



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

We stand committed to good Corporate Governance, transparency, disclosure and independent supervision to increase the value of the various stakeholders. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedication to increase long-term shareholder value, keeping in view the interests of the Company's stakeholders.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant & material informations are placed before the Board to enable it to discharged its responsibility of strategic supervision of the Company as trustees of the Shareholders.

The Company has a Board headed by Non-Executive Chairman with 3 Executive Directors and 5 Non-Executive Directors, of which, 3 are Independent.

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 Director.

The composition of the Board of Directors of the Company, and the number of Board meetings attended by the Directors during the year are given below :

Name of the Director	Status/ Designation	No. of Board Meetings Attended	No. of Membership in other Boards and other Committees as on March 31, 2007 #		Whether attended the last AGM
			Board	Committee \$	
Mr. S. K. Patni	Non-Executive Chairman	12	3	2	Yes
Mr. Rohit Patni*	Managing Director	-	1	0	Yes
Mr. Ankit Patni**	Jt. Managing Director	5	1	1	Yes
Mr. Binit Jain	Executive Director	8	0	0	Yes
Mr. K. C. Jain	Independent	12	2	2 (Chairman-2)	Yes
Mr. J. N.Rudra	Independent	9	1	2 (Chairman-1)	Yes
Mr. J. K. Chatterjee	Independent	10	0	0	Yes
Mrs. Sarita Patni	Non-Executive	11	0	0	No

* Appointed as an Additional Director w.e.f. 27.08.2007 and as M.D. w.e.f. 27.08.2007.

** Appointed as an Additional Director w.e.f. 30.10.2006 and as a Jt. M.D. w.e.f. 27.08.2007.

Excluding Foreign Companies, Private Limited Companies and Companies U/s 25 of the Companies Act, 1956

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

Notes :

- Mr. S. K. Patni released the post of Chairman, and was re-designated as Managing Director w.e.f. 30.10.2006. He has resigned form the Post of Managing Director on 27th August, 2007 and appointed as a Non-Executive Chairman of the Company w.e.f. 27th August, 2007.
- Mr. Ankit Patni was appointed as an Additional Director on 30.10.2006 and designated as Chairman of the Company on the same date. He has released the post of Chairman on 27.08.2007 and appointed as Jt. Managing Director w.e.f. 27th August, 2007 subject to members' approval in ensuing Annual General Meeting.
- Mr. Rohit Patni has been appointed as an Additional Director on 27th August, 2007 and appointed as Managing Director of the Company from the same date subject to members' approval in ensuing Annual General Meeting.
- None of the Non-executive Directors have any pecuniary relationship or transactions with the Company except for holding directorship & receiving sitting fee except Mr. S. K. Patni and Mrs. Sarita Patni who are also promoter/director of the Companies that has a business relation with our Company.
- Fourteen Board Meetings were held during the year 2006-07 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :
5th April, 2006; 17th May, 2006; 6th June, 2006; 17th July, 2006; 26th July, 2006; 28th July, 2006; 10th August, 2006; 15th September, 2006; 26th, September, 2006; 30th October, 2006; 10th November, 2006; 29th January, 2007; 7th March, 2007 and 30th March, 2007.

The information as specified in Annexure - I to the clause 49 of the Listing Agreement entered into with the Stock Exchanges, is regularly made available to the Board wherever applicable.

Code of Conduct

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

Declaration

As provided under Clause 49 of the listing agreement entered into with the Stock Exchanges, the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31st March, 2007.

Kolkata, 27th August, 2007

ROHIT PATNI
Managing Director

COMMITTEES OF DIRECTORS

1. AUDIT COMMITTEE

The Company has an Audit Committee with the scope as set out in Clause 49 of the Listing 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.

Mr. K.C. Jain, Independent Director having expertise in finance, is the Chairman of the Audit Committee, and was present at the Annual General Meeting held on 21st September, 2006.

The Annual Accounts for the year ended 31st March, 2007 were duly reviewed by the Audit Committee at its meeting held on 29th June, 2007 prior to adoption by the Board.

During the financial year ended 31st March, 2007, five Audit Committee Meetings were held on 6th June, 2006; 28th July, 2006; 30th October, 2006; 29th January, 2007 and 30th March, 2007. The necessary quorum was present at these meetings.

