

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospect and take informed investment decisions. This Report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in

assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Notice

NOTICE is hereby given that the 10th Annual General Meeting of the Shareholders of M/s. **Rohit Ferro-Tech Limited** will be held on Monday, 27th September, 2010 at 3.00 P.M. at 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 31st March, 2010 and the report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Suresh Kumar Patni, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Asoke Kumar Basu, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. S. Jaykishan, Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 Mr. Binit Jain whose term as an Executive Director has been expired on 31.08.2010, be re-appointed from the said date for a further period of one year i.e., from 01.09.2010 to 31.08.2011, to continue to hold office as an Executive Director of the Company upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the agreement submitted to this meeting and initialed by the Chairman for the purpose of identification, with an authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment during the continuance of the tenure on the recommendation of the remuneration committee and grant such further increases in remuneration from time to time as they may deem fit and agreed by Mr. Binit Jain, within the limits specified in Schedule XIII of the Act, as may be amended from time to time."

By Order of the Board
For **ROHIT FERRO-TECH LIMITED**

Rohit Patni
Managing Director

Place : Kolkata

Date : 31st August, 2010

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND STAMPED MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING OF THE AFORESAID MEETING.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business in Item No. 6 to be transacted is annexed hereto.
3. The relevant details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of person seeking appointment/re-appointment as Director under Item No. 3, 4 and 6 above is annexed hereto as additional information.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 23rd September, 2010 to Monday, 27th September, 2010 (both days inclusive). If the Dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on and after 27th September, 2010 as under :
 - a) **To all beneficial owners in respect of shares held in electronic form** : As per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Ltd. as on the close of business hours on 23rd September, 2010.
 - b) **To all shareholders in respect of shares held in physical form** : After giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 23rd September, 2010.
5. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the Dividend. The Company or its Registrar cannot act on any request received directly from the Shareholders holding shares in electronic form for any change in Bank particulars or Bank mandates. Such changes are advised only to the Depository Participants by the Shareholders.
6. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
7. Corporate Member intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. Members are requested to bring their Attendance Slip for attending the Meeting.
9. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.

Notice

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

(Annexure to the Notice convening the 10th Annual General Meeting to be held on Monday, 27th September, 2010)

Item No. 6

The members had, at the Annual General Meeting of the Company held on 22nd September, 2009 approved the re-appointment and payment of remuneration to Mr. Binit Jain, Executive Director for a period of 15 months effective from 01.06.2009 to 31.08.2010.

Mr. Binit Jain was actively involved in the overall management of the Bishnupur plant of the Company, and under his supervision, the performance of the plant has improved significantly.

The Board of Directors, on the recommendation of the Remuneration Committee, has re-appointed Mr. Binit Jain in their meeting dated 31st August, 2010 as an Executive Director of the Company for a further period of 1 (one) year, with effect from 1st September, 2010 and entered into an agreement subject to the approval of members in the General Meeting. The principal terms of appointment are as follows :

REMUNERATION

Salary of Rs. 50,000/- (Rupees Fifty Thousand) only per month with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits specified in Schedule XIII of the Act, as may be amended from time to time.

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

No sitting fees for attending the Meeting of the Board of Directors and/or Committee thereof from the date of the re-appointment.

No claim for damages if the office of the Executive Director is determined by reason of reconstruction or amalgamation whether by the winding up of the Company or otherwise.

Each party has the right of terminating the appointment upon giving two months notice in writing.

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

Copy of agreement may be inspected at the registered office of the Company on any working day during business hours.

Your Directors recommend this resolution for approval.

None of the Directors except Mr. Binit Jain are concerned or interested in the resolution at Item No. 6 of the Notice.

ADDITIONAL INFORMATION

Disclosure pursuant to Clause 49(G)(i) of the Listing Agreement with regard to the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (Refer Item No. 3, 4 and 6 of the Notice) :

Name of the Director	Age	Date of Appointment	Brief resume and nature of expertise in functional area	Other Directorships*/ Committee Memberships
Mr. Suresh Kumar Patni	51 years	7th April, 2000	He is a B. Com Graduate from Calcutta University. He has a wide experience of more than two decades in Iron & Steel and Ferro Alloys Industry. He is also the co-promoter of Impex Ferro-Tech Limited and Ankit Metal & Power Limited for manufacturing and dealing in Ferro Alloys and Iron & Steel Industries.	Directorships : Ankit Metal & Power Limited Impex Ferro-Tech Limited Impex Industries Limited Impex Metal & Ferro Alloys Ltd. VSN Agro Products Limited SKP Power Ventures Limited Committee Memberships : Ankit Metal & Power Limited - Audit Committee - Remuneration Committee Impex Ferro-Tech Limited - Investor Grievance Committee
Mr. Asoke Kumar Basu	60 years	11th August, 2008	He is a Bachelor in Engineering (Mechanical) and has 35 years of experience in Ferro Alloys Industry. He has worked with SAIL for 5 years under Alloy Steel Plant in Durgapur, for the expansion project. He also has an experience of 12 years in the field of design, operation & maintenance including commissioning of Cement Industries both in India and abroad. Presently he provides the Consultation and Engineering services in the field of detailed engineering in the Steel and Cement Sector.	Directorships : Nil Committee Memberships : Nil
Mr. Binit Jain	31 years	15th October, 2004	He is a Commerce graduate and looks after the overall operations of the Company's Bishnupur plant. He is associated with the Bishnupur plant of the Company since its inception, and was instrumental in the overall commissioning of the plant. After having rich experience in setting up the plant at Bishnupur, he was also actively involved in the setting up of the Ferro Alloy Plant at Jaipur, Orissa.	Directorships : Hira Concast Ltd. Committee Memberships : Nil

Mr. Suresh Kumar Patni holds 1,020,100 shares while Mr. Asoke Kumar Basu and Mr. Binit Jain does not hold any equity shares in the Company.

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

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting their Tenth Annual Report together with audited statement of accounts for the financial year ending 31st March, 2010.

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	Current Year 31st March, 2010	Previous year 31st March, 2009
Net Sales	824.36	874.75
Operating Profit	102.48	69.81
Interest	39.65	46.00
Depreciation	10.83	9.91
Profit before Tax (PBT)	52.00	13.90
Tax Expense	15.98	4.86
Profit after Tax (PAT)	36.02	9.04
Balance brought forward from previous year	123.13	118.23
Adjustment for earlier years	(1.85)	(1.84)
Profit available for Appropriation	157.30	125.43
Less : Appropriated as under		
- Proposed Dividend (5%) including Tax	2.30	2.30
- Transfer to General Reserve	—	—
Surplus carried to Balance Sheet	155.00	123.13

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 0.50 per share on 39,482,945 Equity Shares of Rs. 10/- each for the financial year ended 31st March, 2010 subject to approval of the members at the ensuing Annual General Meeting. The total outflow on account of dividend on equity shares together with the Corporate Tax on Dividend will be Rs. 2.30 Crores.

FINANCIAL AND OPERATIONAL REVIEW

During the year under review, the Company has recorded a growth of 298% in the Net Profit after Tax, although there is a decline in sales from Rs. 874.75 Crores in FY 2008-09 to Rs. 824.36 Crores in FY 2009-10. The above achievement was possible on account of better efficiency and cost reduction along with the turnaround in the economic situation worldwide.

There is a significant increase in the production during the year which stood at 1,42,289 MT compared to 1,15,376 MT last year.

Consequent on the improved working of the Company during the year, the net worth stood at Rs. 303.84 Crores as against Rs. 223.45 Crores last year. There has been a marginal increase in Gross Fixed Assets which increased to Rs. 260.33 Crores compared to Rs. 249.82 Crores last year

excluding Capital Work-in-Progress pending Capitalization. Overall there has been a substantial improvement in the Company's financial position.

AWARDS AND ACHIEVEMENTS

The Company has received awards from EEPC for the following categories for its achievements in export performance:

- 2006-07 - Top Exporter from Eastern Region
- 2007-08 - Star Performer as Large Enterprise

The Company has also been nominated for All India Best Exporter Award in Ferro Alloys by EEPC for the year 2008-09.

The Company is associated with the following institutions :

- EEPC (Engineering Export Promotion Council)
- IFAPA (Indian Ferro Alloys Producers' Association)
- FIEO (Federation of Indian Exporters' Organisation)
- ICDA (International Chrome Development Association)
- CII (Confederation of Indian Industries)
- ICC (Indian Chamber of Commerce)
- BCC (Bharat Chamber of Commerce)
- IMNI (International Management Institution)

Directors' Report

EXPORT MARKETING AND INITIATIVES

Despite the global meltdown and weak international demand the Company achieved an export turnover of Rs. 472.66 Crores.

The Company has a very strong customer extension activity internationally adding new business partners from Japan, Slovenia, Peru, Ukraine, Egypt and Turkey

The Company adopted the following strategies for establishing better and direct marketing contact with its overseas customers :

- Direct contract with steel plants
- Appointed agent/employee in China, Korea, Europe for direct marketing.
- Retail selling concept to cater to small buyers requirement directly like foundries etc
- Signed contract with two major warehouse in China (SHANGHAI/ NINGBO) and Europe (ROTTERDAM) for storing the cargo for retail selling. The Company is also planning to open a new warehouse in Japan (NAYOGA).

NEW PROJECTS AND EXPANSIONS

Haldia Unit - West Bengal

The 100% EOU project at Haldia consisting of 6 Furnace of 9 MVA capacity each to produce ferro alloys commenced commercial production on 10th June, 2010 by starting one Furnace of 9 MVA.

On 10th August, 2010 the 2nd furnace at the Haldia unit also commenced production. The remaining 4 furnaces and the sintering plant are expected to commence production in a phased manner reaching full commercial operation by end of the current financial year.

On completion of its ongoing projects, the Company will emerge as one of the largest producer of ferro alloys in the country.

