | |
|------------|----------------|------------------|----------------|------------------|
| | % | ₹ in Lacs | % | ₹ in Lacs |
| Imported | 44.07% | 34,046.63 | 41.47% | 27,381.91 |
| Indigenous | 55.93% | 43,215.51 | 58.53% | 38,646.18 |
| | 100.00% | 77,262.14 | 100.00% | 66,028.09 |

Note 24 PURCHASES OF STOCK IN TRADE

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|-------------------------|------------------|-----------------|
| Ferro Alloys | 120.90 | 698.37 |
| Manganese Ore | 6,722.05 | - |
| Coal & Coke | 992.88 | - |
| Iron and Steel Products | 8,180.34 | 3,714.94 |
| | 16,016.17 | 4,413.31 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|-------------------|
| Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS | | |
| Opening Stock | | |
| Finished Goods | | |
| Ferro Alloys | 6,781.61 | 2,014.66 |
| Work-in-Progress | | |
| Ferro Alloys | 5,697.02 | 4,154.18 |
| Traded Goods | | |
| Ferro Alloys | 123.00 | - |
| Iron & Steel Products | 417.19 | - |
| | 13,018.82 | 6,168.84 |
| Closing Stock | | |
| Finished Goods | | |
| Ferro Alloys | 3,432.17 | 6,781.61 |
| Iron & Steel Products | 1,488.03 | - |
| Work-in-Progress | | |
| Ferro Alloys | 7,231.92 | 5,697.02 |
| Iron & Steel Products | 1,098.07 | - |
| Traded Goods | | |
| Ferro Alloys | 2.89 | 123.00 |
| Iron & Steel Products | - | 417.19 |
| | 13,253.08 | 13,018.82 |
| | (234.25) | (6,849.98) |

Note 26 EMPLOYEE BENEFITS EXPENSE

| | | |
|---|-----------------|-----------------|
| Salaries, Wages, Bonus & Allowances | 1,689.34 | 1,115.81 |
| Contribution to Provident & Other Funds | 80.33 | 52.42 |
| Gratuity [Refer Note 34] | 34.79 | 7.61 |
| Directors' Remuneration | 66.00 | 66.00 |
| Welfare Expenses | 73.74 | 38.79 |
| | 1,944.20 | 1,280.63 |

Note 27 FINANCE COSTS

| | | |
|--|------------------|-----------------|
| Interest Expense | | |
| To Banks | | |
| - On Fixed Loans | 2,474.86 | 1,410.72 |
| - On Others | 5,686.17 | 3,371.79 |
| To Others | 791.05 | 491.89 |
| Other Borrowing Costs | 1,383.64 | 1,221.46 |
| Vehicles and Equipment Finance Charges | 26.64 | 11.52 |
| Applicable Net Gain/Loss on Foreign Currency Transactions and translations | 258.16 | - |
| | 10,620.52 | 6,507.38 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|------------------|
| Note 28 OTHER EXPENSES | | |
| Labour Charges | 1,704.14 | 1,422.28 |
| Power & Fuel [Refer Note (a) below] | 38,236.30 | 27,816.69 |
| Water Supply Charges | 65.86 | 55.20 |
| Stores, Spares and Consumables [Refer Note (b) below] | 4,696.88 | 2,135.57 |
| Packing Materials | 481.96 | 366.07 |
| Material Handling Expenses | 1,395.76 | 1,063.44 |
| Excise Duty on Variation in Stock [Refer Note (c) below] | 171.73 | 57.56 |
| Repairs | | |
| - To Factory Shed & Building | 29.71 | 1.00 |
| - To Plant & Machinery | 358.18 | 133.89 |
| Rent | 99.20 | 109.37 |
| Rates & Taxes | 76.17 | 32.88 |
| Electricity Expenses | 23.15 | 11.58 |
| Insurance | 183.61 | 154.76 |
| Printing and Stationery | 54.13 | 44.41 |
| Postage and Courier | 12.17 | 12.09 |
| Telephone Charges | 48.83 | 50.30 |
| Travelling & Conveyance | 186.18 | 163.76 |
| Car Running and Maintenance | 128.63 | 143.85 |
| Other Repairs and Maintenance | 33.49 | 7.81 |
| Security Service Charges | 343.53 | 239.36 |
| Membership and Subscription | 32.39 | 22.32 |
| Internal Audit Fees | 10.58 | - |
| Legal and Professional Charges | 118.70 | 122.67 |
| Auditors' Remuneration [Refer Note Below (d)] | 10.78 | 5.41 |
| Directors' Sitting Fees | 2.05 | 2.25 |
| Miscellaneous Expenses | 238.95 | 127.95 |
| Processing Fees to WBIDC Ltd. | 11.63 | 26.81 |
| Testing & Inspection Charges | 113.04 | 106.30 |
| Donations | 2.01 | 6.30 |
| Advertisement & Sales Promotion | 131.92 | 113.01 |
| Freight & Forwarding on Export | 2,752.57 | 2,938.71 |
| Transportation & Delivery Charges | 2,156.53 | 558.81 |
| Commission on Sales | 211.18 | 109.74 |
| Discounts & Rebates | 0.20 | 16.17 |
| Excise Duty/Sales Tax for earlier years | 13.30 | 175.54 |
| Prior Period Expenses [Refer Note Below (e)] | 0.62 | 18.00 |
| Corporate Social Responsibility | 6.00 | - |
| Investment & Advance written off [Refer Note Below (f)] | 66.91 | - |
| Loss on Sale of Fixed Assets | 15.95 | - |
| Loss on Redemption of Mutual Funds | 0.16 | - |
| Short Recovery & Damages | 42.75 | 62.32 |
| Foreign Exchange Fluctuation Loss | 1,373.74 | - |
| Share Issue Expenses | - | 39.67 |
| | 55,641.55 | 38,473.85 |

- a) i) Power & Fuel includes amount of ₹ 195.14 Lacs in respect of Bishnupur Unit relating to earlier year paid/provided pursuant to Order of WBERC dated 30.12.2011.

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 28 OTHER EXPENSES (Contd.)

- ii) In respect of the Company's Jajpur unit, NESCO has raised power bills on the basis of revised power tariff, against which writ petition is pending before the Hon'ble High Court of Orissa. An amount of ₹ 1,571.78 lacs is short provided in the financial statements for the year against such revision. In the opinion of the management the provision made in the accounts is adequate.

b) Stores, Spares & Consumables

| | 31-03-2012 | | 31-03-2011 | |
|--------------|----------------|-----------------|----------------|-----------------|
| | % | ₹ in Lacs | % | ₹ in Lacs |
| Indigenous | 99.45% | 4,671.21 | 100.00% | 2,135.57 |
| Imported | 0.55% | 25.67 | - | - |
| Total | 100.00% | 4,696.88 | 100.00% | 2,135.57 |

- c) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

d) Auditors' Remuneration :

| | (₹ in Lacs) | |
|---|--------------|-------------|
| | 31-03-2012 | 31-03-2011 |
| i) As Auditor [includes tax audit fees of ₹ 1.50 Lacs (P.Y. - ₹ 0.75 Lacs)] | 7.50 | 4.25 |
| ii) For Taxation matters | 0.70 | 0.25 |
| iii) For Other Services | 2.58 | 0.91 |
| Total | 10.78 | 5.41 |

e) Prior period items for the year comprise of the followings :-

| | | |
|---------------------------------|-------------|--------------|
| Advertisement & Sales Promotion | - | 2.27 |
| Commission on Sales | 0.62 | - |
| Labour Charges | - | 6.00 |
| Material Handling Charges | - | 2.48 |
| Miscellaneous Expenses | - | 0.76 |
| Rent | - | 1.63 |
| Repairs and Maintenance | - | 1.17 |
| Travelling & Conveyance | - | 3.68 |
| Total | 0.62 | 18.00 |

- f) The Company's investment of ₹ 66.91 Lacs (including advances) into a Joint Venture namely "Rohit Persia Mines and Industries PJSC" has been written off as the operations became unviable.

Note 29 EARNINGS PER SHARE

| Particulars | 31-03-2012 | 31-03-2011 |
|---|-------------|-------------|
| Weighted average number of Equity Shares outstanding during the year | 58,076,669 | 46,405,982 |
| Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share | 58,076,669 | 46,405,982 |
| Profit after Tax attributable to Equity Shareholders (₹ Lacs) | 4,030.92 | 4,619.05 |
| Nominal Value of Ordinary Shares (₹) | 10 | 10 |
| Earnings Per Share (Basic) (₹) | 6.94 | 9.95 |
| Earnings Per Share (Diluted) (₹) | 6.94 | 9.95 |

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 30 CONTINGENT LIABILITIES AND COMMITMENTS

- (i) Contingent Liabilities not provided for in the books of accounts in respect of : –
- (a) Bills discounted, outstanding as on 31st March, 2012 ₹ 6,097.24 Lacs (P.Y. - ₹ 892.70 Lacs)
- (b) Corporate Guarantee is given to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte Ltd., a Wholly Owned Subsidiary. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March, 2012 is USD 8.35 Million (P.Y. - USD 8.35 Million).
- (c) Claims against the Company not acknowledged as debt :

| | (₹ in Lacs) | |
|---|-------------|------------|
| | 31-03-2012 | 31-03-2011 |
| Disputed Excise Duty under appeal | 576.91 | 614.99 |
| Disputed Sales Tax/VAT under appeal | 533.95 | 334.23 |
| Disputed Entry Tax under appeal | 0.70 | 1.94 |
| Disputed Income Tax Demands under appeal | 21.68 | 137.80 |
| Excise Duty demand for which show cause notice issued | 4.31 | 34.96 |
| Claim under Workmens' Compensation Act | - | 4.99 |
| Disputed ESI under Settlement Commission | 10.25 | - |
| Irregular Claim of Export Incentives, pending show cause from DRI | 150.00 | - |

- (ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 15,155.45 Lacs (P.Y. - ₹ 1,107.32 Lacs).
- (iii) Estimated amount of export obligations to be fulfilled in respect of goods imported under Duty Free Import Authorisation Scheme - ₹ 988.22 Lacs (P.Y. - ₹ 862.53 Lacs) and under Export Promotion Capital Goods Scheme (EPCG) - ₹ 4,885.35 Lacs (P.Y. - ₹ Nil).

Note 31

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.

Note 32

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

Note 33 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses aggregating to ₹ 17.84 Lacs (P.Y. - ₹ 8.01 Lacs) in the nature of revenue expenditure have been included under the appropriate account heads.

