

Corporate Information

Board of Directors

Executive Chairman

Dr B Panda

Vice Chairman

Mr Baijayant Panda

Managing Director

Mr Subhrakant Panda

Director (Corporate)

Mr J K Misra

Directors

Mrs Paramita Mahapatra

Mr G L Tandon, Padmabhusan

Mr D Bandyopadhyay

Major R N Misra (Retd)

Mr H Biswas (Nominee Director of IDBI)

Dr S Acharya

Mr N R Mohanty, Padma Shri

Mr S K Pattanaik

Mr Alexius Markus Amrein

Mr S P Mathur

General Shankar Roychowdhury (Retd)

Sr Vice President (Finance) & Company Secretary

Mr Prem Khandelwal

Auditors

M/s Raghunath Rai & Co.

Chartered Accountants

New Delhi

Term Lenders

IDBI Bank Ltd

Canara Bank

Punjab National Bank

State Bank of India

Bankers

Indian Overseas Bank

State Bank of India

Standard Chartered Bank

Registered Office

Bomikhal, P.O. Rasulgarh

Bhubaneswar – 751010, Orissa

Plants

Therubali, Dist: Rayagada, Orissa

Choudwar Dist: Cuttack, Orissa

Mines

Sukinda, Dist: Jajpur, Orissa

Mahagiri, Dist: Jajpur, Orissa

Chingudipal, Dist: Jajpur, Orissa

Nuasahi, Dist: Keonjhar, Orissa

Bangur, Dist: Keonjhar, Orissa

Registration & Share Transfer Work

Members are requested to correspond directly with Company Secretary at the Registered Office of the Company

e-mail: pkhandelwal@imfa.in

Managing Director's overview

Q What are the reasons for being satisfied / dissatisfied in 2009-10 ?

A. 2009-10 was a very challenging year for all commodity companies and IMFA was no exception. The first half saw the lingering effects of the global economic meltdown and capacity utilisation remained low as producers worldwide cut back on production in order to adjust stock levels. As such, it is a reflection of our inherent strength that besides paring down debt substantially we were able to minimise losses in the first half and subsequently effect a turnaround for the full year as the economic recovery gained momentum. To go through such a turbulent period and come out stronger gives me immense satisfaction.

Obviously, it is disappointing to report a sharp reduction in turnover and profits but the industry touched rock bottom and things can only get better !

Q How has the Company emerged stronger ?

A. As has almost been our tradition, we seized upon the opportunity provided by the economic downturn to expand capacity - in this case, going ahead with the 120 MW captive power plant - at a very competitive cost. This project was derisked by a preferential issue of Rs 96.75 crores to Reliance Capital and will stand us in very good stead. Besides, with ferro chrome demand recovering substantially - although there will still be ups & downs - the new 30 MVA furnace will be coming on line at the right time.

The preferential issue in a challenging environment reflects the confidence in IMFA and, indeed, investors have recognised this with our share price moving up sharply thereafter. It is now incumbent upon us to deliver results and we are going to do our best in this regard. In this context, 2010-11 represents an inflection point with our expansion projects coming on line, work starting on a near doubling of power generation capacity and, if all goes well, coal mining set to commence at the end of the year.

Q How has the global environment for ferro chrome evolved ?

A. While the ferro chrome industry is cyclical in nature, in effect reflecting the trend of stainless steel, overall I see a bright future

particularly given the strong demand emanating from China and more so with India also poised to provide a fillip. Indeed, per capita consumption of stainless steel - and, thus, ferro chrome - is set to go up substantially and we are gearing up to service the anticipated increase in domestic demand.

Globally, South Africa is facing certain structural problems shortage of electricity, pressure on transport infrastructure, etc - which cannot be easily addressed particularly in the short to medium term. As such, India is gaining in importance as a niche supplier. In fact, CRU - a leading industry publication - has assessed that for the first time integrated Indian producers have a more competitive cost structure than the average cost of production in South Africa.

Q What are the Company's learnings from the last year ?

A. Despite all efforts to the contrary, some flab tends to build up during good years particularly given the euphoria surrounding the so-called "commodity super cycle". The challenging circumstances of last year enabled us to refocus on cost reduction and also take some hard decisions like suspending production of ferro silicon. We also took pre-emptive steps to ensure cashflows were maintained and all financial commitments were honoured. As such, we have emerged stronger from the crisis.

Q What can shareholders look forward to in 2010-11 ?

A. As I said earlier, 2010-11 is an inflection point for IMFA. While capacity expansion in both power & ferro chrome will provide an immediate boost to our performance, further backward integration into coal mining is an important step given our ambitious plans for the power sector. We are also looking to spread our wings globally and hope to make a breakthrough during the current year.

Subhrakant Panda
Managing Director

INDIAN METALS & FERRO ALLOYS Ltd

Regd. & Head Office: Bomikhal, Rasulgarh (PO), Bhubaneswar - 751 010

AGM Notice

Notice is hereby given that the 48th Annual General Meeting of the members of INDIAN METALS & FERRO ALLOYS LIMITED will be held at the Registered Office of the Company at Bomikhal, PO: Rasulgarh, Bhubaneswar – 751010, Orissa on Saturday, the 17th July, 2010 at 12.30 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr N R Mohanty, Padma Shri who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mrs Paramita Mahapatra who retires by rotation and being eligible, offers herself for re-election.
5. To appoint a Director in place of Major R N Misra (Retd) who retires by rotation and being eligible, offers himself for re-election.
6. To appoint Auditors for the financial year 2010-2011 on a remuneration to be fixed by the Board of Directors of the Company. M/s. Raghunath Rai & Co., Chartered Accountants, the retiring auditors, are eligible for re-appointment.

SPECIAL BUSINESS

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT Mr S K Pattanaik, a Director, who retires by rotation at this meeting, be not re-appointed and resulting vacancy be not filled up and that the number of Directors be reduced accordingly.”

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT Articles of Association of the Company be altered in the following manner:

That the existing Article 112A to 112E of Articles of

Association be deleted and in its place the following new article shall be substituted.

112A : The Company may agree with any financial institution(s), bank(s), company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of directors on the Board of Directors of the Company as may be agreed and from time to time, remove and re-appoint/replace them and to fill in the vacancy caused by such directors otherwise ceasing to hold office. Such nominated directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The director appointed under this Article is hereinafter referred to as “Nominee Director.”

9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 314 of the Companies Act, 1956 (“The Act”) read together with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Act and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mrs Shaifalika Panda, a relative of Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director of the Company, to hold an office or place of profit as Chief of CSR (Special Initiatives) or with such other designation as the Board may decide from time to time commencing from 1st April 2010 or from such other date as the Central Government may approve, on the following terms and conditions:

(I) SALARY:

Rs 70,000/- (Rupees seventy thousand only) per month with normal increment as per general policy of the Company as applicable to other employees in E-14 grade.

(II) PERQUISITES:

- (a) Dearness & Additional Dearness Allowance
Rs1421/- (Rupees one thousand four hundred twenty one only) per month.

- (b) Dress/Soft Furnishing/Education Allowance
Rs1674/- (Rupees one thousand six hundred seventy four only) per month.
- (c) Transport Allowance
Rs 800/- (Rupees eight hundred only) per month.
- (d) Goodwill
Rs 4000/- (Rupees four thousand only) per annum.
- (e) Company's contribution towards Provident Fund and Superannuation Fund.

As per rules of the Company subject to a ceiling of 12% of salary for Provident Fund and 15% of salary for Superannuation Fund.
- (f) Gratuity
As per provisions of the Payment of Gratuity Act.
- (g) Medical Reimbursement
Reimbursement of expenses incurred for self and family subject to a limit of Rs15,000/- per annum as per rules of the Company.
- (h) Leave Travel Concession
For self and family as per rules of the Company.
- (i) Earned/Privilege Leave
On full pay as per rules of the Company.
- (j) Leave encashment
In accordance with the rules of the Company.
- (k) Executive Incentive Scheme
 - (i) Quarterly Incentive Payable as per rules of the Company as applicable to other employees in E-14 grade.
 - (ii) Subjective Incentive to be decided by Remuneration Committee subject to a maximum of Rs 5,00,000/- (Rs five lac only) per annum.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE SUPPORTED BY PROXY FORM (SENT HEREWITH) WHICH SHOULD BE LODGED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Disclosure pursuant to clause 49 of the listing agreement with respect to the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

3. The Register of Members of the Company shall remain closed from 13th July, 2010 to 17th July, 2010 both days inclusive.
4. Dividend, if declared, will be paid to those members whose names shall appear on the Register of Members as on 12th July, 2010 in respect of those shareholders holding the shares in physical form. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as on that date.
5. Members are requested to furnish their Bank Account details, change of address etc to the Company in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
6. (a) Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) wherever available. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.

(b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to Company in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment.
7. Members who desire to have any information/clarification as regard the audited annual accounts for the year ended 31st March, 2010 are requested to write to the Company Secretary at least 7 days before the date of meeting.
8. Members are requested to bring their copy of the Annual Report along with attendance slip (sent herewith).
9. The Company has complied with all provisions relating to unpaid dividends of the previous years under section 205A and other applicable provisions of the Companies Act, 1956. Dividend for the financial year ended 31st March, 2003 which remains unclaimed, will be due for transfer to the Investor Education Protection Fund of the Central Government (IEPF) pursuant to the provisions of Section 205A of the Companies Act, 1956. Members who have not

encashed their dividend warrants for the financial year ended 31st March, 2003 or any subsequent financial year, are requested to correspond with the Company. Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.

11. The Board recommends Resolutions 1 to 9 above for the approval of the Members.

By Order of the Board of Directors
For **Indian Metals & Ferro Alloys Limited**

(Prem Khandelwal)

Place: New Delhi
Date: 11th May 2010

*Sr Vice President (Finance) &
Company Secretary*

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 7

Mr S K Pattanaik, Director who is retiring at this Annual General Meeting had informed the Company that he does not wish to seek re-election. Hence, the proposed resolution is being placed before the shareholders for their approval as an ordinary resolution.

None of the Directors of the Company is in any way concerned or interested in the Resolution under item No. 7.

Item No. 8

As per the existing Articles of Association of the Company, Govt of Orissa, Industrial Development Corporation of Orissa Limited, Industrial Credit and Investment Corporation of India Limited and Industrial Finance Corporation of India have the power to appoint "Nominee Director" on the Board of the Company. As the Company is expanding and availing loan from other Term Lender(s)/Financial Institution(s)/Bank(s) it has become necessary to appoint nominee directors from these Term Lender(s)/Financial Institution(s)/Bank(s), hence the Articles of Association of the Company have to be suitably amended.

None of the Directors of the Company is in any way concerned or interested in the Resolution under item No. 8.

Item No. 9

Mrs Shaifalika Panda has to her credit a degree in Business Administration with specialization in Marketing & International Management from the School of Management, Boston University where she graduated with honours *cum laude* in 1992. She joined the organisation in January 1998 as Advisor (Imports & Exports). She is a relative of Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director of the Company and her remuneration was within the limit prescribed under Section 314 of the Companies Act, 1956. Her appointment was approved by the shareholders at the Annual General Meeting held on 26th September 1998 and from the Department of

Company Affairs vide letter No.RD/T/1787 dated 31st March 1998 under section 297 of the Companies Act, 1956. Subsequently, the Board of Directors of the Company in their meeting held on 22nd January 2010 redesignated Mrs Shaifalika Panda as Chief of CSR (Special Initiatives) with effect from 1st February 2010 on the same terms and conditions with a view to bringing about greater focus on the Company's CSR & Community Development activities while also broadening its scope.

Keeping in view her experience of more than 17 years and long association with the Company, the Board recommends the revision in the salary, perquisites and allowances with effect from 1st April, 2010 as recommended by the Remuneration Committee and detailed in the Resolution under Item No.9. The proposed remuneration to Mrs Shaifalika Panda is commensurate with her experience and is in line with industry standards.

The resolution is required to be passed as a Special Resolution pursuant to the provisions of Section 314 of the Companies Act, 1956 and shall be subject to prior approval of Central Government and shall take effect from such date as may be approved.

None of the Directors except Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director are concerned or interested in the resolution under item No.9.

The Board recommends resolutions 1 to 9 above for the approval of the members.

By Order of the Board of Directors
For **Indian Metals & Ferro Alloys Limited**

(Prem Khandelwal)

Place: New Delhi
Date: 11th May 2010

*Sr. Vice President (Finance) &
Company Secretary*

Annexure to Notice

Details of Directors seeking re-appointment at the Annual General Meeting

1. Mr N R Mohanty, Padma Shri	
Father's Name	Late Gaurang Charan Mohanty
Date of Birth	8th November, 1944
Nationality	Indian
Date of Appointment	7th January, 2005
Qualifications	Mechanical Engineering from REC (now called NIT), Rourkela.
Expertise in specific functional areas	Vast and rich experience in the field of defence, ferro alloys, mining and corporate management (former Chairman of HAL).
Directorships held in other Companies	1) National Aluminium Company Ltd (NALCO) 2) KIOCL, Bangalore 3) Mahanadi Coalfields Ltd (MCL) 4) Textron India Private Ltd 5) Sankhya Infotech Ltd
Member of Committees of the Board	Nil
Member of Committees in other Companies	Chairman of the Audit Committee of KIOCL, Bangalore. Chairman of HR Committee of NALCO Audit Committee of NALCO Audit Committee of MCL.
Shares held in IMFA	Nil
2. Mrs Paramita Mahapatra	
Father's Name	Dr B Panda
Date of Birth	19th January, 1965
Nationality	Indian
Date of Appointment	27th May, 1985
Qualifications	Post Graduate Degree in Personal Management & Labour Welfare from Utkal University. A gold Medalist having secured the first position in Post Graduation.
Expertise in specific functional areas	Vast and rich experience in the field of human resources, ferro alloys and corporate management.
Directorships held in other Companies	1) Utkal Manufacturing & Services Ltd Managing Director 2) Goal Oriented Advisory & Legal Services Pvt Ltd 3) B Panda & Co Pvt Ltd 4) Orissa Media Ventures Pvt Ltd 5) Paramita Investment & Trdg Co Pvt Ltd 6) Barabati Investment & Trdg Co Pvt Ltd 7) K B Investments Pvt Ltd 8) Madhuban Investments Pvt Ltd 9) Paramita Realtors Pvt Ltd 10) Orissa Television Ltd 11) Utkal Housing and Infrastructure Development Ltd 12) Utkal Green Energy Ltd 13) Barunei Farm & Nature Resorts Pvt Ltd 14) Star One Projects Pvt Ltd 15) Commercial City Center Pvt Ltd 16) IMFA Alloys Ltd 17) Utkal Real Estate Pvt Ltd
Member of Committees of the Board	Audit Committee, Shareholder / Investor Grievance Committee, Finance Committee
Member of Committees in other Companies	NIL
Shares held in IMFA	217539
3. Major R N Misra (Retd)	
Father's Name	Late Lingaraj Misra
Date of Birth	14th March, 1938
Nationality	Indian
Date of Appointment	30th September, 1993
Qualifications	Degree in Engineering (First Class) from the College of Military Engineering, Pune and obtained MBA degree from University of Pune with First Class with distinction. He is a fellow member of the Institution of Engineers India. He is also a certified Chartered Engineer.
Expertise in specific functional areas	Vast and rich experience in the field of ferro alloys, mining, power and corporate management.
Directorships held in other Companies	Nil
Member of Committees of the Board	Audit Committee and Remuneration Committee
Member of Committees in other Companies	Nil
Shares held in IMFA	Nil

Directors' Report

To the Members

Your Directors are pleased to present the 48th Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March 2010.

Financial Results

(Rs in Crores)

	2009-10	2008-09
1. Gross Sales:	601.23	1012.40
Less : Excise Duty	8.64	18.27
Net Sales	592.59	994.13
2. Other Income	29.63	27.37
Total Revenue	622.22	1021.50
3. Profit before interest, depreciation and taxation	142.27	467.80
4. Interest	44.39	79.52
5. Depreciation	40.39	37.92
6. Profit before Tax	57.49	350.36
7. Tax including Deferred Tax & FBT	16.48	89.72
8. Profit after Tax	41.01	260.64
9. Balance brought forward from previous year	179.30	43.60
10. Amount available for appropriation	220.31	304.24
11. Proposed dividend (including Tax on dividend)	15.40	24.94
12. Transfer to General Reserve	4.10	100.00
13. Balance carried forward	200.81	179.30

As a result of the continuing impact of the global economic meltdown, FY 2009-10 proved to be a challenging year for your Company with the first half witnessing continuing cutback in production. However, there was renewed optimism in the second half as a result of revival in demand for commodities and, as such, gross sales during the year under review was 41% lower at Rs 601.23 crores (previous year : Rs 1012.40 crores) while profit before interest, depreciation & taxes decreased by 70% to Rs 142.27 crores (previous year : Rs 467.80 crores) and profit after tax declined by 84% to Rs 41.01 crores (previous year : Rs 260.64 crores).

Dividend

Keeping in view the profitability of the Company, your Directors are recommending a dividend of Rs 5/- per share for the year ended 31st March 2010 subject to approval of the shareholders at the forthcoming Annual General Meeting and other necessary approvals.

Operations

Ferro Alloys :

The production of ferro chrome during the year under review increased by 18% to 130,758 tonnes (previous year : 111,157 tonnes) as a result of revival in demand during the second half of the year. However, production of ferro silicon remained suspended.

Electricity :

Your Company registered a gross generation of 726 million units during the year under review (previous year : 625 mu's) which translates to a plant load factor of 83% on MER basis. The Company sold 187.36 million units of power during the year under review at an average rate of Rs 3.06 per unit to GRIDCO pursuant to an interim order passed by Orissa Electricity Regulatory Commission facilitating the sale of surplus power from CGP's.

Mining :

The output of chrome ore raised from the captive mines decreased by 34% to 282,836 tonnes (previous year : 427,347 tonnes) in line with budgeted in-house requirement. It is pertinent

Directors' Report

to note here that your Company has consistently followed the practice of value addition thus maximizing both employment and revenue contribution to the exchequer.

Keeping in mind the importance of raw material security your Directors will pursue the allotment of balance 50% captive chrome ore mines and shall take all necessary steps to protect your Company's interests.

Listing

Your Company's shares are listed on Bombay Stock Exchange Limited (stock code : 533047) and the Annual Listing Fee for the year 2010-11 has been paid.

Scheme of Arrangement and Amalgamation

Pursuant to orders of the Hon'ble High Courts of Andhra Pradesh and Orissa dated 6th November, 2009 and 24th November, 2009 respectively, the Ferro Alloys Division (FAD) of Utkal Manufacturing & Services Ltd (UMSL) merged with the Company with effect from the appointed date ie. 1st April 2009. The merger will enable the Company to consolidate its position in the rapidly growing ferro alloys market thereby enhancing the shareholders value.

Further Issue of Shares

During the year under review, the Company allotted 25,11,754 equity shares to the shareholders of UMSL pursuant to the merger of its Ferro Alloys Division with the Company.

Further, in terms of the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 29th December 2009, your Company allotted 25,00,000 equity shares of Rs 10/- each on preferential basis at an issue price of Rs 387/- per share to Reliance Capital Trustee Company Ltd a/c Reliance Tax Saver Fund and Reliance Capital Trustee Company Ltd a/c Reliance Equity Opportunities Fund.

Awards & Recognitions

Your Company has been recognised by EEPC India for its outstanding export performance during the year 2007-08 and was presented the prestigious All India Export Award under the category 'Star Performer in Ferro Alloys – Large Enterprise'.

Energy Conservation, Etc.

The information 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 are set out in an annexure hereto forming part of this report.

Subsidiary Companies

Indian Metals & Carbide Ltd, a subsidiary of your Company, has reported a net loss of Rs 1.24 lakhs as against a net loss of Rs 5.22 lakhs during the previous year. In view of the loss, the Board of Directors of the said Company have not proposed any dividend.

Utkal Power Limited and Utkal Coal Limited, subsidiaries of your Company, are yet to begin operations. Hence, no Profit & Loss Account has been prepared.

Particulars in respect of this Company pursuant to section 212 of the Companies Act, 1956 are appended to the Balance Sheet.