Jajpur Unit - Orissa

The proposed Captive Power Plant of 110 MW at Jajpur unit will be constructed in two phases. The detailed project report has been prepared and the Company is awaiting financial closure to start the implementation of the project.

Bishnupur Unit -West Bengal

The Stainless steel project at Bishnupur in West Bengal having the production capacity of 1,00,000 tonne per annum is under implementation and is targeted for completion by October, 2011.

DIRECTORS

Mr. Suresh Kumar Patni and Mr. Asoke Kumar Basu, Directors of your Company, are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Binit Jain, Executive Director of the Company, whose terms of appointment expires on 31st August, 2010 has been re-appointed by the Board of Directors for a further period of one year, subject to the approval of the shareholders in the ensuing Annual General Meeting.

A brief resume/details related to Directors seeking appointment/re-appointment is furnished as an Additional Information in the notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the accounts for the financial year on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT

The Statutory Auditors M/s. S. Jaykishan, Chartered Accountants, holds office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956 and they are not otherwise disqualified within the meaning of sub Section (3) of Section 226 of the Companies Act, 1956 for such appointment.

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

CONSOLIDATED FINANCIAL STATEMENT

As stipulated in Clause 41 of the Listing Agreement entered into with the stock exchanges, the Company has prepared Consolidated Financial Statements in accordance with the relevant Accounting Standards (AS - 21) issued by the Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statements along with the Auditors Report thereon form part of the Annual Report.

SUBSIDIARIES

The Company has a Wholly-Owned-Subsidiary named SKP Overseas Pte. Ltd. incorporated in Singapore. The Statement as required under Section 212 of the Companies Act, 1956 is attached hereto forming part of this report. The Directors' Report and Audited Accounts of the subsidiary also form part of the Annual Report.

PROPOSED RIGHT ISSUE AND INCREASE IN AUTHORISED SHARE CAPITAL

The Company with a view to raising funds inter alia for financing its ongoing projects, vide resolution passed by the members of the Company through postal ballot decided to issue equity shares to the existing shareholders of the Company on rights basis. The said issue, having received final clearance from the Securities and Exchange Board of India as well as in-

Directors' Report

principle approval from both the exchanges, is planned to open in the next few weeks. The Board of directors have fixed the rights entitlement of 2(two) equity shares for every 5(five) fully paid-up equity share held by the members as on the record date and the issue price has been fixed at Rs.60/- per equity share. (including Premium of Rs. 50/-per share). To accommodate the allotment of equity shares consequent to the rights issue, the Company has enhanced its authorized share capital to Rs. 80 Crores from Rs. 45 Crores

CREDIT RATING

The Company has approached CARE rating agency for annual review of its credit rating based on the audited financial results for the year ended 31st March, 2010.

INSURANCE

The Company's present and future plant, property, equipments and stocks are adequately insured against major risks. After taking into

PARTICULARS OF EMPLOYEES

Details of employees drawing remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended during 2009-10 is given as statement herein below :

Name	Age (Years)	Qualification	Date of Commencement of employment	Designation	Remuneration received (gross)	Experience (Years)	Last employment
Mr. Rohit Patni	26	BE, MBA	27.08.2007	Managing Director	Rs. 36,00,000/-	4	Continuing as Jt. MD in Ankit Metal & Power Ltd.
Mr. Ankit Patni	25	CFA	27.08.2007	Jt. Managing Director	Rs. 24,00,000/-	5	Continuing as MD in Ankit Metal & Power Ltd.

Notes :

1. Remuneration includes only salary.
2. Mr. Rohit Patni and Mr. Ankit Patni are brothers and are sons of Mr. Suresh Kumar Patni (Chairman).
3. None of the Company's employees are related to the Directors of the Company.

DISCLOSURE OF PARTICULARS

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

HUMAN RESOURCES AND TRADE RELATIONS

Your Directors wish to place on record their appreciation for the employees contribution at all levels and for their deep unstinted support in helping the Company achieve its goals.

account all the relevant factors, including the risk benefit trade-off, the Company has consciously decided to take insurance cover for loss of profit arising only due to Fire and Allied Perils.

FIXED DEPOSITS

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

A Management Discussion & Analysis Report and a Report on Corporate Governance along with the certificate from the Company Secretary in Practice regarding compliance with mandatory requirements as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is presented in a separate section forming part of the Annual Report.

ACKNOWLEDGEMENT

The Board also desires to place on record its appreciation for the support and co-operation received from its Shareholders, Regulatory & Government Authorities, Suppliers, Customers and Bankers. Your Company has always looked upon them as partners in its progress. It will be your Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 31st August, 2010

Anneure to the Directors' Report

ANNEXURE - I

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 :

A. CONSERVATION OF ENERGY

- a) Energy Conservation Measure
- i) Close monitoring of high energy consuming equipment in plants.
 - ii) Using power factor controller/capacitors to maintain power factor.
 - iii) Keeping maximum demand under control by scheduling other load during equipment testing, among others.
 - iv) Continuation and increasing scale of measures taken.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : NIL
- c) Impact of the measures at (a) and (b) above, for reduction of energy consumption, and consequent impact on cost of production of goods :
- The electricity consumption has been reduced to 3,804 units/MT from 4,096 units/MT during the FY 2009-10. Similarly, Coal and Coke consumption has also been reduced from 674 Kg/MT to 516 Kg/MT. This resulted in lower cost of production of goods.
- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure is annexed hereto.

B. TECHNOLOGY ABSORPTION

Particulars with respect to technology absorption are given in Form - B

FORM - A

(Form for Disclosure of Particulars with respect to Conservation of Energy)

Particulars	2009-2010	2008-2009
Power and Fuel Consumption		
1. Electricity		
Total units Purchased/Consumed	541,231,200	472,601,200
Total Cost (Rs.)	1,676,174,394	1,276,725,213
Average rate per unit (Rs.)	3.10	2.70
2. Coal and Coke		
Quantity (MT)	73,394	77,771
Total Cost (Rs.)	906,084,843	1,012,065,143
Average rate per MT (Rs.)	12,345	13,013
Consumption Per Unit of Production		
1. Electricity (Unit/MT)	3,804	4,096
2. Coal and Coke (Kg/MT)	516	674

Anneure to the Directors' Report

FORM - B

(Form for Disclosure of Particulars with respect to Technology Absorption for the year ended 2009-10)

A. RESEARCH AND DEVELOPMENT (R & D)

a) *Specific areas in which R & D carried out by the Company :*

Quality Control Management and Technology

b) *Benefits derived as a result of the above R & D :*

i. High Chromium recovery in finished goods.

ii. Better Metal recovery from Slag.

iii. Reduction in per unit Power consumption.

c) *Future plan of action :*

Adoption of new technology to make ore fines suitable for direct charging into furnace.

d) *Expenditure on R & D :*

Rs. 795,500

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

The Company continues its efforts to improve and innovate its existing production and manufacturing processes with the objective of conservation of energy and waste utilization.

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

The overall productivity and efficiency has increased.

3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished :

(a) Technology Imported	Nil
(b) Year of Import	N.A.
(c) Has technology been fully absorbed	N.A.
(d) If not fully absorbed. Areas where this has not taken place reasons thereof and future plans of action	N.A.

C. FOREIGN EXCHANGE EARNING AND OUTGO

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

As stated under the heading "EXPORT MARKETING AND INITIATIVES" in the Directors' Report.

b) Details of Foreign Exchange used and earned :

(Rs. in Crores)

	2009-10	2008-09
1 Foreign exchange earned	472.66	528.59
2 Foreign exchange used	133.91	221.64

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 31st August, 2010

Management Discussion and Analysis Report

ECONOMIC ENVIRONMENT

The situation of the world economy has been improving since the second quarter of 2009. International trade and global industrial production have also been recovering noticeably, with an increasing number of countries registering positive quarterly growth of Gross Domestic Product (GDP). This is an important turnaround after the free fall in world trade, industrial production, asset prices and global credit availability which threatened to push the global economy into the pocket of a new great depression in early 2009. The economic revival has been driven in no small part by the effects of the massive policy stimuli injected worldwide since late 2008. Developing countries, especially those in Asia are expected to show the strongest recovery in 2010.

INDIAN ECONOMY

India is currently second fastest growing economy in the world in terms of purchasing power parity, with a GDP of \$1.095 trillion in 2009 with per capita GDP at US\$3,100. The largest contribution towards GDP came from the services sector, which contributed 58.4% of the total GDP. The industry sector contributed 25.8% and agriculture added 15.8% to the GDP. Services kept its position as the biggest employer as well for the huge workforce of 467 million people. Services employed 62.6%, while industry generated 20% and agriculture pitched in 17.5% of the total jobs (Source: Economywatch.com).

INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company is in the manufacturing of Chromium and Manganese based Ferro Alloys viz. High Carbon Ferro Chrome, Silico Manganese and Ferro Manganese and some other ferro alloys. These Alloys primarily used as alloying elements in production of steel and are essential additives in steel making used for imparting desired properties to steel.

Ferro Alloys enhance the strength, durability, anti-corrosion and anti-stain properties of steel. They are used in alloys, special and stainless steels.

Alloy Steel Industry : The presence of one or more Ferro Alloys - Manganese, Silicon and Vanadium, among others, enhances strength and durability. The use of alloy steel has increased substantially across the industrial, consumer durables and automobile industries, the demand for which is expected to grow at a CAGR of 5% across 2013-14.

Stainless Steel Industry : This value-added product enjoys corrosion resistance due to a minimum 10.5% chromium presence. Ferro Chrome is used as deoxidizer in the production of stainless steel. Stainless steel's resistance to corrosion and staining, low maintenance and luster make it an ideal base material for a host of commercial applications like utensils, infrastructure, automobile, builders' hardware and railways.