Note 34 EMPLOYEE BENEFITS

Disclosure pursuant to Accounting Standard - 15 (Revised) " Employee Benefits" :
Contribution to Defined Contribution Plan, recognised as expense for the year is as under :

| | 80.33 | 52.42 |
|--|-------|-------|
| Employer's Contribution to Provident and Other Funds | | |

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2012 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | Gratuity (Funded) 31-03-2012 | Gratuity (Funded) 31-03-2011 |
|--|---------------------------------|---------------------------------|
| Note 34 EMPLOYEE BENEFITS (Contd.) | | |
| (i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation : | | |
| Defined Benefit Obligation at beginning of the year | 27.80 | 23.46 |
| Interest Cost | 2.22 | 1.88 |
| Current Service Cost | 10.16 | 6.86 |
| Actuarial (Gain)/Loss | 17.82 | (4.39) |
| Benefits paid | - | - |
| Defined Benefit Obligation at the year end | 58.00 | 27.80 |
| (ii) Reconciliation of Opening and Closing Balances of fair value of plan assets : | | |
| Fair value of plan assets at beginning of the year | 40.73 | 30.34 |
| Expected return on plan assets | 3.86 | 2.78 |
| Actuarial Gain/(Loss) | - | - |
| Employers' contribution | 34.79 | 7.61 |
| Benefits paid | - | - |
| Fair value of plan assets at the year end | 79.38 | 40.73 |
| Actual return on plan assets | 3.86 | 2.78 |
| (iii) Reconciliation of fair value of assets and obligation : | | |
| Fair value of plan assets | 79.38 | 40.73 |
| Present value of obligation | 58.00 | 27.80 |
| Amount recognised as liability/(asset) in Balance Sheet* | - | - |
| (*Excess of assets not recognised as the same is lying in an irrevocable trust fund) | | |
| (iv) Expenses recognised during the year in the Statement of Profit & Loss : | | |
| (Shown in Note 26 under the head 'Gratuity') | | |
| Current Service Cost | 10.16 | 6.86 |
| Interest Cost | 2.22 | 1.88 |
| Expected return on plan assets | (3.86) | (2.78) |
| Actuarial (Gain)/Loss | 17.82 | (4.39) |
| Net asset not recognised as above | 8.45 | 6.05 |
| Recognised in the Statement of Profit and Loss | 34.79 | 7.61 |
| (v) Break-up of Plan Assets as a percentage of total plan assets : | | |
| Insurer Managed Funds | 100% | 100% |
| (vi) Actuarial Assumptions : | | |
| Mortality Table | LIC 1994-96 Ultimate | |
| Discount rate (per annum) | 8% | 8% |
| Rate of escalation in salary (per annum) | 4% | 4% |

(vii) Other Disclosures

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 | 31-03-2010 | 31-03-2009 | 31-03-2008 |
|---|------------|------------|------------|------------|------------|
| Defined Benefit Obligation | 58.00 | 27.80 | 23.46 | 17.43 | 13.10 |
| Plan Assets | 79.38 | 40.73 | 30.34 | 21.16 | 13.10 |
| Surplus/(Deficit) | 21.37 | 12.93 | 6.88 | 3.73 | - |
| Experience Adjustment on Plan Liabilities | 17.82 | (4.39) | (1.98) | (0.24) | 1.61 |

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

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

(c) Expected rate of return assumed by the insurance Company is generally based on their investment pattern as stipulated by the Government of India.

(ix) The above information is certified by the actuary.

(x) The Company expects to contribute ₹ 36.53 Lacs to the Gratuity Fund managed by the Life Insurance Corporation of India during the Financial Year 2012-2013.

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 35 SEGMENT REPORTING

- (i) **Business segments** : Based on the synergies and in terms of Accounting Standard - 17, the Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys and Iron & Steel Products. The risks and returns of Captive Power Plant is directly associated with the manufacturing operations of Ferro Alloys and hence treated as a part of Ferro Alloys segment.

(₹ in Lacs)

| | 31-03-2012 |
|---|-------------------|
| Segment Revenue (Net) | |
| Ferro Alloys | 139,852.13 |
| Iron and Steel | 39,626.44 |
| Inter Segment Revenue | (11,748.05) |
| Total | 167,730.52 |
| Segment Results (Profit before Finance Cost & Tax) | |
| Ferro Alloys | 12,234.93 |
| Iron and Steel | 4,395.11 |
| Unallocated | 14.92 |
| Total | 16,644.95 |
| Finance Cost | 10,620.52 |
| Profit before tax | 6,024.43 |
| Less : Income Tax | 1,993.51 |
| Profit after tax | 4,030.92 |

Other information

(₹ in Lacs)

| | Assets | Liabilities | Capital Expenditure | Depreciation | Non-cash Exps (other than Depreciation) |
|----------------|-------------------|------------------|---------------------|-----------------|---|
| Ferro Alloys | 159,273.67 | 23,694.94 | 864.31 | 1,751.66 | - |
| Iron and Steel | 38,458.29 | 9,976.97 | 11,013.06 | 417.79 | - |
| Unallocated | 7,977.04 | 6,347.23 | - | - | 66.91 |
| Total | 205,709.00 | 40,019.14 | 11,877.37 | 2,169.45 | 66.91 |

Note : Segment Reporting is applicable for the first time during the year on commencement of production of Stainless Steel, hence figures for the previous year are not given.

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

| Segment | Period | Segment Revenue (Gross) | Segment Assets | Capital Expenditure |
|---------------|-----------------------|-------------------------|-------------------|---------------------|
| Within India | Year ended 31.03.2012 | 102,666.39 | 193,513.09 | 11,877.37 |
| | Year ended 31.03.2011 | 49,169.39 | 129,160.21 | 22,653.14 |
| Outside India | Year ended 31.03.2012 | 72,596.23 | 12,195.91 | - |
| | Year ended 31.03.2011 | 71,328.74 | 7,800.17 | - |
| Total | Year ended 31.03.2012 | 175,262.62 | 205,709.00 | 11,877.37 |
| | Year ended 31.03.2011 | 120,498.14 | 136,960.38 | 22,653.14 |

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 36 RELATED PARTY DISCLOSURE

- 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 Venture
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
Mr. Suresh Kumar Patni
Mr. Rohit Patni
Mr. Ankit Patni
Mr. 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.
Impex Metal & Ferro Alloys Ltd.
Impex Ferro Tech Ltd.
Ankit Metal & Power Ltd.
Nucore Exports Pvt. Ltd.
Arthodock Vinimay Pvt. Ltd.
Whitestone Suppliers Pvt. Ltd.
Vasupujya Enterprises Pvt. Ltd.
Marble Arch Properties Pvt. Ltd.
SKP Power Ventures Ltd.
SKP Aviation Services Ltd.
VNG Mercantiles Pvt. Ltd.
Invesco Finance Pvt. Ltd.
Poddar Mech Tech Services Pvt. Ltd.
Suanvi Trading & Investment Co. Pvt. Ltd.
Hira Concast Ltd.
Impex Steel Ltd.
Shreyansh Leafin Pvt. Ltd.
Mahabali Ispat Pvt. Ltd.

(₹ in Lacs)

| iii) Nature of Transactions | 31-03-2012 | 31-03-2011 |
|------------------------------------|------------|------------|
| Investment in Equity Shares | | |
| SKP Aviation Services Ltd. | - | 1.00 |
| SKP Overseas PTE Ltd. | 1,881.05 | 1,419.88 |
| Sale of Investment | | |
| Invesco Finance Pvt. Ltd. | - | 1.00 |
| Advance Given | | |
| SKP Overseas PTE Ltd. | 1,486.41 | - |
| Advance Refunded | | |
| SKP Overseas PTE Ltd. | 582.11 | - |
| Loans Taken* | | |
| Arthodock Vinimay Pvt. Ltd. | - | 110.00 |
| Invesco Finance Pvt. Ltd. | 100.00 | - |
| Nucore Exports Pvt. Ltd. | 200.00 | 285.00 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| Nature of Transactions | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 36 RELATED PARTY DISCLOSURE (Contd.) | | |
| Poddar Mech Tech Services Pvt. Ltd. | 1,340.00 | 25.00 |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 709.00 | 65.00 |
| Vasupujya Enterprises Pvt. Ltd. | - | 592.00 |
| VNG Mercantiles Pvt. Ltd. | - | 530.00 |
| Whitestone Suppliers Pvt. Ltd. | - | 2,504.00 |
| (*Excludes subsequent transfers to Share Application Money) | | |
| Loans Repaid | | |
| Arthodock Vinimay Pvt. Ltd. | - | 110.00 |
| Nucore Exports Pvt. Ltd. | - | 285.00 |
| Poddar Mech Tech Services Pvt. Ltd. | - | 25.00 |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 40.00 | 65.00 |
| Vasupujya Enterprises Pvt. Ltd. | - | 762.00 |
| VNG Mercantiles Pvt. Ltd. | - | 1,820.00 |
| Whitestone Suppliers Pvt. Ltd. | - | 250.00 |
| Share Application money received & Shares allotted* | | |
| Arthodock Vinimay Pvt. Ltd. | 750.00 | - |
| Poddar Mech Tech Services Pvt. Ltd. | 1,477.49 | - |
| Vasupujya Enterprises Pvt. Ltd. | 156.96 | - |
| VNG Mercantiles Pvt. Ltd. | 285.00 | - |
| Shreyansh Leafin Pvt. Ltd. | 4,795.89 | - |
| Whitestone Suppliers Pvt. Ltd. | 4,744.66 | - |
| (* Includes conversion of loans) | | |
| Interest Received on Sales | | |
| Impex Steel Ltd. | 1.82 | - |
| Interest Paid on Purchases | | |
| Ankit Metal & Power Ltd. | 55.04 | - |
| Impex Metal & Ferro Alloys Ltd. | 2.93 | - |
| Investment & Advance written off | | |
| Rohit Persia Mines & Industries PJSC | 66.91 | - |
| Purchases | | |
| Ankit Metal & Power Ltd. | 5,770.63 | 870.39 |
| Impex Ferro Tech Ltd. | 3,097.10 | 8.15 |
| Impex Metal & Ferro Alloys Ltd. | 6,966.50 | 2,882.91 |
| Impex Steel Ltd. | 4.29 | - |
| Mahabali Ispat Pvt. Ltd. | 8.22 | - |
| SKP Overseas PTE Ltd. | - | 144.04 |
| Purchases of Capital Goods | | |
| Ankit Metal & Power Ltd. | 441.15 | - |
| Sales of Goods | | |
| Ankit Metal & Power Ltd. | 1,529.99 | 518.43 |
| Arin Minerals Pvt. Ltd. | - | 43.61 |
| Hira Concast Ltd. | 25.00 | 396.03 |
| Impex Ferro Tech Ltd. | 1,892.20 | 102.40 |
| Impex Metal & Ferro Alloys Ltd. | 2,673.43 | 2,145.02 |
| Impex Steel Ltd. | 325.08 | 269.71 |
| SKP Overseas PTE Ltd. | 1,002.39 | - |
| DEPB Licence Purchased | | |
| Ankit Metal & Power Ltd. | - | 7.47 |
| Impex Metal & Ferro Alloys Ltd. | 78.08 | - |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| Nature of Transactions | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 36 RELATED PARTY DISCLOSURE (Contd.) | | |
| DEPB Licence Sold | | |
| Impex Ferro Tech Ltd. | 23.15 | - |
| Impex Metal & Ferro Alloys Ltd. | 127.23 | 172.46 |
| Lease Premium Received | | |
| Impex Metal & Ferro Alloys Ltd. | - | 5.00 |
| Lease Rent Received | | |
| Impex Metal & Ferro Alloys Ltd. | 3.60 | 1.80 |
| Commission Paid | | |
| Impex Ferro Tech Ltd. | 0.05 | - |
| Rent Paid | | |
| Marble Arch Properties Pvt. Ltd. | 6.62 | 1.80 |
| Managerial Remuneration | | |
| Rohit Patni, Managing Director | 36.00 | 36.00 |
| Ankit Patni, Joint Managing Director | 24.00 | 24.00 |
| Binit Jain, Whole Time Director | 6.00 | 6.00 |
| Sitting Fees | | |
| Suresh Kumar Patni | 0.40 | 0.50 |