New Projects

Commissioning of the 30 MW dual fuel power plant is behind schedule due to a variety of reasons and the matter has been taken up very strongly with the EPC contractor. The progress has since improved and, as such, the project is likely to be commissioned by June 2010.

Subsequent to financial closure of the 2 x 60 MW CPP, 9th November 2009 was fixed as the "zero date" and progress till date is very encouraging. Significant mobilization in terms of men & material has taken place and major foundation works, etc are likely to be completed prior to the onset of monsoons. A dedicated team has been set up to monitor and facilitate the progress of the project and all efforts will be made to commission it on or ahead of schedule.

Finally, captive coal mining project being taken up under the aegis of Utkal Coal Ltd – a 74% subsidiary of your Company – is at a very advanced stage with all statutory approvals except forest clearance being in place. As such, your Directors are hopeful that mining will commence by the end of the current year.

Particulars of Employees

The statement giving particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, as per the provision of Section 219 (1)(b) (iv) of the Companies Act, 1956, the report and the statement of accounts are being sent to all shareholders excluding the above statement. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary at the registered office of the Company.

Public Deposits

The Company has not accepted any public deposits during the year under review. However, unclaimed deposits pending repayment as on 31st March, 2010 amounts to Rs .0.02 crore.

Observations of the Auditors

Observations of the Auditors on the annual accounts of the Company have been dealt with in the Notes to the Accounts annexed as Schedule 'N' which are self-explanatory.

Directors

Mr N R Mohanty, Padma Shri, Mrs Paramita Mahapatra and Major R N Misra (Retd), Directors retire by rotation at the forthcoming Annual General Meeting (AGM) of the Company and are eligible for re-appointment. The proposals regarding their re-appointment as Directors are placed for your approval. Mr S K Pattanaik, Director, also retires by rotation at the forthcoming AGM but is not seeking reappointment. The Directors convey their gratitude to Mr Pattanaik for his invaluable contribution over the years.

Brief resume/details relating to Directors who are to be re-appointed are furnished in the Explanatory Statement to the Notice of the ensuing AGM as required under the Code of Corporate Governance.

Directors' Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year under consideration;

(iii) 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 frauds and other irregularities;

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2010 on a going concern basis.

Auditors

M/s Raghunath Rai & Co, Chartered Accountants, the Auditors of the Company who are to retire at the ensuing Annual General Meeting, being eligible offer themselves for re-appointment. The Company has received a certificate to the effect that their re-appointment, if made, shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance, a Management Discussion and Analysis, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO & CFO certification have been made a part of the Annual Report.

Industrial Relations

During the year under report, industrial relations at the Company's plants situated at Therubali and Choudwar as well as at the Mines remained cordial.

Acknowledgement

Your Directors would like to place on record their sincere appreciation of the devoted services rendered by the entire workforce during the year under review. Further, your Directors would also like to recognise and appreciate the support received from Term Lenders and Working Capital Bankers. Last but not certainly by no means least, your Company would like to thank its shareholders, customers and the public at large for their continued support and confidence.

For and on behalf of the Board

Place: New Delhi
Date: 11th May 2010

Dr. B. Panda
Executive Chairman

Subhrakant Panda
Managing Director

Directors' Report

Annexure to Directors' Report

Particulars required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

A. Conservation of Energy**(a) Energy Conservation Measures Taken****Charge Chrome Plant**

1. The specific power (consumption per tonne of Charge Chrome production) has been brought down by 146 KWH/MT from 3950 KWH / MT to 3804 KWH /MT. This could be achieved by effective process monitoring with better electrode management & furnace availability. This has resulted saving of electrical energy to the tune of 93,03,996 KWH per annum.
2. The Charge Chrome Plant (CCP) furnace bottom cooling fan no.1 was having cast aluminum blades. To achieve energy conservation the cast aluminum blade was replaced with FRP blades. By doing this material modification electrical energy of 35040 KWH per annum is saved.
3. The electrode slipping hydraulic pump is used to slip the electrode in the furnace as per process requirement. Earlier it was running continuously, however its actual operation is required for 20 minute after every 2 hours. A switch has been provided at charge chrome control room desk to control the running time of slipping pump. By doing this electrical energy of 40150 KWH per annum is saved.
4. At raw material handling section the coke crusher & associated conveyor no. 12, 13 & 14 were running continuously during coke feeding to the furnace. It was observed that during smaller size coke feeding the crusher & conveyors were running idle. A by pass switch has been installed with necessary circuit modification at the control desk of Raw material handling section to restrict the idle running of the crusher & associated conveyors when smaller size coke is being fed to furnace. By doing this the electrical energy of 67000 KWH per annum is saved.

Power Plant

1. Replacement with lower capacity energy efficient motors after studying the load pattern at various places at power plant.

(a) Two nos make up water pump motors of 11 KW were replaced with energy efficient motors of 7.5 KW each at DM plant.

(b) Two nos LP heater drain pump motors of 11 KW were replaced with energy efficient motors of 7.5 KW each at TG 1 & TG 2 respectively.

By doing these the electrical energy is saved in tune of 91980 KWH per annum.

2. 65 nos (2 x 28 W) energy efficient tube lights fittings were replaced at power plant Boiler house in place of existing (2x40W) capacity tube light fittings. By doing this electrical energy is saved to the tune of 13660 KWH per annum.

Plant at Therubali

Use of LDO oil for preheating of ladles has been brought down to bare minimum.

Mining Division

1. Stopping air leakage in the pipe lines by energy audit saving compressed air and excess running of compressor.
2. Maintenance of de-watering pumps properly to operate the pumps at maximum efficiency.
3. Switching off all lights and fans in the office premises by the people before leaving the office.
4. Supply of drinking water in the Incline & surface through 4 HP pump eliminating running of tipper for carrying drinking water for under ground Mines.
5. Stopping compressors for one Hour in the shift beginning & half hour at the end of shift to reduce energy consumption.
6. Providing tube lights in place of high wattage HPSV & HPMV lamps.
7. Automatic on-off operation of street light through time switch.
8. Daily monitoring of loading & unloading hours of compressors & taking action to reduce unloading hours.

9. Using low wattage compact fluorescent Lamps by individual in the colony to reduce own power consumption after fixing the energy meters.
10. Daily monitoring of running hours of underground pumps.
11. Operating Haulage and winder judiciously for operation and avoiding unnecessary trips.
12. Switching of Air Conditioner of computer room during non working hours.
13. Improving power factor up to 0.99 by setting of leading power factor in power factor controller.
14. Providing energy meters in worker's colony to reduce power consumption.
15. Daily monitoring of every load of underground mines & taking corrective action if required.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Modification of 1600 KVA transformer to overcome the problem of low voltage at Mining Division.

(c) Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production

- 1) The total saving due to power factor incentive during 2009-2010 is Rs 93,000/- at Mining Division.
- 2) Total saving due to modification of transformer is Rs 6 lakh /month at Mining Division.

(d) Total energy consumption & energy consumption per unit of production in respect of industries specified in the Schedule in Form A

Not Applicable

B. Technology Absorption:

Research & Development (R & D)

1. Specific areas in which R&D was carried out by the Company : NIL
2. Benefits derived as a result of the above : Does not arise
3. Future plan of action : –
4. Expenditure on R&D : NIL
 - (a) Capital
 - (b) Recurring
 - (c) Total

Technology absorption, adaptation & innovation

- (1) Efforts, in brief, made towards technology absorption, adaptation & innovation and benefits derived as a result of those efforts.

Charge Chrome Plant at Choudwar:

- (a) Earlier one gas cleaning plant was in operation along with charge chrome furnace. The gas cleaning plant was being kept shut down for 8 hrs per week for cleaning of duct & ID fan impeller etc for smooth operation. As a result the availability of gas cleaning plant was affected & emission of PM level becoming high during the maintenance period. Therefore one stand by gas cleaning plant of matching capacity has been installed & commissioned in addition to the existing gas cleaning plant. Now it is ensured 100% availability of the gas cleaning plant commensurate with charge chrome furnace operation. Also more volume of furnace off gas from GCP could be used in briquette manufacturing for drying Chrome ore, which has resulted saving of 74 KL LDO (Light Diesel Oil).
- (b) Initially the Roll crusher no.1 was used to crush the friable which were received from Mines. However this roll crusher was meant for crushing over size coke. In that crusher, the crushing rate of friable was low & required size & quantity could not be obtained as per process requirement. As a result the accumulation of friable lumps were high at raw material yard. Therefore one single toggle jaw crusher has been installed & commissioned at Raw material handling section for crushing the friable received from Mines. This has improved the crushing rate, required size & quantity could be obtained, which has resulted more supply of friable to furnace conserving hard lumpy ores, thereby accumulation of friable has been considerably reduced at yard. Also the fines generated from friable crushing could be used for briquette manufacturing.

Power Plant at Choudwar:

- (a) Earlier the In motion weigh bridge programmings were done through the controllers supplied by OEM with specified programming language, which became obsolete over the years. To overcome the constraints the technology upgradation of the In motion weigh bridge was carried out with the latest version of window based software having multiple benefits like better data back up, data transfer, control from remote place & weigh bridge calibration became easier.
- (b) The generator rotor of Turbo generator no.1 of 54 MW capacity has been replaced with new & improved

Directors' Report

design generator rotor having retainer rings & low friction linings by the OEM M/s Alstom, Sweden. This has ensured longer life & high reliability of the turbo generator.

- (c) Electrification of 7 Kms length of Railway track was done from Charbatia to IMFA premises for coal movement. This has improved the goods carrying capacity per trip & faster movement. Along with the manual railway level crossing at two places on the National Highway have been modified to mechanised system, which has improved the road safety.

Plant at Therubali:

- (a) Replacement of Plant-01 Minstral and RMFS with ABB make PLC supported by software developed in-house.
- (b) Adaptation of improvised design of Funcor make electrode holder system.
- (c) Innovation of ladle preheating by using heat energy from the tapped ladle through radiation process.

Mining Division

- (a) Connection of weigh bridge through battery for protection from lightening at SMC.
- (b) Commissioning of 50 HP ventilation fan at -45 MRL in underground mines with voltage booster transformer.
- (c) Successful repairing of winding of 75 HP ventilation fan motor at site.
- (2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Plant at Therubali:

- a) Import substitution
- b) Cost reduction upto the tune of Rs 20.00 lakhs
- c) User friendly integration of both operations of furnace and RMFS into one system.
- d) Ease in maintainability
- e) Low maintenance cost and trouble free operation of electrode holders.
- f) Equipment can withstand at higher temperature and give enhanced life.

Mining Division

- a) Saving of Rs 1.5 lakhs
- b) Improving ventilation to improve the efficiency of man power.
- c) Saving of Rs 35,000/- of rewinding cost.
- (3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
 - (a) Technology imported : Not Applicable
 - (b) Year of import :
 - (c) Has technology been fully absorbed :
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action :

C. Foreign Exchange Earnings and Outgo

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

Consequent to global economic melt down in later part of 2008, the market scenario for ferro chrome was depressed with revival expected towards last quarter of 2009-10. However, due to an earlier than expected revival emanating from the Chinese and Indian markets in particular, ferro chrome market started picking up from Q3 of 2009 ie. from September, 2009. In addition to meeting the requirements of long term buyers, your Company reached out to and concluded transactions with many new buyers particularly from China who have long term potential.

- (ii) Total foreign exchange used and earned

	(Rs in Crores)
(a) Foreign Exchange earnings :	423.34
(previous year: 790.92)	
(b) Foreign Exchange outgo :	131.91
(previous year: 203.80)	

Management Discussion & Analysis

A. Industry Structure and Developments

Your Company is engaged in the production of ferro chrome, a value-added intermediate product which imparts the non-corrosive property to stainless steel, backed up by a 108 MW coal-based captive power plant and own chrome ore mines. As such, the outlook for your Company is closely linked to that of the stainless steel industry and the demand for ferro chrome in particular is also influenced by the price & availability of stainless steel scrap and nickel.

By virtue of the captive power plant and chrome ore mines, your Company is the leading fully integrated producer of ferro chrome in the country. Furthermore, your Company is globally competitive and somewhat more resilient to the commodity cycle.

B. Opportunities and Threats

The demand for ferro chrome is cyclical in nature reflecting a similar trend in the stainless steel industry and, as a result, there is substantial volatility in prices. This was very evident over the past 18 months which the euphoria of mid-2008 quickly turning to despair as commodity prices collapsed. However, the price of ferro chrome has gradually recovered during the year under review.

The fortunes of your Company are dependent to a large extent on the prevailing prices in the international market which is influenced / set by large producers in South Africa and Kazakhstan. However, your Company has followed the strategy of entering into long-term contracts as a hedge against the vagaries of the market. Such arrangements with companies like Posco and Nisshin have benefited the Company to a great deal by way of committed off-take on "Producer Price" basis. At the same time, your Company also keeps aside tonnage for selling in the spot market so as to benefit from any upward trend in prices.

Finally, the dominance of large producers in South Africa, Kazakhstan, etc leaves little leeway to your Company in determining prices. However, being an integrated player resulting in low cost of production, your Company is well positioned to face such threats.

C. Segment-wise or Product-wise Performance

The Company's operations can be broadly categorised under Ferro Alloys, Mining and Power. Further, during the year under review, your Company prioritised production of ferro chrome given the better margins arising out of being fully integrated. As such, the production of ferro silicon was suspended during the year with some small tonnage being recovered from semi-processed material. Segment-wise performance is as set out below:

(i) Ferro Alloys

Sl No	Particulars	Ferro Chrome	Ferro Silicon
1	Production (tonnes)	130,758	188
2	Sales (tonnes)	126,667	434
3	Revenue (Rs in crores)	542	2

(ii) Power

Sl No	Particulars	
1	Generation (in million units)	726
2	Sales (in million units)	187
3	Revenue (Rs in crores)	57

(iii) Mining (Chrome Ore)

Sl No	Particulars	
1	Production (tonnes)	282,836
2	Inter-segment transfer (tonnes)	340,473

D. Future Outlook:

Demand for ferro chrome during the year was subdued in the first half as a result of the continuing effect of the global financial meltdown which saw stainless steel producers cutting back sharply on off-take. However, with an economic recovery clearly visible in the second half of the year, demand picked up particularly from India and China. Given the increasing demand

Management Discussion & Analysis

and the positive impact thereof on prices, your Company reversed the cut-back in output and ended the year under review with operations at pre-crisis levels. Furthermore, the looming electricity crisis in South Africa which provided a spark to ferro chrome prices in 2008 is back in focus at a time when demand is once again on the rise. Besides, there is also a significant cost push on account of high price of met coke and other inputs. As a result of all this the price of ferro chrome showed an uptrend during the year under review and, going ahead, is likely to stay firm barring unforeseen circumstances.

E. Risks and Concerns:

The major risk for ferro chrome continues to be slack demand as a result of a slowdown in the stainless steel industry.

Although production of stainless steel is once again on the growth path, any stutter in the global economic recovery will once again put pressure. Furthermore, since ferro chrome is a dollar denominated commodity, the sharp fluctuations of the USD is increasingly a matter of concern. However, by virtue of being fully integrated, your Company is well placed to meet all these challenges.

F. Internal Control Systems and their Adequacy:

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee periodically reviews such systems with the help of the

internal and Statutory Auditors and reports to the Board on its adequacy.

G. Discussion on Financial Performance with respect to Operational Performance:

The global economic meltdown which had adversely affected the operations of the Company in the second half of 2008-09, continued to have a negative impact in the first quarter of the current year also. However, the prices as well as demand for ferro chrome improved gradually thereafter and consequently gross sales during the year under review was lower by 41% to Rs 601.23 crores (previous year: Rs1012.40 crores) whereas profit before interest, depreciation and taxes was decreased by 70% to Rs 142.27 crores (previous year: Rs 467.80 crores) and profit after tax (PAT) declined by 84 % to Rs 41.01 crores (previous year: Rs 260.64 crores).

During the year under review, ferro chrome production increased by 18% to 130,758 tonnes as compared to 111,157 tonnes during the previous year while production of ferro silicon was suspended.

H. Human Resources/Industrial Relations:

Industrial relations during the year under review were cordial and peaceful. Your Directors wish to place on record the excellent cooperation and contribution made by the employees at all levels to the growth and development of the Company. The Company had 1818 employees on its rolls as on 31st March 2010.

Report on Corporate Governance As on 31st March 2010

Your Directors are pleased to present the compliance report on Corporate Governance.

1. Your Company's philosophy on code of governance

Your Company prides itself on being a responsible corporate citizen which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. The Company adheres to the highest ethical standards which is combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, honesty of purpose, quality consciousness and customer satisfaction.

2. Board of Directors

Your Company is managed by a Board of Directors. The constitution of the Board comprises of a combination of Executive and Non-Executive Directors with the Non-Executive Directors constituting more than fifty percent of the total strength of the Board. The Company has an Executive Chairman and Independent Directors constitute more than half of the total strength of the Board.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director. Necessary disclosures with regard to membership of committees have been made by the Directors.

The composition of the Board as on 31st March, 2010 was as under:

Name of the Director	Business relationship	Category of Directorship	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Member
Dr B Panda	Executive Chairman	Promoter Non-Independent Executive	6	–	–
Mr Baijayant Panda	Vice Chairman	Promoter Non-Independent Executive	11	–	1
Mr Subhrakant Panda	Managing Director	Promoter Non-Independent Executive	6	–	–
Mr J K Misra	Director (Corporate)	Non-Independent Executive	3	–	–
Mrs Paramita Mahapatra	Director	Promoter Non-Independent Non-Executive	17	–	–
Mr G L Tandon	Director	Independent Non-Executive	4	–	3
Mr D Bandyopadhyay	Director	Independent Non-Executive	1	1	–
Maj R N Misra (Retd)	Director	Independent Non-Executive	–	–	–
Mr H Biswas	Nominee Director of IDBI	Independent Non-Executive	–	–	–
Dr S Acharya	Director	Independent Non-Executive	1	–	–
Mr N R Mohanty	Director	Independent Non-Executive	5	2	–
Mr S K Pattanaik	Director	Independent Non-Executive	–	–	–
Mr Alex Amrein	Director	Non-Independent Non-Executive	1	–	–
Mr S P Mathur	Director	Non-Independent Non-Executive	1	–	–
General Shankar Roychowdhury (Retd)	Director	Independent Non-Executive	–	–	–

Report on Corporate Governance

No. of Board Meetings, attendance at Board Meetings & previous Annual General Meeting

Name of the Director	No. of Board Meetings attended during 2009-10	Attendance at AGM held on 17th July 2009	Remarks
Dr B Panda	3	Yes	
Mr Bajjayant Panda	3	No	
Mr Subhrakant Panda	4	Yes	
Mr J K Misra	4	Yes	
Mrs Paramita Mahapatra	4	Yes	
Mr G L Tandon	4	Yes	
Mr D Bandyopadhyay	4	Yes	
Maj R N Misra (Retd)	4	Yes	
Mr A Khandual/ H Biswas	3	Yes	
Dr S Acharya	4	Yes	
Mr N R Mohanty	4	Yes	
Mr S K Pattanaik	4	Yes	
Mr Alex Amrein	1	Yes	
Mr S P Mathur	4	Yes	
General Shankar Roychowdhury (Retd)	2	Yes	

Dates on which Board Meetings were held are : 11.05.09, 17.07.09, 23.10.09, 22.01.10

3. Audit Committee:

The Company constituted an Audit Committee under the provisions of Section 292A of the Companies Act, 1956 effective 1st April, 2001.

The role of the Audit Committee includes the following areas:

- ▶ Verifying working results as well as capital expenditure vis-à-vis budgets.
- ▶ Reviewing quarterly progress reports submitted by the Company to the Financial Institutions/Banks.
- ▶ Reviewing effectiveness of the cost accounting, management information and cost control system.
- ▶ Ensuring proper maintenance of books of accounts.
- ▶ Examining procedure of purchases.
- ▶ Examining procedures for inventory control.
- ▶ Examining reasonableness of transactions with the associate companies, if any.
- ▶ Reviewing accounting procedures periodically.
- ▶ Reviewing insurance coverage.
- ▶ Reviewing prevalent systems of payroll.
- ▶ Reviewing systems and procedures in respect of import of raw materials, spares, components and capital equipment and export of finished goods.
- ▶ Reviewing accounting and booking of the expenditure to the correct account head.
- ▶ Reviewing compliance with the provisions of the Income Tax Act in respect of deduction and deposit of tax deducted at source.