There is no substitute for chromium in stainless steel production, and is widely practiced as the substitute for nickel to some proportion.

The growth of Ferro Alloys Industry is directly linked with the growth of Iron and Steel Industry which in turn depend upon its user industry i.e. infrastructures and housing, automobiles, consumer durables etc. About 90% of world Ferro Alloy production is consumed by the Iron and Steel Industry with balance 10% being consumed by engineering sector.

FERRO ALLOYS SECTOR AND OUTLOOK

Despite global meltdown, the ferro alloys industry registered a production growth of 7.20 per cent during fiscal 2009-10. Asia-Pacific, the largest and fastest growing region for manganese alloys is expected to consume 1.6 million tonnes of Ferro Manganese and 2.2 million tonnes of Silico Manganese in 2010. The ferro alloy capacity in India stood around 3.64 million tonnes and its capacity utilization stood at 61% thereby producing 2.2 million tonnes of ferro alloys. With such a huge capacity build-up by the Indian Ferro Alloy industry, it is sufficient enough to produce 150 tonnes of finish steel. Despite this, the Indian finished steel production during the year 2009-10 stood at 59.02 million tonnes.

The stainless steel industry is the largest consumer of ferro chrome and a revival in production of stainless steel has turned to be remarkable in Europe, USA, Japan and South Korea. In addition, China has been increasing their production of stainless steel which in turn has resulted in increased demand for ferro chrome. The global consumption for ferro chrome in 2009-10 stood at 6,738,000 tonnes.

The demand for silico manganese and ferro manganese has also seen renewed surge with the price line hardening up resulting in much improved realization rates for the Company.

OPPORTUNITIES AND THREATS

Ferro Alloy industry is a Power Intensive industry. So, Captive Power as well as Captive supply of raw materials are the key factors for the success of this industry. The volatility in the major input cost i.e. ores, coal and power holds threat of increase in cost of production. The volatility of the ore prices as well as the finished product prices are the other major concern.

However, with the positive prospects of the industry, availability of all inputs within the country and the Company's current linkage with renowned overseas manganese ore and chrome ore miners and coal/coke, the Company is confident of maintaining cost competitiveness and prevails over the competition in the market place.

The Company's proposed Captive Power Plant of 110 MW in Orissa will also help the Company to mitigate the risk of availability of power as well as increasing power cost in the future. The Company is going to install 67 MW power plant in the first phase.

The Company has already secured coal supply for its own consumption as well as its proposed power plant by its acquisition of economic stake in its thermal and coking coal mines in Indonesia to make it more competitive and secured on the energy front.

The Company's 100% EOU project in Haldia for ferro alloys alongwith a beneficiation plant for upgrading the widely available manganese ore fines worldwide has already started production which will also help in reducing the product cost and give cutting edge to the Company in this competitive environment.

RISKS AND CONCERNS

Scarcity and price rise of raw materials and other inputs such as power etc. are the main area of concern for the Company. However, these factors

Management Discussion and Analysis Report

are not peculiar to the Company and can be mitigated by passing the burden of the increased costs to the consumers through a well planned pricing strategy. In the normal course of business, the Company is also exposed to external risks such as fluctuation in demand, competition in the market etc. as well as internal risks like variations in operational efficiency, manpower issues etc. The Company is also exposed to financial risks like changes in interest rates, foreign exchange fluctuations etc. The risks which are identified are taken care of by the management by taking appropriate steps such as Insurance, hedging of foreign currencies, risk assessment and mitigation exercises etc. All the key functional and divisional heads of the Company are independently responsible to monitor the risk associated in their respective area. Periodical reviews are conducted to assess the general business risks by the Audit Committees and the Board.

RESEARCH AND DEVELOPMENT ACTIVITIES & QUALITY CONTROL

In order to meet the challenges of the market and also to take on competition, the Company had always embarked to improve various process parameters like electrical power consumption, coke consumption, pre-reduction of the ore and also improvement of the quality of the raw materials charge to reduce the cost of production as also to start development of new types of alloys required by the industries.

The Company's quality excellence comprise of a check on all incoming raw material, multi-step shop-floor quality assurance and a multi-parameter inspection of finished goods prior to dispatch. The Company has fully equipped laboratory manned by qualified technicians to maintain stringent metallurgical control across all operations and to accelerate a check of carbon and sulphur level impurities in the end product. The Company is an accredited ISO 9001:2000 certified entity for quality compliance.

SEGMENT-WISE PERFORMANCE

The Company operates in only one reportable primary segment i.e. Ferro Alloys. The performance of the product during the year 2009-10 has been given in details in the Directors' Report. The secondary segment which is identified as Geographical segment is given in detail in Note No. B - 16 (B) in Schedule 22 to the Annual Accounts of the Company.

INTERNAL CONTROL

The Company has proper and adequate system of internal control commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and the applicable statutes are duly complied with. The Company has an internal audit system with qualified

team which strives to ensure compliance of internal control systems, and the same is reviewed by the Audit Committee periodically for strengthening and upgrading the system to take care of changing risk parameters.

INDUSTRIAL RELATION AND HUMAN RESOURCES

Human Resource Management is critically owing to a dearth of skills and experience as well as high attrition. The employee base of the Company is a prudent mix of youth and experience. The Company has taken a policy to employ contract labors in its manufacturing units.

The Company recruited selectively through industry contacts, newspaper advertisements and consultancies. The trainees were selected from reputed ITIs, technical as well as professional institutes. The Company provides induction training to recruits, followed by on-the-job training and follow-up specialised training under supervision. The employees attend conferences in India and abroad to enhance their knowledge.

The Company's compensation structure is designed in line with the best industry standards; performance-linked incentives are paid to outstanding achievers.

The Company's self-appraisal model helped rate performance. While employees identifies their key performance areas and informed the management about their expectations, the management compares it with its own studies. All employees are appraised annually.

The Company embarked on restructuring its HR policies, strengthening its HR focus through the creation of a dedicated department. The Company has 500 employees as on 31st March, 2010.

CAUTIONARY STATEMENT

In this Annual Report we may have disclosed certain forward-looking information to enable investors to know our product, portfolio, business logic and direction and comprehend our prospects. This report and other statements written and oral, that we periodically make are based on our assumptions. We cannot guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated or projected. Readers may bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

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

BOARD OF DIRECTORS

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

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

The current composition and category of the Board of Directors of the Company along with the number of Board meetings attended by the Directors during the year 2009-10 are given below :

Name of the Director	Category	No. of Board Meetings Attended	No. of Membership in Other Boards and Other Committees as on 31st March, 2010#		Whether attended the Last AGM
			Board	Committee\$	
Mr. Suresh Kumar Patni	Promoter/ Non-Executive Chairman	16	6	2	Yes
Mr. Rohit Patni	Promoter/Executive	17	3	–	Yes
Mr. Ankit Patni	Promoter/Executive	05	2	1	No
Mr. Binit Jain	Executive	10	1	–	No
Mr. Kailash Chand Jain	Independent/Non-Executive	11	3	3 (Chairman - 3)	Yes
Mr. Jatindra Nath Rudra	Independent/Non-Executive	12	1	2 (Chairman - 1)	Yes
Mr. Jayant Kumar Chatterjee	Independent/Non-Executive	10	–	–	Yes
Mr. Asoke Kumar Basu	Independent/Non-Executive	09	–	–	Yes

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

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

Notes :

- None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except for holding Directorship & receiving sitting fee, save and except Mr. Suresh Kumar Patni who is also the Promoter of the Company(ies), which has a business relation with this Company.
- 17 (Seventeen) Board Meetings were held during the year 2009-10 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :
2nd April, 2009; 8th April, 2009; 14th May, 2009; 10th June, 2009; 29th June, 2009; 30th June, 2009; 29th July, 2009; 25th August, 2009; 30th October, 2009; 4th December, 2009; 7th January, 2010; 31st January, 2010; 8th February, 2010; 25th February, 2010; 3rd March, 2010; 25th March, 2010; 30th March, 2010.
- The information as specified in Annexure-IA to Clause 49 of the Listing Agreement entered into with the Stock Exchange, is regularly made available to the Board whenever applicable.
- The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.
- Mr. Rohit Patni, Managing Director and Mr. Ankit Patni, Joint Managing Director are the sons of Mr. Suresh Kumar Patni. No other directors in the Board are related to each other.

CODE OF CONDUCT

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

Corporate Governance Report

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2010.

For **ROHIT FERRO-TECH LIMITED**

Rohit Patni

Managing Director

Kolkata, 12th May, 2010

COMMITTEES OF DIRECTORS

1. Audit Committee

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

The terms of reference of the Audit Committee includes the powers as laid down in Clause 49 (II) (C) and the role as stipulated in Clause 49 (II) (D) of the Listing Agreement and review of information as laid down in Clause 49(II) (E). The Company has included a new term of reference in the Audit Committee in line with recent amendment of Listing Agreement.

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

Name of the Member	Category	No. of meetings attended during the year
Mr. Kailash Chand Jain	Independent (Chairman)	5
Mr. Jatindra Nath Rudra	Independent	5
Mr. Jayant Kumar Chatterjee	Independent	3

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

Mr. Kailash Chand Jain, Independent Director having expertise in finance, is the Chairman of the Audit Committee. He was present at the last Annual General Meeting of the Company held on 22nd September, 2009 to answer the queries raised by the Shareholders.

During the financial year ended 31st March, 2010 five Audit Committee Meetings were held on 8th April, 2009; 29th June, 2009; 29th July, 2009; 30th October, 2009; 31st January, 2010. The necessary quorum was present at these meetings.

The Annual Accounts for the year ended 31st March, 2010 were duly reviewed by the Audit Committee at its meeting held on 12th May, 2010 prior to adoption by the Board.

The financial statement of the Company's wholly owned Subsidiary M/s. SKP Overseas Pte. Ltd. has been placed before the Audit Committee for review.