iv) Outstanding Balances

| | | |
|---|----------|----------|
| Sundry Creditors | | |
| Ankit Metal & Power Ltd. | 566.50 | - |
| Impex Ferro Tech Ltd. | 45.22 | 8.15 |
| Impex Metal & Ferro Alloys Ltd. | 262.49 | - |
| Marble Arch Properties Pvt. Ltd. | 1.46 | 1.80 |
| Sundry Debtors | | |
| Impex Steel Ltd. | 258.24 | - |
| Impex Metal & Ferro Alloys Ltd. | - | 6.82 |
| Loan Taken | | |
| Nucore Exports Pvt. Ltd. | 200.00 | - |
| Poddar Mech Tech Services Pvt. Ltd. | 1,340.00 | - |
| Invesco Finance Pvt. Ltd. | 100.00 | - |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 669.00 | - |
| VNG Mercantiles Pvt. Ltd. | - | 245.00 |
| Whitestone Suppliers Pvt. Ltd. | - | 2,254.00 |
| Advances/Deposits Given | | |
| Ankit Metal & Power Ltd. | 0.65 | 20.29 |
| Impex Metal & Ferro Alloys Ltd. | 688.25 | 25.66 |
| Marble Arch Properties Pvt. Ltd. | 168.00 | 168.00 |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 73.53 | - |
| Rohit Persia Mines & Industries PJSC | - | 64.52 |
| SKP Overseas PTE Ltd. | 948.95 | 44.65 |
| Advances Received | | |
| Impex Metal & Ferro Alloys Ltd. | 313.25 | - |
| Impex Ferro Tech Ltd. | 3.84 | - |
| Ankit Metal & Power Ltd. | 6.69 | 87.03 |
| Investment in Equity Shares | | |
| SKP Overseas PTE Ltd. | 5,868.16 | 3,987.11 |
| Rohit Persia Mines & Industries PJSC | - | 0.03 |
| SKP Power Ventures Ltd. | 1.00 | 1.00 |

Notes to and forming part of Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 37 FOREIGN EXCHANGE EARNINGS AND OUTGO | | |
| Earnings in Foreign Currency : | | |
| F.O.B. Value of Exports | 70,761.75 | 69,890.88 |
| Expenditure in Foreign Currency : | | |
| Travelling & Conveyance | 5.73 | 17.43 |
| Membership & Subscription | 22.49 | 13.98 |
| Legal & Professional Fees | - | 40.55 |
| Commission on Purchase | 3.28 | - |
| Salaries | 2.69 | 5.48 |
| Interest on Buyer's Credit | 404.36 | 71.11 |
| Interest on Purchase | 118.52 | 22.66 |
| Commission on Sales | 68.24 | 42.47 |
| Advertisement & Sales Promotion | 0.65 | 6.92 |
| CIF Value of Imports : | | |
| Raw Materials | 38,582.86 | 25,750.73 |
| Stores & Spares | 24.18 | - |
| Capital Goods | 21.22 | 38.79 |

Note 38 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY

Forward contracts/hedging instruments outstanding as at the Balance Sheet date are as follows :

| Nature (Nos.) of Contract | Foreign Currency | Buy/Sell | Amount in Foreign Currency (in Lacs) | Purpose |
|-----------------------------------|------------------|----------|--------------------------------------|-----------------|
| Forward Contracts (Nil, P.Y. - 2) | USD | Buy | - (P.Y. - 80) | Hedging Purpose |
| Forward Contracts (1, P.Y. - Nil) | EURO | Sell | 20 (P.Y. - NIL) | Hedging Purpose |
| Forward Contracts (10, P.Y. - 9) | USD | Sell | 156.20 (P.Y. - 132.20) | Hedging Purpose |

Particulars of unhedged foreign currency exposure as at 31st March, 2012 are as follows :

| | Currency | 31-03-2012 | 31-03-2011 |
|--|----------|------------|------------|
| a) Amount receivable in foreign currency | EURO | - | 1.02 |
| b) Amount payable in foreign currency | USD | 516.28 | 241.18 |

Notes to and forming part of Financial Statements as at 31st March, 2012

Note 39

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

Note 40

The Financial Statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. The financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

For and on behalf of the Board

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

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, 2012 and also the Consolidated Statement of Profit & Loss and the Consolidated 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. The financial statements of the subsidiary, SKP Overseas Pte. Ltd., (incorporated in Singapore), with total assets of ₹ 12,511.24 Lacs as at 31st March, 2012, total revenue of ₹ 3855.71 Lacs and total expenditure of ₹ 4,000.81 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.
4. We report that the Consolidated Financial Statements have been prepared by the Group in accordance with the requirements of Accounting Standard (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 read with Note 1 to the Consolidated Financial Statements 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 the case of the Consolidated Balance Sheet, of the

consolidated state of affairs of the Group as at 31st March, 2012,

- ii. in the case of the Consolidated Statement of Profit & Loss, of the consolidated results of operations of the Group for the year ended on that date, and
- iii. in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For S. Jaykishan
Chartered Accountants
FRN : 309005E

(B.K. Newatia)
Partner

Place : Kolkata
Dated : The 30th day of May, 2012

M. No. 050251

Consolidated Balance Sheet as at 31st March, 2012

(₹ in Lacs)

| Particulars | Note | 31-03-2012 | 31-03-2011 |
|------------------------------------|------|-------------------|-------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 8,027.61 | 5,527.61 |
| (b) Reserves & Surplus | 3 | 49,836.31 | 33,309.84 |
| | | 57,863.93 | 38,837.46 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 46,144.53 | 31,858.23 |
| (b) Other Non-Current Liabilities | 5 | 226.04 | - |
| (c) Deferred Tax Liabilities (Net) | 6 | 4,619.40 | 2,645.08 |
| | | 50,989.97 | 34,503.31 |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 7 | 60,743.38 | 37,134.46 |
| (b) Trade Payables | 8 | 23,469.77 | 17,165.56 |
| (c) Other Current Liabilities | 9 | 16,608.25 | 11,792.28 |
| (d) Short-Term Provisions | 10 | 1,727.82 | 1,679.17 |
| | | 102,549.23 | 67,771.47 |
| Total | | 211,403.12 | 141,112.24 |
| II ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 58,747.97 | 32,318.95 |
| (ii) Capital Work-in-Progress | 12 | 7,977.74 | 24,742.80 |
| | | 66,725.71 | 57,061.76 |
| (b) Non-Current Investments | 13 | 5,628.21 | 4,912.53 |
| (c) Long-Term Loans and Advances | 14 | 13,222.93 | 4,951.89 |
| (d) Other Non-Current Assets | 15 | 1,370.12 | 1,017.26 |
| | | 86,946.98 | 67,943.44 |
| (2) Current Assets | | | |
| (a) Current Investments | 16 | 500.00 | 500.00 |
| (b) Inventories | 17 | 64,914.97 | 45,707.86 |
| (c) Trade Receivables | 18 | 19,675.52 | 5,970.65 |
| (d) Cash and Bank Balances | 19 | 8,942.66 | 4,571.44 |
| (e) Short-Term Loans and Advances | 20 | 27,511.74 | 13,819.99 |
| (f) Other Current Assets | 21 | 2,911.25 | 2,598.86 |
| | | 124,456.14 | 73,168.80 |
| Total | | 211,403.12 | 141,112.24 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes form integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2012

(₹ in Lacs)

| Particulars | Note | 31-03-2012 | 31-03-2011 |
|---|-----------|-------------------|-------------------|
| I REVENUE : | | | |
| Revenue from Operations (Gross) | 22 | 178,102.40 | 120,498.13 |
| Less : Excise Duty | | 7,532.10 | 3,826.16 |
| Revenue from Operations (Net) | | 170,570.30 | 116,671.97 |
| II Other Income | 23 | 761.95 | 1,299.33 |
| III Total Revenue (I + II) | | 171,332.25 | 117,971.30 |
| IV EXPENSES : | | | |
| Cost of Materials Consumed | 24 | 76,310.40 | 66,021.03 |
| Purchase of Stock-in-Trade | 25 | 18,622.72 | 4,413.31 |
| Changes in Inventories of Finished Goods & Work-in-Progress | 26 | (234.25) | (6,849.98) |
| Employee Benefits Expense | 27 | 1,976.93 | 1,291.72 |
| Finance Costs | 28 | 10,865.35 | 6,707.26 |
| Depreciation and Amortisation Expense | | 2,169.45 | 1,332.94 |
| Other Expenses | 29 | 55,669.18 | 38,486.13 |
| Total Expenses (IV) | | 165,379.79 | 111,402.41 |
| PROFIT BEFORE TAX (III-IV) | | 5,952.46 | 6,568.88 |
| Current Tax | | 1,203.38 | 1,357.95 |
| MAT Credit Entitlement | | (1,203.38) | (183.13) |
| Earlier Years' Tax | | 19.18 | 218.74 |
| Deferred Tax | | 1,974.32 | 772.46 |
| PROFIT FOR THE YEAR | | 3,958.95 | 4,402.86 |
| Earnings per Equity Share [Nominal Value of Share - ₹ 10/-] | | | |
| Basic & Diluted | 30 | 6.82 | 9.49 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes form integral part of the Financial Statements

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lacs)

| | Year Ended 31st March, 2012 | | Year Ended 31st March, 2011 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before Tax & Extra-Ordinary Items | | 5,952.46 | | 6,568.88 |
| Adjustments for : | | | | |
| Depreciation | 2,169.45 | | 1,332.94 | |
| Foreign Currency Translation Reserve | 569.02 | | (38.47) | |
| Finance Costs | 10,865.35 | | 6,707.26 | |
| Interest Received | (636.47) | | (432.65) | |
| Loss on Redemption of Mutual Funds | 0.16 | | - | |
| Loss on Sale of Fixed Assets | 15.95 | | - | |
| Investment & Advance written off | 66.91 | | - | |
| Liabilities no longer required written back | (11.34) | | (42.94) | |
| Sundry Balances written back | (6.47) | | (9.94) | |
| Preliminary & Pre-Operative Expenses written off | - | | 39.67 | |
| | | 13,032.56 | | 7,555.87 |
| Operating Profit before Working Capital Changes | | 18,985.02 | | 14,124.76 |
| Adjustments for : | | | | |
| (Increase)/Decrease in Inventories | (19,207.12) | | (15,664.72) | |
| (Increase)/Decrease in Trade Receivables | (13,698.40) | | (191.35) | |
| (Increase)/Decrease in Loans and Advances | (12,791.89) | | (6,983.24) | |
| (Increase)/Decrease in Other Assets | (312.39) | | 834.46 | |
| Increase/(Decrease) in Trade Payables | 6,315.54 | | 3,013.32 | |
| Increase/(Decrease) in Other Liabilities | 4,796.95 | | 1,432.27 | |
| | | (34,897.31) | | (17,559.26) |
| Cash generated from Operations | | (15,912.29) | | (3,434.51) |
| Direct Tax Paid | | (1,143.71) | | (1,150.89) |
| Net Cash from Operating Activities | | (17,056.00) | | (4,585.40) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets (including Capital Work-in-Progress and Capital Advances) | (20,003.96) | | (22,402.39) | |
| Sale of Fixed Assets | 24.25 | | - | |
| Interest Income | 738.01 | | 330.92 | |
| Purchase of Investment | (725.70) | | (447.10) | |
| Redemption of Mutual Funds | 9.84 | | 1.00 | |
| (Increase)/Decrease in Fixed Deposits with Banks | (3,009.77) | | (598.03) | |
| Net Cash used in Investing Activities | | (22,967.33) | | (23,115.60) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Issue of Shares | 15,000.00 | | 4,635.91 | |
| Increase/(Decrease) in Long-Term Borrowings | 14,233.98 | | 16,598.57 | |
| Increase/(Decrease) in Short-Term Borrowings | 23,608.91 | | 14,306.78 | |
| Deferred Expenses | (352.86) | | (643.37) | |
| Share Issue Expenses | (35.00) | | (25.43) | |
| Finance Costs | (10,750.54) | | (6,650.71) | |
| Dividend Paid | (276.38) | | (197.41) | |
| Corporate Dividend Tax | (44.84) | | (32.79) | |
| Net Cash from Financing Activities | | 41,383.27 | | 27,991.55 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | | 1,359.94 | | 290.55 |
| Cash & Cash Equivalents at the beginning of the year (Refer Note No.19 to the Accounts) | | 1,130.64 | | 840.09 |
| Cash & Cash Equivalents at the end of the year (Refer Note No.19 to the Accounts) | | 2,490.58 | | 1,130.64 |

Consolidated Cash Flow Statement (Contd.)

