

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 interest of the Company's stakeholders.

Board of Directors

The Company has an optimum Board headed by a Non-Executive Chairman with three Executive Directors and five Non-Executive Directors, of which, four are independent.

The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. The Company is in compliance with the recent amendment of

Clause 49 of the Listing Agreement pertaining to composition of Directors.

None of the Directors on the Board are members 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 composition of the Board of Directors of the Company currently, and the number of Board meetings attended by the Directors during the year 2007-08 are given below:

Name of Director	Status/ Designation	No. of Board meetings attended	No. of membership in other Boards and other committees as on 31st March 2008#		Whether attended the last AGM
			Board	Committee §	
Mr. S.K. Patni	Non-Executive Chairman	12	5	2	No
Mr. Rohit Patni	Managing Director	9	2	–	Yes
Mr. Ankit Patni	Jt. Managing Director	14	2	1	Yes
Mr. Binit Jain	Executive Director	13	–	–	Yes
Mr. K.C. Jain	Independent	5	2	2 (Chairman-2)	Yes
Mr. J.N.Rudra	Independent	5	1	2(Chairman-1)	Yes
Mr. J.K. Chatterjee	Independent	6	–	–	Yes
Mr. Asoke Kr. Basu*	Independent	NA	NA	NA	NA
Mrs. Sarita Patni**	Non-Executive Director	7	1	–	No

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

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

Notes:

* Mr. Asoke Kumar Basu has been appointed as an Additional Director on 11th August 2008

** Mrs. Sarita Patni has resigned from the Board on 11th August 2008

1. None of the Non-Executive Independent Directors have any pecuniary relationship or transactions with the Company except for holding Directorship and receiving sitting fees.

2. Fifteen Board meetings were held during the year 2007-08 and the gap between two meetings did not exceed three months. The dates on which the Board meetings were held are as follows:

23rd April 2007; 28th May 2007; 22nd June 2007; 29th June 2007; 11th July 2007; 27th August 2007; 14th September 2007; 28th September 2007; 26th October 2007; 23rd November 2007; 31st December 2007; 29th January 2008; 4th March 2008; 26th March 2008; 31st March 2008.

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

4. The Board periodically reviews all compliance reports of all laws applicable to the Company. Steps

are taken by the Company to rectify instances of non-compliance, if any.

5. Mrs. Sarita Patni is the spouse of Mr. Suresh Kumar Patni. Mr. Rohit Patni and Mr. Ankit Patni are sons of Mr. Suresh Kumar Patni. Mr. Binit Jain is nephew of Mr. Suresh Kumar Patni. No other director is related to any other Director on the Board.

Code of Conduct

The Code of Conduct for the Board of Directors and senior management personnel as adopted is available on the Company's website <http://www.rohitferrotech.com>.

All the members of the Board and senior management personnel have affirmed the compliances of the Code of Conduct.

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March 2008.

For Rohit Ferro-Tech Limited

Rohit Patni

Managing Director

Kolkata, 29th August 2008

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 28th September 2007.

The Annual Accounts for the year ended 31st March 2007 were duly reviewed by the Audit Committee at its meeting held on 20th June 2008 prior to

adoption by the Board.

During the financial year ended 31st March 2008, four Audit Committee Meetings were held on 29th June 2007; 11th July 2007; 26th October 2007; 29th January 2008. The necessary quorum was present at these meetings.

The composition of the Audit Committee and the details of meetings attended by the Directors are as follows:

Name of the Director	Category	No. of meetings attended during the year
Mr. K. C. Jain	Independent Director (Chairman)	4
Mr. J. N. Rudra	Independent Director	2
Mr. J. K. Chatterjee	Independent Director	3

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

2. Remuneration Committee

The Company has a Remuneration Committee consisting of three 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 Wholetime 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 once during the year on 27th August 2007. All the members of the Committee have attended the meetings.

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

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. The tenure of office of the

Managing Director and Executive Directors is for a period of five years and three years respectively from their respective date of appointment and can be terminated by giving two months' notice in writing. 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

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 by way of salary to its Executive Directors 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 2008 are as follows:

Name of the Director	Salary (Rs.)	Period of contract		Notice period
		From	To	
Mr. Suresh Kumar Patni*	20,00,000/-	01.07.2004	30.06.2009	2 months
Mr. Rohit Patni	21,48,387/-	27.08.2007	26.08.2012	2 months
Mr. Ankit Patni	14,32,258/-	27.08.2007	26.08.2012	2 months
Mr. Binit Jain	3,00,000/-	01.06.2006	31.05.2009	2 months

* Resigned from the post of Managing Director w.e.f. 27th August 2007.