The composition of the Audit Committee and the details of meetings attended by the Directors during the year are given below :

Name of the Director	Category	No. of meeting attended
Mr. K. C. Jain	Independent Director (Chairman)	5
Mr. J. N. Rudra	Independent Director	4
Mr. J. K. Chatterjee	Independent Director	5

The Chairman, Managing Director and VP-Finance are permanent invitees to the Committee. The Company Secretary acts as the Secretary of the Audit Committee. The Audit Committee invites, as and when considers appropriate, the Auditors to be present at the meeting of the Committee.

2. REMUNERATION COMMITTEE

The Company has a remuneration committee consisting of 3 independent directors, Mr. J. N. Rudra (Chairman), Mr. K. C. Jain and Mr. J. K. Chatterjee.

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

- a) to determine and recommend to the Board of Directors the remuneration package of the Managing Director and Whole-time Directors including periodical revisions therein.
- b) to approve, in the event of loss or inadequate profit in any year, the minimum remuneration payable to the Managing Director and Wholetime Directors within the limits and subject to the parameters prescribed in Schedule XIII to the Companies Act, 1956.

The committee met thrice during the year on 17th May, 2006; 10th August, 2006 and 30th March, 2007. All the members of the Committee have attended all the meetings.

Remuneration Policy

A. For Executive / Managing Director :

The Board of Director/ Remuneration Committee is authorized to decide the remuneration of the Managing Director/ 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 the employees.



B. For Non-Executive Directors :

Sitting fee to Non-Executive Directors including Independent Directors are within the limits prescribed under the Companies Act, 1956 for payment for sitting fees without approval of the Central Government.

Remuneration of Executive Directors

The Company pays a consolidated sum by way of Salary to its Managing Director and Executive Director. The Company has paid remuneration by way of salary to its Managing Director and Executive Director within the limit specified under Schedule XIII of the Companies Act, 1956 and approved by the Board as well as by the shareholders of the Company. The details of remuneration paid for the year ended 31st March, 2007 are as follows :

Name of the Director	Salary (Rs.)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni, MD	4,650,000/-	01.07.2004	30.06.2009	2 Month
Mr. Binit Jain, ED	300,000/-	01.06.2006	31.05.2009	2 Month

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists only of sitting fees amounting to Rs. 28,000/- for attending Board meetings and Rs. 21,000/- for attending other committee meetings. The details of sitting fee paid during the year and the Shares held by Non-Executive Directors as on 31st March, 2007 are :

Name of the Director	Sitting fee paid (Rs.)	Shares held as on 31.03.2007
Mrs. Sarita Patni	6,000	680,100
Mr. K. C. Jain	10,000	Nil
Mr. J. N. Rudra	13,000	Nil
Mr. J. K. Chatterjee	15,000	Nil
Mr. Ankit Patni*	5,000	383,807
Mr. Suresh Kumar Patni**	N.A.	10,20,100

* Appointed as Joint Managing Director w.e.f. 27th August, 2007.

** Resigned from the post of Managing Director w.e.f. 27th August, 2007 and is now a Non-Executive Director.

3. INVESTOR GRIEVANCE CUM SHARE TRANSFER COMMITTEE

The Investor Grievance cum Share Transfer Committee has three Directors in compliance with the Clause 49 of the Listing Agreement.

The Committee shall comply with following :

- To review and ensure compliance of statutory provisions of the Companies Act, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of share/debenture of the Company.
- To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
- Approve transfer/transmission of shares/debentures and demat / remat of the shares/debentures.
- Approve issue of duplicate share certificates, consolidate/sub-division of share certificates on completion of the procedures as may be stipulated.
- Ensure all shareholders queries, grievances and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. are attended and redressed in an expeditious manner.
- Any other matter referred by the Board relating to equity shareholders of the Company.

The Committee met 7 times during the year for approving transfer/split/remat and reviewing the investor's complaints/ grievances etc. on 31st May, 2006; 31st July, 2006; 30th October, 2006; 10th November, 2006; 29th January, 2007; 31st January, 2007 and 29th March, 2007.

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

Name of the Director	Category	No. of meeting attended
Mr. J. K. Chatterjee	Independent Director (Chairman)	7
Mr. J. N. Rudra	Independent Director	6
Mr. S. K. Patni	Non- Executive Director	4

Company Secretary, Mr. Pramod Kumar Jain has been designated as secretary to the committee and as compliance officer of the Company. The committee in its last meeting held on 16.08.2007 has delegated the authority to approve the requests for transfers/transmission, split and remat/demat of shares to the Company Secretary of the Company.