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash and cheques in hand and bank balances on current accounts [Refer Note No.19 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

For and on behalf of the Board

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 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 Standard (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 recognised 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 recognised 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 recognised in the Consolidated Statement of Profit and Loss 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.

1.2 Investments

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

1.3 Other Accounting Policies

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

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|------------|------------|
| Note 2 SHARE CAPITAL | | |
| Authorised | | |
| 150,000,000 (P.Y. - 80,000,000) Equity Shares of ₹ 10/- each | 15,000.00 | 8,000.00 |
| Issued, Subscribed and Paid-up | | |
| 80,276,123 (P.Y. - 55,276,123) Equity Shares of ₹ 10/- each fully paid up | 8,027.61 | 5,527.61 |

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

| Equity Shares | 31-03-2012 | | 31-03-2011 | |
|--------------------------------|------------|-----------|------------|-----------|
| | Nos. | ₹ in Lacs | Nos. | ₹ in Lacs |
| At the Beginning of the Period | 55,276,123 | 5,527.61 | 39,482,945 | 3,948.29 |
| Issued during the Period | 25,000,000 | 2,500.00 | 15,793,178 | 1,579.32 |
| At the End of the Period | 80,276,123 | 8,027.61 | 55,276,123 | 5,527.61 |

b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

| | 31-03-2012 | | 31-03-2011 | |
|--|---------------|-----------|---------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Equity Shares of ₹ 10 each fully paid | | | | |
| Suanvi Trading and Investment Co. Pvt. Ltd. | 8,237,501 | 10.26 | 8,237,501 | 14.90 |
| Vasupujya Enterprises Pvt. Ltd. | 8,359,538 | 10.41 | 8,097,938 | 14.65 |
| Invesco Finance Pvt. Ltd. | 8,039,317 | 10.01 | 8,039,317 | 14.54 |
| Poddar Mech Tech Services Pvt. Ltd. | 10,479,933 | 13.05 | 8,017,448 | 14.50 |
| Shreyansh Leafin Pvt. Ltd. | 7,993,150 | 9.96 | * | * |
| Whitestone Suppliers Pvt. Ltd. | 7,907,765 | 9.85 | * | * |

*Not holding more than 5% of Equity Shares as on that date.

d) During the year, the Company has made preferential allotment of 25,000,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- per share, aggregating to ₹ 15,000 Lacs to part finance the setting up of a 67.5 MW Captive Power Plant at Jajpur and to meet the long-term working capital requirement of the Company. The proceeds of the issue have been utilised towards the objects of the said issue.

Note 3 RESERVES AND SURPLUS

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Capital Reserve | | |
| As per last account | | |
| - Capital Investment Subsidy | 240.00 | 240.00 |
| - Forfeiture of Deposit against Share Warrants | 128.14 | 128.14 |
| | 368.14 | 368.14 |
| Securities Premium Account | | |
| At the beginning of the accounting period | 13,188.10 | 5,345.45 |
| Additions during the year | 12,500.00 | 7,896.59 |
| | 25,688.10 | 13,242.04 |
| Share Issue Expenses written off | (35.00) | (53.94) |
| At the end of the accounting period | 25,653.10 | 13,188.10 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 3 RESERVES AND SURPLUS (Contd.) | | |
| General Reserve | | |
| As per last account | 450.00 | 450.00 |
| Foreign Currency Translation Reserve | | |
| At the beginning of the accounting period | 31.09 | 69.56 |
| Additions during the year | 569.02 | - |
| Deductions during the year | - | (38.47) |
| At the end of the accounting period | 600.11 | 31.09 |
| Surplus (Balance in the Statement of Profit & Loss) | | |
| Balance as per last Financial Statement | 19,272.52 | 15,190.88 |
| Profit for the year | 3,958.95 | 4,402.86 |
| Less : Appropriations | | |
| Proposed equity dividend (Amount per share ₹ 0.50 (P.Y. - ₹ 0.50)) | 401.38 | 276.38 |
| Tax on proposed equity dividend | 65.11 | 44.84 |
| Closing Balance | 22,764.97 | 19,272.52 |
| | 49,836.31 | 33,309.84 |

Note 4 LONG-TERM BORROWINGS

| | Non-current portion | | Current Maturities | |
|--|---------------------|------------|--------------------|------------|
| | 31-03-2012 | 31-03-2011 | 31-03-2012 | 31-03-2011 |
| Term Loans (Secured) | | | | |
| Rupee Loans from Banks | 33,365.93 | 24,863.46 | 4,256.99 | 2,351.80 |
| Foreign Currency Loan | 2,736.87 | 2,388.78 | 1,534.70 | 1,339.50 |
| FCNRB Loan from Banks | - | - | - | 2,258.46 |
| | 36,102.80 | 27,252.23 | 5,791.69 | 5,949.76 |
| Loans from related parties | | | | |
| Loan from Body Corporates (Unsecured) | 2,309.00 | 2,499.00 | - | - |
| | 2,309.00 | 2,499.00 | - | - |
| Other Loans and Advances | | | | |
| Loan from Body Corporates (Unsecured) | 7,509.50 | 2,009.00 | - | - |
| Loans against Vehicles & Equipments (Secured) | 223.23 | 98.00 | 179.76 | 74.01 |
| | 7,732.73 | 2,107.00 | 179.76 | 74.01 |
| | 46,144.53 | 31,858.23 | 5,971.44 | 6,023.77 |
| The above amount includes | | | | |
| Secured Borrowings | 36,326.03 | 27,350.23 | 5,971.44 | 6,023.77 |
| Unsecured Borrowings | 9,818.50 | 4,508.00 | - | - |
| Amount disclosed under the head - "Other Current Liabilities" (Refer Note 9) | | | (5,971.44) | (6,023.77) |
| | 46,144.53 | 31,858.23 | - | - |

(A) Details of Security

- (i) Term Loans from banks are secured by way of :
- 1st charge on pari passu basis on the entire fixed assets of the Company, both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and second charge on pari passu basis on entire Current Assets of the Company, both present and future.
 - Collateral security by equitable mortgage of Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd. and Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C. R. Avenue, Kolkata -12, held in the name of Mr. S.K.Patni.
 - Personal Guarantee of the Promoter Directors - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 4 LONG-TERM BORROWINGS (Contd.)

- d) Corporate Guarantee of the group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.
- e) Foreign Currency Loan from Indian Overseas Bank is secured by assignment of shares of mining companies, pledge of investments in exchangeable bonds of PT Pacific Samudra Perkasa, personal guarantees given by certain promoters and Directors of the parent Company and as well as 25% of deposit margin for working capital limits.
- (ii) Loans against Vehicles & Equipment are secured by way of hypothecation of the underlying asset financed.

(B) Terms of Repayment

- (i) Term Loans**

| Name of the Lendor | Loan Outstanding as on 31st March, 2012 (₹ in Lacs) | Period of Maturity with respect to Balance Sheet date | No. of Instalments outstanding as on 31st March, 2012 | Installment Amount (₹ in Lacs) |
|---------------------------|---|---|---|--------------------------------|
| Allahabad Bank | 2,892.85 | 6 yrs 6 m | 26 (Quarterly) | 107.15 |
| Allahabad Bank* | 3,608.55 | 14 yrs | 44 (Quarterly) | 114.00 |
| Canara Bank | 2,892.86 | 6 yrs 6 m | 26 (Quarterly) | 107.00 |
| State Bank of India* | 4,293.05 | 13 yrs | 44 (Quarterly) | 227.00 |
| State Bank of India | 6,250.00 | 5 yrs | 20 (Quarterly) | 312.50 |
| State Bank of Hyderabad* | 3,615.66 | 13 yrs | 44 (Quarterly) | 114.00 |
| State Bank of Travancore* | 3,989.64 | 13 yrs | 44 (Quarterly) | 114.00 |
| United Bank of India | 649.00 | 6 yrs 6 m | 26 (Quarterly) | 25.00 |
| United Bank of India | 198.02 | 1 yrs 2 m | 14 (Monthly) | 14.13 |
| United Bank of India* | 900.00 | 14 yrs | 42 (Quarterly) | 47.73 |
| United Bank of India | 8,333.29 | 5 yrs | 20 (Quarterly) | 416.67 |
| Indian Overseas Bank* | 2,736.87 | 2 yrs 6m | 8 (Quarterly) | 383.67 |
| | | | 2 (Quarterly) | 511.57 |
| Indian Overseas Bank* | 1,534.70 | 4 yrs 6m | 5 (Quarterly) | 102.31 |
| | | | 6 (Quarterly) | 127.89 |
| | | | 3 (Quarterly) | 153.47 |
| | | | 4 (Quarterly) | 204.63 |

* Part of the Term Loans are yet to be disbursed.

** Term Loans carry an average interest rate of 12.84% .

- (ii) Unsecured Loan of Bodies Corporate from Related Parties and Others aggregating to ₹ 9,818.50 Lacs are interest free. The said loans are repayable at the option of the Company and are stated by the management to be in the nature of long-term borrowings.
- (iii) Loans against Vehicles & Equipments are repayable by way of Equated Monthly Installments subsequent to taking of such loan. The original period of such loans is 3 years.

Note 5 OTHER NON-CURRENT LIABILITIES

| | (₹ in Lacs) | |
|------------------------------|-------------|------------|
| | 31-03-2012 | 31-03-2011 |
| Derivative Contracts Payable | 226.04 | - |
| | 226.04 | - |

Note 6 DEFERRED TAX LIABILITY (NET)

| | | |
|-----------------------------------|-----------------|-----------------|
| Deferred Tax Liability | | |
| Related to Fixed Assets | 4,755.27 | 2,645.08 |
| Deferred Tax Asset | | |
| Unabsorbed Depreciation | 135.87 | - |
| Net Deferred Tax Liability | 4,619.40 | 2,645.08 |

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

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|------------------|------------------|
| Note 7 SHORT-TERM BORROWINGS | | |
| Working Capital Loans from Banks (Secured) | | |
| Rupee Loans | 49,859.27 | 26,833.11 |
| FCNRB - Demand Loan | - | 1,348.58 |
| Buyer's Credit | 9,766.28 | 8,881.57 |
| Other Loans and Advances (Unsecured) | | |
| Bank Overdraft | 1,010.98 | - |
| Bridge Loan from WBIDC Ltd. (against interest subsidy receivable) | 106.85 | 71.20 |
| | 60,743.38 | 37,134.46 |

(A) Details of Security

- (i) Working Capital Loans are secured by way of :
- 1st charge on pari passu basis on the entire Current Assets of the Company, both present and future, and second charge on pari passu basis on entire fixed assets of the Company including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) both present and future.
 - Collateral security by equitable mortgage of land & building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd. and Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C.R. Avenue, Kolkata - 12, held in the name of Mr. S.K.Patni.
 - Personal Guarantee of the Promoter Directors - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.
 - Corporate Guarantee of the group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.
- (ii) Bridge Loan from WBIDC was sanctioned against Interest Subsidy Receivable by the Company under West Bengal Incentive Scheme, 2000. As per the stipulated repayment terms, the said Bridge Loan is overdue for repayment since February, 2012. The Company intends to link the repayment of the said bridge loan with the receipt of admitted subsidy amount.