2. Remuneration Committee

The Company has a Remuneration Committee consisting of three Independent Directors, viz. Mr. Jatindra Nath Rudra (Chairman), Mr. Kailash Chand Jain and Mr. Jayant Kumar Chatterjee.

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

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

The Committee met once during the year on 29th July, 2009. All the members of the Committee have attended the meeting.

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

Remuneration Policy

A. For Executive Directors :

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

Corporate Governance Report

B. For Non-Executive Directors :

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

Remuneration of Executive Directors

The Company has paid remuneration only by way of salary to its executive directors within the limits specified under Schedule XIII of the Companies Act, 1956 and approved by the Board as well as by the shareholders of the Company. Details of remuneration paid to directors in 2009-2010 are as follows :

Name of the Director and Designation	Salary paid (Rs.)	Period of Contract		Notice Period
		From	To	
Mr. Rohit Patni (Managing Director)	36,00,000/-	27.08.2007	26.08.2012	2 Months
Mr. Ankit Patni (Jt. Managing Director)	24,00,000/-	27.08.2007	26.08.2012	2 Months
Mr. Binit Jain (Executive Director)	5,55,000/-	01.06.2010	31.08.2010	2 Months

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists only of sitting fees for attending the meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the shares held by them as on 31st March, 2010 are as follows :

Name of the Director	Sitting Fee paid (Rs.)	No. of Shares held as on 31.03.2010
Mr. Asoke Kumar Basu	22,500	Nil
Mr. Jatindra Nath Rudra	35,000	Nil
Mr. Jayant Kumar Chatterjee	28,000	Nil
Mr. Kailash Chand Jain	32,500	Nil
Mr. Suresh Kumar Patni	40,000	1,020,100

3. INVESTOR GRIEVANCE CUM SHARE TRANSFER COMMITTEE

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

The Committee shall look into the following :

- To review and ensure compliance of statutory provisions of the Companies Act, 1956 the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of share/debenture of the Company.
- To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
- Approve transfers/transmission of shares/debenture and demat/remat of the shares/debentures.
- Approve issue of duplicate share certificates, consolidate/sub-division of share certificates on completion of the procedures as may be stipulated.
- Ensure all shareholders queries, grievance and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. are attended and redressed in an expeditious manner.
- Any other matter referred by the Board relating to equity shareholders of the Company.

The Committee met once during the year for reviewing the investor's complaints/grievances etc. on 30th March, 2010.

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

Name of the Members	Category	No. of meeting attended during the year
Mr. Jayant Kumar Chatterjee	Independent (Chairman)	1
Mr. Jatindra Nath Rudra	Independent	1
Mr. Suresh Kumar Patni	Non- Executive	1

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

Corporate Governance Report

The Company has received total 7 Investor's grievances/complaints during the year ended 31st March, 2010 all of which were replied/resolved to the satisfaction of the shareholders. No complaints were pending.

PROCEDURE FOR COMMITTEE MEETINGS

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

SUBSIDIARY COMPANIES

A wholly owned subsidiary of the Company has been incorporated in Singapore on 9th April, 2008. The minutes of the meetings of the subsidiary companies were placed before the Board Meetings alongwith statement of significant transaction entered.

The Audit Committee also reviews the investments made by the aforesaid subsidiary Company as and when the investments are made.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under :

Financial Year	Date	Place	Time
2008-2009	22nd September, 2009	'Rotary Sadan' 94/2, Chowringhee Road Kolkata - 700 020	1.30 P.M.
2007-2008	25th September, 2008	'Rotary Sadan' 94/2, Chowringhee Road Kolkata - 700 020	11.00 A.M.
2006-2007	28th September, 2007	'Rotary Sadan' 94/2, Chowringhee Road Kolkata - 700 020	11.00 A.M.

Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2008-2009	Re-appointment of Executive Director (Mr. Binit Jain)
2007-2008	None
2006-2007	Two-Appointment of Managing Director and Jt. Managing Director

No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting. However, 4 (Four) resolutions were passed through Postal Ballot during the year 2009-10 in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The results of the Postal Ballot are given hereunder :

Particulars of Resolutions	Type of Resolution	Resolution passed on	Applicable Section of the Companies Act, 1956	No. and % of votes in favour	No. and % of votes in against
Increase in Authorised Share Capital and consequent amendment to the Memorandum of Association of the Company	Ordinary Resolution	12th March, 2010	Section 16, 94 and other applicable provisions, if any of the Companies Act, 1956	14,798,059 99.98%	2,152 0.02%
Issue of equity shares to the existing shareholders of the Company on right basis	Special Resolution	12th March, 2010	Section 81, 81(1A) and other applicable provisions, if any of the Companies Act, 1956	14,800,523 99.99%	1,852 0.01%
Increase of Borrowing Limit	Ordinary Resolution	12th March, 2010	Section 293(1)(d) and other applicable provisions, if any of the Companies Act, 1956	14,789,315 99.93%	10,446 0.07%
Creation of Charge/Mortgage on Company's properties	Ordinary Resolution	12th March, 2010	Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956	14,778,050 99.85%	21,561 0.15%

The Postal Ballot result was declared on 12th March, 2010 at the Registered Office and is also published on the Company's website.

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

Corporate Governance Report

DISCLOSURES

- There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the 'Related Party Disclosures' Note No: B - 17 in Schedule-22 to the Annual Accounts of the Company.
- While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards are followed.
- The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- The risk assessment and minimization procedures are in place and the Board is regularly informed by the senior executives about the business risks, if any occurs, and the steps taken to mitigate the same.
- Though the Company does not have a whistle blower policy, the Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest.
- In terms of Clause 49(IV)(F)(ii) of the Listing Agreement, the Senior Management has disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.
- All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.
- The Company has filed a Draft Letter of Offer (DLOF) for Rights Issue with SEBI. The Company has also filed copies of Draft Letter of Offer to the NSE and BSE (i.e. the exchanges where the Company's shares are listed) for their in-principle approval. It is informed that the Company has received the final clearance from SEBI and in-principle approval from both the said exchanges.

CEO/CFO CERTIFICATION

The Company placed a certificate to the Board from CEO and CFO in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed in respect of the financial year ended 31st March, 2010 has been placed before the Board in the meeting held on 12th May, 2010.

MEANS OF COMMUNICATION

1. Financial Results

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

We have already registered with newly incorporated Corporate Filing for the dissemination of corporate information to the public and investors at large, and we will be filing there from now onwards.

2. Other Information

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

PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

Corporate Governance Report

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting (AGM)

Day, Date & Time	Monday, 27th September, 2010 at 3.00 p.m.
Venue	'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020
2. Date of Book Closure	23rd September, 2010 to 27th September, 2010 (both days inclusive)
3. Dividend payment date	On or after 27th September, 2010

4. Financial Calendar

Indicative calendar of events for the financial year 2010-2011 is as under :

Financial Year	1st April to 31st March
<i>Unaudited Financial Results for :</i>	
First Quarter	Already disclosed on 10th August, 2010
Second Quarter	Within 45 days from the end of the quarter
Third Quarter	Within 45 days from the end of the quarter
Fourth Quarter/Financial Year	Within 60 days from the end of the quarter/financial year
Annual General Meeting	On or before 30th September, 2011

5. Listing of the Equity Shares on Stock Exchange

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

The Company has paid the Listing fee for the year 2010-11 to both the Stock Exchanges where the shares of the Company are listed and also to the depositories.

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

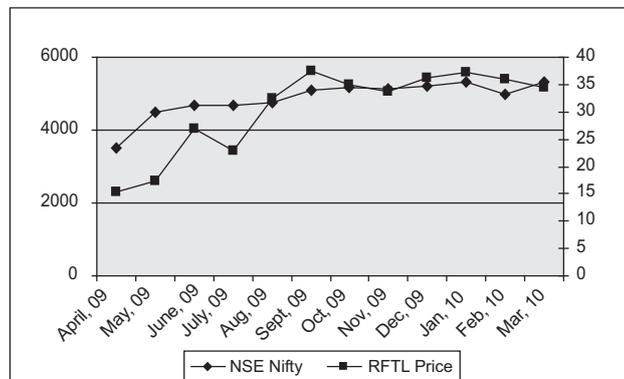
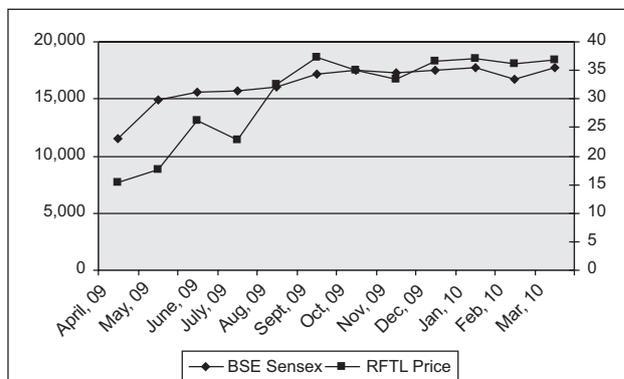
7. Market Price Data

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

Month	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High	Low	High	Low
April, 2009	23.75	15.40	23.40	15.45
May, 2009	33.90	17.30	33.70	17.60
June, 2009	45.60	27.00	44.95	26.90
July, 2009	41.50	22.95	41.40	22.80
August, 2009	40.00	32.50	40.30	32.55
September, 2009	47.00	37.50	46.75	37.20
October, 2009	48.80	34.95	49.05	35.00
November, 2009	42.40	33.70	42.65	33.50
December, 2009	43.45	36.25	43.30	36.50
January, 2010	48.80	37.15	48.60	37.15
February, 2010	43.00	36.10	42.90	36.10
March, 2010	44.20	34.50	44.40	36.80

Corporate Governance Report

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



9. Shareholding Pattern as on 31st March, 2010

Particulars	No. of Shares	%
Indian Promoters	20,886,507	52.90
Domestic Bodies Corporate	6,064,610	15.36
Resident Individuals	11,169,949	28.29
Non-Resident Individuals	355,686	0.90
Foreign Institutional Investors	1,006,193	2.55
Total	39,482,945	100

10. Distribution of Shareholding as on 31st March, 2010

No. of shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total
Upto 500	14,398	79.08	2,453,586	6.21
501 to 1000	1,817	9.98	1,545,925	3.92
1001 to 10000	1,788	9.82	5,378,728	13.62
10001 to 100000	182	1.00	4,535,964	11.49
100001 and above	22	0.12	25,568,742	64.76
Total	18,207	100.00	39,482,945	100.00

11. Dematerialization of shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form which is available for trading on both NSDL and CDSL. As on 31st March, 2010, 25,151,355 equity shares representing 63.70 % of the share capital are held in dematerialized form viz. CDSL - 11,223,335 equity shares and NSDL - 13,928,020 equity shares.