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists only of sitting fees for attending the meeting of the Board of Directors or a committee thereof. The details of the fees paid during the year and the shares held by them as on 31st March 2008 are as follows:

Name of the Director	Sitting fee paid (Rs.)	Shares held as on 31st March 2008
Mrs. Sarita Patni*	2,500	6,80,100
Mr. K. C. Jain	19,000	Nil
Mr. J. N. Rudra	15,500	Nil
Mr. J. K. Chatterjee	18,000	Nil
Mr. Ankit Patni**	7,500	3,83,807
Mr. Suresh Kr. Patni***	25,000	10,20,100

* Resigned from the directorship w.e.f. 11th August 2008.

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

*** Resigned as MD w.e.f. 27th August 2007 and is continuing as a Non-Executive Director.

3. Investor Grievance cum Share Transfer Committee

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

The Committee shall comply with the following:

a) To review and ensure compliance of statutory provisions of the Companies Act, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating

to transfer and transmission of share/debenture of the Company.

b) To review and ensure that the Registrar/Company's Transfer House implement all statutory provisions as above.

c) Approve transfer/transmission of shares/debenture and demat/remat of the shares/ debenture.

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

e) 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.

f) Any other matter referred to by the Board relating to equity shareholders of the Company.

The Committee met twice during the year for reviewing the investor's complaints/grievances etc. and transfer/split/remat/demat on 27th August 2007 and 29th January 2008.

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

Name of the Director	Category	No. of meetings attended during the year
Mr. J. K. Chatterjee	Independent Director (Chairman)	2
Mr. J. N. Rudra	Independent Director	2
Mr. S. K. Patni	Non- Executive Director	2

Company Secretary, Mr. Pramod Kumar Jain has been designated as secretary to the committee and as compliance officer to the Company. The Company Secretary has been delegated the authority to approve the requests for

transfer/transmission, split and remat/demat of shares to the Company.

The Company has received total two Investor's grievances/complaints during the year ended 31st March 2008, all of which were replied/

resolved during the period.

Procedure for committee meetings:

The Company's procedure relating to Board meetings are applicable to Committee meetings as far as may be

practicable. Minutes of the proceedings of the committee meetings are placed before the Board meetings for perusal and noting.

CEO / CFO Certification

The Company is duly placing a certificate to the Board from CEO and CFO in accordance with the provisions of Clause 49 (V) of the Listing

Agreement. The aforesaid certificate duly signed in respect of the financial year ended 31st March 2008 has been placed before the Board in the meeting held on 20th June 2008.

General Body Meetings

1. AGM:

Date, time and venue, where last three AGMs held:

Financial year	Date	Time	Place
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
2006-2007	28th September 2007	11AM	'Rotary Sadan', 94/2, Chowringhee Road, Kolkata- 700 020

Special Resolutions Passed at the last three AGMs:

Financial year	Items
2004-2005	One-Amendment in the Articles of Association
2005-2006	None
2006-2007	Two-Appointment of Managing Director and Jt. Managing Director

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

Disclosures

There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in

the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the 'Related Party Transactions' Note No: B-15 in Schedule-22 to the Annual Accounts of the Company.

While preparation of financial statements during the period under review, no accounting treatment which is different from that prescribed in the Accounting

Standards were 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 penalties were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- During the year, the Company has received Rs. 3.44 crores being 10% of the total value of 80,00,000 (eighty lacs) Convertible Warrants of Rs. 43 each convertible into an

equal number of equity shares. The same has been deployed into the working capital of the Company immediately and is disclosed to the Audit committee as required.

- The Company has incorporated a wholly owned subsidiary named SKP Overseas Pte. Limited, in Singapore on 9th April 2008 (Post Balance Sheet development)
- The risk assessment and minimisation procedures are in place and the Board is regularly informed by the senior executives about the business risks and the steps taken to mitigate the same.
- Though the Company does not have a whistle blower policy, the Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest.
- All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.