Note 8 TRADE PAYABLES

| | | |
|---|------------------|------------------|
| Due to Micro & Small Enterprises [Refer Note below] | - | - |
| Due to others | 23,469.77 | 17,165.56 |
| | 23,469.77 | 17,165.56 |

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. 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.

Note 9 OTHER CURRENT LIABILITIES

| | | |
|---|------------------|------------------|
| Current maturities of long-term debt (Refer Note 4) | 5,971.45 | 6,023.77 |
| Interest Accrued and due on Borrowings | 251.36 | 86.27 |
| Income Received in Advance | - | 15.45 |
| Interest Accrued but not due on Borrowings | 190.42 | 75.61 |
| Advance from Parties | 1,111.52 | 546.08 |
| Unclaimed Dividend* | 9.75 | 8.25 |
| Share Application Money Refundable* | 0.10 | 0.10 |
| Derivative Contracts Payable | 205.99 | - |
| Other Payables | | |
| For Statutory Dues | 326.61 | 205.04 |
| For Capital Goods | 1,071.17 | 874.67 |
| For Accrued Expenses | 7,469.88 | 3,957.04 |
| | 16,608.25 | 11,792.28 |

* Includes uncashed warrants/ECS rejected. There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--------------------------------------|-----------------|-----------------|
| Note 10 SHORT-TERM PROVISIONS | | |
| For Taxation | 1,261.33 | 1,357.95 |
| For Proposed Dividend | 401.38 | 276.38 |
| For Corporate Tax on Dividend | 65.11 | 44.84 |
| | 1,727.82 | 1,679.17 |

Note 11 TANGIBLE ASSETS

| Particulars | Land | | Building | Plant & Machinery | Furniture & Fixtures | Vehicles | Office Equipments | Others | Total |
|--|----------|-----------|-----------|-------------------|----------------------|----------|-------------------|--------|-----------|
| | Freehold | Leasehold | | | | | | | |
| Gross Block | | | | | | | | | |
| As at 1st April, 2010 | 38.20 | 2,863.13 | 5,540.15 | 17,093.41 | 140.63 | 233.92 | 122.92 | 0.30 | 26,032.66 |
| Additions | 366.36 | 1,196.30 | 1,786.30 | 6,346.05 | 282.30 | 90.41 | 113.22 | - | 10,180.94 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Other Adjustments | | | | | | | | | |
| - Borrowing Costs | - | - | 158.52 | 590.15 | - | - | - | - | 748.67 |
| As at 31st March, 2011 | 404.56 | 4,059.42 | 7,484.97 | 24,029.60 | 422.93 | 324.33 | 236.15 | 0.30 | 36,962.27 |
| Additions | 676.17 | - | 5,495.97 | 18,909.62 | 11.03 | 166.23 | 119.51 | - | 25,378.52 |
| Disposals | - | - | - | - | - | 73.66 | - | - | 73.66 |
| Other Adjustments | | | | | | | | | |
| - Borrowing Costs | - | - | 347.74 | 2,916.17 | - | - | - | - | 3,263.92 |
| As at 31st March, 2012 | 1,080.73 | 4,059.42 | 13,328.68 | 45,855.39 | 433.96 | 416.90 | 355.66 | 0.30 | 65,531.05 |
| Depreciation & Amortisation | | | | | | | | | |
| Upto 1st April, 2010 | - | - | 553.69 | 2,647.28 | 26.98 | 48.48 | 33.85 | 0.10 | 3,310.38 |
| Charge for the year | - | - | 220.40 | 1,054.78 | 14.31 | 27.03 | 16.41 | 0.01 | 1,332.94 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2011 | - | - | 774.10 | 3,702.06 | 41.29 | 75.51 | 50.26 | 0.11 | 4,643.32 |
| For the year* | - | - | 413.36 | 1,666.57 | 27.26 | 35.03 | 30.98 | 0.01 | 2,173.22 |
| Deductions | - | - | - | - | - | 33.46 | - | - | 33.46 |
| As at 31st March, 2012 | - | - | 1,187.45 | 5,368.63 | 68.54 | 77.08 | 81.24 | 0.12 | 6,783.07 |
| Net Block | | | | | | | | | |
| As on 31st March, 2011 | 404.56 | 4,059.42 | 6,710.87 | 20,327.54 | 381.64 | 248.82 | 185.89 | 0.19 | 32,318.95 |
| As on 31st March, 2012 | 1,080.73 | 4,059.42 | 12,141.23 | 40,486.76 | 365.41 | 339.82 | 274.42 | 0.18 | 58,747.97 |

Note : The original cost of vehicles & equipments includes ₹ 587.38 Lacs (P.Y. - ₹ 259.27 Lacs) acquired from loans taken from banks & financial institutions, of which ₹ 402.98 Lacs (P.Y. - ₹ 172.01 Lacs) were outstanding as at 31st March, 2012.

*Includes ₹ 3.77 Lacs (P.Y. - NIL) debited to Capital Work-in-Progress.

Note 12 CAPITAL WORK-IN-PROGRESS

| | 31-03-2012 | 31-03-2011 |
|------------------------------------|-----------------|------------------|
| At the beginning of the year | 24,742.80 | 13,019.27 |
| Add : Incurred during the year | 9,619.57 | 21,384.36 |
| Less : Capitalised during the year | 26,384.63 | 9,660.83 |
| At the end of the year | 7,977.74 | 24,742.80 |

Capital work-in-progress includes Pre Operative Expenses relating to project under implementation, pending allocation to Fixed Assets.

| | 2,865.85 | 937.53 |
|--|----------|----------|
| Opening Balance | | |
| Add : Expenditure incurred during the period | | |
| Bank Charges | 6.78 | 198.42 |
| Depreciation | 3.77 | - |
| Electricity Charges | - | 10.90 |
| General Expenses | - | 2.53 |
| Hotel Expenses | 1.03 | 0.55 |
| Hiring Charges - Equipment | 11.53 | - |
| Insurance | 28.39 | 7.27 |
| Interest [Includes ₹ 2,458.55 Lacs (P.Y. - ₹ 2,088.29 Lacs) on Term Loan from Banks] | 2,458.55 | 2,098.50 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|-----------------|-----------------|
| Note 12 CAPITAL WORK-IN-PROGRESS (Contd.) | | |
| Legal, Professional & Consultancy Charges | 189.32 | 129.78 |
| License and Application Fees | 0.50 | 5.05 |
| Labour charges | 5.65 | - |
| Motor Car Expenses | - | 1.20 |
| Power Hi Tension | - | 170.24 |
| Printing & Stationery | - | 0.46 |
| Rent | 2.16 | 4.53 |
| Repairs & Maintenance | 0.30 | 0.08 |
| Salary | 82.36 | 87.24 |
| Security Service Charges | 7.46 | 56.83 |
| Site Preparation Expenses | - | 104.28 |
| Telephone Charges | - | 0.57 |
| Transportation, Loading & Labour Charges | - | 0.35 |
| Travelling & Conveyance | 1.05 | 0.61 |
| Welfare Expenses | - | 0.59 |
| Total | 5,664.69 | 3,817.49 |
| Amount allocated to Fixed Assets | (3,775.31) | (951.65) |
| Closing Balance | 1,889.38 | 2,865.85 |

The Company has commenced commercial production during the year from Fifth and Sixth Furnace of 9 MVA each at its Haldia Unit. The Company has also started its Stainless Steel Project at Bishnupur on 23rd April, 2011. Further, it capitalised during the year, Sinter Plant at its Haldia Unit and Ladle Refining Furnace at its Stainless Steel Plant in Bishnupur. Accordingly, pre-operative expenses relating to the said projects have been capitalised by transfer to Factory Shed & Building, Plant & Machinery and Electrical Installations in proportion to their respective costs.

Note 13 NON-CURRENT INVESTMENTS

| | Number of shares/units for 31-03-2012 | Number of shares/units for 31-03-2011 | 31-03-2012 (₹ in Lacs) | 31-03-2011 (₹ in Lacs) |
|---|---------------------------------------|---------------------------------------|------------------------|------------------------|
| Trade Investments (at cost) | | | | |
| Equity Shares - Unquoted (Fully Paid Up) | | | | |
| SKP Power Ventures Ltd. (F.V. ₹ 10 /-) | 10,000 | 10,000 | 1.00 | 1.00 |
| Rohit Persia Mines & Industries PJSC (F.V. 10000 Rials) | - | 49 | - | 0.03 |
| Exchangeable Bonds - Unquoted | | | | |
| PT Pacific Samudra Perkasa* (F.V. 10,00,000 USD) | 11 | 11 | 5,627.21 | 4,911.50 |
| Total of Non-Current Investments | | | 5,628.21 | 4,912.53 |

* Investments in PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia) represent investments in exchangeable bonds which can be exchanged for shares in the subsidiaries of that Company. These subsidiaries hold mining rights in coal mines in Indonesia.

Note 14 LONG-TERM LOANS & ADVANCES

| | 31-03-2012 | 31-03-2011 |
|---|------------------|-----------------|
| (Unsecured, considered good) | | |
| Capital Advances (Refer Note No. 32 (ii)) | 10,296.79 | 1,969.94 |
| Security Deposits | 2,926.14 | 2,981.95 |
| | 13,222.93 | 4,951.89 |

(₹ in Lacs)

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|-----------------|-----------------|
| Note 15 OTHER NON-CURRENT ASSETS | | |
| Unamortised Expenses | | |
| Deferred Expenses | 1,370.12 | 1,017.26 |
| | 1,370.12 | 1,017.26 |

Note 16 CURRENT INVESTMENTS

| | Number of shares/units for 31-03-2012 | Number of shares/units for 31-03-2011 | 31-03-2012 (₹ in Lacs) | 31-03-2011 (₹ in Lacs) |
|--|---------------------------------------|---------------------------------------|------------------------|------------------------|
| Unquoted Mutual Funds | | | | |
| (Pledged with Banks as margin for Letter of Credit facility) | | | | |
| SBI Mutual Fund (NAV ₹ 550.84 Lacs (P.Y. - ₹ 504.75 Lacs)) | 5,000,000 | 5,000,000 | 500.00 | 500.00 |
| Total of Current Investments | | | 500.00 | 500.00 |

Note 17 INVENTORIES

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|------------------|
| (As taken, valued and certified by the management) | | |
| Raw Materials | 48,938.77 | 31,944.67 |
| Intermediates | 951.74 | - |
| Work-in-Process | 8,329.99 | 5,697.02 |
| Finished Goods* | 4,923.09 | 7,321.81 |
| Stores & Spares | 1,644.20 | 643.94 |
| Packing Material | 127.18 | 100.42 |
| | 64,914.97 | 45,707.86 |

* Includes in transit ₹ 1,061.18 Lacs (P.Y. - ₹ 3,851.70 Lacs)

Note 18 TRADE RECEIVABLES

| | 31-03-2012 | 31-03-2011 |
|--|------------------|-----------------|
| (Unsecured, Considered Good) | | |
| Debts outstanding for a period exceeding six months from the date they are due for payment | 810.03 | 171.81 |
| Other Debts | 18,865.49 | 5,798.84 |
| | 19,675.52 | 5,970.65 |

Note 19 CASH AND BANK BALANCES

| | 31-03-2012 | 31-03-2011 |
|---|-----------------|-----------------|
| i) Cash & Cash Equivalents | | |
| (A) Cash in Hand (as certified) | 81.10 | 31.01 |
| (B) Balances with Banks | | |
| In Current Accounts | 2,409.47 | 1,099.63 |
| Cash & Cash Equivalents | 2,490.58 | 1,130.64 |
| ii) Other Bank Balances | | |
| (A) Term Deposits with Banks* | 6,442.22 | 3,432.45 |
| (Includes ₹ 3,253.72 Lacs (P.Y. - ₹ 2648.28 Lacs) having maturity greater than 12 months) | | |
| (B) Earmarked Balances with Banks | 9.86 | 8.35 |
| Other Bank Balances | 6,452.08 | 3,440.80 |
| Total | 8,942.66 | 4,571.44 |

* Held as margin against bank guarantee and letter of credit.