12. Registrar and Share Transfer Agent

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

13. Share Transfer System

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

Corporate Governance Report

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

Mr. Pramod Kumar Jain

CFO & Company Secretary

Rohit Ferro-Tech Limited

35, C. R. Avenue, 4th Floor, Kolkata - 700 012

Phone : +91 33 2211 9805/9806

Fax : +91 33 2211 0522, E-mail : grievance@rohiferrotech.com

15. Plant Locations

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

NON-MANDATORY REQUIREMENTS

1. Chairman of the Board

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

2. Remuneration Committee

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

3. Audit Qualification

The Company does not have any audit qualification and it attempts to move towards a regime of unqualified financial statement.

4. Other Items

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

For Rohit Ferro-Tech Limited

Suresh Kumar Patni

Chairman

Kolkata, 31st August, 2010

Corporate Governance Report

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

To
The members of
Rohit Ferro-Tech Limited

We have examined the compliance of conditions of Corporate Governance by **Rohit Ferro-Tech Limited**, for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s).

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

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

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

Date: 31st August, 2010
Place: Kolkata

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

Auditors' Report

To
The Members of
Rohit Ferro-Tech Limited

1. We have audited the attached Balance Sheet of **ROHIT FERRO-TECH LIMITED** as at 31st March, 2010 and also the Profit & 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) Order, 2003 (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts, read with the Accounting policies & notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
 - (ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date, and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : Kolkata
Dated : The 12th day of May, 2010

For **S. JAYKISHAN**
Chartered Accountants
V. Newatia
Partner
Membership No. 062636
FRN. 309005E

Annexure to the Auditors' Report

(Annexure referred to in paragraph (3) of our report of even date to the shareholders of Rohit Ferro-Tech Limited on the financial statements for the year ended 31st March, 2010)

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - (b) We are informed that fixed assets of significant value have been physically verified by the management at reasonable intervals, in a phased programme and no material discrepancies were noticed in respect of the assets verified.
 - (c) The Company has not made any disposal of fixed assets during the year.
- (ii) (a) As explained to us, inventories have been physically verified by the management during the year at reasonable intervals.
 - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion, the Company has maintained proper records of inventories and the discrepancies noticed on physical verification as compared to book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) Since the Company has not granted any loans as aforesaid, sub-clauses (b), (c) & (d) of this clause are not applicable.
 - (c) The Company has taken Unsecured Loan from five companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of the said loans were Rs. 581,180,628/- and Rs. 170,500,000/- respectively.
 - (d) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken as aforesaid are prima facie not prejudicial to the interest of the Company.
 - (e) In respect of the above loan, there are no stipulations as to repayment thereof.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government in respect of the products of the Company.
- (ix) (a) According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues. According to the information and explanations given to us, there are no undisputed outstanding statutory dues as at 31st March, 2010 for a period exceeding six months from the date they became payable.
 - (b) On the basis of our examination of records and according to explanations given to us, there are no dues as on 31st March, 2010 of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for the following :

Annexure to the Auditors' Report

Name of Statute	Nature of Dues	Amount in Rs.	Forum where dispute is pending
Orissa VAT Act, 2004	Orissa VAT	861,559/-	Joint Commissioner of Commercial Taxes (Jajpur, Orissa)
The Central Sales Tax Act, 1956	Central Sales Tax	887,736/-	Joint Commissioner of Commercial Taxes (Jajpur, Orissa)
Orissa Entry Tax Act, 1999	Entry Tax	594,010/-	Joint Commissioner of Commercial Taxes (Jajpur, Orissa)
The Central Sales Tax Act, 1956	Central Sales Tax	4,647,500/-	Appelate Tribunal
Central Excise Act, 1944	Excise Duty	594,517/-	Office of Assistant Commissioner of Central Excise, Durgapur
Central Excise Act, 1944	Excise Duty	11,305,040/-	Office of the Commissioner of Central Excise, Bolpur
Central Excise Act, 1944	Excise Duty	3,395,888/-	Joint Commissioner of Central Excise, Bolpur
The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005	Central Sales Tax and Value Added Tax	1,912,431/-	Joint Commissioner of Commercial Taxes, Bow Bazar.

- (x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses in the financial year under report or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Order is not applicable, as the Company is not a chit fund company or nidhi/mutual benefit fund/society.
- (xiv) In respect of shares, securities, debentures and mutual fund units dealt or traded by the Company and held as investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given a Corporate Guarantee to secure financial assistance to SKP Overseas Pte Ltd, a wholly owned subsidiary, which is not prima facie considered prejudicial to the interest of the Company.
- (xvi) On the basis of review of utilisation of funds pertaining to term loans on a overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.
- (xvii) In our opinion, and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any fresh allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) No debentures have been issued by the Company and hence the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S. JAYKISHAN
Chartered Accountants

V. Newatia
Partner

Membership No. 062636
FRN. 309005E

Place : Kolkata
Dated : The 12th day of May, 2010

Balance Sheet

as at 31st March, 2010

(Amount in Rs.)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	394,829,450	394,829,450
b) Deposit against share warrants [Refer Note no.B-7 in Schedule 22]		–	12,814,000
c) Share Application Money, Pending Allotment		484,000,000	–
d) Reserves and Surplus	2	2,166,417,266	1,834,861,373
2. Loan Funds			
a) Secured Loans	3	3,238,768,166	2,492,254,466
b) Unsecured Loans	4	782,772,864	670,892,033
3. Deferred Tax Liability [Refer Note no. B-19 in Schedule 22]		187,261,359	131,784,748
TOTAL		7,254,049,105	5,537,436,071
II. APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		2,603,266,376	2,498,197,159
b) Less : Depreciation		331,037,719	222,719,588
c) Net Block		2,272,228,657	2,275,477,570
d) Capital Work-in-Progress [Refer Note no. B-13 in Schedule 22]		1,301,927,057	111,426,728
2. Investments	6	256,826,253	187,782,503
3. Current Assets, Loans & Advances			
a) Inventories	7	3,004,313,626	3,018,793,672
b) Sundry Debtors	8	576,935,699	733,188,422
c) Cash & Bank Balances	9	364,508,004	316,313,197
d) Loans & Advances	10	1,447,478,619	1,054,787,512
		5,393,235,948	5,123,082,802
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	1,861,263,801	2,126,868,735
b) Provisions	12	115,723,770	41,399,322
		1,976,987,571	2,168,268,057
Net Current Assets		3,416,248,376	2,954,814,745
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	13	6,818,762	7,934,524
TOTAL		7,254,049,105	5,537,436,071

Significant Accounting Policies & Notes on Accounts

22

Schedule 1 to 13 & 22 referred above form an integral part of the Balance Sheet

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Schedule	Year ended 31st March, 2010	Year ended 31st March, 2009
I. INCOME			
Sales/Income from Operations	14	8,465,246,794	9,071,261,907
Less : Excise Duty		(221,667,115)	(323,746,133)
Net Sales/Income from Operations		8,243,579,679	8,747,515,774
Other Income	15	61,912,405	47,916,215
Increase/(Decrease) in Stock	16	(24,539,324)	234,210,821
		8,280,952,760	9,029,642,810
II. EXPENDITURE			
Raw Materials Consumed	17	3,889,758,380	4,926,124,546
Purchase of Traded Goods		776,800,338	828,121,900
Manufacturing Expenses	18	2,036,416,075	1,576,237,712
Payments to & Provisions for Employees	19	76,947,594	65,238,613
Administrative, Selling & Other Expenses	20	476,242,712	935,854,534
Interest & Finance Charges	21	396,490,108	459,975,065
Depreciation		108,272,436	99,074,623
		7,760,927,643	8,890,626,993
Profit before Tax		520,025,117	139,015,817
Provision for Taxation			
- Current		104,300,000	15,750,492
- Deferred		55,476,611	47,366,983
- Fringe Benefit Tax		-	1,272,571
Deferred MAT Credit Entitlement		-	(15,750,492)
Profit after Tax		360,248,506	90,376,263
Less : Income Tax for earlier years		(18,486,329)	(9,438,580)
Surplus from last year		1,231,316,473	1,182,285,049
Balance available for Appropriation		1,573,078,650	1,263,222,732
Appropriations			
Dividend for earlier years		-	7,530,000
Proposed Dividend		19,741,473	19,741,473
Corporate Tax on Dividend		3,278,812	4,634,787
Balance carried to Balance Sheet		1,550,058,366	1,231,316,473
		1,573,078,650	1,263,222,732
Earnings Per Share (Face Value - Rs. 10/- each) [Refer Note no. B-18 in Schedule 22]			
Before extraordinary item			
- Basic		9.12	2.41
- Diluted		9.12	2.13
After extraordinary item			
- Basic		8.66	2.16
- Diluted		8.66	1.91

