

Corporate Governance

CORPORATE GOVERNANCE PHILOSOPHY

We believe that good Corporate Governance is a key driver of sustainable corporate growth and long term value creation of our stakeholders. Corporate Governance involves being responsive to aspirations of our stakeholders besides ensuring compliance with regulatory requirements. The Company has always been taking the spirit of various legislations as guiding principles and proposes to go well beyond statutory compliance by establishing such systems and procedures as are required to make the management completely transparent and institutionally sound. We are committed to conduct the business upholding the core values like transparency, integrity, honesty, accountability and compliance of all statutes. We recognize that this is a conscious and continuous process across the organization, which enables

the Company to adopt best practices as we incorporate improvements based on the past experience.

BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

Notes :

- None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except for holding directorship & receiving sitting fee, save and except Mr. Suresh Kumar Patni and Mrs. Sarita Patni, who are also the promoters of the company (ies), which has a business relation with this company.
- 19 (Nineteen) Board Meetings were held during the year 2008-09 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :
10th April, 2008; 13th May, 2008; 20th May, 2008; 31st May, 2008; 20th June, 2008; 8th July, 2008; 28th July, 2008; 5th August, 2008; 11th August, 2008; 29th August, 2008; 1st September, 2008; 13th September, 2008; 20th September, 2008; 31st October, 2008; 31st December, 2008; 13th January, 2009; 31st January, 2009; 10th February, 2009 and 13th March, 2009.
- The information as specified in Annexure-IA to the clause 49 of the Listing Agreement entered into with the Stock Exchange, is regularly made available to the Board whenever applicable.

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4. The Board periodically reviews compliance reports of all laws applicable to the company. Steps are taken by the company to rectify instances of non-compliance, if any.
5. Mr. Rohit Patni, MD and Mr. Ankit Patni, JMD are the sons of Mr. Suresh Kumar Patni and Mrs. Sarita Patni. No other directors in the Board are related to each other.

CODE OF CONDUCT

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

Declaration

As provided under Clause 49 of the listing agreement with the Stock Exchanges, the Board members and senior management personnel of the Company have affirmed compliances with the code of conduct of the company for the year ended 31st March, 2009.

For Rohit Ferro-Tech Limited

Rohit Patni

Managing Director

Kolkata, 25th August, 2009

COMMITTEES OF DIRECTORS

1. Audit Committee

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

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

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

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

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

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

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

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

2. Remuneration Committee

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

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

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

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

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

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

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Remuneration Policy

A. For Executive Directors :

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

B. For Non-Executive Directors :

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

Remuneration of Executive Directors

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

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

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

Remuneration of Non-Executive Directors

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

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

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

** Appointed as director w.e.f. 11th August, 2008.

3. INVESTOR GRIEVANCE CUM SHARE TRANSFER COMMITTEE

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

The Committee shall look into the following :

- 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.

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- b) To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
- c) Approve transfers/transmission of shares/debenture and demat/remat of the shares/debentures.
- d) Approve issue of duplicate shares certificates, consolidate/sub-division of share certificates on completion of the procedures as may be stipulated.
- e) Ensure all shareholders queries, grievance and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. are attended and redressed in an expeditious manner.
- f) Any other matters referred by the Board relating to equity shareholders of the Company.

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

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

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

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

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

SUBSIDIARY COMPANIES

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

PROCEDURE FOR COMMITTEE MEETINGS

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

CEO/CFO CERTIFICATION

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

GENERAL BODY MEETINGS

The last three Annual Genral Meetings were held as under :

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

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Special Resolutions passed at the last three AGMs :

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

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

DISCLOSURES

- There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the 'Related Party Transactions' Note No: B-16 in Schedule-22 to the Annual Accounts of the Company.
- While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards are followed.
- The Company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- The risk assessment and minimization procedures are in place and the Board is regularly informed by the senior executives about the business risks and the steps taken to mitigate the same.
- Though the company does not have a whistle blower policy, the Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event which is against the company's interest.
- In terms of clause 49(IV)(F)(ii) of the listing agreement, the senior management have disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the company at large.
- The Company has received Rs. 19.42 Crores towards the Conversion of 50,20,000 warrants exercised by the warrant holders. The said amount has been utilised for the investment in overseas ventures and new projects expansion and the statement of funds utilised has been placed before the audit committee.
- All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.