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|------------|------------|
| Note 20 SHORT-TERM LOANS & ADVANCES | | |
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| To Related Parties | 930.42 | 323.12 |
| To Others | 17,902.61 | 7,997.40 |
| Balance with Excise Department | 2,640.80 | 1,470.81 |
| CENVAT/VAT Receivable | 4,117.56 | 2,938.42 |
| Income Tax Payments (Including TDS) | 67.48 | 237.34 |
| Income Tax Refundable | 22.86 | 9.29 |
| MAT Credit Entitlement [Refer Note below] | 1,507.53 | 323.34 |
| Prepaid Expenses | 81.58 | 103.10 |
| Derivative Contracts Receivable | - | 60.43 |
| Accrued Interest on Deposits | 238.79 | 355.78 |
| Others Deposits | 2.11 | 0.97 |
| | 27,511.74 | 13,819.99 |

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 for the amount in excess over tax liability as per normal computation has been recognised as an asset. MAT credit is 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 Statement of Profit & Loss and shown as MAT Credit Entitlement.

Note 21 OTHER CURRENT ASSETS

| | | |
|------------------------------|----------|----------|
| (Unsecured, considered good) | | |
| Export Incentive Receivable | 2,110.32 | 1,381.07 |
| Subsidy Receivable | 800.94 | 1,217.79 |
| | 2,911.25 | 2,598.86 |

Note 22 REVENUE FROM OPERATIONS

| | | |
|------------------------------------|------------|------------|
| Sale of Products | | |
| Sale of Manufactured Goods | 151,190.70 | 111,660.57 |
| Sale of Raw Materials | 1,598.32 | 2,786.61 |
| Sale of Traded Goods | 22,107.64 | 3,959.38 |
| | 174,896.66 | 118,406.55 |
| Other Operating Revenues | | |
| Export Incentives | 3,205.74 | 2,091.58 |
| | 178,102.40 | 120,498.13 |
| Details of Sale of Products | | |
| Sale of Manufactured Goods | | |
| Ferro Alloys | 117,169.59 | 111,660.57 |
| Iron and Steel Products | 34,021.11 | - |
| Sale of Raw Materials | | |
| Manganese Ore | 1,425.11 | 1,635.73 |
| Coal & Coke | 93.41 | 1,150.88 |
| Others | 79.79 | - |
| Sale of Traded Goods | | |
| Ferro Alloys | 1,971.69 | 619.50 |
| Manganese Ore | 8,186.28 | - |
| Coal & Coke | 3,136.31 | - |
| Iron and Steel Products | 8,813.37 | 3,339.87 |
| | 174,896.66 | 118,406.55 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|---|---------------|-----------------|
| Note 23 OTHER INCOME | | |
| Interest Income | | |
| - On Credit Sales | 100.31 | 106.72 |
| - On Fixed Deposits | 351.14 | 278.59 |
| - Other Deposits | 185.02 | 47.34 |
| Sundry Balances written back | 6.47 | 9.94 |
| Premium on Forward Contracts | 76.23 | 80.83 |
| Liabilities no longer required written back | 11.34 | 42.94 |
| Lease Premium | - | 5.00 |
| Lease Rent Received | 3.60 | 1.80 |
| Miscellaneous Income | 1.53 | 18.13 |
| Insurance Claim Received | 26.31 | - |
| Foreign Exchange Fluctuation Gains | - | 708.03 |
| | 761.95 | 1,299.33 |

Note 24 COST OF MATERIALS CONSUMED

| | | |
|---|------------------|------------------|
| (including cost of Raw Materials sold) | | |
| Opening Stock of Raw Materials | 31,944.67 | 23,409.88 |
| Purchases during the year (Including Freight) | 94,256.24 | 74,555.82 |
| | 126,200.91 | 97,965.70 |
| Less : Closing Stock of Raw Materials | 48,938.77 | 31,944.67 |
| Cost of Raw Materials Consumed | 77,262.14 | 66,021.03 |
| Less : Closing Stock of Intermediates | 951.74 | - |
| Cost of Materials Consumed | 76,310.40 | 66,021.03 |
| Details of Raw Materials Consumed | | |
| Chrome Ore | 23,782.92 | 31,586.56 |
| Manganese Ore | 22,731.02 | 14,662.59 |
| Coal & Coke | 13,691.15 | 13,732.24 |
| Sponge Iron, Scrap & Billets | 8,514.20 | - |
| Others | 8,542.85 | 6,039.64 |
| | 77,262.14 | 66,021.03 |

Break up into Imported & Indigenous

| | 31-03-2012 | | 31-03-2011 | |
|------------|----------------|------------------|----------------|------------------|
| | % | ₹ in Lacs | % | ₹ in Lacs |
| Imported | 44.07% | 34,046.63 | 41.46% | 27,374.86 |
| Indigenous | 55.93% | 43,215.51 | 58.54% | 38,646.17 |
| | 100.00% | 77,262.14 | 100.00% | 66,021.02 |

Note 25 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|-------------------------|------------------|-----------------|
| Ferro Alloys | 726.22 | 698.37 |
| Manganese Ore | 6,722.05 | - |
| Coal & Coke | 2,994.11 | - |
| Iron and Steel Products | 8,180.34 | 3,714.94 |
| | 18,622.72 | 4,413.31 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|-------------------|
| Note 26 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS | | |
| Opening Stock | | |
| Finished Goods | | |
| Ferro Alloys | 6,781.61 | 2,014.66 |
| Work-in-Progress | | |
| Ferro Alloys | 5,697.02 | 4,154.18 |
| Traded Goods | | |
| Ferro Alloys | 123.00 | - |
| Iron & Steel Products | 417.19 | - |
| | 13,018.82 | 6,168.84 |
| Closing Stock | | |
| Finished Goods | | |
| Ferro Alloys | 3,432.17 | 6,781.61 |
| Iron & Steel Products | 1,488.03 | - |
| Work-in-Progress | | |
| Ferro Alloys | 7,231.92 | 5,697.02 |
| Iron & Steel Products | 1,098.07 | - |
| Traded Goods | | |
| Ferro Alloys | 2.89 | 123.00 |
| Iron & Steel Products | - | 417.19 |
| | 13,253.08 | 13,018.82 |
| | (234.25) | (6,849.98) |

Note 27 EMPLOYEE BENEFITS EXPENSE

| | | |
|---|-----------------|-----------------|
| Salaries, Wages, Bonus & Allowances | 1,696.73 | 1,115.81 |
| Contribution to Provident & Other Funds | 80.33 | 52.42 |
| Gratuity [Refer Note 36] | 34.79 | 7.61 |
| Directors' Remuneration | 86.97 | 77.09 |
| Welfare Expenses | 78.11 | 38.79 |
| | 1,976.93 | 1,291.72 |

Note 28 FINANCE COSTS

| | | |
|--|------------------|-----------------|
| Interest Expense | | |
| To Banks | | |
| - On Fixed Loans | 2,657.98 | 1,604.56 |
| - On Others | 5,687.57 | 3,377.85 |
| To Others | 791.05 | 491.89 |
| Other Borrowing Costs | 1,443.95 | 1,221.45 |
| Vehicles and Equipment Finance Charges | 26.64 | 11.52 |
| Applicable Net Gain/Loss on Foreign Currency Transactions and translations | 258.17 | - |
| | 10,865.35 | 6,707.26 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | 31-03-2012 | 31-03-2011 |
|--|------------------|------------------|
| Note 29 OTHER EXPENSES | | |
| Labour Charges | 1,704.14 | 1,422.28 |
| Power & Fuel [Refer Note (a) below] | 38,236.30 | 27,816.69 |
| Water Supply Charges | 65.86 | 55.20 |
| Stores, Spares and Consumables [Refer Note (b) below] | 4,696.88 | 2,135.57 |
| Packing Materials | 481.96 | 366.07 |
| Material Handling Expenses | 1,395.76 | 1,063.44 |
| Excise Duty on Variation in Stock [Refer Note (c) below] | 171.73 | 57.56 |
| Repairs | | |
| - To Factory Shed & Building | 29.71 | 1.00 |
| - To Plant & Machinery | 358.18 | 133.89 |
| Rent | 99.20 | 109.37 |
| Rates & Taxes | 76.17 | 32.88 |
| Electricity Expenses | 23.15 | 11.58 |
| Insurance | 183.61 | 154.76 |
| Printing and Stationery | 54.16 | 44.41 |
| Postage and Courier | 12.19 | 12.09 |
| Telephone Charges | 48.95 | 50.30 |
| Travelling & Conveyance | 201.08 | 165.73 |
| Car Running and Maintenance | 128.63 | 143.85 |
| Other Repairs and Maintenance | 33.49 | 8.67 |
| Security Service Charges | 343.53 | 239.36 |
| Membership and Subscription | 32.39 | 22.32 |
| Internal Audit Fees | 10.58 | - |
| Legal and Professional Charges | 129.28 | 130.73 |
| Auditors' Remuneration [Refer Note (d) below] | 11.74 | 6.30 |
| Directors' Sitting Fees | 2.05 | 2.25 |
| Miscellaneous Expenses | 239.99 | 128.45 |
| Processing Fees to WBIDC Ltd. | 11.63 | 26.81 |
| Testing & Inspection Charges | 113.04 | 106.30 |
| Donations | 2.01 | 6.30 |
| Advertisement & Sales Promotion | 132.07 | 113.01 |
| Freight & Forwarding on Export | 2,752.57 | 2,938.71 |
| Transportation & Delivery Charges | 2,156.53 | 558.81 |
| Commission on Sales | 211.18 | 109.74 |
| Discounts & Rebates | 0.20 | 16.17 |
| Excise Duty/Sales Tax for earlier years | 13.30 | 175.54 |
| Prior Period Expenses [Refer Note (e) below] | 0.62 | 18.00 |
| Corporate Social Responsibility | 6.00 | - |
| Investment & Advance written off [Refer Note (f) below] | 66.91 | - |
| Loss on Sale of Fixed Assets | 15.95 | - |
| Loss on Redemption of Mutual Funds | 0.16 | - |
| Short Recovery & Damages | 42.75 | 62.32 |
| Foreign Exchange Fluctuation Loss | 1,373.59 | - |
| Share Issue Expenses | - | 39.67 |
| | 55,669.18 | 38,486.13 |

- a) i) Power & Fuel includes amount of ₹ 195.14 Lacs in respect of Bishnupur Unit relating to earlier year paid/provided pursuant to Order of WBERC dated 30th December, 2011.