Composition of the Audit Committee and the details of meetings attended by the members are given below.

Name of Member	Category	No. of meetings attended during 2009-10
Mr G L Tandon, Chairman	Independent Non-Executive	4
Mrs Paramita Mahapatra	Non-Independent Non-Executive	4
Mr D Bandyopadhyay	Independent Non-Executive	4
Major R N Misra (Retd)	Independent Non-Executive	4

Audit Committee meetings were attended by representatives from Internal audit Department and Statutory Auditors – Raghu Nath Rai & Co, New Delhi. Sr. Vice President (Finance) & Company Secretary acts as the Secretary of the Audit Committee.

Dates on which meetings were held are : 11.05.09, 17.07.09, 23.10.09, 22.01.10

4. Remuneration Committee:

The Remuneration Committee of the Board, inter alia, recommends to the Board the appointment/reappointment of Whole time Directors and their compensation packages.

The following are the members of the Remuneration Committee who are Non-Executive Independent Directors.

Name of Member	Category	No. of meetings attended during 2009-10
Mr D Bandyopadhyay, Chairman	Non-Executive Independent	2
Major R N Misra (Retd)	Non-Executive Independent	2
Dr S Acharya	Non-Executive Independent	2

Dates on which meetings were held are : 11.05.2009, 23.10.2009

Remuneration of Directors

Remuneration of Whole time Directors is determined by the Remuneration Committee comprising of only Non-Executive Independent Directors. The recommendations of the Remuneration Committee are considered and approved by the Board subject to the approval of the shareholders.

Whole time Directors are paid commission as approved by the Board/Shareholders. All Non-Executive Directors are paid sitting fees. In addition, Non-Executive Independent Directors are together paid commission at a rate not exceeding 0.5% per annum of the profits of the Company as computed as per applicable provisions of the Companies Act, 1956, subject to a maximum of Rs 30,00,000/- per annum.

Report on Corporate Governance

Details of remuneration for 2009-10

Non-Executive Directors

(Amt in Rs)

Name	Commission	Sitting Fees	Total
Mrs Paramita Mahapatra	–	1,70,000	1,70,000
Mr Alex Amrein	–	5,000	5,000
Mr G L Tandon	3,73,500	40,000	4,13,500
Mr D Bandyopadhyay	3,73,500	50,000	4,23,500
Major R N Misra (Retd)	3,73,500	50,000	4,23,500
Dr S Acharya	3,73,500	60,000	4,33,500
Mr A Khandual/ H Biswas *	3,73,500	15,000	3,88,500
Mr S P Mathur	–	20,000	20,000
Mr S K Pattanaik	3,73,500	20,000	3,93,500
Mr N R Mohanty	3,73,500	20,000	3,93,500
General Shankar Roychowdhury (Retd)	3,73,500	10,000	3,83,500
Total	2988000	4,60,000	34,48,000

* Amount payable to Industrial Development Bank of India Ltd

Executive Directors

(Amt in Rs)

Name	Salary	Perquisites & Allowances	Sitting Fee	Commission	Total
Dr B Panda	5442580	1211927	–	8964000	15618507
Mr Baijayant Panda	4251291	1532623	–	8964000	14747914
Mr Subhrakant Panda	5476291	1341687	–	8964000	15781978
Mr J K Misra	2736790	966191	–	2000000	5702981
Total	17906952	5052428	–	28892000	51851380

5. Shareholder/Investor Grievance Committee:

The Shareholder/Investor Grievance Committee specifically looks into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of dividend and non-receipt of balance sheet etc. The composition of the Committee and details of the meeting attended by the Directors are given under:

Name of Member	Category	No. of meetings attended during 2009-10
Mrs Paramita Mahapatra, Chairperson	Non-Executive Non-Independent	20
Dr S Acharya	Non-Executive Independent	4
Mr J K Misra	Executive Non-Independent	24

Dates on which meetings were held are : 14.04.09, 30.04.09, 15.05.09, 30.05.09, 15.06.09, 30.06.09, 09.07.09, 28.07.09, 14.08.09, 29.08.09, 15.09.09, 30.09.09, 15.10.09, 31.10.09, 16.11.09, 30.11.09, 15.12.09, 31.12.09, 15.01.10, 30.01.10, 13.02.10, 27.02.10, 15.03.10, 31.03.10.

Name, designation & address of Compliance Officer:

Mr Prem Khandelwal
 Sr Vice President (Finance) & Company Secretary
 Indian Metals & Ferro Alloys Limited
 Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751 010
 Phone : 0674-2580100
 Fax : 0674-2580020
 e-mail : pkhandelwal@imfa.in

No. of complaints received from the shareholders
 From 01.04.2009 to 31.03.2010 : 1,476

No. not solved to the satisfaction of the
 shareholders as on 31.03.2010 : NIL

No. of pending share transfers as on 31.03.2010 : NIL

6. Finance Committee

In addition to the above referred committees which are mandatory under the Corporate Governance Code, the Board of Directors have also constituted a Finance Committee on 25th October 2008 to look into various banking and related business activities of the Company.

The Finance Committee specifically looks into various credit facilities granted by the Banks/FI's from time to time, execution of documents thereto, opening and closing of Bank Accounts, changes in authorised signatories, giving operating instructions and all other banking matters, etc. The composition of the Committee is given below.

Name of members	Category	No. of meetings attended during 2009-10
Dr S Acharya, Chairman	Non-Executive Independent	2
Mrs Paramita Mahapatra	Non-Executive Non-Independent	3
Mr J K Misra	Executive Non-Independent	4
Mr S K Pattanaik	Non-Executive Independent	–

Dates on which meetings were held are : 17.06.09,05.08.09,19.11.09,11.02.10

7. General Body Meetings:

Location and time where last three AGMs were held:

The last three AGMs were held on, 28.07.2007 (at 12.30 PM), 17.06.2008 (at 12 Noon) and 17.07.2009 (at 12.30 PM) at the Registered Office of the Company at Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751010.

Whether any Special Resolution passed in previous 3 AGMs : Yes

Whether Special Resolutions –

(a) were put through postal ballot last year ? : No

Details of voting pattern : Not applicable

Person who conducted the postal ballot exercise : Not applicable

(b) are proposed to be conducted through postal ballot : No

Procedure for postal ballot : Not applicable

During the year, an Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956 for creation of Charge/Mortgage on Company's properties was passed by the shareholders through Postal Ballot. The procedure for Postal Ballot is as per section 192A of

the Companies Act, 1956 and Rules made thereunder namely Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The details of voting pattern are as under.

Description of Resolution	No. of Valid Votes polled (%age)	Votes cast in favour of the Resolution (%age)	Votes cast against the Resolution (%age)
Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for creation of charge/mortgage on Company's properties	100	99.996	0.004

The Board Appointed Mr Sourjya Prakash Mohapatra, a practicing Chartered Accountant as Scrutiniser to conduct the postal ballot process in a transparent manner.

8. Disclosures:

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The Board has received general disclosure of interest from the Directors under Section 299 of the Companies Act, 1956. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

NIL

- (iii) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

As such, the Company does not have a Whistle Blower Policy. However, no employee is denied access to the Audit Committee.

- (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

All mandatory requirements are complied with. Non-mandatory requirements will be reviewed from time to time.

9. Code of Conduct:

The Company has laid down a Code of Conduct for all Board Members & Senior Executives of the Company. The Code of Conduct is available on the website of the Company www.imfa.in.

DECLARATION

As provided under Clause 49 of the Listing Agreement, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2010.

New Delhi
11th May 2010

Subhramant Panda
Managing Director

10. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the provisions of Clause 49 of the Listing Agreement.

To the Board of Directors of
Indian Metals & Ferro Alloys Ltd

Dear Sirs,

Sub : CEO / CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Indian Metals & Ferro Alloys Ltd for the year ended 31st March, 2010 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

New Delhi
11th May 2010

(Prem Khandelwal)
Sr. Vice President (Finance) & Company Secretary

(Subhrakant Panda)
Managing Director

Report on Corporate Governance

11. Means of communication

The Company normally publishes the quarterly unaudited results in 'The Economic Times' & 'Business Standard' (English), 'The Pragativadi' (vernacular). Further the results are provided in the Company's website www.imfa.in. The unaudited results of the first, second and third quarter are announced within one month of the end of the relevant quarter and the fourth quarter and annual audited results are announced within 60 days of the end of the Financial Year.

12. General Shareholder Information:

Annual General Meeting

Date & time:

17th July 2010 at 12.30 PM

Venue:

At the Regd. Office of the Company at Bomikhal, P.O. Rasulgarh, Bhubaneswar – 751 010.

Financial Year:

1st April 2009 to 31st March 2010

Dates of Book closure:

13th July 2010 to 17th July 2010 (both days inclusive)

Dividend Payment Date:

Dividend warrants will be dispatched within 30 days from the date of Annual General Meeting.

Listing in Stock Exchanges:

The equity shares are listed at Bombay Stock Exchange Ltd since 28th January 2009. Listing fee for the year 2010-11 has been paid to the above said Stock Exchange.

Stock Code : 533047

Market price data:

The high/low market price shown during the period 01.04.2009 to 31.03.2010 at the Bombay Stock Exchange are as under.

Month	High	Low
April, 09	210.00	163.10
May, 09	363.70	176.55
June, 09	378.75	217.95
July, 09	326.70	250.75
August, 09	389.80	294.00
September, 09	419.80	341.15
October, 09	438.80	325.00
November, 09	445.00	310.00
December, 09	577.90	397.50
January, 10	660.00	462.00
February, 10	596.35	496.10
March, 10	830.00	551.95

Performance in comparison to broad-based indices:

Performance of share price of the Company in comparison to BSE Sensex is as under:

Indian Metals v/s Sensex



Registrar and transfer agents:

The Company does the share transfer work in-house.

Share transfer system:

Share Transfer in physical form should be lodged at the Company's Regd. Office at Bomikhal, Rasulgarh, Bhubaneswar. The Company's share transfer activity is fully computerised. The Shareholders/Investors Grievance Committee meets bimonthly to approve share transfers and other share related matters.

Distribution of shareholding as on 31st March 2010:

No. of equity shares held	No. of shareholders	% to total
Upto - 250	51131	98.634
251 - 500	316	0.610
501 - 1,000	157	0.303
1,001 - 2,000	93	0.179
2,001 - 3,000	40	0.077
3,001 - 4,000	23	0.044
4,001 - 5,000	7	0.014
5,001 - 10,000	22	0.042
10,001 & above	50	0.096
Total	51839	100

Categories of shareholders as on 31st March 2010 :

Category	No. of shares	%
Promoters & Promoter Group	14418380	54.767
Foreign Promoters	51456	0.196
Mutual Fund / UTI	2525294	9.592
Financial Institutions & Banks	6 65145	2.527
Bodies Corporate	900127	3.420
Trusts	496287	1.885
Overseas Corporate Bodies	5634759	21.403
NRIs	133906	0.508
Individuals	1501165	5.702
Total	26326519	100

Dematerialisation of shares & liquidity:

The Company's shares are connected under both the Depository Systems NSDL & CDSL. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE919H01018.

Outstanding GDRs/ADRs/Warrants or any convertible instruments:
NIL

Plant locations:

Factory : Therubali
Dist-Rayagada – 765 018
Orissa

Choudwar
Dist-Cuttack – 754 071
Orissa

Mines : Sukinda Chromite Mines
Sukinda, Dist. Jajpur, Orissa

Mahagiri Chromite Mines
Sukinda, Dist. Jajpur, Orissa

Chingudipal Chromite Mines
Dist. Jajpur, Orissa

Nuasahi Chromite Mines
Dist-Keonjhar, Orissa

Bangur Chromite Mines
Dist-Keonjhar, Orissa

Address for
correspondence : Indian Metals & Ferro Alloys Limited

Regd. & Head Office:
Bomikhal, Rasulgarh (PO)
Bhubaneswar - 751 010
Phone: (0674) 2580100 / 2580125
Fax: (0674) 2580020 / 2580145
email: mail@imfa.in; website: www.imfa.in

Report on Corporate Governance

CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT.

To
The Members of
Indian Metals & Ferro Alloys Limited

We have examined the compliance of conditions of corporate governance by Indian Metals & Ferro Alloys Limited for the year ended March 31,2010 as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof,adopted by the Company or ensuring the compliance of the conditions of corporate governance.It is neither an audit nor an expression of opinion on the financial staements 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 in all material aspects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We 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 **RAGHU NATH RAI & CO.**
Chartered Accountants

New Delhi
11th May 2010

Sd/-
(Prem Prakash)
Partner
Membership No.7648

Auditors' Report

To
The Members of
Indian Metals & Ferro Alloys Limited

We have audited the attached Balance Sheet of the **Indian Metals & Ferro Alloys Limited** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

In accordance with the provisions of section 227 of Companies Act, 1956, we report that:

1. As required by the Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanation given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. 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;
 - iii. The Balance Sheet, Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account & 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;

- v. On the basis of written representations received from the Directors of the Company as at 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, except that :-
 1. *The Arbitral Tribunal which went into the various disputes between the Company and Gridco unanimously decided in favour of the Company vide its award dated 23rd March 2008. However, Gridco subsequently filed a petition before the Hon'ble District Judge, Bhubaneswar for setting aside the same and obtained an ex-parte interim order staying the operation of the award. Since the Company has filed an objection and is confident of the ultimate outcome being in its favour, no provision has been deemed necessary for the counter-claim of Rs.247.35 crores by Gridco.*
 2. *An amount of Rs.11.39 crores withheld by sundry debtors, the effect of which on the current year's accounts cannot be ascertained pending settlement thereof.*

the said accounts subject to (vi) above and read together with the significant accounting policies in schedule M and the notes thereon in schedule N, 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;

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date;

For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)

Partner

Membership No. 7648

Place: New Delhi
Dated: 11th May 2010

Annexure to the Auditors' Report Referred to in paragraph 1 of our report of even date

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
- b) Major portion of assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification. The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to size of the Company and nature of its assets.
- c) No substantial parts of fixed assets have been disposed off during the year.
- (ii) a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the operation of the Company and the same have been properly dealt with in the books of account.
- (iii) a) We are informed that 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. Therefore, the provisions of clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2004 (as amended) are not applicable to the Company.
- e) We are informed that the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clause 4 (iii) (f) and (g) of the Companies (Auditor's Report) Order, 2004 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (v) a) According to the information and explanations given to us the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has ceased accepting fixed deposits from the public. In our opinion and according to information and explanations given to us, all the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder where applicable were complied with. Further, we are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal to the Company.
- (vii) In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under Section 209(1)(d) of the Companies Act, 1956 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- (ix) a) According to the information and explanations given to us the Company has been regular in depositing undisputed statutory dues including provident fund, investors education & protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues with appropriate authorities and no dues are pending for a period more than six months from the date they became payable except for electricity duty as mentioned vide note no.5 of schedule " N" (notes forming part of the accounts).
- b) According to the information and explanations given to us at the end of the financial year there were no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute pending

Annexure to the Auditors' Report Referred to in paragraph 1 of our report of even date (Contd.)

except as under:

Name of the statute	Nature of dues	Amount Rs in Lakhs	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	535.54	2001-04	CESTAT, (SZB) Bangalore
Income Tax Act, 1961	Income Tax	25.79	1986-87, 1987-88	Orissa High Court
Income Tax Act, 1961	Income Tax	4.71	2005-06	CIT(A)-II, Bhubaneswar
Central Excise Act, 1944	Central Excise	38.76	1993-2002	Orissa High Court
Central Excise Act, 1944	Central Excise	2.02	2006-07	Central Govt. (Revision Authority)
Cenvat Credit Rules, 2004	Disallowance of Cenvat credit	4.42	2006-07	CESTAT (EZB) Kolkata
Orissa Cess Act, 1962	Land Cess	30.53	1974-75 to 2004-05	State Government
Orissa Municipal Act, 1950	License Fee	36.30	1994-95 to 2009-10	State Government
Orissa Sales Tax Act, 1947	O S T	1.05	2004 - 05	A. C., Sales Tax
Orissa Sales Tax Act, 1947	O S T	2.08	2000 - 01	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	2.23	1999 - 00	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	2.49	2003 - 04	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	2.66	2002 - 03	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	O S T	7.04	2002 - 03	A. C., Sales Tax
Orissa Sales Tax Act, 1947	O S T	7.19	1994-95	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	VAT	74.95	April-2005 -January 2008	A. C., Sales Tax
Orissa Sales Tax Act, 1947	Entry Tax	7.35	2002-03	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	Entry Tax	80.41	2005-06	A. C., Sales Tax
Orissa Sales Tax Act, 1947	Entry Tax	0.38	2003-04	Sales Tax Tribunal
Orissa Sales Tax Act, 1947	Entry Tax	0.63	April-2005 -January 2008	A. C., Sales Tax
Orissa Sales Tax Act, 1947	Entry Tax	28.00	March-2008-Sept.2009	Hon' ble Supreme Court
Orissa Sales Tax Act, 1947	Entry Tax	64.71	December 2007-March-2010	Hon'ble Orissa High Court

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year. The Company has generated cash profits during the financial year covered by our audit. While reporting on this clause, we have not taken into consideration the unquantifiable qualifications being shown in our audit report.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to any financial institution/bank during the year.
- (xii) According to the information and explanations given to us the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund/societies.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, debentures and other investments and hence paragraph 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us, the Company has taken a term loan by way of scheme of demerger of Utkal Manufacturing and Services Ltd and this has been utilised for the purpose for which it was obtained originally.
- (xvii) In our opinion and according to the information and explanations given to us and shown by the records examined by us, no fund raised on short-term basis have been used for long-term investment during the year.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company has not issued any debenture.
- (xx) The company has not raised any money by public issue during the year, and hence paragraph 4 (xx) of the Order is not applicable.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by management.