MEANS OF COMMUNICATION

1. Financial Results

In compliance with the requirements of the Listing Agreements, the Company has intimated Audited Financial Results as well as the Unaudited Quarterly Results to the Stock Exchanges immediately after they are taken on record by the Board. Further coverage has been given for the information of the shareholders and investors by publication of the financial results in the leading national dailies in English and in a local vernacular newspaper widely circulated in the state of West Bengal. The results were also placed on the company's website at <http://www.rohitferrotech.com>. Results for quarter ended 30th September, 2006 and onwards are also be available on the SEBI's EDIFAR system which can be accessed at <http://www.sebiedifar.nic.in>. Hence, the quarterly results are not sent to all households of shareholders.

2. Other Information

The Company has its own website <http://www.rohitferrotech.com> wherein other related information is available. The Company has a dedicated help desk E-mail ID: grievance@rohitferrotech.com in the secretarial department for providing necessary information to the investors as well as for registering any complaints/grievances. The Company also holds press meets/analysts meets to appraise and make public the information relating to the Company's working and future outlook. The company also posts on its website all its official news releases, important announcements and presentations made before the press meets, analysts and institutional investors from time to time for the benefit of its investors and public at large.

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PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting (AGM)

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

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

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

4. Financial Calendar

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

Financial Year 1st April to 31st March

Unaudited Financial Results for :

First Quarter Already disclosed on 29th July 2009

Second Quarter October, 2009

Third Quarter January, 2010

Fourth Quarter/FY April, 2010/June, 2010, if audited

Annual General Meeting On or before 30th September, 2010

5. Listing of the Equity Shares on Stock Exchange

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

The Company has paid the Listing Fee for the year 2009-10 to both the Stock Exchanges where the shares of the Company are listed and also to the depositories.

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

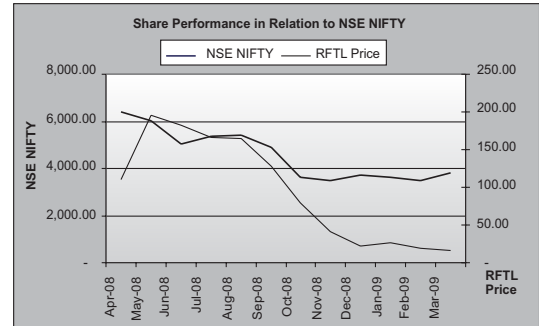
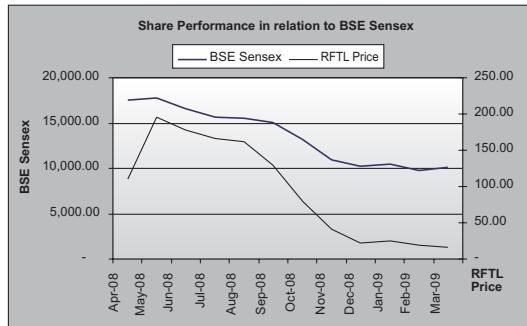
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7. Market Price Data

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

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



9. Shareholding Pattern as on 31st March, 2009

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

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

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

11. Dematerialization of shares and Liquidity

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

12. Registrar and Share Transfer Agent

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

13. Share Transfer System

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

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

Mr. Pramod Kumar Jain
CFO & Company Secretary

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

15. Plant Locations

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

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

The Company has allotted 80,00,000 (Eighty Lacs) Convertible Warrants on 23rd November, 2007 convertible into equal number of equity shares at the option of the warrant holders within a period of 18 months from the date of the allotment. During the year, the Company on the request of allottees, has converted 50,20,000 warrants into equal number of equity shares. The

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balance 29,80,000 warrants were not fully paid up and not requested for conversion before 18 months and hence Rs. 1.28 Crores received as application money against these warrants have been forfeited in the meeting of the Board of Directors held on 29th June, 2009 and credited to Capital Reserve. The paid-up share capital of the Company has been increased to Rs. 39.48 Crores from Rs. 34.46 Crores. As on date, there is no GDR's/ADR's/Warrants or any convertible instruments outstanding.

NON-MANDATORY REQUIREMENTS

1. Chairman of the Board

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

2. Remuneration Committee

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

3. Audit Qualification

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

4. Other Items

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

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 25th August, 2009

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

To
The members of
Rohit Ferro-Tech Limited

We have examined the compliance of conditions of Corporate Governance by **Rohit Ferro-Tech Limited**, for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement(s) of the said company with the stock exchange(s).

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

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

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

For **AJ & ASSOCIATES**
Company Secretaries
Abhijeet Jain
Proprietor
C.P. No. 3426

Date : 25th August, 2009
Place : Kolkata