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 29 OTHER EXPENSES (Contd.)

- ii) In respect of the Company's Jajpur unit, NESCO has raised power bills on the basis of revised power tariff, against which writ petition is pending before the Hon'ble High Court of Orissa. An amount of ₹ 1,571.78 lacs is short provided in the financial statements for the year against such revision. In the opinion of the management the provision made in the accounts is adequate.

b) Stores, Spares & Consumables

| | 31-03-2012 | | 31-03-2011 | |
|--------------|----------------|-----------------|----------------|-----------------|
| | % | ₹ in Lacs | % | ₹ in Lacs |
| Indigenous | 99.45% | 4,671.21 | 100.00% | 2,135.57 |
| Imported | 0.55% | 25.67 | - | - |
| Total | 100.00% | 4,696.88 | 100.00% | 2,135.57 |

- c) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

d) Auditors' Remuneration :

| | (₹ in Lacs) | |
|---|--------------|-------------|
| | 31-03-2012 | 31-03-2011 |
| i) As Auditor [includes tax audit fees of ₹ 1.50 Lacs (P.Y. - ₹ 0.75 Lacs)] | 8.46 | 5.14 |
| ii) For Taxation matters | 0.70 | 0.25 |
| iii) For Other Services | 2.58 | 0.91 |
| Total | 11.74 | 6.30 |

e) Prior period items for the year comprise of the followings :-

| | | |
|---------------------------------|-------------|--------------|
| Advertisement & Sales Promotion | - | 2.27 |
| Commission on Sales | 0.62 | - |
| Labour Charges | - | 6.00 |
| Material Handling Charges | - | 2.48 |
| Miscellaneous Expenses | - | 0.76 |
| Rent | - | 1.63 |
| Repairs and Maintenance | - | 1.17 |
| Travelling & Conveyance | - | 3.68 |
| Total | 0.62 | 18.00 |

- f) The Company's investment of ₹ 66.91 Lacs (including advances) into a Joint Venture namely "Rohit Persia Mines and Industries PJSC" has been written off as the operations became unviable.

Note 30 EARNINGS PER SHARE

| Particulars | 31-03-2012 | 31-03-2011 |
|---|-------------|-------------|
| Weighted average number of Equity Shares outstanding during the year | 58,076,669 | 46,405,982 |
| Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share | 58,076,669 | 46,405,982 |
| Profit after Tax attributable to Equity Shareholders (₹ in Lacs) | 3,958.95 | 4,402.86 |
| Nominal Value of Ordinary Shares (₹) | 10 | 10 |
| Earnings Per Share (Basic) (₹) | 6.82 | 9.49 |
| Earnings Per Share (Diluted) (₹) | 6.82 | 9.49 |

Note 31

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.

Further the details of the subsidiary in terms of General Circular no. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 32 CONTINGENT LIABILITIES AND COMMITMENTS

(i) Contingent Liabilities not provided for in the books of accounts in respect of : –

(a) Bills discounted, outstanding as on 31st March, 2012 ₹ 6,097.24 Lacs (P.Y. - ₹ 892.70 Lacs)

(b) Claims against the Company not acknowledged as debt :

| | (₹ in Lacs) | |
|---|-------------|------------|
| | 31-03-2012 | 31-03-2011 |
| Disputed Excise Duty under appeal | 576.91 | 614.99 |
| Disputed Sales Tax/VAT under appeal | 533.95 | 334.23 |
| Disputed Entry Tax under appeal | 0.70 | 1.94 |
| Disputed Income Tax Demands under appeal | 21.68 | 137.80 |
| Excise Duty demand for which show cause notice issued | 4.31 | 34.96 |
| Claim under Workmens' Compensation Act | - | 4.99 |
| Disputed ESI under Settlement Commission | 10.25 | - |
| Irregular Claim of Export Incentives, pending show cause from DRI | 150.00 | - |

(ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 15,155.45 Lacs (P.Y. - ₹ 1,107.32 Lacs).

(iii) Estimated amount of export obligations to be fulfilled in respect of goods imported under Duty Free Import Authorisation Scheme - ₹ 988.22 Lacs (P.Y. - ₹ 862.53 Lacs) and under Export Promotion Capital Goods Scheme (EPCG) - ₹ 4,885.35 Lacs (P.Y. - ₹ Nil).

Note 33

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.

Note 34

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

Note 35 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses aggregating to ₹ 17.84 Lacs (P.Y. - ₹ 8.01 Lacs) in the nature of revenue expenditure have been included under the appropriate account heads.

Note 36 EMPLOYEE BENEFITS

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

(a) Contribution to Defined Contribution Plan, recognised as expense for the year is as under :

| | 80.33 | 52.42 |
|--|-------|-------|
| Employer's Contribution to Provident and Other Funds | | |

(b) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2012 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| | Gratuity (Funded) | Gratuity (Funded) |
|---|-------------------|-------------------|
| | 31-03-2012 | 31-03-2011 |
| (i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation : | | |
| Defined Benefit Obligation at beginning of the year | 27.80 | 23.46 |
| Interest Cost | 2.22 | 1.88 |
| Current Service Cost | 10.16 | 6.86 |
| Actuarial (Gain)/Loss | 17.82 | (4.39) |
| Benefits paid | - | - |
| Defined Benefit Obligation at the year end | 58.00 | 27.80 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| | Gratuity (Funded) 31-03-2012 | Gratuity (Funded) 31-03-2011 |
|---|---------------------------------|---------------------------------|
| Note 36 EMPLOYEE BENEFITS (Contd.) | | |
| (ii) Reconciliation of Opening and Closing Balances of fair value of plan assets : | | |
| Fair value of plan assets at beginning of the year | 40.73 | 30.34 |
| Expected return on plan assets | 3.86 | 2.78 |
| Actuarial Gain/(Loss) | - | - |
| Employers' contribution | 34.79 | 7.61 |
| Benefits paid | - | - |
| Fair value of plan assets at the year end | 79.38 | 40.73 |
| Actual return on plan assets | 3.86 | 2.78 |
| (iii) Reconciliation of fair value of assets and obligation : | | |
| Fair value of plan assets | 79.38 | 40.73 |
| Present value of obligation | 58.00 | 27.80 |
| Amount recognised as liability/(asset) in Balance Sheet* | - | - |
| (*Excess of assets not recognised as the same is lying in an irrevocable trust fund) | | |
| (iv) Expenses recognised during the year in the Statement of Profit & Loss : | | |
| (Shown in Note 27 under the head 'Gratuity') | | |
| Current Service Cost | 10.16 | 6.86 |
| Interest Cost | 2.22 | 1.88 |
| Expected return on plan assets | (3.86) | (2.78) |
| Actuarial (Gain)/Loss | 17.82 | (4.39) |
| Net asset not recognised as above | 8.45 | 6.05 |
| Recognised in the Statement of Profit and Loss | 34.79 | 7.61 |
| (v) Break-up of Plan Assets as a percentage of total plan assets : | | |
| Insurer Managed Funds | 100% | 100% |
| (vi) Actuarial Assumptions : | | |
| Mortality Table | LIC 1994-96 Ultimate | |
| Discount rate (per annum) | 8% | 8% |
| Rate of escalation in salary (per annum) | 4% | 4% |

(vii) Other Disclosures

| | 31-03-2012 | 31-03-2011 | 31-03-2010 | 31-03-2009 | 31-03-2008 |
|---|------------|------------|------------|------------|------------|
| Defined Benefit Obligation | 58.00 | 27.80 | 23.46 | 17.43 | 13.10 |
| Plan Assets | 79.38 | 40.73 | 30.34 | 21.16 | 13.10 |
| Surplus/(Deficit) | 21.37 | 12.93 | 6.88 | 3.73 | - |
| Experience Adjustment on Plan Liabilities | 17.82 | (4.39) | (1.98) | (0.24) | 1.61 |

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

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

(c) Expected rate of return assumed by the insurance Company is generally based on their investment pattern as stipulated by the Government of India.

(ix) The above information is certified by the actuary.

(x) The Company expects to contribute ₹ 36.53 Lacs to the Gratuity Fund managed by the Life Insurance Corporation of India during the Financial Year 2012-2013.

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 37 SEGMENT REPORTING

(i) **Business segments** : Based on the synergies and in terms of Accounting Standard - 17, the Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys and Iron & Steel Products. The risks and returns of Captive Power Plant is directly associated with the manufacturing operations of Ferro Alloys and hence treated as a part of Ferro Alloys segment.

| | (₹ in Lacs) |
|---|--------------------|
| Segment Revenue (Net) | |
| Ferro Alloys | 1,42,691.91 |
| Iron and Steel | 39,626.44 |
| Inter Segment Revenue | (11,748.05) |
| Total | 1,70,570.30 |
| Segment Results (Profit before Finance Cost & Tax) | |
| Ferro Alloys | 12,407.79 |
| Iron and Steel | 4,395.11 |
| Unallocated | 14.92 |
| Total | 16,817.82 |
| Finance Cost | 10,865.35 |
| Profit Before Tax | 5,952.46 |
| Less : Income Tax | 1,993.51 |
| Profit After Tax | 3,958.95 |

Other information

| | Assets | Liabilities | Capital Expenditure | Depreciation | Non-cash Exps (other than |
|----------------|-------------------|------------------|---------------------|-----------------|---------------------------|
| Ferro Alloys | 163,838.62 | 24,104.29 | 864.31 | 1,751.66 | - |
| Iron and Steel | 38,458.29 | 9,976.97 | 11,013.06 | 417.79 | - |
| Unallocated | 9,106.22 | 6,347.23 | - | - | 66.91 |
| Total | 211,403.13 | 40,428.49 | 11,877.37 | 2,169.45 | 66.91 |

Note : Segment Reporting is applicable for the first time during the year on commencement of production of Stainless Steel, hence figures for the previous year are not given.

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

| Segment | Period | Segment | Segment | Capital |
|---------------|-----------------------|-------------------|-------------------|------------------|
| Within India | Year ended 31.03.2012 | 102,666.39 | 193,513.09 | 11,877.37 |
| | Year ended 31.03.2011 | 49,169.39 | 129,160.21 | 22,653.14 |
| Outside India | Year ended 31.03.2012 | 75,436.01 | 17,890.03 | - |
| | Year ended 31.03.2011 | 71,328.74 | 11,952.02 | - |
| Total | Year ended 31.03.2012 | 178,102.40 | 211,403.12 | 11,877.37 |
| | Year ended 31.03.2011 | 120,498.14 | 141,112.23 | 22,653.14 |

Note RELATED PARTY DISCLOSURE

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 Venture

Rohit Persia Mines & Industries PJSC

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 38 RELATED PARTY DISCLOSURE (Contd.)