The Company has received total 22 Investor's grievances during the year ended 31st March, 2007, all of which were replied/resolved during the period by our Registrar & Transfer Agents M/s. Maheshwari Datamatics Pvt. Ltd.

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

CEO/CFO CERTIFICATION

In accordance with the provisions of Clause 49 (V) of the Listing Agreement, a certificate duly signed by the CEO and CFO in respect of the financial year ended 31st March, 2007 has been placed before the Board in the meeting held on 29th June, 2007.

GENERAL BODY MEETINGS

1. AGM :

Date, Time & Venue, where last three AGMs held :

Financial Year	Date	Time	Place
2003-2004	30th September, 2004	11AM	35, C.R.Avenue, Kolkata-700 012
2004-2005	5th September, 2005	11AM	35, C.R.Avenue, Kolkata-700 012
2005-2006	21st September, 2006	11AM	'ROTARY SADAN' 94/2, Chowringhee Road Kolkata - 700 020

Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2003-2004	None
2004-2005	Amendment in Articles of Association
2005-2006	None

No special resolution requiring postal ballot was placed before the last Annual General Meeting. No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

DISCLOSURES

- There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the 'Related Party Transactions' Note No. 10 in Schedule-22 to the Annual Accounts of the Company.
- While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards are followed.
- The Company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- Proceeds from the Public Issue : During the year under review, the Company has raised Rs.50.84 crores by issuing 16,947,745 equity shares of Rs. 10/- each at premium of Rs.20/- to part-funding its Jajpur project. The Company has utilized the entire proceeds in the said project as per the object of the issue stated in the prospectus.
- The Company does not have any subsidiary.
- All mandatory requirements and one non-mandatory requirement have been appropriately complied with, and the other non-mandatory requirements are dealt with at the end of this report.



MEANS OF COMMUNICATION

1. Financial Results

In compliance with the requirements of the Listing Agreement, 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 benefit of the shareholders and investors by publication of the financial results in the leading national dailies and a local vernacular newspaper widely circulated in the State of West Bengal. The results were also available on the company's website at <http://www.rohitferrotech.com>. Results for quarter ended 30th September, 2006 and onwards are also available on the SEBI's EDIFAR system which can be accessed at <http://www.sebiedifar.nic.in> or <http://www.sebi.gov.in>

2. Other Information

The Company has its own website <http://www.rohitferrotech.com> wherein other related information is available. The Company has a dedicated help desk email ID : ipo@rohitferrotech.com in the Secretarial Department for providing necessary information to the investors. Again, as required by BSE, the Company has setup another email ID : grievance@rohitferrotech.com for registering any complaints / grievances. The Company proposes to hold press meets / analyst meets to appraise and make public the information relating to the Company's working and future outlook.

PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT

Resume and other informations 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 'Explanatory Statement' to the Notice of ensuing Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS

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 : Friday, 28th September, 2007 at 11 a.m.
 Venue : 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020
2. **Date of Book Closure** : 21st September, 2007 to 28th September, 2007 (both days inclusive)
3. **Dividend payment date** : On or after 28th September, 2007

4. Financial Calendar

Indicative calendar of events for the financial year 2007-2008 is as under :

Unaudited Financial Results for :

- First Quarter - Already disclosed on 11th July , 2007
 Second Quarter - October, 2007
 Third Quarter - January, 2008
 Fourth Quarter - April, 2008

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

6. 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 Equity Shares of the Company has been listed w.e.f. 13th April, 2006 on BSE & NSE.