Significant Accounting Policies & Notes on Accounts

22

Schedule 14 to 22 referred above form an integral part of the Profit & Loss Account

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010		Year ended 31st March, 2009		
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Net Profit before Tax & Extraordinary Items		520,025,117		139,015,817	
Adjustments for :					
Depreciation		108,272,436		99,074,623	
Investment Income		–		(147,682)	
Interest Income		(38,064,373)		(42,507,625)	
Interest Expenses		396,490,108		459,975,065	
Liabilities no longer required written back		(743,377)		(285,908)	
Sundry Balances written off		13,903		220,413	
Share Issue Expenses written off		3,967,262	469,935,958	3,967,262	520,296,148
Operating Profit before Working Capital Changes		989,961,076		659,311,965	
Adjustments for :					
Trade & Other Receivables		(53,399,272)		(99,298,462)	
Inventories		14,480,046		(1,750,883,827)	
Trade Payables & Other Liabilities		(351,138,571)	(390,057,798)	1,052,892,147	(797,290,142)
Cash generated from Operations		599,903,278		(137,978,178)	
Direct Taxes Paid		(4,857,102)	(4,857,102)	(136,754,174)	(136,754,174)
Net Cash from/(used in) Operating Activities		595,046,175		(274,732,352)	
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets & Capital W.I.P.		(1,202,832,528)		(339,915,898)	
Advances for Capital Goods		(165,692,350)		(46,622,234)	
Purchase of Investment		(69,043,750)		(187,782,503)	
Sale of Investment		–		996,708	
Interest Received		16,893,227		50,610,099	
Advance to Subsidiary		2,509,254		(7,023,254)	
Decrease/(Increase) in Fixed Deposits		(8,816,808)		89,784,141	
Net Cash from/(used in) Investing Activities		(1,426,982,954)		(439,952,942)	

Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Share Application Money	484,000,000	–
Proceeds of Shares issued on conversion of warrants	–	194,274,000
Proceeds from Long Term Loan	869,738,014	150,261,986
Repayments of Long Term Loan	(176,837,678)	(188,200,048)
Increase/(Decrease) in Short Term Borrowings	(19,539,047)	979,394,949
Increase in Inter Corporate Deposits	185,033,241	109,870,581
Share Issue Expenses	(2,851,500)	–
Interest Paid	(443,922,217)	(452,642,041)
Dividend Paid	(19,741,473)	(59,224,418)
Corporate Dividend Tax Paid	(4,634,787)	(8,785,466)
Net Cash from/(used in) Financing Activities	871,244,553	724,949,543
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	39,307,774	10,264,249
Cash and Cash Equivalents at the beginning of period	41,205,234	30,940,984
Cash and Cash Equivalents at the end of period	80,513,008	41,205,234

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 on "Cash Flow Statement" notified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash Equivalents include Cash-in-Hand and Bank balances in current account (Refer Schedule 9).
- Figures in brackets indicate Cash Outflow.
- Previous year's figures have been re-grouped/re-arranged, wherever considered necessary to conform to this year's classification.

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 1 SHARE CAPITAL		
Authorised		
80,000,000 Equity Shares of Rs. 10/- each	800,000,000	450,000,000
(Previous year - 45,000,000 Equity Shares of Rs. 10/- each)		
Issued, Subscribed & Paid-up		
39,482,945 Equity Shares of Rs. 10/- each fully paid-up in Cash	394,829,450	394,829,450
(Previous year - Rs. 39,482,945 Equity Shares of Rs. 10/- each)		
	394,829,450	394,829,450

Schedule - 2 RESERVES & SURPLUS		
Securities Premium		
As per last account	534,544,900	368,884,900
Add : Received during the year	–	165,660,000
	534,544,900	534,544,900
Capital Reserve		
Capital Investment Subsidy - As per last account	24,000,000	24,000,000
Forfeiture of Deposit against Share Warrants	12,814,000	–
	36,814,000	24,000,000
General Reserve		
As per last account	45,000,000	45,000,000
Surplus as per Profit & Loss A/c annexed	1,550,058,366	1,231,316,473
	2,166,417,266	1,834,861,373

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 3 SECURED LOANS		
A) Term Loans		
State Bank of India	82,012,000	143,900,000
State Bank of India (for Haldia Project)	470,000,000	–
State Bank of Travancore	34,990,000	60,000,000
State Bank of Hyderabad	39,986,446	59,975,124
United Bank of India	159,719,000	229,670,000
United Bank of India (for Haldia Project)	550,000,000	150,261,986
B) Working Capital Loans		
Cash Credit		
State Bank of India	152,498,020	252,740,941
State Bank of Hyderabad	131,403,773	89,239,171
State Bank of Travancore	98,112,271	99,501,728
United Bank of India	421,788,726	299,548,844
Export Packing Credit		
State Bank of India	399,498,435	250,000,555
State Bank of Hyderabad	100,000,000	–
State Bank of Travancore	200,000,000	–
FCNRB - Demand Loan		
State Bank of India	45,992,500	–
Stand by Line of Credit		
State Bank of India	–	50,008,793
State Bank of Hyderabad	–	25,000,000
State Bank of Travancore	–	30,000,000
Buyers' Credit		
State Bank of India	218,064,951	374,800,413
United Bank of India	64,694,197	177,606,911
State Bank of Hyderabad	70,007,847	–
C) Rupee Loan		
IDBI Ltd.	–	200,000,000
	3,238,768,166	2,492,254,466

Notes :

A. Securities for Loans :

- Term Loans from State Bank of India are secured by way of 1st charge on pari-passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Bishnupur, Jaipur & Haldia units.
- Term Loans from United Bank of India (other than Haldia Project), State Bank of Hyderabad & State bank of Travancore are secured by way of 1st charge on pari-passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Bishnupur & Jaipur units.
- Term Loan from United Bank of India (Haldia Project) is secured by way of 1st charge on pari-passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Haldia unit.
- All the above term loans are additionally secured with collateral security by equitable mortgage on pari-passu basis of (i) office premises at Kolkata & (ii) property of Shubham Complex (P) Ltd. and 2nd pari-passu charge on current assets of the Company and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.
- Working Capital Loans are secured by way of 1st charge on pari-passu basis by hypothecation of Inventories, Book Debts and Other Current Assets with 2nd charge on Company's fixed assets at Bishnupur & Jajpur units and collateral security by equitable mortgage on pari-passu basis of (i) office premises at Kolkata & (ii) property of Shubham Complex (P) Ltd. and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.

B. Term Loans repayable within one year - Rs. 1,749 lacs (Previous year - Rs. 3,218.44 lacs)

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 4 UNSECURED LOANS		
Standard Chartered Bank	–	65,961,545
State Bank of Bikaner & Jaipur	–	150,000,000
Citi Bank	–	70,000,000
Short Term Loan from UCO Bank	300,000,000	–
(Personally guaranteed by the promoter directors & subservient charge over fixed assets of the Company) (repayable within one year)		
IndusInd Bank	–	100,000,000
WBIDC Ltd. (Bridge Loan against Power Subsidy receivable)	77,930,906	67,898,630
SIDBI Loan (Under MSME receivable finance scheme)	2,776,859	–
Other Bodies Corporate	402,065,099	217,031,858
	782,772,864	670,892,033

Schedule - 5 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2009	Additions during the year	Deductions during the year	As at 31.03.2010	As at 01.04.2009	For the year*	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
1 Land and Land Development									
a) Leasehold	284,566,551	1,746,351	–	286,312,902	–	–	–	286,312,902	284,566,551
b) Freehold	3,820,075	–	–	3,820,075	–	–	–	3,820,075	3,820,075
2 Factory Shed & Building	510,831,923	29,072,111	–	539,904,034	37,532,271	17,090,665	54,622,936	485,281,098	473,299,652
3 Office & Other Buildings	9,008,533	3,376,569	–	12,385,102	458,846	146,990	605,835	11,779,267	8,549,687
4 Guest House	1,725,500	–	–	1,725,500	112,504	28,126	140,629	1,584,871	1,612,996
5 Plant & Machineries	1,023,739,493	54,890,806	–	1,078,630,299	108,044,954	54,298,826	162,343,780	916,286,519	915,694,539
6 Electrical Installations	618,210,455	4,650,884	–	622,861,339	68,216,743	32,642,185	100,858,928	522,002,411	549,993,712
7 Tools & Equipments	7,849,371	–	–	7,849,371	1,152,737	372,845	1,525,583	6,323,788	6,696,634
8 Air Conditioners	2,730,050	–	–	2,730,050	342,588	129,677	472,266	2,257,784	2,387,461
9 Office Equipments	2,108,997	1,229,906	–	3,338,903	250,170	114,888	365,059	2,973,844	1,858,827
10 Computers	5,370,504	717,214	–	6,087,718	1,618,943	916,394	2,535,338	3,552,380	3,751,561
11 Vehicles	14,666,277	8,760,991	–	23,427,268	3,152,100	1,700,102	4,852,201	18,575,067	11,514,177
12 Furniture & Fixtures	13,396,566	52,783	–	13,449,349	1,826,180	849,972	2,676,152	10,773,197	11,570,386
13 Fire Extinguisher	172,864	571,602	–	744,466	11,552	27,460	39,012	705,454	161,312
TOTAL	2,498,197,159	105,069,217	–	2,603,266,376	222,719,588	108,318,131	331,037,719	2,272,228,657	2,275,477,570
Figures as on 31.03.2009	2,085,589,155	412,608,004	–	2,498,197,159	123,638,392	99,081,196	222,719,588	2,275,477,570	
Capital Work-in-Progress	111,426,728	1,266,121,061	75,624,002	1,301,923,787	–	–	–	1,301,923,787	111,426,728
Previous year	171,340,425	151,730,048	211,643,745	111,426,728	–	–	–	111,426,728	

* Includes Rs. 45,694/- (Previous year - Rs.6,573/-) debited to Capital Work-in-Progress

Notes :

The original cost of vehicles & equipments includes Rs. 86,43,151/- (Previous year - Rs. 56,43,724/-) acquired from loans taken from banks & financial institutions, of which Rs. 58,79,470/- (Previous year - Rs. 19,06,803/-) were outstanding as at 31.03.2010.