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

(a) Key Managerial Personnel

Mr. Suresh Kumar Patni
Mr. Rohit Patni
Mr. Ankit Patni
Mr. Binit Jain
Mr. Pramod Kumar Jain

(b) Relatives of Key Managerial Person

Mrs. Sarita Patni

(c) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives

Arin Minerals Pvt. Ltd.
Impex Metal & Ferro Alloys Ltd.
Impex Ferro Tech Ltd.
Ankit Metal & Power Ltd.
Nucore Exports Pvt. Ltd.
Arthodock Vinimay Pvt. Ltd.
Whitestone Suppliers Pvt. Ltd.
Vasupujya Enterprises Pvt. Ltd.
Marble Arch Properties Pvt. Ltd.
SKP Power Ventures Ltd.
SKP Aviation Services Ltd.
VNG Mercantiles Pvt. Ltd.
Invesco Finance Pvt. Ltd.
Poddar Mech Tech Services Pvt. Ltd.
Suanvi Trading & Investment Co. Pvt. Ltd.
Hira Concast Ltd.
Impex Steel Ltd.
Shreyansh Leafin Pvt. Ltd.
Mahabali Ispat Pvt. Ltd.

(₹ in Lacs)

| iii) Nature of Transactions | 31-03-2012 | 31-03-2011 |
|---|------------|------------|
| Investment in Equity Shares | | |
| SKP Aviation Services Ltd. | - | 1.00 |
| Sale of Investment | | |
| Invesco Finance Pvt. Ltd. | - | 1.00 |
| Loans Taken* | | |
| Arthodock Vinimay Pvt. Ltd. | - | 110.00 |
| Invesco Finance Pvt. Ltd. | 100.00 | - |
| Nucore Exports Pvt. Ltd. | 200.00 | 285.00 |
| Poddar Mech Tech Services Pvt. Ltd. | 1,340.00 | 25.00 |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 709.00 | 65.00 |
| Vasupujya Enterprises Pvt. Ltd. | - | 592.00 |
| VNG Mercantiles Pvt. Ltd. | - | 530.00 |
| Whitestone Suppliers Pvt. Ltd. | - | 2,504.00 |
| (*Excludes subsequent transfers to Share Application Money) | | |
| Loans Repaid | | |
| Arthodock Vinimay Pvt. Ltd. | - | 110.00 |
| Nucore Exports Pvt. Ltd. | - | 285.00 |
| Poddar Mech Tech Services Pvt. Ltd. | - | 25.00 |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 40.00 | 65.00 |
| Vasupujya Enterprises Pvt. Ltd. | - | 762.00 |
| VNG Mercantiles Pvt. Ltd. | - | 1,820.00 |
| Whitestone Suppliers Pvt. Ltd. | - | 250.00 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| Nature of Transactions | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 38 RELATED PARTY DISCLOSURE (Contd.) | | |
| Advances Received | | |
| Ankit Metal & Power Ltd. | - | 290.23 |
| Impex Metal & Ferro Alloys Ltd. | - | 290.23 |
| Advances Refunded | | |
| Ankit Metal & Power Ltd. | 290.23 | - |
| Impex Metal & Ferro Alloys Ltd. | 290.23 | - |
| Share Application money received & Shares allotted* | | |
| Arthodock Vinimay Pvt. Ltd. | 750.00 | - |
| Poddar Mech Tech Services Pvt. Ltd. | 1,477.49 | - |
| Vasupujya Enterprises Pvt. Ltd. | 156.96 | - |
| VNG Mercantiles Pvt. Ltd. | 285.00 | - |
| Shreyansh Leafin Pvt. Ltd. | 4,795.89 | - |
| Whitestone Suppliers Pvt. Ltd. | 4,744.66 | - |
| (*Includes conversion of loans) | | |
| Interest Received on Sales | | |
| Impex Steel Ltd. | 1.82 | - |
| Interest Paid on Purchases | | |
| Ankit Metal & Power Ltd. | 55.04 | - |
| Impex Metal & Ferro Alloys Ltd. | 2.93 | - |
| Investment & Advance written off | | |
| Rohit Persia Mines & Industries PJSC | 66.91 | - |
| Purchases | | |
| Ankit Metal & Power Ltd. | 5,770.63 | 870.39 |
| Impex Ferro Tech Ltd. | 3,097.10 | 8.15 |
| Impex Metal & Ferro Alloys Ltd. | 7,574.99 | 2,882.91 |
| Impex Steel Ltd. | 4.29 | - |
| Mahabali Ispat Pvt. Ltd. | 8.22 | - |
| Purchases of Capital Goods | | |
| Ankit Metal & Power Ltd. | 441.15 | - |
| Sales of Goods | | |
| Ankit Metal & Power Ltd. | 2,808.09 | 518.43 |
| Arin Minerals Pvt. Ltd. | - | 43.61 |
| Hira Concast Ltd. | 25.00 | 396.03 |
| Impex Ferro Tech Ltd. | 1,892.20 | 102.40 |
| Impex Metal & Ferro Alloys Ltd. | 2,673.43 | 2,145.02 |
| Impex Steel Ltd. | 325.08 | 269.71 |
| DEPB Licence Purchased | | |
| Ankit Metal & Power Ltd. | - | 7.47 |
| Impex Metal & Ferro Alloys Ltd. | 78.08 | - |
| DEPB Licence Sold | | |
| Impex Ferro Tech Ltd. | 23.15 | - |
| Impex Metal & Ferro Alloys Ltd. | 127.23 | 172.46 |
| Lease Premium Received | | |
| Impex Metal & Ferro Alloys Ltd. | - | 5.00 |
| Lease Rent Received | | |
| Impex Metal & Ferro Alloys Ltd. | 3.60 | 1.80 |
| Commission Paid | | |
| Impex Ferro Tech Ltd. | 0.05 | - |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

(₹ in Lacs)

| Nature of Transactions | 31-03-2012 | 31-03-2011 |
|--|------------|------------|
| Note 38 RELATED PARTY DISCLOSURE (Contd.) | | |
| Rent Paid | | |
| Marble Arch Properties Pvt. Ltd. | 6.62 | 1.80 |
| Managerial Remuneration | | |
| Rohit Patni, Managing Director | 36.00 | 36.00 |
| Ankit Patni, Jt. Managing Director | 24.00 | 24.00 |
| Binit Jain, Whole Time Director | 6.00 | 6.00 |
| Pramod Kumar Jain, Director | 20.97 | 11.09 |
| Sitting Fees | | |
| Suresh Kumar Patni | 0.40 | 0.50 |

iv) Outstanding Balances

| | | |
|---|----------|----------|
| Sundry Creditors | | |
| Ankit Metal & Power Ltd. | 566.50 | - |
| Impex Ferro Tech Ltd. | 45.22 | 8.15 |
| Impex Metal & Ferro Alloys Ltd. | 262.49 | - |
| Marble Arch Properties Pvt. Ltd. | 1.46 | 1.80 |
| Sundry Debtors | | |
| Impex Steel Ltd. | 258.24 | - |
| Impex Metal & Ferro Alloys Ltd. | - | 6.82 |
| Loan Taken | | |
| Nucore Exports Pvt. Ltd. | 200.00 | - |
| Poddar Mech Tech Services Pvt. Ltd. | 1,340.00 | - |
| Invesco Finance Pvt. Ltd. | 100.00 | - |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 669.00 | - |
| VNG Mercantiles Pvt. Ltd. | - | 245.00 |
| Whitestone Suppliers Pvt. Ltd. | - | 2,254.00 |
| Advances/Deposits Given | | |
| Ankit Metal & Power Ltd. | 0.65 | 20.29 |
| Impex Metal & Ferro Alloys Ltd. | 688.25 | 25.66 |
| Marble Arch Properties Pvt. Ltd. | 168.00 | 168.00 |
| Suanvi Trading & Investment Co. Pvt. Ltd. | 73.53 | - |
| Rohit Persia Mines & Industries PJSC | - | 64.52 |
| Advances Received | | |
| Impex Metal & Ferro Alloys Ltd. | 313.25 | 290.23 |
| Impex Ferro Tech Ltd. | 3.84 | - |
| Ankit Metal & Power Ltd. | 6.69 | 377.25 |
| Investment in Equity Shares | | |
| Rohit Persia Mines & Industries PJSC | - | 0.03 |
| SKP Power Ventures Ltd. | 1.00 | 1.00 |

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Note 39 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY

Forward contracts/hedging instruments outstanding as at the Balance Sheet date are as follows :

| Nature (Nos.) of Contract | Foreign Currency | Buy/Sell | Amount in Foreign Currency (in Lacs) | Purpose |
|-----------------------------------|------------------|----------|--------------------------------------|-----------------|
| Forward Contracts (Nil, P.Y. - 2) | USD | Buy | - (P.Y. - 80) | Hedging Purpose |
| Forward Contracts (1, P.Y. - Nil) | EURO | Sell | 20 (P.Y. - NIL) | Hedging Purpose |
| Forward Contracts (10, P.Y. - 9) | USD | Sell | 156.20 (P.Y. - 132.20) | Hedging Purpose |

Particulars of unhedged foreign currency exposure as at 31st March, 2012 are as follows :

| | Currency | 31-03-2012 | 31-03-2011 |
|--|----------|------------|------------|
| a) Amount receivable in foreign currency | EURO | - | 1.02 |
| b) Amount receivable in foreign currency | SGD | 0.05 | 0.09 |
| c) Amount payable in foreign currency | USD | 516.28 | 241.18 |

Note 40

The consolidated financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. The consolidated financial statements for the year ended 31st March, 2012 are prepared as per revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

CA B.K.Newatia

Partner

Membership No : 050251

Place : Kolkata

Date : The 30th day of May, 2012

For and on behalf of the Board

S.K. Patni

Chairman

Rohit Patni

Managing Director

Pradip Kumar Agarwal

Company Secretary

Notes to and forming part of Consolidated Financial Statements as at 31st March, 2012

Annexure I

The details of Subsidiary in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, is as under :

Table A

| Particulars | (₹ in Lacs) SKP Overseas Pte. Ltd. |
|------------------------------|---------------------------------------|
| 1. Share Capital | 6,610.35 |
| 2. Reserves and Surplus | (739.95) |
| 3. Total Assets | 12,511.24 |
| 4. Total Liabilities | 6,640.85 |
| 5. Details of Investments | |
| Bonds | 5,627.22 |
| 6. Turnover and Other Income | 3,855.71 |
| 7. Profit before Taxation | (145.10) |
| 8. Provision for Taxation | - |
| 9. Profit after Taxation | (145.10) |
| 10. Proposed Dividend | - |

Note :

Table - A)

- Items Nos. 1 - 5 are translated at exchange rate as on 31st March, 2012 as follows : US Dollar = ₹ 51.16
- Items Nos. 6 - 10 are translated at annual average rate as follows : US Dollar = ₹ 48.11

Rohit Ferro-Tech Limited

Registered Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012

Corporate Office : SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026

FORM OF PROXY

I/We
of
.....being a Member(s) of the above named Company,
hereby appoint
of
or failing him
ofas my/our proxy to vote for me/us
on my/our behalf at the 12th Annual General Meeting of the Company to be held at "Rotary Sadan", 94/2, Chowringhee Road,
Kolkata - 700 020 on Tuesday, the 25th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed thisday of2012

Signature.....

Affix
Revenue
Stamp

Folio No.....

DP ID No.....

Client ID No.....

Note : This Form of Proxy must be deposited at the Corporate Office of the Company, SKP House, 132A, S. P. Mukherjee Road,
Kolkata - 700 026, 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

Corporate Office : SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 12th Annual General Meeting of the above named Company held at "Rotary Sadan",
94/2, Chowringhee Road, Kolkata - 700 020 on Tuesday, the 25th September, 2012 at 10.00 A.M.

Full Name of Member/Proxy
attending the meeting

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

Folio No.....

DP ID No.....

Client ID No.

Signature of the Member/Proxy
(To be signed at the time of handing over this slip)

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