For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner

Place: New Delhi
Dated: 11th May 2010

Membership No. 7648

Balance Sheet As at 31st March 2010

(Rs in crore)

	Schedule	As at 31.03.10	As at 31.03.09
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	'A'	26.34	21.33
(b) Reserves and Surplus	'B'	580.29	437.00
		606.63	458.33
2. Loan Funds			
(a) Secured Loans	'C'	426.55	350.95
(b) Unsecured Loans		0.36	1.43
		426.91	352.38
	Total	1033.54	810.71
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	'D'	619.00	565.78
Less: Depreciation		255.41	215.15
Net Block		363.59	350.63
(b) Capital Work-in-Progress		272.10	98.97
		635.69	449.60
2. Investments	'E'	137.79	93.10
3. Deferred Tax Assets (net)		8.97	10.89
4. Current Assets, Loans and Advances			
(a) Inventories	'F'	254.05	217.85
(b) Sundry Debtors		20.50	33.73
(c) Cash and Bank Balances		46.67	7.04
(d) Loans and Advances		236.93	300.94
		558.15	559.56
Less : Current Liabilities and Provisions	'G'		
(a) Current Liabilities		189.48	189.04
(b) Provisions		117.58	113.40
		307.06	302.44
Net Current Assets		251.09	257.12
	Total	1033.54	810.71
Significant Accounting Policies	'M'		
Notes forming part of the Accounts	'N'		
Information pursuant to Schedule VI	'O'		

Auditors' Report to the Members
As per our report of even date attached
For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

For and on behalf of the Board

Dr. B. Panda
Executive Chairman

Baijayant Panda
Vice Chairman

Subhrakant Panda
Managing Director

J K Misra
Director (Corporate)

Paramita Mahapatra
D Bandyopadhyay
R N Misra
H Biswas
S Acharya
N R Mohanty
S K Pattanaik
S P Mathur
Directors

Profit and Loss Account

For the year ended 31st March 2010

(Rs in crore)

Schedule	Year 2009-10	Year 2008-09
INCOME		
Gross Sales	601.23	1012.40
Less: Excise Duty	8.64	18.27
Net Sales	592.59	994.13
Other Income	29.63	27.37
Closing Stock	102.27	91.90
	724.49	1113.40
EXPENDITURE		
Opening Stock	91.90	133.16
Manufacturing and Other Expenses	411.26	420.62
Administrative Expenses	42.23	56.11
Selling Expenses	36.91	37.07
Interest and Financial Expenses	44.39	79.52
Depreciation	40.39	37.92
	667.08	764.40
Earlier years Adjustments - Expenses/(Income)	(0.08)	(1.36)
	667.00	763.04
Profit before Taxation	57.49	350.36
Provision for Taxation:		
Current Tax/ MAT	25.81	63.72
Deferred Tax	(2.92)	46.54
Fringe Benefit Tax	0.00	0.81
MAT Credit available for set off	(6.41)	(21.61)
Earlier years Adjustments	0.00	0.26
Profit after Taxation	41.01	260.64
Balance Brought Forward	179.30	43.60
Profit Available for Appropriation	220.31	304.24
APPROPRIATIONS		
Proposed Dividend @ 50%	13.16	21.31
Tax on Dividend	2.24	3.63
General Reserve	4.10	100.00
Balance Carried Forward	200.81	179.30
	220.31	304.24
Earnings per Share		
Basic and Diluted Earnings Per Share (in rupees) (refer note no.13 of schedule "N")	16.82	122.28

Auditors' Report to the Members
As per our report of even date attached
For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
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For and on behalf of the Board

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N R Mohanty
S K Pattanaik
S P Mathur
Directors

Cash Flow Statement

For the year ended 31st March 2010

(Rs in crore)

	Year 2009-10	Year 2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	57.49	350.36
Adjustment for :		
Depreciation	40.39	37.92
(Profit)/loss on sale of assets (net)	(0.03)	(0.21)
Unrealised foreign exchange (gain)/loss (net)	(0.79)	2.13
Interest income	(8.25)	(10.59)
Interest and financial expenses	30.80	79.52
Operating profit before working capital changes	119.61	459.13
Adjustment for :		
Trade and other receivables	82.56	(128.43)
Inventories	(34.97)	(0.47)
Trade payables	(2.06)	75.07
Cash generated from operations	165.14	405.30
Direct taxes paid	(19.65)	(43.69)
Net Cash from Operating Activities	145.49	361.61
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	(142.08)	(80.54)
Sale of fixed assets	0.19	0.53
Sale/(purchase) of investment	(44.69)	(48.03)
Interest received	8.25	10.59
Net Cash used in Investing Activities	(178.33)	(117.45)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest and financial charges paid	(30.80)	(78.79)
Repayment of loans (net)	(9.31)	(203.82)
Share Capital & Reserve Surplus	91.10	0.00
Cash credit (net)	20.64	(4.16)
Proceeds from/(Repayment of) long term borrowings	25.78	27.47
Dividend paid (including dividend tax)	(24.94)	(19.95)
Net Cash Used in Financing Activities	72.47	(279.25)
Net Change in Cash and Cash Equivalents (A+B+C)	39.63	(35.09)
Cash and Cash Equivalents - Opening Balance	7.04	42.13
Cash and Cash Equivalents - Closing Balance	46.67	7.04

Auditors' Report to the Members
As per our report of even date attached
For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

For and on behalf of the Board

Dr. B. Panda
Executive Chairman

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R N Misra
H Biswas
S Acharya
N R Mohanty
S K Pattanaik
S P Mathur
Directors

Schedules Annexed to the Accounts

(Rs in crore)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'A' SHARE CAPITAL		
Authorised		
3,00,00,000 Equity Shares of Rs 10/- each (Previous Year '2,20,00,000 Equity Shares of Rs 10/- each)	30.00	22.00
40,000 Redeemable 9.5% Cumulative Preference Shares of Rs 100/- each	0.40	0.40
2,60,000 2nd Series Redeemable Cumulative Preference Shares of Rs 100/- each	2.60	2.60
	33.00	25.00
Issued, Subscribed and Paid-up		
2,63,26,519 Equity Shares of Rs.10 /- each fully paid (Previous Year 2,13,14,765 Equity Shares of Rs.10/- each) (Of the above, 1,14,34,781 Equity Shares were issued as fully paid up bonus shares by capitalisation of General Reserves.) 25,11,754 shares were issued as fully paid to the shareholders of UMSL under the scheme of arrangement. 25,00,000 shares were issued as fully paid to Reliance Capital Trustee Company Limited at a premium of Rs 377/-per share on a preferential basis Add: Forfeited Shares (amount originally paid -up)	26.33	21.32
	0.01	0.01
	26.34	21.33
SCHEDULE 'B' RESERVES AND SURPLUS		
1. Capital Reserves		
Capital Redemption Reserve	0.20	0.20
Backward Area Development Subsidy	0.15	0.15
Housing Subsidy	0.01	0.01
Other Capital Reserves	0.75	0.75
	1.11	1.11
2. Share Premium Account	131.39	45.17
3. General Reserve (Opening Balance)	211.42	111.42
Add: Reserve on account of merger	31.46	0.00
Add: Transferred from Profit and Loss Account	4.10	100.00
	246.98	211.42
4. Surplus as per Profit and Loss Account	200.81	179.30
	580.29	437.00
SCHEDULE 'C' LOANS		
Secured Loans		
1. From IDBI secured by pari passu first charge on present and future fixed assets of Choudwar Division & Therubali Division (excluding the property situated at 44, chowringhee Road, Kolkata, aircrafts, vehicles, office equipments of Therubali Division) Add: Accumulated interest accrued but not due	213.03	213.03
	56.75	56.75
	269.78	269.78
2. From Punjab National Bank and Canara Bank secured by pari passu first charge on present and future fixed assets of Choudwar Division. Add: Accumulated interest accrued but not due	4.86	12.11
	5.33	9.36
	10.19	21.47

Schedules Annexed to the Accounts

(Rs in crore)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'C' LOANS (Contd.)		
3. From State Bank of India secured by exclusive charge on 30 MW captive power plant (CPP) assets, pari passu first charge on the plot no. 43 on which CPP has been erected and second charge on current assets of the Company in addition to the personal guarantees of two Directors.	76.92	52.95
4. From State Bank of India secured by exclusive charge on project assets of 27 MVA & 30 MVA furnace at Choudwar.	42.27	0.00
5. From Indian Overseas Bank, State Bank of India and Standard Chartered Bank secured by hypothecation of entire stocks and book debts of the Company and fixed assets of Therubali Division (excluding the property situated at 44, Chowringhee Road, Kolkata, aircrafts, vehicles, office equipments of Therubali Division) on pari passu basis in addition to the personal guarantees of two Directors.	27.39	6.75
	426.55	350.95
Unsecured Loans		
1. Fixed Deposits	0.02	1.43
2. From Others	0.34	0.00
	0.36	1.43

SCHEDULE 'D' FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Additions	Sales / Transfer	As at 31.03.10	As at 01.04.09	For the year	Deductions	As at 31.03.10	As at 31.03.10	As at 31.03.09
Freehold Land	39.39	0.00	0.00	39.39	0.00	0.00	0.00	0.00	39.39	39.39
Leasehold Land	19.81	0.08	0.00	19.89	0.00	0.00	0.00	0.00	19.89	19.81
Buildings	141.46	15.89	0.03	157.32	42.62	8.49	0.00	51.11	106.21	98.84
Railway Siding & Runways	5.88	0.00	0.00	5.88	2.19	0.39	0.00	2.58	3.30	3.69
Plant & Machinery	340.45	36.68	0.02	377.11	161.10	29.28	0.02	190.36	186.75	179.35
Furniture & Fixtures	3.70	0.22	0.00	3.92	2.25	0.34	0.00	2.59	1.33	1.45
Vehicles	9.55	0.54	0.14	9.95	4.33	1.42	0.11	5.64	4.31	5.22
Aircrafts	5.54	0.00	0.00	5.54	2.66	0.47	0.00	3.13	2.41	2.88
	565.78	53.41	0.19	619.00	215.15	40.39	0.13	255.41	363.59	350.63
Capital Work-in -Progress	89.22	95.41	6.61	178.02	0.00	0.00	0.00	0.00	178.02	89.22
Advances	9.75	93.94	9.61	94.08	0.00	0.00	0.00	0.00	94.08	9.75
	98.97	189.35	16.22	272.10	0.00	0.00	0.00	0.00	272.10	98.97
	664.75	242.76	16.41	891.10	215.15	40.39	0.13	255.41	635.69	449.60
Previous Year's Figures	585.39	119.14	39.78	664.75	178.09	37.92	0.86	215.15	449.60	407.30

Schedules Annexed to the Accounts

(Rs in crore)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'E' INVESTMENTS		
Long Term Investments :		
(Non-Trade & at Cost)		
1. Investments in Shares (Quoted)		
Interest in the Trust 3,49,466(Previous Year 8,64,902) Equity shares at fair value pursuant to the scheme of arrangement and amalgamation for the benefit of small shareholders market value Rs 25.83 crores (previous year Rs 13.60 crores)	5.98	14.79
2. Investments in Shares of Subsidiary Companies (Unquoted)		
1,90,000 Equity Shares of Rs.10/- each fully paid-up in Indian Metals & Carbide Limited	0.23	0.23
50,000 Equity Shares of Rs.10/- each fully paid-up in Utkal Power Limited	0.05	0.05
1,48,00,000 Equity Shares of Rs 10/- each fully paid up in Utkal Coal Limited	82.88	-
50,000 Equity Shares of Rs 10/- each fully paid-up in IMFA Alloys Limited	0.05	-
Current Investments :		
(Non-Trade & at Cost or Market Value whichever is less)		
Investments in Units (Quoted)		
SBI Daily Dividend Scheme	0.00	33.13
Sundaram Daily Dividend Scheme	0.00	10.39
Reliance Daily Dividend Scheme	0.00	-
HDFC Mutual Fund	11.47	-
SBI SDF Scheme	0.00	10.00
Birla Sun Life Mutual Fund	37.13	-
Reliance Liquid Plus	0.00	15.00
Sundaram Liquid Plus	0.00	8.50
	137.79	93.10
Aggregate Value of Unquoted Investments	83.21	0.28
Aggregate Value of Quoted Investments	54.58	92.82
Market Value of Quoted Investments	74.43	92.75

SCHEDULE 'F' CURRENT ASSETS, LOANS AND ADVANCES

Current Assets		
1. Inventories (verified, valued and certified by the management)		
(a) Raw Materials	136.05	101.72
(b) Stores and Spares	15.66	24.15
(c) Loose Tools	0.07	0.08
(d) Finished Stock	102.27	91.90
(includes Excise Duty not assessed to duty Rs 3.76 crores - previous year Rs 4.50 crores)	254.05	217.85
2. Sundry Debtors (unsecured and considered good by the management)		
(a) Over Six Months		
– Considered good	10.16	10.14
– Considered doubtful	0.38	0.44
Less : Provision for doubtful	0.38	0.44
(b) Others - Considered good	10.34	23.59
	20.50	33.73
3. Cash and Bank Balances		
(a) Cash and Imprest in hand	0.51	0.39
(b) With Scheduled Banks		
– In Current Accounts	36.37	2.39
– In Margin Deposits	9.58	3.74
– In Fixed Deposits	0.21	0.52
	46.67	7.04
	321.22	258.62

Schedules Annexed to the Accounts

(Rs in crore)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'F' CURRENT ASSETS, LOANS AND ADVANCES (Contd.)		
Loans and Advances		
(unsecured and considered good by the management)		
1. Advances and Loans		
– Subsidiary companies	6.47	1.80
– Associate companies	0.00	41.79
2. Advances towards equity commitment		
– Subsidiary companies	0.00	0.00
– Associate companies	4.88	84.20
3. Advances recoverable in cash or in kind or for value to be received		
Considered good	106.59	73.65
Considered doubtful	0.00	0.00
	117.94	201.44
4. Security and Other Deposits	2.97	2.07
5. Advance Income Tax paid (including TDS)	100.79	88.16
6. Deposit with Excise and Customs	15.23	9.27
	236.93	300.94
	558.15	559.56

SCHEDULE 'G' CURRENT LIABILITIES AND PROVISIONS

Current Liabilities		
Sundry Creditors		
– Micro, Small and Medium Enterprises	0.00	0.00
– Others	167.51	109.84
Advance from Subsidiary	0.08	0.09
Advance from Customers	0.83	43.80
Other Liabilities	2.11	2.25
Unpaid Dividend @	0.26	0.00
Due to Directors	3.25	17.28
Interest Accrued but not Due	0.01	0.39
Earnest Money and Security Deposits	15.43	15.39
	189.48	189.04
Provisions		
Taxation	95.27	82.76
Proposed Dividend	13.16	21.31
Tax on Dividend	2.24	3.63
Gratuity and Leave Encashment	6.91	5.70
	117.58	113.40
	307.06	302.44

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund

Schedules Annexed to the Accounts

(Rs in crore)

	Year 31.03.10	Year 31.03.09
SCHEDULE 'H' OTHER INCOME		
Interest Earned (Tax deducted at source Rs 0.97 crores - previous year Rs 1.99 crore)	8.25	10.59
Rent Realised	0.06	0.06
Profit on Sale of Assets	0.03	0.28
Claims Received	2.24	0.53
Miscellaneous Income	19.05	15.91
	29.63	27.37

SCHEDULE 'I' MANUFACTURING AND OTHER EXPENSES		
Consumption of Raw Materials	246.54	247.07
Conversion Fees	0.00	38.84
Consumption of Stores, Spares and Tools	10.25	11.29
Consumption of Electricity	0.06	0.11
Electricity Duty	10.69	11.43
Energy Transmission Charges	2.46	4.68
Briquetting Expenses	15.10	8.91
Payment to Employees		
Salaries, Wages, Bonus, Allowances, Retirement Benefits, etc.	37.03	32.12
Contribution to Employees' Provident Fund and Other Funds	4.28	4.59
Workmen and Staff Welfare Expenses	1.93	2.03
	43.24	38.74
Repairs and Maintenance		
Plant and Machinery	28.15	14.31
Buildings	2.21	1.97
Other Assets	2.72	3.16
	33.08	19.44
Quarrying, Raising and Other Expenses	33.93	35.32
Finished Stock and Slag Handling Expenses	8.88	7.88
Other Factory Expenses	7.77	5.52
Excise Duty on Closing Stock of Finished Goods	(0.74)	(8.61)
	411.26	420.62

Schedules Annexed to the Accounts

(Rs in crore)

	Year 31.03.10	Year 31.03.09
SCHEDULE 'J' ADMINISTRATIVE EXPENSES		
Payment to Directors		
Remuneration	4.98	18.75
Sitting Fees	0.05	0.04
House Rent	0.09	0.08
Others	0.42	0.41
	5.54	19.28
Payment to Employees		
Salaries, Wages, Bonus, Allowances, Retirement Benefits, etc.	10.66	11.21
Contribution to Employees' Provident Fund and Other Funds	0.73	0.93
Workmen and Staff Welfare Expenses	0.50	0.50
	11.89	12.64
Insurance	1.27	1.13
Rent	1.24	1.14
Rates and Taxes	5.62	0.89
Travelling and Conveyance	3.75	3.91
Legal and Consultancy Expenses	4.07	5.77
Auditors' Remuneration and Expenses	0.18	0.17
Miscellaneous Expenses (includes loss on sale of fixed assets of Rs Nil -previous year Rs 0.07 crore)	8.67	11.18
	42.23	56.11

SCHEDULE 'K' SELLING EXPENSES		
Carriage Outward and Handling Expenses	23.25	22.80
Commission	0.00	0.88
Export Promotion Expenses (<i>foreign travelling of directors</i>)	1.49	1.56
Other Selling Expenses	12.17	11.83
	36.91	37.07

SCHEDULE 'L' INTEREST AND FINANCIAL EXPENSES		
Interest on Long Term Loans	30.80	31.83
Interest on Working Capital	3.20	6.40
Foreign Exchange Fluctuation	7.30	36.81
Other Interest, Financial Charges and Guarantee Commission	3.04	4.12
Interest on Fixed Deposit	0.05	0.36
	44.39	79.52

Schedules Annexed to the Accounts

SCHEDULE 'M' SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

- (a) The financial statements have been prepared under the historical cost convention (excluding certain fixed assets which are restated pursuant to the composite scheme of arrangement and amalgamation) and in accordance with applicable Accounting Standards except where otherwise stated.
- (b) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

2. Revenue Recognition

- (a) Gross sales represents invoiced value of goods sold net of sales tax but inclusive of excise duty.
- (b) Inter unit transfers are adjusted against respective expenses.

3. Fixed Assets

- (a) Freehold and leasehold lands are not depreciated.
- (b) Expenses on construction of approach roads are treated as revenue.
- (c) Depreciation is charged on plant & machinery and buildings of third furnace at Therubali on straight line method and for all other categories of assets, on the reducing balance method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- (d) Full depreciation is charged on R & D assets in the year of installation.

4. Investments

Current investments are valued at the lower of cost and fair value. Long term investments are valued at cost except in the case of a permanent diminution in their value, in which case necessary provision is made.

5. Inventories

Inventories are valued as under, after providing for obsolescence:

- (a) Raw materials, stores & spares and loose tools are valued at weighted average cost. Finished goods, work-in-progress, slow moving, rejected/ substandard stocks and fines generated are valued at lower of cost or net realisable value. Cost formula used is weighted average cost.
- (b) Carriage inward on general stores material is directly charged to revenue.
- (c) Stores and spares purchased for Aviation Division are directly charged to revenue.
- (d) Inter unit transfers of mining material and stock of usable ore at mines are valued at lower of cost or net realisable value.
- (e) By-products at mines are not valued as they do not carry any material value.

6. Debtors and Advances

Provision has been made for doubtful debts and advances to the extent considered necessary by the management.

7. Foreign Currency Translation

Foreign currency transactions are translated at the rate of exchange prevailing on the date of transaction. Closing balances in foreign currency as at Balance Sheet date are converted at the rate of exchange prevailing on that date.

8. Employee Benefits

- (a) Company's contributions to provident fund, pension fund and superannuation fund are accounted on accrual basis.
- (b) Provision for gratuity and leave encashment is made on the basis of actuarial valuation at the end of the year.

9. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

10. Financial Derivatives

In respect of financial derivatives, premium paid, losses on restatement and gains/losses on settlement are charged to the profit and loss account.

11. Deferred Tax

Deferred tax is recognised subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Schedules Annexed to the Accounts

SCHEDULE 'M' SIGNIFICANT ACCOUNTING POLICIES (Contd.)

12. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

13. Mining Development Expenses

Mining development expenses in respect of operating mines are charged off to revenue as and when incurred.

14. Apportionment of Common Expenses

Common expenses applicable to group companies are shared on predetermined basis.

15. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

SCHEDULE 'N' NOTES FORMING PART OF THE ACCOUNTS

1. Demerger of Ferro Alloys Division (FAD) of Utkal Manufacturing & Services Ltd (UMSL)

In accordance with the terms of the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Orissa, Cuttack and the Hon'ble High Court of Andhra Pradesh vide their orders dated 24.11.2009 and 06.11.2009 respectively, the entire Ferro Alloys Division of Utkal Manufacturing & Services Limited have been transferred to and vested in the Company with effect from 1st April 2009, which is the Appointed Date under the Scheme.

The share exchange ratio for the demerger has been determined by SSPA & Co. Chartered Accountants. Based on their recommendation 28 (Twenty eight) fully paid-up equity share of Rs.10 (Ten) each of the Company have been issued and allotted for every 9 (Nine) fully paid-up equity share of Rs.10 (Ten) each held by the equity shareholders of UMSL.

As per the Scheme the excess of Rs 31.46 crores being the aggregate value of assets over the aggregate value of liabilities taken over by the company after adjusting the face value of equity shares issued has been transferred to General Reserve.