Means of communication

1. Financial results

In compliance with the requirements of the Listing Agreements, the Company has intimated audited financial results as well as the unaudited quarterly results to the Stock Exchanges immediately after they are taken on record by the Board. Further coverage has been given for the 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 placed on the Company's website <http://www.rohitferrotech.com>. Results for the 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>. Hence, the quarterly results are not sent to all households of the shareholders.

2. Other Information

The Company has its own website <http://www.rohitferrotech.com> wherein other related information is available. The Company has a dedicated help desk email ID: grievance@rohitferrotech.com in the

Secretarial department for providing necessary information to the investors as well as for registering any complaints/grievances. The Company also holds press meets/ analysts meets to appraise and make public, the information relating to the Company's working and future outlook. The Company also posts on its website all its official news releases, important announcements and presentations made before the press meets, analysts and institutional investors from time to time for the benefit of its investors and public at large.

Profile of Directors seeking appointment / reappointment

Resume and other information of the Director seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement are given in the explanatory statement to the notice of the ensuing Annual General Meeting.

Management discussion and 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 : Thursday, 25th September 2008 at 11 a.m.

Venue : 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata-700 020

2. Date of book closure: 18th September 2008 to 25th September 2008 (both days inclusive)

3. Dividend payment date : On or after 25th September 2008

4. Financial calendar

Indicative calendar of events for the financial year 2008-09 is as under:

Financial Year : 1st April to 31st March

Unaudited financial results for:

First quarter : Already disclosed on 28th July 2008

Second quarter : October, 2008

Third quarter : January, 2009

Fourth quarter/ FY : April, 2009 / June, 2009, if audited.

Annual General Meeting : On or before 30th September 2009

5. Listing of the equity shares on the Stock Exchanges

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.

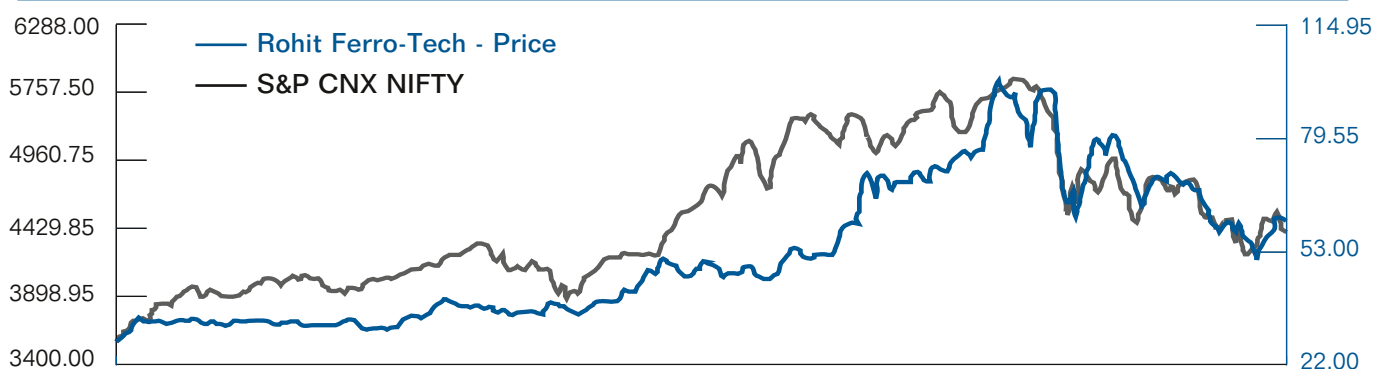
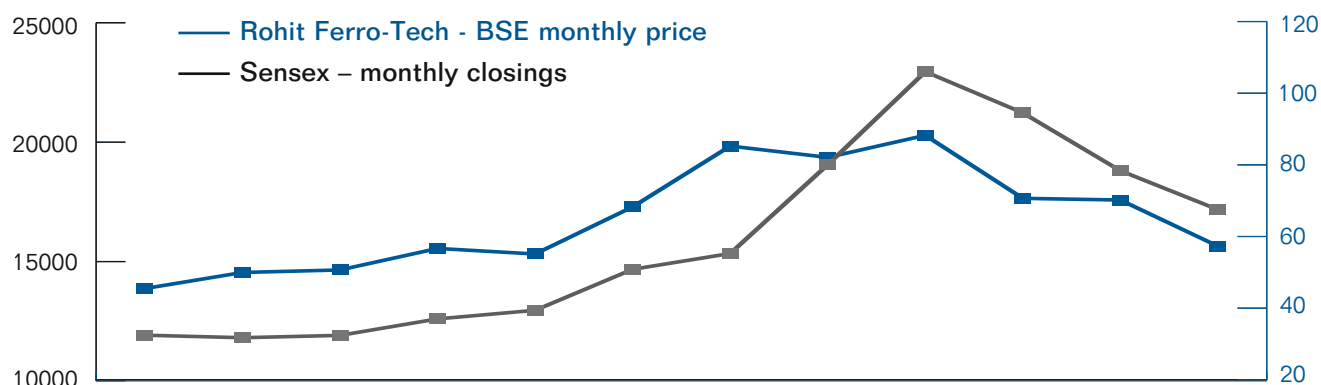
The Company has paid a listing fee for the year 2008-09 to both the Stock Exchanges where the shares of the Company are listed and also to the depositories.