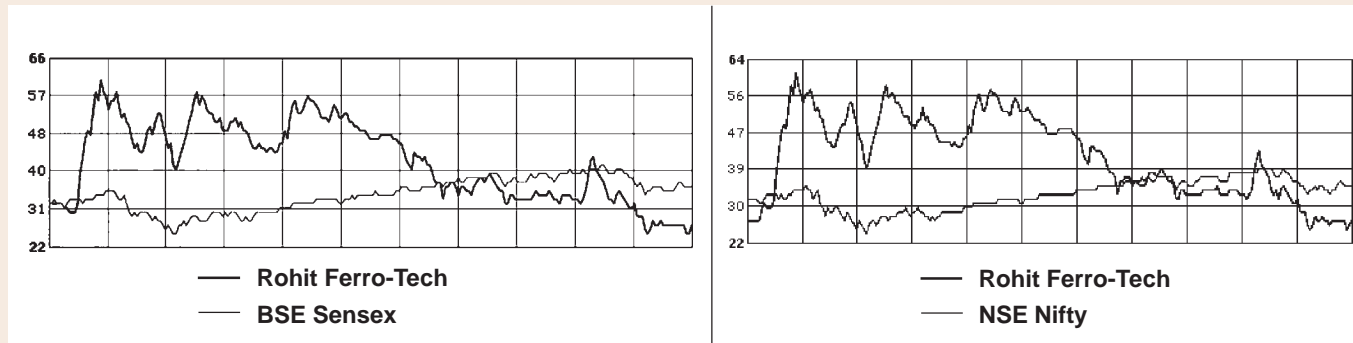
7. Market Price Data

The Shares of the Company were listed on BSE & NSE w.e.f. 13th April, 2006. The Stock Market data on BSE & NSE for the last twelve months, Post-listing, are provided herein :

(Amount in Rs.)

Month	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High	Low	High	Low
April, 2006	52.05	28.10	52.55	28.20
May, 2006	61.70	42.80	63.55	43.35
June, 2006	60.00	38.60	60.50	39.10
July, 2006	55.50	44.00	54.50	43.70
August, 2006	58.95	43.00	58.50	43.20
September, 2006	56.00	46.00	56.50	45.40
October, 2006	50.20	39.50	49.70	39.50
November, 2006	41.25	31.10	41.10	31.10
December, 2006	39.50	31.00	39.10	31.25
January, 2007	39.50	27.70	40.00	31.55
February, 2007	44.60	27.60	44.50	27.55
March, 2007	30.85	24.00	30.90	24.45

8. Stock Performance in comparison with BSE Sensex and NIFTY (from 13th April, 2006 to 31st March, 2007)



9. Shareholding Pattern as on 31.03.2007

Category of Shareholders	No. of Shares	%-Age
Indian Promoters	20886507	60.61
Financial Institutions / Banks	250	0.00
Domestic Bodies Corporate	8571019	24.87
Resident Individuals	4959431	14.39
Non-Resident Individuals	45738	0.13
TOTAL	34462945	100.00



10. Distribution of Shareholding as on 31st March, 2007

No. of shares held	No. of Shareholders	% of Total	No. of Shares	% of Total
Upto 500	4816	74.92	968015	2.81
501 to 1000	737	11.47	620155	1.80
1001 to 10000	729	11.34	2114656	6.14
10001 to 100000	113	1.76	3380663	9.81
100001 and above	33	0.51	27379456	79.44
TOTAL	6428	100.00	34462945	100.00

11. Dematerialisation of shares and Liquidity

The Shares of the Company are compulsorily traded in dematerialized form which is available for trading on both NSDL and CDSL. As on 31st March, 2007, 17,363,722 shares representing 50.38% of the Share Capital are held in dematerialized form viz. CDSL 75,11,272 and NSDL 98,52,450.

12. Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata-700 001 is the Registrars 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 Agents M/s. Maheshwari Datamatics Pvt. Ltd. and are placed before the Company Secretary who has been delegated by Investor Grievance cum Share Transfer Committee to approve transfers. During the year, 1 request for physical transfer has been received, and effected.

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

Mr. PRAMOD KUMAR JAIN
CFO & Company Secretary

ROHIT FERRO-TECH LIMITED
35, C. R. Avenue, 4th Floor, Kolkata - 700 012, India
Tel : +91 33 2211 9805/9806, Fax :+91 33 2211 0522
E-mail : ipo@rohitferrotech.com / grievance@rohitferrotech.com

15. Plant Location

BISHNUPUR	WBIIDC Road, P.O. Dwarika, Bishnupur - 722 122, Dist. Bankura (West Bengal)
JAJPUR	Kalinganagar Industrial Complex, Duburi - 755 026, Dist. Jajpur (Orissa)

NON-MANDATORY REQUIREMENTS

1. Chairman of the Board

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

2. Remuneration Committee

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

3. Audit Qualification

The Company does not have any Audit qualification and it attempts to move towards a regime of Unqualified Financial Statement.

4. Other Items

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

For and on behalf of the Board

Kolkata
27th August, 2007

Suresh Kumar Patni
Chairman

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

To
The Members of
Rohit Ferro-Tech Limited

We have examined the compliance of conditions of Corporate Governance by **Rohit Ferro-Tech Limited**, for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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.

Kolkata
27th August, 2007

For A J & ASSOCIATES
Company Secretaries
Abhijeet Jain
Partner
C.P. No.- 3426