2. The Arbitral Tribunal which went into the various disputes between the Company and Gridco unanimously decided in favour of the Company vide its award dated 23rd March 2008. However, Gridco subsequently filed a petition before the Hon'ble District Judge, Bhubaneswar for setting aside the same and obtained an ex-parte interim order staying the operation of the award. Since the Company has filed an objection and is confident of the ultimate outcome being in its favour, no provision has been deemed necessary for the counter-claim of Rs 247.35 crores by Gridco.
3. In the arbitration proceedings relating to Tata Steel reneging on a conversion contract with the Company, an interim order was passed in January 2003 upholding all issues in the Company's favour without however quantifying the amount to be paid as damages by Tata Steel. The matter is now pending before the Hon'ble High Court of Kolkata.
4. Sundry Debtors include withheld amount of Rs 1.50 crores by GRIDCO (formerly OSEB) and Rs 9.89 crores by Tata Steel pending settlement of their disputes.
5. The Company has been calculating and paying electricity duty on a provisional basis at the rate of 12 paise per unit. However, the Government of Orissa has been demanding such duty at the rate of 20 paise per unit. The difference up to 31st March, 2005 aggregating to Rs 26.66 crores has been fully provided for in the accounts. However, the Company received a notice dated 10th December, 2004 demanding a sum of Rs 43.59 crores up to 30th October, 2004 towards electricity duty worked out at 20 paise per unit inclusive of interest @ 18% per annum after appropriating the provisional payments made by the Company towards interest and thereafter towards principal. The Company challenged the said demand and refuted liability to pay interest and filed a petition before the Hon'ble High Court of Orissa challenging the notice issued by the said authority. The Hon'ble High Court directed payment of electricity duty at 6 paise per unit to the Govt of Orissa and to keep the differential duty of 14 paise per unit in a separate 'no lien account' till the case is further heard and decided. Accordingly, the Company is paying electricity duty at 6 paise per unit effective 1st April, 2005 and maintaining the balance 14 paise per unit in a 'no lien account' with State Bank of India. In as much as the Company has paid the electricity duty at higher rates on provisional basis well before the due date, the question of payment of interest does not arise and hence no additional provision is considered necessary.

Schedules Annexed to the Accounts

SCHEDULE 'N' NOTES FORMING PART OF THE ACCOUNTS (Contd.)

6. Pursuant to a Scheme of Arrangement, Amalgamation and Reduction of Share Capital sanctioned by Hon'ble Orissa High Court vide its order dated 13.10.2006 a group company of the Company Indian Charge Chrome Limited ("ICCL") was amalgamated with the Company. Under the said Scheme debts of all the secured creditors of erstwhile ICCL were settled and rescheduled and the Settlement Amount became the liability of the Company under the Scheme consequent upon amalgamation of ICCL into the Company. The Company has paid the entire settlement amount by accelerating the payments to all the secured creditors except Punjab National Bank. However, one of the secured creditors namely Canara Bank has filed an Recovery Petition Case No. 15 of 2007 before Debt Recover Tribunal, Cuttack ("DRT") for recovery of Rs 93.01crores being the original amount due to it alleging breach of certain terms of the settlement by the Company essentially in payment of recompense amount payable to Canara Bank under the Scheme. The Company thereafter filed an application under Section 392 of the Companies Act before the Hon'ble Orissa High Court, inter-alia, for clarification/modification to the effect that the contention of the Canara Bank is not tenable. The Hon'ble Orissa High Court vide its order dated 14.05.2009 restrained Canara Bank from pursuing any further its aforesaid RP Case No. 15 of 2007 before DRT. The said application was heard by the Hon'ble Orissa High Court and its order thereon was reserved on 13.01.2010. The Company has been advised that the case of Canara Bank has no merit.
7. Provisions for Income Tax liability for the assessments completed which are pending under appeals and for the current year have been made to the extent considered necessary by the management.
8. The Company has been providing employee benefits as per Accounting Standard – 15 (Revised) based on the actuarial valuation under the projected unit credit method.

a) The amounts recognised in the Balance Sheet are as under :

(Rs in crore)

Particulars	Gratuity	Gratuity	Leave	Leave
	2009-10	2008-09	Encashment 2009-10	Encashment 2008-09
Present Value of obligation	9.54	8.30	2.67	2.18
Fair value of plan assets	5.29	4.79	–	–
Net Assets / (Liabilities) recognised in balance sheet	(4.25)	(3.51)	(2.67)	(2.18)

a) Changes in present value of obligation :

(Rs in crore)

Particulars	Gratuity	Gratuity	Leave	Leave
	2009-10	2008-09	Encashment 2009-10	Encashment 2008-09
Present Value of obligation at the beginning of the year	8.30	7.53	2.18	1.77
Interest Cost	0.71	0.63	0.20	0.16
Current service cost	0.67	0.56	0.16	0.16
Benefits paid	(0.79)	(0.55)	(0.80)	(0.66)
Actuarial (Gain) / loss on obligation	0.65	0.13	0.93	0.75
Present value of obligation as at the end of the year	9.54	8.30	2.67	2.18

a) Changes in plan assets :

(Rs in crore)

Particulars	Gratuity	Gratuity	Leave	Leave
	2009-10	2008-09	Encashment 2009-10	Encashment 2008-09
Fair Value of plan assets as at the beginning of the year	4.74	4.02	–	–
Return on plan assets	0.40	0.35	–	–
Contributions	0.90	0.92	0.80	0.66
Benefits paid	(0.79)	(0.55)	(0.80)	(0.66)
Actuarial Gain/ (loss) on Plan assets	0.04	0.03	–	–
Fair value of plan assets as at the end of the year	5.29	8.30	–	–

Schedules Annexed to the Accounts

SCHEDULE 'N' NOTES FORMING PART OF THE ACCOUNTS (Contd.)

d) Principal actuarial assumptions at the Balance Sheet date are as follows:	
Discount rate per annum compound	8%
Rate of increase in salaries	5%
Rate of return on plan assets	8%
Expected average remaining working lives of employees (years)	14.85
Withdrawal rates - Varying between 2% per annum & 1% per annum depending on duration & age of the employees.	
Mortality Table - Standard table LIC (1994-96)	

9. Segment Reporting

Segments are being identified on the basis of dominant source and nature of risks and returns. Industry segments at the company are primarily Ferro Alloys, Power & Chrome Ore mining.

Income, direct expenses and fixed assets in relation to segments are categorised based on items that are individually identifiable to that segment. The remainder are separately grouped as "Unallocated".

(Rs in crore)

	2009-10			2008-09		
	External sale	Inter segment	Total	External sale	Inter segment	Total
Segment Revenue						
a. Power	57.31	112.71	170.02	11.99	124.99	136.98
b. Ferro Alloys	535.28	–	535.28	982.14	–	982.14
c. Chrome Ore Mining	–	48.55	48.55	–	37.62	37.62
Total	592.59	161.26	753.85	994.13	162.61	1156.74
Segment Result						
a. Power			16.30			1.96
b. Ferro Alloys			126.01			474.55
c. Chrome Ore Mining			–			–
Total			142.31			476.51
Less:						
Interest			44.39			79.52
Other Unallocable expenditure net off unallocable income			40.43			46.63
Profit Before Tax			57.49			350.36
Tax			16.48			89.72
Profit after Tax			41.01			260.64
Other Informations						
	Segment Assets		Segment Liabilities	Segment Assets		Segment Liabilities
a. Power	402.71		83.92	270.96		71.20
b. Ferro Alloys	750.07		88.71	661.64		85.05
c. Chrome Ore Mining	31.22		8.77	30.42		8.92
d. Unallocated	156.60		1159.20	150.13		947.98
Total	1340.60		1340.60	1113.15		1113.15
	Capital Asset	CWIP	Depreciation	Capital Asset	CWIP	Depreciation
a. Power	111.97	210.55	15.97	122.02	84.49	18.05
b. Ferro Alloys	198.14	59.30	19.48	172.97	12.11	15.03
c. Chrome Ore Mining	13.78	1.31	1.76	13.90	0.55	1.99
d. Unallocated	39.70	0.94	3.18	41.74	1.82	2.85
Total	363.59	272.10	40.39	350.63	98.97	37.92

Schedules Annexed to the Accounts

SCHEDULE 'N' NOTES FORMING PART OF THE ACCOUNTS (Contd.)

10. Related Party Disclosures

Disclosures as required by the Accounting Standard – 18 “Related Party Disclosures” are given below:

(a) List of related parties

Subsidiaries

1. Indian Metals & Carbide Limited
2. Utkal Power Limited
3. Utkal Coal Ltd
4. IMFA Alloys Ltd

Associates

1. B Panda & Company Private Ltd
2. Madhuban Investment Private Ltd
3. Barabati Investment & Trading Company Private Ltd
4. K B Investment Private Ltd
5. Paramita Investment & Trading Company Private Ltd
6. Panda Investment Ltd
7. Utkal Charitable Trust
8. Indian Metals Public Charitable Trust
9. Utkal Manufacturing & Services Ltd
10. Utkal Housing and Infrastructure Development Ltd
11. B Panda Trust

Key Management Personnel and Relatives

1. Dr B. Panda
2. Mr Baijayant Panda
3. Mrs Jagi Mangat Panda
4. Mr Subhrakant Panda
5. Mrs Shaifalika Panda
6. Mrs Paramita Mahapatra
7. Mr Rajen Mahapatra
8. Mr J. K. Misra

b) Transactions with related parties

(Rs in crore)

Nature of Transactions	Subsidiaries	Associates	Key Management Personnel & Relatives
1. Purchase of raw materials and stores	–	–	–
2. Services rendered	– (0.61)	–	–
3. Services received	0.03 (0.03)	62.29 (82.06)	0.09 (0.09)
4. Managerial remuneration			5.21 (18.95)
5. Advance for purchases	–	–	–
6. Advance received against services	0.01 (0.02)	– (–)	– (–)
7. Outstanding balances as on 31.03.2010			
(a) Advances and Loans	6.47 (1.80)	– (41.79)	– (–)
(b) Creditors	0.08 (0.09)	10.21 (0.48)	2.93 (17.04)
8. Amount written off	–	–	–

NOTE : Figures in brackets represent corresponding amounts of previous year.

Schedules Annexed to the Accounts

SCHEDULE 'N' NOTES FORMING PART OF THE ACCOUNTS (Contd.)

11. Disclosure of Loans/Advance & Investments to/in subsidiaries, associates & firms/companies in which directors are interested as required by Clause 32 of the Listing Agreement.

(Rs in crore)

Name	Investment (as on 31.03.10)	Maximum amount outstanding during the year	Loans & advances (as on 31.03.10)	Maximum amount outstanding during the year
Subsidiaries :				
1. Indian Metals & Carbide Ltd	0.23 (0.23)	0.23 (0.23)	- (-)	- (-)
2. Utkal Power Ltd	0.05 (0.05)	0.05 (0.05)	1.90 (1.80)	1.90 (1.80)
3. Utkal Coal Ltd	82.88 (-)	82.88 (-)	6.28 (41.79)	53.64 (41.79)
4. IMFA Alloys Ltd	0.05 (-)	0.05 (-)	- (-)	- (-)

NOTE : Figures in brackets represent corresponding amounts of previous year.

12. Lease

The Company's significant leasing arrangements are in respect of operating leases for premises only which are renewable at the option of both the lessor & the lessee. The aggregate lease rentals payable are charged as 'rent' and the aggregate lease rentals receivable are credited as 'rent realised' in the financial statements.

Total of future minimum lease rents payable are summarised below.

(Rs in crore)

	Amount
Not later than one year	1.27
Later than one year and not later than five years	1.18
Later than five years	Nil

Total lease payments recognised in the profit & loss account during the year 2009-10 is Rs 1.33 crores.

Total of future minimum lease rents receivable are summarised below.

(Rs in crore)

	Amount
Not later than one year	0.09
Later than one year and not later than five years	Nil
Later than five years	Nil

13. Earnings Per Share

	Year 2009-10	Year 2008-09
(a) Number of equity shares of Rs 10/- each	2,63,26,519	2,13,14,765
(b) Weighted average No. of equity shares of Rs 10/- each	2,43,85,590	2,13,14,765
(c) Profit after taxation (Rs in crore)	41.01	260.64
(d) Basic and diluted earnings per share (in rupees)	16.82	122.28

Schedules Annexed to the Accounts

SCHEDULE 'N' NOTES FORMING PART OF THE ACCOUNTS (Contd.)

14. Deferred Tax Calculation

The Break up of deferred tax asset/(liability) is as under:

	(Rs in crore)	
	As at 31.03.10	As at 31.03.09
(a) Deferred tax liabilities:		
Difference between book and tax depreciation	23.54	22.58
Total	23.54	22.58
(b) Deferred tax assets:		
Electricity Duty	9.06	9.06
Unpaid gratuity and leave encashment	2.35	1.93
Other items	21.10	22.47
Total	32.51	33.47
Deferred tax asset (net)	8.97	10.89

15. Micro, Small and Medium Enterprises Development Act

The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Consequently the amount paid/payable to these parties during the year is nil.

16. Contingent liabilities not provided for as at 31st March 2010 as estimated by the Company:

	(Rs in crore)	
	As at 31.03.10	As at 31.03.09
(a) (i) Guarantees issued by Banks (Margin money against above Rs 9.58 crores (previous year Rs.3.74 crores))	64.00	11.69
(ii) Guarantee given by the company for		
(i) Utkal Manufacturing & Services Limited.	Nil	90.00
(ii) Utkal Coal Ltd	50.00	Nil
(b) (i) Claims against Company not acknowledged as debts	34.70	49.45
(ii) For suits filed against the Company in earlier years but not acknowledged as debts	1.20	1.06
(c) For capital contracts pending execution (Advance paid Rs 96.12 crores - previous year Rs.5.39 crores.)	468.57	28.80
(d) Government Claims:		
(i) Sales tax demand not accepted by the Company (deposits made under protest Rs.- 0.67 crores previous year Rs 0.53 crores.)	2.81	1.13
(ii) Penalty for road tax (deposit made under protest Rs.06 crores - previous year Rs.06 crores)	0.12	0.12
(iii) Provisional duty bonds to customs authority pending final debonding of 100% EOU	Amount not quantifiable	Amount not quantifiable

17. The newly incorporated wholly owned Subsidiary Co. IMFA Alloys Limited has not been considered for consolidation, as the duration of its financial year ending on 31.03.2010 is less than the duration of the financial year of the company with reference to Sec 212(2)(d) of the Companies Act 1956. As such the particulars in respect of the Subsidiary Co. pursuant to Sec 212(1) of the Companies Act 1956 is not appended to the Balance Sheet.

18. Previous year's figures have been regrouped/recast wherever considered necessary.

19. Schedule 'A' to 'O' form integral part of the account and have been duly authenticated.

Schedules Annexed to the Accounts

SCHEDULE 'O' INFORMATION PURSUANT TO PART II & PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

PART - II

1. Information In Respect Of Goods Manufactured / Power Generated

(a) Capacity

Licensed Capacity : Not Applicable

Installed Capacity:

	Year 2009-10 (MT)	Year 2008-09 (MT)
Silicon Metal	38,000*	38,000*
Ferro Silicon	61,000*	61,000*
Charge Chrome	2,35,000**	1,95,000**
Power (MW)	108	108

* At 100% capacity utilisation in all the three furnaces at Therubali, which are inter changeable.

** At 100% capacity utilisation in all the five furnaces (previous year four furnaces) situated at Therubali and Choudwar.

(b) Production and Generation of Power

	Year 2009-10 (MT)	Year 2008-09 (MT)
Charge Chrome	1,30,758	1,11,157*
Ferro Silicon	188	13,294
Power (net) - MU	661	568
Chrome Ore at Mines	2,82,836	4,27,347

* Includes 31018 MTs (previous year 38654 MTs.) of converted materials under conversion arrangement.

(c) Sales

	Year 2009-10		Year 2008-09	
	MT	Rs in crore	MT	Rs in crore
Charge Chrome	1,26,667	542.39	1,34,650	907.73
Ferro Silicon	434	1.53	14,124	92.68
Power (net) - MU	187	57.31	43	11.99

(d) Stocks

	As at 31.03.10		As at 31.03.09	
	MT	Rs in crore	MT	Rs in crore
Charge Chrome	32,791	89.02	28,700	77.07
Ferro Silicon	27	0.04	273	1.13
Chrome ore at Mines	1,22,986	13.21	1,83,304	13.70

Schedules Annexed to the Accounts

SCHEDULE 'O' INFORMATION PURSUANT TO PART II & PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (Contd.)

2. Particulars of Raw Materials Consumed

	Year 2009-10		Year 2008-09	
	MT	Rs in crore	MT	Rs in crore
Coal	5,85,221	72.53	4,84,315	68.17
Chrome Ore	3,16,232	70.61	2,52,354	52.02
Charcoal	–	–	10,140	11.68
Quartz	30,227	3.02	42,346	4.72
Coke & others	83,557	138.60	87,336	140.82
Carbon paste	1,945	8.41	1,554	5.61
Scrap Iron & Mill scale	311	0.09	4,455	0.86
Bauxite/Magnesite/Limestone/Serpentinite, etc.	6,140	1.82	3,922	0.81
Total		295.09		284.69
Less: Adjustment for Inter unit transfer of Chrome Ore		48.55		37.62
Raw Material Consumed		246.54		247.07

3. Other Additional Information

(Rs in crore)

	Year 2009-10	Year 2008-09
(a) Value of import on CIF basis:		
Raw materials	100.32	130.85
Components and spare parts	7.02	5.38
Capital goods	13.09	58.09
(b) Expenditure in foreign currency:		
Interest	–	0.03
Travelling	1.55	1.69
Others	4.16	4.53
(c) Earnings in foreign exchange:		
F O B value of exports	423.34	790.92
(d) Remittance in foreign currency:		
On account of dividend to non-resident investors		
(i) Year to which dividend pertains	2008-09	2007-08
(ii) Number of share holders	624	900
(iii) Number of equity shares	57,72,292	40,43,254
(iv) Net amount remitted (Rs in crore)	5.77	3.23

	Year 2009-10		Year 2008-09	
	Rs in crore		Rs in crore	
(e) Value of imported/indigenous raw materials, spare parts, components & stores consumed				
(i) Raw materials				
Imported	137.54	46.61%	123.14	43.25%
Indigenous	157.55	53.39%	161.55	56.75%
(ii) Spare parts, components & stores				
Imported	14.19	32.03%	6.33	19.09%
Indigenous	30.10	67.97%	26.83	80.91%

Schedules Annexed to the Accounts

SCHEDULE 'O' INFORMATION PURSUANT TO PART II & PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (Contd.)

	<i>(Rs in crore)</i>	
	Year 2009-10	Year 2008-09
(f) Payment to Auditors		
(a) As auditor	0.15	0.14
(b) As advisor, or in any other capacity, in respect of -		
(i) taxation matters		
(ii) company law matters		
(iii) management services, and		
(c) in any other manner	0.03	0.03
Total	0.18	0.17
(g) Directors' Remuneration		
Salaries	1.79	1.48
Commission	3.19	17.27
Perquisites	0.51	0.49
Sitting fees to other Directors	0.05	0.04
Total	5.54	19.28

Computation of net profit under Section 349/198 of the Companies Act, 1956:

	<i>(Rs in crore)</i>	
	Year 2009-10	Year 2008-09
Profit before taxation	57.49	350.36
Add: Depreciation	40.39	37.92
Directors' remuneration and perquisites	5.54	19.28
(Profit)/loss on sale of asset/Investment(net)	(3.27)	(0.28)
	100.15	407.28
Less: Depreciation under Section 350 of the Companies Act, 1956	40.39	37.92
Net profit under Section 198 of the Companies Act, 1956	59.76	369.36
Commission payable to :		
Whole-time Directors	2.89	16.97
Non Whole-time Directors	0.30	0.30
	3.19	17.27

Schedules Annexed to the Accounts

SCHEDULE 'O' INFORMATION PURSUANT TO PART II & PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (Contd.)

PART - IV

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.:

CIN: L27101 OR 1961PLC000428

Balance Sheet Date

Date Month Year

State Code

II Capital issued during the year (Amount in Rs crore)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III Position of Mobilisation and deployment of Funds (Amount in Rs crore)

Total Liabilities

Total Assets

Sources of Funds

Paid-up-Capital

Reserve and Surplus

Secured Loan

Unsecured Loan

Current Liabilities

Application of Funds

Net Fixed Assets

Investments

Current Assets

Net Deferred Tax

Accumulated Losses

IV Performance of the Company (Amount in Rs crore)

Turnover

Total Expenditure

Profit/(Loss) before Tax

Profit/(Loss) after Tax

Earning per Share in Rs.