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

7. Market price data

The stock market data on BSE and NSE for the last twelve months are provided herein:

Month	National Stock Exchange of India Ltd		Bombay Stock Exchange Ltd	
	High	Low	High	Low
April 2007	37.00	26.25	36.90	26.30
May 2007	37.50	30.60	35.40	30.00
June 2007	35.50	29.70	35.70	29.05
July 2007	42.45	32.60	42.50	32.50
August 2007	41.35	34.00	41.50	34.10
September 2007	57.00	35.10	57.30	38.80
October 2007	60.50	43.05	62.00	45.00
November 2007	96.90	52.05	93.00	52.10
December 2007	109.90	78.00	110.00	78.00
January 2008	119.00	64.80	127.20	64.90
February 2008	98.35	72.55	99.0	72.65
March 2008	76.40	50.00	76.90	54.15



9. Shareholding pattern as on 31st March 2008

Shareholding of Promoter and Promoter Group	No. of Shares	%-Age
Indian Promoters	2,08,86,507	60.61
Financial institutions/banks	-	-
Domestic bodies corporate	49,32,242	14.31
Resident individuals	83,06,095	24.10
Non-resident individuals	3,38,101	0.98
Total	3,44,62,945	100.00

10. Distribution of Shareholding as on 31st March 2008

No. of shares	No. of Shareholders	% of total shareholders	No. of shares	% of total
Upto 500	11,511	82.58	19,47,470	5.65
501 to 1,000	1,173	8.42	9,88,906	2.87
1,001 to 10,000	1,109	7.96	33,41,114	9.69
10,001 to 1,00,000	125	0.90	33,71,048	9.78
1,00,001 and above	21	0.15	2,48,14,407	72.00
Total	13,939	100	3,44,62,945	100

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 2008, 3,44,62,945 shares representing 100% of the shares capital are held in dematerialised form viz. CDSL 70,86,450 and NSDL 1,17,94,415 equity shares.

12. Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata-700 001 is the Registrar and Share Transfer Agent of the Company, both for physical and demat segments. Accordingly, all communications on matters relating to share transfers, dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

13. Share transfer system

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

14. Name, designation and address of Compliance Officer for complaints and 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 (Ext: 401)
Fax: +91 33 2211 0522
E-mail: 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)

16. Outstanding GDR's/ ADR's/ warrants or any convertible instruments, conversion date and likely impact on equity

The Company has allotted 80,00,000 (eighty lacs) convertible warrants convertible into an equal number of equity shares at the option of the warrant holders within a period of 18 months from the date of allotment i.e. 23rd November 2007. As on 31st March 2008, the Company has not received any request for conversion of these warrants.

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 three Independent Non-Executive 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 whistleblower policy will be implemented by the Company as and when required.

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 29th August, 2008

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 with conditions of Corporate Governance by Rohit Ferro-Tech Limited, for the year ended 31st March 2008, 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 management. Our examination has been limited to a

review of the procedures and implementations thereof adopted by the Company for ensuring compliance with 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, we certify that

the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

*For AJ & ASSOCIATES
Company Secretaries*

Place: Kolkata
Dated: 29th August 2008

Abhijeet Jain
Partner
C.P. No. 3426