Dividend Rate

V Generic Names of three Principal Products of Company (as per monetary terms)

Item Code No.:

Product Description: Charge Chrome/H C Ferro Chrome

Item Code No.:

Product Description: Ferro Silicon

Item Code No.:

Product Description: Power/Electricity

NOTE : The information under item 1(a) of part - II has been given by the management and relied upon by the Auditors

Auditors' Report to the Members

As per our report of even date attached

For **Raghu Nath Rai & Co.**

Chartered Accountants

For and on behalf of the Board

Dr. B. Panda

Executive Chairman

Baijayant Panda

Vice Chairman

Subhrakant Panda

Managing Director

J K Misra

Director (Corporate)

Paramita Mahapatra

D Bandyopadhyay

R N Misra

H Biswas

S Acharya

N R Mohanty

S K Pattanaik

S P Mathur

Directors

(Prem Prakash)

Partner

Membership No. 7648

Place: New Delhi

Dated: 11th May 2010

Prem Khandelwal

Sr. Vice President (Finance) &

Company Secretary

Schedules Annexed to the Accounts

SCHEDULE 'P' STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

(Rs in crore)

1.	Name of the subsidiary	INDIAN METALS & CARBIDE LIMITED	UTKAL POWER LIMITED	UTKAL COAL LIMITED
2.	Financial year of the subsidiary ended on	31st March 2010	31st March 2010	31st March 2010
3.	Holding Company's interest			
	Number of shares held	1,90,000	50,000	1,48,00,000
	Percentage of share holding	76	100	74
4.	The net aggregate amount of the subsidiary's profit/(loss) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's accounts	Nil	Nil (yet to commence business)	Nil (yet to commence business)
	For the financial year of the subsidiary	(0.01)	Not applicable	Not applicable
	For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(0.26)	Not applicable	Not applicable
5.	The net aggregate amount of the subsidiary's profit/(loss) dealt with in the Holding Company's accounts			
	For the financial year of the subsidiary	Nil	Nil	Nil
	For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	Nil	Nil	Nil

Auditors' Report to the Members

As per our report of even date attached

For **Raghu Nath Rai & Co.**

Chartered Accountants

(Prem Prakash)

Partner

Membership No. 7648

Place: New Delhi

Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

For and on behalf of the Board

Dr. B. Panda
Executive Chairman

Baijayant Panda
Vice Chairman

Subhrakant Panda
Managing Director

J K Misra
Director (Corporate)

Paramita Mahapatra
D Bandyopadhyay
R N Misra
H Biswas
S Acharya
N R Mohanty
S K Pattanaik
S P Mathur
Directors

Consolidated Auditors' Report

To the Board of Directors of Indian Metals & Ferro Alloys Limited on the Consolidated Financial Statements of Indian Metals & Ferro Alloys Limited and its Subsidiaries

1. We have examined the attached Consolidated Balance Sheet of **Indian Metals & Ferro Alloys Limited** and its Subsidiaries, Indian Metals & Carbide Limited, Utkal Coal Ltd and Utkal Power Limited as at 31st March 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended. These Consolidated financial statements are the responsibility of Indian Metals & Ferro Alloys Limited'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. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries. These financial statements have been audited by other auditor whose reports have been furnished to us. And our opinion, in so far as it relates to the amount included in respect of the subsidiaries, is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Indian Metals and Ferro Alloys Limited and its Subsidiaries included in the Consolidated financial statement.
5. On the basis of information and explanation given to us and on the consideration of the separate audit report on individual audited financial statements of Indian Metals & Ferro Alloys Limited and its Subsidiaries, we are of the opinion that the said financial statements give a true and fair view in conformity with accounting principles generally accepted in India;
 - (i) in the case of the Consolidated Balance Sheet, consolidated state of affairs of the Company and its Subsidiaries as at 31st March 2010
 - (ii) in the case of Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its Subsidiaries for the year then ended; and
 - (iii) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its Subsidiaries for the year then ended.

For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner

Place: New Delhi
Dated: 11th May 2010

Membership No. 7648

Consolidated Balance Sheet

As at 31st March 2010

(Rs in crore)

	As at 31.03.10	As at 31.03.09
I. SOURCES OF FUNDS		
1. Shareholders' Funds		
(a) Share Capital	26.34	21.33
(b) Reserves and Surplus	580.29	437.01
	606.63	458.34
2. Minority Interest	22.97	0.07
3. Loan Funds		
(a) Secured Loans	475.00	350.95
(b) Unsecured Loans	0.36	1.43
	475.36	352.38
Total	1104.96	810.79
II. APPLICATION OF FUNDS		
1. Fixed Assets		
(a) Gross Block	735.21	566.24
Less: Depreciation	255.88	215.57
Net Block	479.33	350.67
(b) Capital Work-in-Progress	276.12	98.97
	755.45	449.64
2. Investments	72.43	92.92
3. Deferred Tax Assets (net)	8.97	10.89
4. Current Assets, Loans and Advances		
(a) Inventories	254.09	217.89
(b) Sundry Debtors	20.50	33.73
(c) Cash and Bank Balances	47.58	7.05
(d) Loans and Advances	230.56	299.34
	552.73	558.01
Less : Current Liabilities and Provisions		
(a) Current Liabilities	189.72	189.05
(b) Provisions	117.58	113.40
	307.30	302.45
Net Current Assets	245.43	255.56
5. Miscellaneous Expenditure (to the extent not written off or adjusted)	22.68	1.78
Total	1104.96	810.79

Notes on accounts attached

As per our report of even date attached

For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

For and on behalf of the Board

Dr. B. Panda
Executive Chairman

Baijayant Panda
Vice Chairman

Subhrakant Panda
Managing Director

J K Misra
Director (Corporate)

Paramita Mahapatra
D Bandyopadhyay
R N Misra
H Biswas
S Acharya
N R Mohanty
S K Pattanaik
S P Mathur
Directors

Consolidated Profit and Loss Account For the year ended 31st March 2010

(Rs in crore)

	Year 2009-10	Year 2008-09
INCOME		
Gross Sales	601.23	1,012.40
Less: Excise Duty	8.64	18.27
Net Sales	592.59	994.13
Other Income	29.66	27.40
Closing Stock	102.31	91.94
	724.56	1,113.47
EXPENDITURE		
Opening Stock	91.94	133.20
Manufacturing and Other Expenses	411.30	420.70
Administrative Expenses	42.23	56.11
Selling Expenses	36.91	37.07
Interest and Financial Expenses	44.39	79.52
Depreciation	40.39	37.92
	667.16	764.52
Earlier years adjustments - Expenses/(Income)	(0.08)	(1.36)
	667.08	763.16
Profit before Taxation	57.48	350.31
Provision for Taxation:		
Current Tax (MAT)	25.81	63.72
Deferred Tax	(2.92)	46.54
Fringe Benefit Tax	0.00	0.81
MAT Credit available for set off	(6.41)	(21.61)
Earlier years adjustments	0.00	0.27
Profit after Taxation	41.00	260.58
Less: Minority interest	0.00	(0.02)
Net Profit Attributable to Parent	41.00	260.60
Balance Brought Forward	179.02	43.44
Profit Available for Appropriation	220.02	304.04
APPROPRIATIONS		
Proposed Dividend	13.16	21.31
Tax on Dividend	2.24	3.63
General Reserve	4.10	100.00
Balance Carried Forward	200.52	179.10
	220.02	304.04
EARNINGS PER SHARE		
Basic and Diluted Earnings Per Share (in rupees)	16.82	122.26

As per our report appended to the Balance Sheet

For and on behalf of the Board

For Raghu Nath Rai & Co.
Chartered Accountants

Dr. B. Panda
Executive Chairman

Baijayant Panda
Vice Chairman

Subhrakant Panda
Managing Director

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S P Mathur
Directors

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

Consolidated Cash Flow Statement

For the year ended 31st March 2010

(Rs in crore)

	Year 2009-10	Year 2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	57.48	350.31
Adjustment for :		
Depreciation	40.39	37.92
(Profit)/Loss on sale of assets (net)	(0.03)	(0.21)
Unrealised foreign exchange (gain)/loss (net)	(0.79)	2.13
Interest income	(8.25)	(10.59)
Interest and financial expenses	30.80	79.52
Operating profit before working capital changes	119.60	459.08
Adjustment for :		
Trade and other receivables	82.65	(128.34)
Inventories	(34.97)	(0.47)
Trade payables	(3.80)	75.07
Cash generated from operations	163.48	405.34
Direct taxes paid	(19.65)	(43.70)
Net Cash from Operating Activities	143.83	361.64
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	(152.97)	(80.54)
Sale of fixed assets	0.19	0.53
Sale/(Purchase) of investment	(44.69)	(48.06)
Interest received	8.25	10.59
Net Cash used in Investing Activities	(189.22)	(117.48)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest and financial charges paid	(30.80)	(78.79)
Repayment of loans (net)	(9.31)	(203.82)
Share Capital & Reserve Surplus	91.60	–
Cash credit (net)	(14.87)	(4.16)
Proceeds from/(Repayment of) long term borrowings	74.24	27.47
Dividend paid (including dividend tax)	(24.94)	(19.95)
Net Cash used in Financing Activities	85.92	(279.25)
Net Change in Cash and Cash Equivalents (A+B+C)	40.53	(35.09)
Cash and Cash Equivalents - Opening Balance	7.05	42.14
Cash and Cash Equivalents - Closing Balance	47.58	7.05

As per our report appended to the Balance Sheet

For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

For and on behalf of the Board

Dr. B. Panda
Executive Chairman

Baijayant Panda
Vice Chairman

Subhkrant Panda
Managing Director

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Director (Corporate)

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R N Misra
H Biswas
S Acharya
N R Mohanty
S K Pattanaik
S P Mathur
Directors

Notes on Consolidated Accounts

1. Basis of consolidation

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with Accounting Standard -21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

(b) Principles of consolidation

The Consolidated Financial Statements comprise the Financial Statements of Indian Metals & Ferro Alloys Limited ('the Company') and its subsidiaries, Indian Metals & Carbide Limited, Utkal Coal Ltd and Utkal Power Limited ('the Subsidiaries').

The Financial Statements of the companies are prepared according to uniform accounting policies in accordance with generally accounting principles in India.

The effects of inter company transactions between consolidated companies are eliminated on consolidation.

The newly incorporated wholly owned Subsidiary Co. IMFA Alloys Limited has not been considered for consolidation, as the duration of its financial year ending on 31.03.2010 is less than the duration of the financial year of the company with reference to Sec 212(2)(d) of the Companies Act 1956. As such the particulars in respect of the Subsidiary Co. pursuant to Sec 212(1) of the Companies Act 1956 is not appended to the Balance Sheet.

2. Proportion of holding

<u>Name of the Subsidiary</u>	<u>Proportion of ownership & Voting Power</u>
Indian Metals & Carbide Limited	76%
Utkal Power Limited	100%
Utkal Coal Limited	74%
IMFA Alloys Limited	100%

3. Other Significant Accounting Policies

These are set out under the head 'Significant Accounting Policies' of the company & the subsidiaries.

4. Previous years figures have been re-grouped/ recast wherever considered necessary.

As per our report appended to the Balance Sheet

For **Raghu Nath Rai & Co.**
Chartered Accountants

(Prem Prakash)
Partner
Membership No. 7648
Place: New Delhi
Dated: 11th May 2010

Prem Khandelwal
Sr. Vice President (Finance) &
Company Secretary

For and on behalf of the Board

Dr. B. Panda
Executive Chairman

Baijayant Panda
Vice Chairman

Subhrakant Panda
Managing Director

J K Misra
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Paramita Mahapatra
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S Acharya
N R Mohanty
S K Pattanaik
S P Mathur
Directors

Indian Metals & Carbide Limited
Subsidiary of Indian Metals & Ferro Alloys Ltd
36th Annual Report and Accounts 2009-10

Board of Directors

Dr B Panda
Mr Baijayant Panda
Mr C R Ray
Mr Deepak Kumar Mohanty

Assistant Secretary

Mr Dipak Prusty

Auditors

M/s G Panda & Co.
Chartered Accountants
Cuttack, Orissa

Banker

Indian Overseas Bank

Registered Office

Bomikhal
P.O. Rasulgarh
Bhubaneswar – 751010
Orissa

Plant

Therubali
Dist: Rayagada- 765018
Orissa

Directors' Report to the Members

Your Directors present their Thirty Sixth Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2010.

Performance

During the year under review, the Company incurred a loss of Rs.1.24 lacs as against a loss of Rs 5.22 lacs during the previous financial year.

Dividend

In view of the losses incurred during the year under review, your Directors regret their inability to recommend any dividend for the year ended 31st March 2010.

Energy Conservation, Etc.

The information 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 are set out in an annexure hereto forming part of this report.

Particulars of Employees

There were no employees on the roll of the company either employed throughout the year with receipt of remuneration of not less than Rs 24,00,000 per annum or employed for part of the year with receipt of remuneration of not less than Rs.2,00,000 per month. Accordingly, the relevant disclosure of such particulars as required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable for the year under review.

Public Deposits

The Company has not received any deposits from the public during the year under review as outlined under the provisions of Companies (Acceptance of Deposits) Rules, 1975 amended till date.

Directors

Mr Deepak Kumar Mohanty, Director retire by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The proposal regarding his re-appointment as Director is placed for your approval.

Mr Chita Ranjan Ray, who was appointed as Director of the Company to fill the casual vacancy caused by resignation of Mr M M Nawaz and who vacates office at this meeting under Section 262 of the Companies Act, 1956. The Company has received notice under section 257 of the Companies Act, 1956 in writing from a member proposing the candidature of Mr Ray for the office of Director. Accordingly the said proposal will be placed before the members of the Company at the ensuing Annual General Meeting of the Company.

Directors' Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act 1956, the Directors hereby confirm:

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss for the year under consideration;
- (iii) 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 frauds and other irregularities;
- (iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2010 on a going concern basis.

Secretarial Compliance Certificate

The above said certificate under the provisions of section 383A of the Companies Act, 1956 duly certified by a Secretary in whole-time practice is annexed herewith forming part of the Directors' report.

Auditors

M/s. G. Panda & Co., Chartered Accountants, the Auditors of the Company retire and are eligible for re-appointment. The Company has received a certificate to the effect that their re-appointment, if made, shall be within the limit prescribed under section 224 (1B) of the Companies Act, 1956.

Acknowledgement

Your Directors wish to place on record their deep sense of appreciation for the services rendered by all concerned and associated with the activities of the Company including the support extended by the Holding Company.

For and on behalf of the Board

Place: Bhubaneswar C R Ray Deepak Kumar Mohanty
Dated: 7th May 2010 Director Director

Annexure forming part of the Directors' Report for the year ended 31st March 2010

A. Conservation of energy

Your Company has not carried out any manufacturing/quarrying activities during the year under review hence it is not applicable

B. Technology absorption adaptation & innovation : NIL

C. Foreign exchange earnings and outgo

- (a) (i) activities relating to exports : NIL
(ii) initiatives taken to increase exports : NA
(iii) development of new export markets for products & services : NA
(iv) export plans : NA
(b) Foreign exchange used and earned : NIL

Secretarial Compliance Certificate

To
The Members of
Indian Metals & Carbide Ltd
Bomikhal, Bhubaneswar

I have examined the registers, records, books and papers of Indian Metals & Carbide Ltd (the Company) as required to be maintained under the Companies Act, 1956. (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company, the provisions of Section 3 (1) (iii) are not applicable to the company.
4. The Board of Directors duly met 4 times on 04/05/2009, 17/07/2009, 22/10/2009 and 22/01/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has not closed its Register of Members during the financial year under certification.
6. The Annual General Meeting for the financial year ended on 31/03/2009 was held on 18/07/2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extraordinary meeting was held during the financial year.
8. It was informed that the Company has not advanced loan to its directors and/or persons or firms or companies referred in Section 295 of the Act.
9. There was no contract pertaining to Section 297 of the Act, and hence the Company was not required to comply with its provisions during the financial year.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. The Company was not required to obtain necessary approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to Section 314 of the Act.
12. No duplicate share certificates were issued during the year under certification.
13. (i) There was no allotment/transfer/transmission of securities during the financial year.
(ii) The Company has not declared any dividend during the financial year.
(iii) The Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company is not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been made.
15. Since no appointment of Managing Director/Whole time Director/Manager has been made during the financial year, so the compliance with the provisions of Section 269 read with Schedule XIII to the Act and approval of the Central Government in respect of appointment is not required to be made by the Company.
16. No appointment of sole-selling agents was made during the financial year.
17. It was informed that there was no requirement by the Company to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under various provisions of the Act.
18. It was informed that the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares/debentures /other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares/ debentures during the financial year.
22. The Company wherever necessary has not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not accepted deposits from public and hence was not required to comply with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
24. It was informed that no amount was borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year.
25. It was informed that Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to name of the company during the financial year.
30. The Company has not altered its article of association during the financial year.
31. It was informed that there has been no prosecutions initiated against or show cause notices received by the Company for alleged offences under the Act.
32. The company has not received any deposit as security from its employees during the year under certification and hence

the question of depositing the same as per provisions of Section 417(1) of the Act does not arise.

33. The Company has deposited both the employees and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Sunita Mohanty & Associates

(Jyotirmoy Mishra)

Place: Bhubaneswar
Dated: 7th May 2010

ACS-CP-6022
Partner

ANNEXURE 'A'

(Forming part of the Compliance Certificate)

Registers as maintained by the Company:

- | | |
|--|-----------------|
| 1. Register of charges | u/s – 143 |
| 2. Register of members & index of members | u/s – 150 & 151 |
| 3. Files regarding copies of annual return | u/s-163 |
| 4. Minutes of Board Meetings & Annual General meetings | u/s – 193 |
| 5. Register of contracts in which Directors are interested | u/s – 301 |
| 6. Register of Directors | u/s - 303 |
| 7. Register of Directors' shareholding | u/s – 307 |

Other Registers

Register of Directors attendance.
Register of Members attendance.
Register of fixed assets.
Register of proxy.

ANNEXURE 'B'

(Forming part of the Compliance Certificate)

Forms and Returns as filed by the Company with the Registrar of Companies, Orissa during the financial year ended 31st March, 2010.

1. From No. 23AC & 23ACA with copy of Balance Sheet filed u/s 220 for the year ended 31st March, 2009 on 10/08/2009.
2. Form No. 20B with copy of Annual Return filed u/s 159 as on the date of AGM held on 18/07/2009 on 24/08/2009.
3. Form No. 66 with copy of Secretarial Compliance certificate filed u/s 383A for the year ended 31st March, 2009 on 10/08/2009.

No forms and returns were filed with Regional Director, Central Govt. or other Authority during the financial year ended 31st March, 2010.

Auditors' Report

To
The Members of
Indian Metals & Carbide Limited

1. We have audited the attached Balance Sheet of **INDIAN METALS & CARBIDE LIMITED** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order. Further to our comments in the Annexure referred to above, we report that :
 - (i) 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;
 - (ii) 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 such books;
 - (iii) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and the 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;
 - (v) on the basis of the written representations received from the Directors of the Company as at 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **G. Panda & Co.**
Chartered Accountants

(P K Mohapatra)

Partner

Place: Bhubaneswar
Dated: 7th May 2010

Membership No. 56058

Annexure to the Auditors' Report Referred to in paragraph 3 of our report of even date,

- | | |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.</p> <p>(c) No substantial parts of fixed assets have been disposed off during the year.</p> <p>(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.</p> <p>(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(c) On the basis of our examination, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.</p> <p>(iii) On verification of records, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>(iv) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and sale of goods and services. We have not observed any major weaknesses in internal control system.</p> <p>(v) There is no contracts or arrangements referred to Section 301 of the Companies Act, 1956</p> <p>(vi) The Company has not accepted any deposits from public.</p> <p>(vii) The Company is not a listed company, but having a paid up capital and reserves exceeding Rs 50 lakhs. The Company has an internal audit system commensurate with its size and nature of its business.</p> <p>(viii) The Central Government has not so far, prescribed rules for maintenance of cost records under the Section 209(1)(d) of the Companies Act, 1956.</p> | <p>(ix) The Company is regular in depositing the undisputed statutory dues with the appropriate authority according to the information and explanations given to us.</p> <p>(x) The Company has accumulated losses at the end of the financial year which is less than 50% its net worth. It has incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.</p> <p>(xi) The Company has no dues for repayment to a financial institution or bank or debenture holders.</p> <p>(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.</p> <p>(xiii) The Company is not a chit fund company.</p> <p>(xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.</p> <p>(xv) As explained to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>(xvi) The Company has not availed any term loan.</p> <p>(xvii) The Company has not used the funds raised on short term basis for long term investment and vice versa.</p> <p>(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>(xix) The Company has not issued any debentures.</p> <p>(xx) The Company has not raised any fund by public issue during the year.</p> <p>(xxi) According to the information and explanations, no fraud on or by the Company has been noticed or reported during the year.</p> |
|---|--|

For **G. Panda & Co.**
Chartered Accountants

(P K Mohapatra)
Partner

Place: Bhubaneswar
Dated: 7th May 2010

Membership No. 56058

Balance Sheet As at 31st March 2010

(Figures in Rupees)

	Schedule	As at 31.03.10	As at 31.03.09
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	'A'	24,99,980	24,99,980
(b) Reserves and Surplus	'B'	33,60,616	33,60,616
	Total	58,60,596	58,60,596
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	'C'	46,23,004	46,23,004
Less: Depreciation		42,12,345	41,98,505
Net Block		4,10,659	4,24,499
2. Investments			
	'D'	9,50,540	9,50,540
3. Current Assets, Loans and Advances			
(a) Inventories	'E'	4,17,427	4,17,427
(b) Cash and Bank Balances		2,20,424	1,06,837
(c) Loans and Advances		10,75,532	12,98,845
		17,13,383	18,23,109
Less: Current Liabilities and Provisions	'F'		
Current Liabilities		75,494	75,494
		75,494	75,494
Net Current Assets		16,37,889	17,47,615
4. Miscellaneous Expenditure (to the extent not written off or adjusted)			
Profit and Loss Account		28,61,508	27,37,942
	Total	58,60,596	5,860,596
Statement of Accounting Policies	'K'		
Notes forming part of the Accounts	'L'		
Information pursuant to Schedule VI	'M'		

Auditors' Report to the Members
As per our report of even date attached

For **G. Panda & Co.**
Chartered Accountants

For and on behalf of the Board

(P K Mohapatra)
Partner
Membership No. 56058
Place: Bhubaneswar
Dated: 7th May 2010

Dipak Prusty
Assistant Secretary

C R Ray
Deepak Kumar Mohanty
Directors

Profit and Loss Account For the year ended 31st March 2010

(Figures in Rupees)

Schedule	Year	Year
	2009-10	2008-09
INCOME		
Other Income 'G'	2,75,862	2,69,024
Closing Stock	4,17,427	4,17,427
	6,93,289	6,86,451
EXPENDITURE		
Opening Stock	4,17,427	4,17,427
Manufacturing Expenses 'H'	3,44,815	7,51,371
Administrative Expenses 'I'	40,485	25,736
Interest and Financial Expenses 'J'	288	834
Depreciation	13,840	12,715
	8,16,855	12,08,083
Loss/(Profit) For The Year	1,23,566	5,21,632
Earlier Year Adjustments	–	1,30,201
Loss Brought Forward	27,37,942	20,86,109
Balance Carried To Balance Sheet	28,61,508	27,37,942
Earnings Per Share	(0.49)	(2.09)

Auditors' Report to the Members
As per our report appended to the Balance Sheet
For **G. Panda & Co.**
Chartered Accountants

For and on behalf of the Board

(P K Mohapatra)
Partner
Membership No. 56058
Place: Bhubaneswar
Dated: 7th May 2010

Dipak Prusty
Assistant Secretary

C R Ray
Deepak Kumar Mohanty
Directors

Cash Flow Statement

For the year ended 31st March 2010

(Figures in Rupees)

	Year 2009-10	Year 2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax	(1,23,566)	(5,21,632)
Adjustment for :		
Depreciation	13,840	12,715
(Profit)/loss on sale of assets (net)	-	-
Unrealised foreign exchange (gain)/loss (net)	-	-
Interest income	-	-
Interest and financial expenses	288	834
Operating profit before working capital changes	(1,09,438)	(5,08,083)
Adjustment for :		
Trade and other receivables	2,23,313	9,43,493
Inventories	-	-
Trade payables	-	(1,236)
Cash generated from operations	1,13,875	4,34,174
Direct taxes paid	-	(1,30,201)
Net Cash from Operating Activities	1,13,875	3,03,973
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	-	-
Sale of fixed assets	-	-
Sale/(purchase) of investment	-	(2,50,540)
Interest received	-	-
Net Cash used In Investing Activities	-	(2,50,540)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and financial charges paid	(288)	(834)
Repayment of loans (net)	-	-
Cash credit (net)	-	-
Proceeds from/(Repayment of) long term borrowings	-	-
Dividend paid (including dividend tax)	-	-
Net Cash used in Financing Activities	(288)	(834)
Net Change in Cash and Cash Equivalents (A+B+C)	1,13,587	52,599
Cash and Cash Equivalents - Opening Balance	1,06,837	54,238
Cash and Cash Equivalents - Closing Balance	2,20,424	1,06,837

Auditors' Report to the Members
As per our report appended to the Balance Sheet
For **G. Panda & Co.**
Chartered Accountants

(P K Mohapatra)
Partner
Membership No. 56058
Place: Bhubaneswar
Dated: 7th May 2010

Dipak Prusty
Assistant Secretary

For and on behalf of the Board

C R Ray
Deepak Kumar Mohanty
Directors

Schedules Annexed to the Accounts

(Figures in Rupees)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'A' SHARE CAPITAL		
Authorised		
45,00,000 Equity Shares of Rs 10/-each	4,50,00,000	4,50,00,000
50,000 Preference Shares of Rs 100/- each	50,00,000	50,00,000
	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid-up		
2,49,998 Equity Shares of Rs 10/- each fully paid-up	24,99,980	24,99,980
	24,99,980	24,99,980

SCHEDULE 'B' RESERVES AND SURPLUS		
Capital Reserve (Backward area development subsidy)	10,04,077	10,04,077
General Reserve	23,56,539	23,56,539
	33,60,616	33,60,616

SCHEDULE 'C' FIXED ASSETS								
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.09	Additions	As at 31.03.10	As at 01.04.09	For the year	As at 31.03.10	As at 31.03.10	As at 31.03.09
Freehold Land	2,90,538	-	2,90,538	-	-	-	2,90,538	2,90,538
Factory Building	28,56,299	-	28,56,299	27,33,637	12,266	27,45,903	1,10,396	1,22,662
Plant & Machinery	14,47,283	-	14,47,283	14,36,057	1,560	14,37,617	9,666	11,226
Furniture & Fixtures	28,884	-	28,884	28,811	14	28,825	59	73
	46,23,004	-	46,23,004	41,98,505	13,840	42,12,345	4,10,659	4,24,499
Previous Year's Figures	46,23,004	-	46,23,004	41,85,790	12,715	41,98,505	4,24,499	4,37,214

	As at 31.03.10	As at 31.03.09
SCHEDULE 'D' INVESTMENTS		
Kalinga Hospital Limited	9,50,540	9,50,540
95,054 Equity Shares of Rs 10/- each fully paid-up (unquoted)	9,50,540	9,50,540

Schedules Annexed to the Accounts

(Figures in Rupees)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'E' CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
(A) Inventories (verified, valued and certified by the management)		
Finished Goods	4,17,427	4,17,427
	4,17,427	4,17,427
(B) Cash and Bank Balances		
With Scheduled Banks in Current Account	2,20,424	1,06,837
	6,37,851	5,24,264
(C) Loans and Advances		
(unsecured and considered good)		
(a) Advance recoverable in cash or in kind	7,81,427	9,35,745
(b) Security Deposit	2,15,804	2,15,804
(c) Income Tax paid in advance	78,301	1,47,296
	10,75,532	12,98,845
	17,13,383	18,23,109

SCHEDULE 'F' CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry creditors	75,494	75,494
	75,494	75,494

SCHEDULE 'G' OTHER INCOME		
Interest others	11,694	4,856
Rent Realised	2,64,168	2,64,168
	2,75,862	2,69,024

SCHEDULE 'H' MANUFACTURING EXPENSES		
Quarrying Expenses	3,44,815	7,51,371
	3,44,815	7,51,371

Schedules Annexed to the Accounts

(Figures in Rupees)

	Year 2009-10	Year 2008-09
SCHEDULE 'I' ADMINISTRATIVE EXPENSES		
Rates, Taxes and Fees	11,620	12,112
Auditors' Remuneration and Expenses	13,530	13,624
Miscellaneous Expenses	15,335	–
	40,485	25,736

SCHEDULE 'J' INTEREST AND FINANCIAL EXPENSES		
Bank Charges	288	834
	288	834

SCHEDULE 'K' STATEMENT OF ACCOUNTING POLICIES

- Fixed Assets**
For all categories of assets depreciation is provided on the reducing balance method at the rate allowable under Schedule XIV of the Companies Act, 1956.
- Investments**
Investments have been made in other than trade investments. This is included at the book value with a note on the market value wherever available.
- Stocks**
 - Raw materials, stores, spares, etc. have been consistently valued at cost. Slow moving and dead stocks are reduced to their estimated value.
 - Finished goods have been consistently valued at cost or market value whichever is less.
- Debtors and Advances**
Known bad debts are written off. Provisions have been made for debts and advances considered to be doubtful to the extent considered sufficient by the management.

SCHEDULE 'L' NOTES FORMING PART OF THE ACCOUNTS

- Balances of current liabilities, sundry debtors and loans and advances are subject to confirmation by the parties.
- The Income Tax assessment of the Company has been completed up to assessment year 2008 - 2009.
- Lease : The company's significant leasing arrangements are in respect of operating leases for premises which are renewable at the option of both the lessor & the lessee. The aggregate lease rentals receivable are charged as rent in the Profit & Loss Account. Total of future minimum lease payments are summarised below :

Receivable	Amount (Rs.)
Not later than one year	2,64,168/-
Later than one year & not later than five years	Nil
Later than five years	Nil
- Schedules 'A' to 'N' form integral part of the accounts and have been duly authenticated.
- Previous year's figures have been re-grouped/recast wherever considered necessary.

Schedules Annexed to the Accounts

SCHEDULE 'M' INFORMATION PURSUANT TO PART II & PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

PART - II

1. Particulars of Capacity, Production, Stock and Sales

	Unit	Licensed		Installed	
		Year 2009-10	Year 2008-09	Year 2009-10	Year 2008-09
(a) Capacity					
(i) Silicon Carbide	MT	1,034	1,034	1,034	1,034
(ii) Solar Photovoltaic Cells Modules	KW	1,000	1,000	1,000	1,000
			Unit	Year 2009-10	Year 2008-09
(b) Production				Nil	Nil
(c) Stock of goods manufactured					
(i) Silicon Carbides	MT			Nil	Nil
(ii) Solar Photovoltaic Cells Modules	KW			3,892	3,892
(d) Sales					
Silicon Carbide				Nil	Nil

2. Payment to Auditors

(Figures in Rupees)

	Year 2009-10	Year 2008-09
(a) Audit fees	10,000	10,000
(b) Reimbursement of travelling and other expenses	2,500	3,624
(c) Service tax	1,030	–
	13,524	13,624

Schedules Annexed to the Accounts

PART - IV

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.:

CIN: U27209OR1972PLC000598

Balance Sheet Date
Date Month Year

State Code

II. Capital issued during the year (Amount in Rs Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III Position of Mobilisation and deployment of Funds (Amount in Rs Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up-capital

Reserve and Surplus

Secured Loan

Unsecured Loan

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Accumulated Losses

IV Performance of the Company (Amount in Rs Thousands)

Turnover

Total Expenditure

Profit/(Loss) before Tax

Profit/(Loss) after Tax

Earning per Share in Rs.

Dividend Rate

V Generic Names of Principal Products of Company (as per monetary terms)

Item Code No.:

Product Description: Silicon Carbide (Not operational)

Item Code No.:

Product Description: Solar Photovoltaic cells, Modules, Systems (Not operational)

Company's main activity was quarrying etc.

As per our report appended to the Balance Sheet

For **G. Panda & Co.**

Chartered Accountants

For and on behalf of the Board

(**P K Mohapatra**)

Partner

Membership No. 56058

Place: Bhubaneswar

Dated: 7th May 2010

Dipak Prusty
Assistant Secretary

C R Ray
Deepak Kumar Mohanty
Directors

Utkal Power Limited
Subsidiary of Indian Metals & Ferro Alloys Ltd
6th Annual Report and Accounts 2009-10

Board of Directors

Mr Subhrakant Panda
Mr J K Misra
Mr C R Ray
Mr Prem Khandelwal
Mr B D Sahoo

Auditors

Sourjya & Biswajit
Chartered Accountants
255 Jayadev Vihar (Ground Floor)
In front of Mayfair Lagoon
Bhubaneswar – 751013, Orissa.

Registered Office

IMFA Building
Bomikhal
P.O. Rasulgarh
Bhubaneswar – 751010

Directors' Report to the Members

Your Directors present their Sixth Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2010.

Operations

The Company has not yet started its operations.

Energy Conservation, Etc.

The Company has not yet started its operations hence the information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 does not arise.

Particulars of Employees

There were no employees on the roll of the company either employed throughout the year with receipt of remuneration of not less than Rs 24,00,000 per annum or employed for part of the year with receipt of remuneration of not less than Rs 2,00,000 per month. Accordingly, the relevant disclosure of such particulars as required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable for the year under review.

Public Deposits

The Company has not received any deposits from the public during the year under review as outlined under the provisions of Companies (Acceptance of Deposits) Rules, 1975 amended till date.

Directors

Mr Chita Ranjan Ray and Mr J K Misra Directors retire by rotation at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The proposal regarding their re-appointment as Director are placed for your approval.

Directors' Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act 1956, the Directors hereby confirm:

(i) that in the preparation of the annual accounts for the financial

year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that they have selected such accounting policies and applied them consistently and make judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial year;

(iii) 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 frauds and other irregularities;

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2010 on a going concern basis.

Auditors

M/s Sourjya & Biswajit, Chartered Accountants, the Auditors of the Company, retire and are eligible for re-appointment. The Company has received a certificate to the effect that their re-appointment, if made, shall be within the limit prescribed u/s 224 (1B) of the Companies Act, 1956.

Acknowledgement

Your Directors wish to place on record their deep sense of appreciation for the services rendered by all concerned and associated with the activities of the Company including the support extended by the Holding Company.

For and on behalf of the Board

Place: Bhubaneswar

Prem Khandelwal

C R Ray

Date: 7th May 2010

Director

Director

Auditors' Report

To

The Members

Utkal Power Limited

IMFA Building, Bomikhal,

Bhubaneswar-751010.

We have audited the attached Balance Sheet of **Utkal Power Limited**, as at 31st March, 2010 and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) 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;

- (iii) The Balance Sheet by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and the Cash Flow Statement dealt with by this report complies with the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and in case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **Sourjya & Biswajit**
Chartered Accountants

(S P Mohapatra)

Partner

Place: Bhubaneswar

Dated: 7th May 2010

Membership No. 52805

Annexure to the Auditors' Report

Statement referred to in paragraph (1) of our report of even date:

1. The Company has no fixed assets. Hence Clause-1 (a), (b) & (c) is not applicable.
2. The company does not have any inventory of finished goods, stores, spare parts and raw materials, therefore physical verification of finished good, stores spare parts & raw material does not arise.
3. (a) The company has not taken any loans (secured or unsecured) from companies, firms or other parties listed in the register maintained under Section 301 of the

Companies Act, 1956.

Since the Company has not availed any loan. Clause-3 (b) & (c) is not applicable.

- (d) The company has not given loans and advances in the nature of loans during the year.
4. In our opinion, and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. Further, during the course of our audit we have neither come across nor we have been informed of any major weakness in the internal controls;

Annexure to the Auditors' Report

5. (a) There have been no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs 50,000/- or more in respect of each party.
(b) There are no transactions exceeding the value of Rs.5 Lakhs. Hence Clause-5 (b) is not applicable.
6. In our opinion, and according to the information & explanations given to us, the company has not accepted any public deposits u/s 58A & 58AA of the Companies Act, 1956 or any other relevant provision of the Act.
7. In our opinion the company has adequate internal control and internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us and on the basis of our examination of books of accounts, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax Excise Duty, Cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to the above as at 31st March, 2010 outstanding for a period of more than Six months from the date they became payable.
9. According to the information and explanation given to us the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of companies Act, 1956.
10. The Company has not started commercial activity. Hence no profit & loss is prepared. And Clause-10 is not applicable.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The company is not a chit fund, Nidhi, mutual benefit or a society. Accordingly, provisions of clause 4(xiii) of the order are not applicable.
13. According to the information and explanations given by management, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the order is not applicable.
14. The company has not given any guarantee for loans taken by others from bank or financial institutions; hence paragraph 4(xv) of the order is not applicable.
15. The Company has not availed any loan. Hence paragraph 4(XVI) of order not applicable.
16. According to the information and explanations given to us, and on overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
17. During the period, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act. 1956. Accordingly, paragraph 4(xviii) of the order is not applicable.
18. The company has not issued any debentures as at 31st March, 2010. Accordingly provisions of clause 4(xix) of the order are not applicable.
19. During the period as at 31st March, 2010, the company has not raised any money by public issue. Accordingly provisions of clause 4(xx) of the order are not applicable.
20. Based on our audit procedures and on the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **Sourjya & Biswajit**
Chartered Accountants

(S P Mohapatra)

Partner

Membership No. 52805

Place: Bhubaneswar
Dated: 7th May 2010

Balance Sheet As at 31st March 2010

(Figures in Rupees)

Schedule	As at 31.03.10	As at 31.03.09
I. SOURCES OF FUNDS		
1. Share Holders' Funds:		
Share Capital	5,00,000	5,00,000
Total	5,00,000	5,00,000
II. APPLICATION OF FUNDS		
1. Current Assets, Loans & Advances		
Loans & Advances	–	6,86,120
Less: Current Liabilities & Provisions	19,11,586	1,79,84,468
Net Current Assets	(19,11,586)	(1,72,98,348)
2. Miscellaneous Expenditure		
(To the extent not written off)	2,411,586	17,798,348
Total	5,00,000	5,00,000
Significant accounting policies	'E'	
Notes forming part of the accounts	'F'	

Auditors' Report to the Members
As per our report of even date attached

For **Sourjya & Biswajit**
Chartered Accountants

For and on behalf of the Board

(S P Mohapatra)
Partner
Membership No. 52805
Place: Bhubaneswar
Dated: 7th May 2010

Prem Khandelwal
Director

C. R. Ray
Director

Cash Flow Statement For the year ended 31st March 2010

(Figures in Rupees)

	Year 2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax	Nil
Operating profit before working capital changes	Nil
<i>Adjustment For:</i>	
Trade & other Receivables	6,86,120
Inventories	-
Trade payables	(1,60,72,882)
Cash generated from operations	(1,53,86,762)
Direct taxes paid	-
Net cash from operating activities	(1,53,86,762)
B CASH FLOW INVESTING ACTIVITIES	
Purchase of fixed assets	-
Sale of fixed assets	-
sale /(purchase)of Investment	-
Interest received	-
Deferred Tax	-
Share Premium	-
Net Cash used in investing activities	-
C CASH FLOW FROM FINANCING ACTIVITIES	
Interest & financial charges paid	-
Long term Loan	-
Unsecured Loan	-
Cash credit (net)	-
proceeds from/(repayment of) long term borrowings	-
Misc. Expenditure	1,53,86,762
Shareholders Fund	-
Dividend paid (including dividend tax	-
Net cash used in financing activities	1,53,86,762
Net Change in cash or cash equivalents (A+B+C)	-
Cash & Cash Equivalents- OB	-
Cash & Cash Equivalents- CB	-

Auditors' Report to the Members
As per our report appended to the Balance Sheet
For **Sourjya & Biswajit**
Chartered Accountants

For and on behalf of the Board

(S P Mohapatra)
Partner
Membership No. 52805
Place: Bhubaneswar
Dated: 7th May 2010

Prem Khandelwal
Director

C R Ray
Director

Schedules forming part of the Accounts

(Figures in Rupees)

	As at 31.03.10	As at 31.03.09
SCHEDULE 'A' SHAREHOLDERS FUNDS		
Authorised		
10,00,000 Equity shares of Rs 10/- each	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Issued, Subscribed and Paid Up		
50,000 Equity shares of Rs 10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

SCHEDULE 'B' Loan & Advances		
(Unsecured and considered good)		
Advance recoverable in cash or in kind (Advance to Desin Pvt Ltd)	6,86,120	6,86,120
Less: Transfer to IMFA	6,86,120	-
Total	-	6,86,120

SCHEDULE 'C' CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors (IMFA)	19,00,556	1,79,78,953
Audit Fees payable	11,030	5,515
Tds Payable	-	-
Total	19,11,586	1,79,84,468

SCHEDULE 'D' MISCELLANEOUS EXPENSES		
(To the extent not written off or adjusted):		
a) Preliminary expenses	1,88,000	1,88,000
b) Preoperative Expenses		
Opening Balance	1,76,10,348	
Less: Transfer to IMFA	1,65,08,335	11,02,013
Add:		
Consultancy Charges	10,13,528	60,49,302
Filing Fees	1,500	1,500
Audit Fees	5,515	5,515
Travelling Expenses	1,01,030	-
Application Fee	22,23,586	1,76,10,348
Total	24,11,586	1,77,98,348

Utkal Coal Limited
Subsidiary of Indian Metals & Ferro Alloys Ltd
15th Annual Report and Accounts 2009-10

Board of Directors

Mr Subhrakant Panda
Mr G L Tandon, Padmabhusan
Mr J K Misra
Mr Prem Khandelwal
Mr D. K. Sahni
Mr Arvind Mishra
Mr M. M. Nawaz

Company Secretary

Mr Smruti Ranjan Ray

Auditors

Ajay Rattan & Company
Chartered Accountants
1113, 11th Floor, Arunachal Building
Barakhamba Road,
Delhi - 110001

Banker

Indian Overseas Bank
Nilachala Gramya bank

Term Lender

Srei Infrastructure Finance Limited

Registered Office

B-4/147, Safdarjung Enclave,
New Delhi-29

Directors' Report to the Members

Your Directors present their 15th Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2010.

Operations

The Company has not yet started its operations.

Energy Conservation, Etc.

The Company has not yet started its operations hence the information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 does not arise.

Further Issue of Shares

In terms of the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 31st, July 2009, Your Company allotted 1,48,00,000 equity shares of Rs.10/- each on private placement basis to Indian Metals and Ferro Alloys Limited at an issue price of Rs 56/- per share.

Particulars of Employees

There were no employees on the roll of the Company either employed throughout the year with receipt of remuneration of not less than Rs 24,00,000 per annum or employed for part of the year with receipt of remuneration of not less than Rs 2,00,000 per month. Accordingly, the relevant disclosure of such particulars as required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable for the year under review.

Public Deposits

The Company has not received any deposits from the public during the year under review as outlined under the provisions of Companies (Acceptance of Deposits) Rules, 1975 amended till date.

Directors

Mr G.L.Tandon Director who is retiring by rotation at the forthcoming Annual General Meeting and is being eligible for re-election. The proposal regarding his re appointment as Director is placed for your approval.

Mr Arvind Kumar Mishra who is retiring by rotation at the forthcoming Annual General Meeting, had informed the Company that he does not wish to seek re-election. A resolution pursuant to Section 256 of Companies Act, 1956, for not filing up the vacancy caused by Mr Arvind Kumar Mishra's retirement has been included in the Notice of Annual General Meeting.

Director's Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956. The Directors hereby confirm.

(i) that in the preparation of the annual accounts for the financial

year ended 31st March, 2010, the application accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2010 on a going concern basis.

Auditors

The present Statutory Auditors, M/s Ajay Rattan & Co, Chartered Accountants, New Delhi, will hold office up to the conclusion of the ensuing Annual general Meeting and they have expressed their intention not to seek re-appointment.

The Company has identified, M/s. Sourjya & Biswajit, Chartered Accountants of Bhubaneswar to be appointed as Statutory Auditors of your Company.

The Board of Directors recommend the appointment of M/s Sourjya & Biswajit, Chartered Accountants of Bhubaneswar as the Statutory Auditors of the Company for the financial year 2010-11. The Company has received a certificate to the effect that their appointment, if made, shall be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

Auditors' Observations/Qualifications:

The Auditors' Observation and/or Qualifications are detailed in the Auditors' Report annexed hereto and are self explanatory and be read together with the notes to the Accounts in the Schedules annexed to the Account.

Acknowledgement

Your Directors wish to place on record their deep sense of appreciation for the services rendered by all concerned and associated with the activities of the Company including the support extended by the Holding Company.

For and on behalf of the Board
For **Utkal Coal Limited**

Place: New Delhi **Prem Khandelwal**

Date: 10th May, 2010 *Director*

Arvind Mishra

Director

Auditors' Report

To
The Members of
Utkal Coal Limited

1. We have audited the Balance sheet of **Utkal Coal Limited** as at 31st March, 2010 and the Statement of Pre-operative expenses and Cash Flow Statement for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 misstatements. 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 the 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 issued by the Company Law Board in terms of section 227(4A) of the companies Act, 1956 and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we further certify that:
 - (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The management has physically verified these fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The company has not disposed off any fixed assets during the year.
 - (ii) The company has no inventory either at the start of the year or at the end of the year.
 - (iii) The company has neither granted nor taken any loans to or from Companies, firms and other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
 - (iv) In our opinion and according to the information and explanations given to us during the course of the audit there is adequate internal control system commensurate with the size of the company and nature of its business, for the purchase of fixed assets. There is no continuing failure to correct major weaknesses in internal control system.
 - (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section;
 - (b) The Company has not made transactions in pursuance of contracts or arrangement entered in the Register maintained under section 301 of the Companies Act, 1956 in respect of any party.
 - (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits within the meaning of section 58-A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
 - vii. In our opinion the Company's present internal audit system is commensurate with the size and nature of the business.
 - viii. No cost records are prescribed for the company by Central Government.
 - ix. a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

- x. There are no accumulated losses of the company.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any bank or financial institution.
- xii. The company has not given loans and advances on the basis of security.
- xiii. The provisions of any special statute like chit fund, nidhi, mutual benefits fund etc. are not applicable to the company
- xiv. The company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. The company has not given guarantees for loans taken by others
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information given to us, the company has made preferential allotment of shares to one party and in our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- xix. The company has not issued any debentures during the period covered by our audit report.
- xx. The company has not raised money through public 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 course of our audit.
- 4). Further to our comments 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 accounts as required by law have been kept by the company so far as appears from our examination of the books.
- c. The Balance sheet and Statement of Preoperative expenses dealt with by this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet and the statement of preoperative expenses dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e. As per the information provided to us, the directors of the company do not have any disqualification as referred to in clause (g) of sub-section (1) to section 274 of the Companies Act, 1956.
- 5). In our opinion and to the best of our information and according to the explanations given to us the said accounts give a true and fair view:
- a. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2010; and
- b. In the case of Statement of Pre-operative Expenses of the Expenses for the period ended on that date.
- c. In the case of Cash Flow Statement, of Cash Flows for the period ended on that date.

For **Ajay Rattan & Company,**
Chartered Accountants

(CA. Ajay Aggarwal)

Proprietor

Membership No. 90975

Place: New Delhi

Dated: 10th May, 2010

Balance Sheet As at 31st March 2010

(Amount in Rupees)

	Schedule	As at 31.03.10	As at 31.03.09
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	20,00,00,000	5,20,00,000
Share Application Money Pending Allotment		–	82,70,00,000
Reserve & Surplus	2	68,08,00,000	–
Loan Funds:			
Secured Loans	3	48,45,61,644	–
Unsecured Loans	4	6,27,73,273	41,78,89,269
		1,42,81,34,917	1,29,68,89,269
APPLICATIONS OF FUNDS			
Fixed Assets:			
Gross Block	5	1,15,74,84,591	1,06,23,10,125
Less: Depreciation		5,25,922	3,10,140
Net Block		1,15,69,58,669	1,06,19,99,985
Capital work in progress		4,02,43,979	2,62,91,173
Current Assets, Loans & Advances :			
Cash & Bank Balances	6	88,22,973	5,24,52,503
Loans & Advances		36,887	64,065
		88,59,860	5,25,16,568
Less : Current Liabilities & Provisions :			
Liabilities	7	23,54,193	35,91,892
Provisions		–	30,686
		65,05,667	4,88,93,990
Net Current Assets			
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		13,717	13,717
Pre-operative Expenses		22,44,12,885	15,96,90,404
		1,42,81,34,917	1,29,68,89,269
Notes to Accounts : As per Schedule '8'. Schedules 1 to 8 form an integral part of the Balance Sheet.			

Auditors' Report to the Members
As per our report of even date attached

For **Ajay Rattan & Company,**
Chartered Accountants

(CA. Ajay Aggarwal)
Proprietor
Membership No. 90975
Place: New Delhi
Dated: 10th May 2010

For Utkal Coal Limited

S R Ray
Company Secretary

Prem Khandelwal
Director

Arvind Mishra
Director

Statement of Preoperative expenses For the year ended 31st March 2010 (Amount in Rupees)

	Current Year	Previous Year
Balance brought forward from last year	15,96,90,404	11,11,01,338
Advertisement Expenses	-	10,000
Audit Fees	16,545	16,545
Bank Charges	510	68
Business Related Expenses	12,029	43,020
Computer Repair & Maintenance Expenses	350	1,550
Consultancy Charges	9,92,228	32,21,735
Conveyance Expenses	1,62,067	1,52,743
Courier Charges	1,061	1,709
Donation	2,17,742	27,18,574
Depreciation (As per Schedule `5')	2,15,782	1,96,517
Electricity Expenses	40,683	24,814
Entertainment Expenses	91,869	40,214
Filing Fees	17,19,604	2,912
Ground Rent	4,13,070	4,13,070
Guest House Expenses	3,04,516	1,77,191
Insurance Expenses	10,018	9,513
Interest Expenses	5,11,14,872	3,79,14,586
Leave Travel Allowance	34,056	-
Miscellaneous Expenses	1,25,496	1,85,123
Office Maintenance	-	1,814
Newspaper & Periodicals	2,077	2,030
Printing & Stationery	85,245	84,847
Processing Charges	47,57,500	-
Professional Charges	7,341	4,495
Rent Paid	1,75,757	1,32,544
Repair & Maintenance	1,00,881	31,763
Retainership Fees	4,05,300	78,000
Staff Cost	36,13,593	27,62,006
Survey Work	-	2,50,000
Telephone Expenses	25,920	52,920
Travelling Expenses	76,370	18,609
FBT paid for earlier years	-	9,468
Provision for FBT	-	30,686
Balance carried to Balance Sheet	22,44,12,885	15,96,90,404

Auditors' Report to the Members
As per our report of even date attached
For **Ajay Rattan & Company,**
Chartered Accountants

(CA. Ajay Aggarwal)
Proprietor
Membership No. 90975
Place: New Delhi
Dated: 10th May 2010

S R Ray
Company Secretary

Prem Khandelwal
Director

Arvind Mishra
Director

For Utkal Coal Limited

Cash Flow Statement For the year ended 31st March 2010

(Amount in Rupees)

	31-03-10	31-03-09
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before Tax & Extraordinary Items	–	–
Add: Bank Interest & Charges		
Miscellaneous Expenses w/off		
Less: Interest Received	–	–
Operating Profit Before Working Capital Changes	–	–
Adjustment for:		
Trade & Other Incomes Receivables	27,178	(64,065)
Loans & Advances		
Inventories		
Trade & Other Expenses Payable	(12,68,385)	26,62,915
Cash Generated From Operations	(12,41,207)	25,98,850
Less: Income Tax Paid	–	–
Net Cash Used In Operating Activity	(12,41,207)	25,98,850
B. CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(10,91,27,272)	(1,02,67,85,110)
Net Cash Generated From Investing Activity	(10,91,27,272)	(1,02,67,85,110)
C. CASH FLOW FROM FINANCING ACTIVITY		
Long Term Borrowings:		
Issue of Share Capital	18,00,000	5,15,00,000
Increase in share application money	–	82,70,00,000
Secured Loans	48,45,61,644	–
Unsecured Loans	(35,51,15,996)	24,65,22,349
Miscellaneous Expenditure	(6,45,06,699)	(4,83,92,549)
Cash Generated from Financing Activity	66,738,949	1,07,66,29,800
Net Increase/Decrease In Cash & Equivalents (A+B+C)	(4,36,29,530)	5,24,43,540
Opening Balance of Cash & Cash Equivalents	5,24,52,503	8,963
Closing Balance of Cash & Cash Equivalents	88,22,973	5,24,52,503

Auditors' Report to the Members

As per our report of even date attached

For **Ajay Rattan & Company,**

Chartered Accountants

For Utkal Coal Limited

(CA. Ajay Aggarwal)

Proprietor

Membership No. 90975

Place: New Delhi

Dated: 10th May 2010

S R Ray
Company Secretary

Prem Khandelwal
Director

Arvind Mishra
Director

Schedules Annexed to the Accounts

(Amount in Rupees)

	As at 31.03.10	As at 31.03.09
SCHEDULE 1 SHARE CAPITAL		
Authorised Share Capital		
2,50,00,000 Equity shares of Rs 10/- each (Previous Year 55,00,000 equity shares of Rs 10/- each)	25,00,00,000	5,50,00,000
	25,00,00,000	5,50,00,000
Issued, Subscribed and Paid-up Capital		
2,00,00,000 Equity shares of Rs 10/- each fully paid up (Previous Year 52,00,000 equity shares of Rs 10/- each fully paid up)	20,00,00,000	5,20,00,000
	20,00,00,000	5,20,00,000

SCHEDULE 2 RESERVES AND SURPLUS		
Securities Premium	68,08,00,000	–
	68,08,00,000	–

SCHEDULE 3 SECURED LOANS		
From SREI Infrastructure Finance Limited	48,45,61,644	–
	48,45,61,644	–

SCHEDULE 4 UNSECURED LOANS		
(from holding company)		
Indian Metal & Ferro Alloys Limited	6,27,73,273	41,78,89,269
	6,27,73,273	41,78,89,269

SCHEDULE 5 FIXED ASSETS										
(Amount in Rupees)										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.09	Additions during the year	Sales/transfer during the year	As on 31.03.10	Upto 31.03.09	For the Year	Adjustments	Upto 31.03.10	As at 31.03.10	As at 31.03.09
Land	1,06,06,95,826	9,48,49,858	–	1,15,55,45,684	–	–	–	–	1,15,55,45,684	1,06,06,95,826
Air Conditioner	72,000	–	–	72,000	28,529	6,047	–	34,576	37,424	43,471
Computer	51,700	33,750	–	85,450	35,120	14,732	–	49,852	35,598	16,580
Furniture & Fixtures	1,28,242	34,082	–	1,62,324	63,009	15,508	–	78,517	83,807	65,233
Plant & Machinery	13,62,357	2,56,776	–	16,19,133	1,83,482	1,79,495	–	3,62,977	12,56,156	1,178,875
Total	1,06,23,10,125	9,51,74,466	–	1,15,74,84,591	3,10,140	2,15,782	–	5,25,922	1,15,69,58,669	1,06,19,99,985
Previous Year Total	6,18,22,683	1,00,07,75,689	288,247	1,06,23,10,125	1,20,118	19,6517	6,495	3,10,140	1,06,19,99,985	6,17,02,565

Schedules Annexed to the Accounts

(Amount in Rupees)

	As at 31.03.10	As at 31.03.09
SCHEDULE 6 CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank Balances	88,22,973	5,24,52,503
Loans & Advances		
Loans & Advances	36,887	36,790
Balance with Revenue Authorities	–	27,275
	88,59,860	5,25,16,568

SCHEDULE 7 CURRENT LIABILITIES & PROVISIONS

Current Liabilities:		
Expenses Payable	64,380	6,83,657
Duties & Taxes	14,95,051	29,08,235
Other Current Liabilities	7,94,762	–
Provisions:		
Provision For FBT	–	30,686
	23,54,193	36,22,578

NOTES TO ACCOUNTS**1. Significant Accounting Policies :**

- i) The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.
- ii) The company follows the mercantile system of accounting recognising all Expenditure on accrual basis. The company had no Income during the year.
- iii) Fixed assets are valued at cost. Depreciation is provided on the written down value method on the rates prescribed under the Companies Act, 1956.
- iv) Preliminary Expenses are shown as Miscellaneous Expenditure in the Balance Sheet. The same shall be written off beginning with the year in which the commercial activities are commenced.

2. Secured Loans : The Company has taken secured loan from SREI Infrastructure Finance Limited which is secured against all the Fixed Assets, present and future, of the company.

3. Unsecured Loans : The Company has taken unsecured loan from holding company Indian Metal & Ferro Alloys Limited.

4. Contingent Liabilities : Contingent Liabilities not provided for: Rs Nil (Previous Year. Rs Nil)

Schedules Annexed to the Accounts

NOTES TO ACCOUNTS (Contd.)

5. Auditor's Remuneration (including service tax) :

(Amount in Rupees)

	Current Year	Previous Year
Statutory Audit Fees	16,545	16,545
Other Services	3,309	1,124
	19,854	17,669

6. Previous year figures have been regrouped/rearranged wherever found necessary

7. Micro, Small and Medium Enterprises:

(Amount in Rupees)

	Year ended 31.03.10
A. Principal amount remaining unpaid to any supplier as at the year end Interest due thereon	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	Nil
Amount of interest due and payable for the period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED.	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil
B. The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.	

Schedules Annexed to the Accounts

Additional information pursuant to the provisions of Part IV of Schedule VI of the Company Act, 1956

8. Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.: CIN: U74899DL1998PLC068120
 Balance Sheet Date
 Date Month Year

II. Capital issued during the year (Amount in Rs Thousands)

Public Issue State Code
 Bonus Issue Rights Issue
 Private Placement

III Position of Mobilisation and deployment of Funds (Amount in Rs Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up-capital Reserve and Surplus
 Share Application Money Unsecured Loan
 Secured Loan

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Accumulated Losses
 Pre-operative Expenses

IV Performance of the Company (Amount in Rs Thousands)

Turnover Total Expenditure
 Profit/(Loss) before Tax Profit/(Loss) after Tax
 Earning per Share in Rs. Dividend Rate

V Generic Names of Principal Products of Company (as per monetary terms)

Item Code No.: Product Description: NIL

Signatures for Schedules 1 to 8

For Ajay Rattan & Company,
Chartered Accountants

(CA. Ajay Aggarwal)

Proprietor

Membership No. 90975

Place: New Delhi

Dated: 10th May 2010

For Utkal Coal Limited

S R Ray
Company Secretary

Prem Khandelwal
Director

Arvind Mishra
Director

INDIAN METALS & FERRO ALLOYS Ltd

Regd & Head Office: Bomikhal, Rasulgarh (PO), Bhubaneswar - 751 010

PROXY FORM

Ledger Folio No. _____
No. of Shares held _____

Client ID No. _____
DP ID No. _____

I/We _____ of _____ being a Member/Member(s) of the above named Company, hereby, appoint _____ of _____ or failing him _____ of _____ as my / our proxy to attend and vote for me / us and on my / our behalf at the 48th Annual General Meeting of the Company, to be held on Saturday, the 17th July 2010 or at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signature _____

Affix Rs.1/- Revenue Stamp

N.B. : This proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

* Applicable to investor holding shares in demat form.

(tear here)

**INDIAN METALS & FERRO ALLOYS Ltd**

Regd & Head Office: Bomikhal, Rasulgarh (PO), Bhubaneswar - 751 010

ATTENDANCE SLIP

I hereby record my presence at the 48th ANNUAL GENERAL MEETING of the Company at its Registered Office at Bhubaneswar on the 17th day of July 2010.

1. Full name of shareholder: _____ (in block letters)
2. Folio No. _____ Client ID No. / DP ID No.* _____ 3. No. of shares held: _____
4. Signature of the attending member / proxy _____

To be used only when shareholder first named is not attending

Please give full name of the first joint holder
Mr / Mrs _____

Note: Please fill in this attendance slip and hand it over at the entrance of meeting venue.

* Applicable to investor holding shares in demat form.