Schedules

annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 6 INVESTMENTS (Long Term)		
Trade (Unquoted)		
Investment in Subsidiaries :		
SKP Overseas Pte Ltd.	256,723,075	187,679,325
8,081,535 (Previous year - 6,000,000) shares of S\$ 1 each fully paid-up		
Investment in Equity Shares :		
SKP Power Ventures Ltd.	100,000	100,000
10,000 shares of Rs. 10/- each fully paid-up		
Rohit Persia Mines & Industries PJSC	3,178	3,178
49 Shares of 10,000 Rials (Rs. 64.87) each fully paid-up		
	256,826,253	187,782,503

Schedule - 7 INVENTORIES		
(as taken, valued & certified by the management)		
Raw Materials	2,340,988,331	2,326,735,269
Finished Goods (including in transit Rs. 131,263,319/-; Previous year- Rs. 130,057,505/-)	201,466,268	383,586,333
Work-in-Progress	415,417,864	257,837,123
Packing Materials	7,287,229	5,212,689
Stores & Spares including Packing Materials	39,153,935	45,422,258
	3,004,313,626	3,018,793,672

Schedule - 8 SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Due for more than 6 months	12,320,573	145,484,195
Other Debts	564,615,126	587,704,227
	576,935,699	733,188,422

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 9 CASH & BANK BALANCES		
Cash-in-Hand	5,726,039	2,464,681
(As Certified by the Management)		
Balances With Scheduled Banks		
In Current Accounts	74,786,968	38,740,553
In Public Issue Account		
- HDFC Bank Ltd.	10,410	14,820
In Dividend Accounts		
- HDFC Bank Ltd.	452,715	467,951
- Yes Bank	89,872	-
In Fixed Deposit Accounts		
(pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)		
- State Bank of India	144,500,000	90,000,000
- State Bank of Hyderabad	23,700,000	48,406,289
- State Bank of Travancore	16,242,000	15,304,383
- United Bank of India	75,000,000	77,364,348
- Centurion Bank of Punjab Ltd.	-	1,291,000
- IndusInd Bank	-	10,724,172
- Yes Bank	24,000,000	31,535,000
	364,508,004	316,313,197

Schedule - 10 LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
- For Capital Goods	230,759,210	65,066,860
- To Subsidiary	4,514,000	7,023,254
- To Suppliers & Others	286,412,745	163,873,049
Accrued Interest on Deposits	25,012,749	4,898,726
Prepaid Expenses	12,558,269	29,028,786
Security & Other Deposits	228,515,124	192,784,337
Balance with Excise Department	43,626,355	106,579,179
Cenvat/VAT Credit Receivable	234,576,431	136,546,850
Export Incentives Receivable	47,510,448	42,246,413
Subsidy Receivable	295,821,780	226,319,747
Income Tax Payments (including TDS)	3,691,910	20,975,650
Income Tax Refundable	608,832	203,770
MAT Credit Entitlement	33,870,765	59,240,891
	1,447,478,619	1,054,787,512

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 11 CURRENT LIABILITIES		
Acceptances	912,636,489	141,231,672
Sundry Creditors		
- Dues to Micro, Small & Medium Enterprises	184,393	-
Dues to Others		
- For Supplies	506,697,729	1,676,058,298
- For Capital Goods	102,036,326	9,345,003
- For Expenses	269,810,620	269,224,381
- For Pending Disbursements	16,602,990	18,509,502
Advances from Parties	49,683,771	2,474,089
Income received in advance	1,152,873	2,209,996
Interest accrued but not due	1,905,613	7,333,023
Unpaid Dividends*	542,586	467,951
Share Application Money Refundable	10,410	14,820
	1,861,263,801	2,126,868,735

* There is no amount due & outstanding to be credited to Investor Education & Protection Fund.

Schedule - 12 PROVISIONS		
For Taxation	92,703,486	15,750,492
For Fringe Benefit Tax	-	1,272,571
For Proposed Dividend	19,741,473	19,741,473
For Corporate Tax on Dividend	3,278,812	4,634,787
	115,723,770	41,399,322

Schedule - 13 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	7,934,524	11,901,786
Addition during the year	2,851,500	-
	10,786,024	11,901,786
Less : Amortised during the year	3,967,262	3,967,262
	6,818,762	7,934,524

Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Schedule - 14 SALES/INCOME FROM OPERATIONS		
Sale of Manufactured Goods		
- Export Sales	4,677,366,211	5,437,436,267
- Domestic Sales	2,830,753,449	2,614,451,565
Sale of Raw Materials	15,215,590	104,633,202
Sale of Traded Goods		
- Export Sales	107,686,111	-
- Domestic Sales	713,256,787	854,685,495
Export Incentives	120,968,646	60,055,378
	8,465,246,794	9,071,261,907

Schedule - 15 OTHER INCOME		
Interest on Credit Sales (TDS - Rs. 1,080,215/-, Previous year - Rs. 1,927,013/-)	12,332,354	6,360,837
Interest on Fixed Deposits with Banks (TDS - Rs. 2,799,389/-, Previous year - Rs. 5,778,823/-)	24,922,244	25,870,293
Interest on Other Deposits (TDS - Rs. 105,125/-, Previous year - Rs. 954,446/-)	809,775	7,884,714
Interest received on Advances (TDS - Rs. Nil, Previous year - Rs. 492,707/-)	-	2,391,781
Foreign Exchange Fluctuation Gain (Net)	9,760,794	-
Premium on Forward Contracts	4,186,000	4,975,000
Liabilities no longer required written back	743,377	285,908
Prior Period Items (Refer Note No. B - 12 in Schedule 22)	736,712	-
Miscellaneous Income	8,421,148	-
Profit on Redemption of Investments with Mutual Funds (Current Investments - other than trade)	-	147,682
	61,912,405	47,916,215

Schedule - 16 INCREASE/(DECREASE) IN STOCK		
Closing Stock of Finished Goods (including in transit)	201,466,268	383,586,333
Closing Work-in-Progress	415,417,864	257,837,123
	616,884,132	641,423,456
Less : Opening Stock of Finished Goods & Work-in-Progress	641,423,456	407,212,635
	(24,539,324)	234,210,821

Schedule - 17 RAW MATERIALS CONSUMED		
(Including cost of Raw Materials sold)		
Opening Stock	2,326,735,269	846,079,119
Add : Purchases (including freight)	3,904,011,442	6,406,780,696
	6,230,746,711	7,252,859,815
Less : Closing Stock	2,340,988,331	2,326,735,269
	3,889,758,380	4,926,124,546

Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Schedule - 18 MANUFACTURING EXPENSES		
Labour Charges	103,475,801	91,979,951
Power & Fuel	1,676,174,394	1,276,725,213
Water Supply Charges	4,243,608	3,527,183
Stores, Spares & Consumables	163,228,167	149,099,739
Packing Materials	27,074,375	19,218,882
Material Handling Charges	58,032,959	48,063,164
Excise Duty on Variation in Stocks (Refer Note No. B-11 in Schedule 22)	(2,229,191)	(19,230,815)
Machinery Hire Charges	–	1,705,491
Repairs & Maintenance		
- To Factory Shed & Buildings	70,020	211,449
- To Plant & Machinery	6,345,942	4,937,455
	2,036,416,075	1,576,237,712

Schedule - 19 PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Factory Wages	47,935,199	36,431,033
Salaries	16,600,267	15,706,744
Contribution to Provident Fund	3,202,466	2,693,276
Gratuity	737,967	675,100
Directors' Remuneration	6,550,000	6,300,000
Welfare Expenses	1,921,695	3,432,460
	76,947,594	65,238,613

Schedule - 20 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	4,219,090	15,192,977
Rates & Taxes	3,051,424	3,616,245
Electricity Charges	379,076	240,855
Insurance	13,187,694	13,878,672
Printing & Stationery	2,573,251	2,390,204
Postage, Telegram & Courier	761,392	808,705
Telephone Charges	2,813,224	2,793,120
Travelling & Conveyance	12,945,779	15,548,005
Car Running & Maintenance	5,815,968	4,549,524
Other Repairs & Maintenance	935,935	3,546,806
Security Service Charges	17,597,463	18,783,984
Membership & Subscription	2,023,943	2,433,907
Legal & Professional Charges	9,809,035	10,993,860

Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Auditors Remuneration		
- For Audit	200,000	150,000
- For Tax Audit	40,000	30,000
- For Income Tax Matters	39,500	11,000
- In any other matter	84,500	56,000
Directors' Sitting Fees	158,000	187,500
Miscellaneous Expenses	14,614,193	10,893,880
Bank Charges	90,869,230	89,306,337
Bill Discounting Charges	1,624,229	1,361,524
Processing Fees to WBIDC Ltd.	637,870	2,673,397
Testing & Inspection Charges	6,899,263	7,543,711
Donations	343,601	339,832
Advertisement, Publicity & Sales Promotion	7,159,684	6,387,929
Freight & Forwarding on Export	166,807,297	239,231,373
Transportation, Loading & Labour Charges	39,281,693	56,610,819
Commission on Sales - other than sole selling agent	6,874,661	3,274,427
Discounts & Rebates	60,272,140	-
Foreign Exchange Fluctuation Loss (net)	-	416,729,338
Excise Duty/Sales Tax for earlier years	242,413	1,044,913
Prior Period Items (Refer Note No. B-12 in Schedule 22)	-	1,058,015
Sundry Balances Written off	13,903	220,413
Share Issue Expenses Written off	3,967,262	3,967,262
	476,242,712	935,854,534

Schedule - 21 INTEREST & FINANCE CHARGES		
Interest to Banks/Financial Institutions		
- On Fixed Loans	70,749,714	130,205,332
- Others	288,373,972	284,536,314
Motor Car Finance Charges	316,013	312,219
Interest to Others	37,050,410	44,921,201
	396,490,108	459,975,065

Schedules forming part of the Accounts

Schedule - 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

- a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

2. Revenue Recognition

- a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Domestic sales are recognised at the time of despatch of materials to the buyer. Export sales are recognised on the issue of bill of lading.
- c) Export incentives arising out of Export Sales are accounted for on accrual basis.
- d) Purchases are net of CENVAT/VAT credit, Trade Discounts and claims.
- e) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3. Fixed Assets

- a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT/duty credits availed or available thereon) and any attributable cost of bringing the asset to its working condition for the intended use.
- b) Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. No write off is made in respect of leasehold land as these are long term leases.
- c) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.
- d) Cost of the fixed assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

4. Investments

Investments classified as long-term investments are stated at cost. Provision is made to recognise any diminution other than temporary in the value of such investments. Current Investments are carried at lower of cost and fair value.

5. Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

6. Foreign Currency Transactions

i) Initial Recognition

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

Schedules forming part of the Accounts

ii) Conversion

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

iii) Exchange Differences

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

iv) Forward Exchange Contracts

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

7. Derivative Instruments

The Company has entered into forward contracts to hedge a firm commitment or a highly probable forecast transaction to which Accounting Standard (AS) 11 is not applicable. The Company has applied announcement of The Institute of Chartered Accountants of India on 'Accounting for Derivatives' inter alia requiring provision for losses on all derivative contracts outstanding at the Balance Sheet date by marking them to market keeping in view the principle of prudence.

8. Government Grants

Government grants are recognized when there is a reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

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

9. Employee Benefits

a) Defined Contribution Plan

Contributions as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and family pension fund are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. There is no other obligation other than the contribution payable to the respective funds.

b) Defined Benefit Plan

Liability with regard to long-term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain / loss is recognised immediately in the statement of profit and loss. The Company has an Employees Gratuity Fund managed by the Life Insurance Corporation of India.

c) Short-term Compensated Absences are provided for based on estimates.

10. Research & Development Expenses

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

11. Borrowing Costs

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

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

12. Expenditure on new projects & substantial expansion

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/implementation, interest on term loans to finance fixed assets and expenditure on start-up of the project are capitalized upto the date of commissioning of project to the cost of the respective assets.

13. Taxes on Income

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

Schedules forming part of the Accounts

- a) Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961 MAT Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.
- b) Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

14. Earnings per Share (EPS)

- a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. Provisions & Contingent Liabilities

"Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

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

A Contingent Asset is not recognized in the Accounts."

16. Share Issue Expenses

Share Issue Expenses are amortised over a period of 5 years under Section 35D of the Income Tax Act, 1961.

17. Prior Period Items

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in the books of accounts in respect of :
 - a) Bank Guarantees - Rs. 35,080,618/- (Previous year - Rs. 846,000/-).
 - b) Bills discounted with Banks, outstanding as on 31st March, 2010 Rs. 853,625,986/- (Previous year - Rs. 680,792,008/-).
 - c) Letters of Credit opened in favour of suppliers, outstanding as on 31st March, 2010 - Rs. 338,907,794/- (Previous year - Rs. 33,794,920/-).
 - d) Corporate Guarantee given to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte. Ltd., a wholly owned subsidiary, amounting to USD 15 million (Previous year - USD 15 million). Amount payable by SKP Overseas Pte. Ltd. to Indian Overseas Bank, Hongkong as on 31st March, 2010 is USD 8.5 Million (Previous year - USD 5 Million).
 - e) Claim against the Company not acknowledged as debt : (Amounts in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
Disputed Excise Duty under appeal	11,899,557	-
Disputed Sales Tax/VAT under appeal	6,396,795	1,749,295
Disputed Entry Tax under appeal	594,010	594,010
Disputed Excise Duty for which appeals are pending	3,395,888	-
Disputed Sales Tax/VAT for which appeals are pending	1,912,431	-

- f) Excise Duty Liability arising out of search operation by the Directorate General of Central Excise Intelligence. However, the Company has paid under protest a sum of Rs. 15,000,000 pending issuance of any show cause notice.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - Rs. 454,328,844/- (Previous year - Rs. 125,907,600/-).
3. In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.
4. Certain balances of Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation.

Schedules forming part of the Accounts

5. Draft Letter of Offer for issue of equity shares of the Company on rights basis to the existing equity shareholders is pending approval from Securities Exchange Board of India. The Company has received an amount of Rs. 484,000,000 as share application money from the Promoter Group against the proposed rights issue.

6. Details of dues to Micro and Small enterprises : (Amount in Rs.)

	31st March, 2010		31st March, 2009	
	Principal	Interest	Principal	Interest
(i) The amount remaining unpaid to any supplier as at the end of accounting year;	184,393	–	–	–
(ii) The amount of interest paid by the buyer in terms of Section 18, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	–	–	–	–
(iii) The 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 this Act;	–	–	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	–	–	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23	–	–	–	–

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

7. In the year 2007-08, the Company had issued 8,000,000 Preferential Convertible Warrants (Exercise Price of Rs. 43 each) on preferential basis to promoters & other strategic investors. Each warrant carried a right to convert the same into one Equity Share of Rs.10 each at a premium of Rs. 33 each [as per the formula prescribed under the SEBI (DIP) guidelines] over a period of 18 months from the date of allotment. Of the above, 5,020,000 warrants were converted into the Equity Shares during the year 2008-09. Warrant holders holding 2,980,000 warrants expressed their inability to pay the remaining amount. Accordingly, the Board of Directors forfeited the same and credited the amount of Rs. 12,814,000 received against those warrants to Capital Reserve.
8. Sundry Debtors include Rs. 194,068,926/- (Previous year - Rs. 275,901,296/-) covered by letters of credit in favour of the Company.
9. During the year, the Company has accounted for Interest Subsidy receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to Rs. 42,004,699/- (Previous year - Nil) including Rs. 35,863,351/- (Previous year - Nil) for earlier years. The said amount recognised has been net off with interest and finance charges in Schedule 21.
10. a) Details of payments and provisions on account of remuneration to managerial personnel are as under : (Amount in Rs.)

	2009-10	2008-09
i) Salaries to Managing Directors		
Rohit Patni - Managing Director	3,600,000	3,600,000
Ankit Patni - Joint Managing Director	2,400,000	2,400,000
	6,000,000	6,000,000
ii) Salaries to Executive Director		
Binit Jain	550,000	300,000
	550,000	300,000
iii) Perquisites	–	–
iv) Sitting Fees to Other Director	158,000	187,500
	158,000	187,500
	6,708,000	6,487,500

Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole. The amount pertaining to the directors is not ascertainable and therefore, not included above.

- b) The computation of net profit for the purpose of Director's Remuneration under Section 349 of Companies Act, 1956 has not been enumerated since no commission has been paid to any of the directors. Fixed managerial remuneration has been paid to the whole-time directors as per Schedule XIII of the Companies Act, 1956.

Schedules forming part of the Accounts

11. Amount of excise duty on variation in stocks shown in Schedule 18 represents differential excise duty on opening and closing stock of finished goods.

12. Prior period items for the year comprise of the following : (Amount in Rs.)

	2009-10	2008-09
Labour Charges	335,298	-
Water Supply Charges	-	36,497
Material Handling Charges	-	177,180
Machinery Hire Charges	-	74,618
Excise Duty	-	(771,641)
Clearing & Forwarding	8,000	-
Factory Wages	-	1,038,295
Salaries	-	60,000
Legal, Professional & Consultancy	86,964	-
Discount Received	-	(461,445)
Export Incentives	(1,166,974)	-
Rent	-	810,000
Telephone Expenses	-	84,511
Service Charges	-	2,500
Miscellaneous Expenses	-	7,500
Net Prior Period Expense/(Income)	(736,712)	1,058,015

13. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets : (Amount in Rs.)

	2009-10	2008-09
Pre-Operative Expenses		
Opening Balance	10,198,804	7,390,534
Add : Expenditure incurred during the year		
Salary	3,120,252	372,500
Welfare Expenses	243,858	7,226
Rent	459,031	174,005
Rates & Taxes	735,750	1,800,697
Repairs & Maintenance	154,132	92,200
Insurance	1,136,373	-
Electricity Charges	1,170,860	6,806
Printing & Stationary	479,394	31,356
Security Services Charges	3,347,519	-
Telephone Charges	129,211	23,981
Travelling & Conveyance	350,424	7,414
Motor Car Expenses	90,928	8,809
Legal, Professional & Consultancy Charges	3,486,000	550,000
Bank Charges	9,255,250	13,556
Miscellaneous Expenses	1,048,364	109,444
Advertisement & Sales Promotion	1,857,661	28,300
Transportation, Loading & Labour Charges	325,796	95,878
Interest [Includes Rs. 52,333,066/- (Previous year - Rs. 4,425,015/-) on Term Loan from Banks]	56,117,803	11,033,088
Depreciation	45,694	6,573
Total	93,753,105	21,752,367
Less : Amount allocated to Fixed Assets	-	11,553,563
Closing Balance	93,753,105	10,198,804

14. Research and Development expenses aggregating to Rs. 795,500/- (Previous year - Rs. 657,829/-) in the nature of revenue expenditure have been included under the appropriate account heads.

Schedules forming part of the Accounts

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

- a. Defined Contribution Plan : Amount of Rs. 3,202,466/- (Previous year - Rs. 2,693,276/-) is recognised as expense and included in "Payments to and Provisions For Employees" in Schedule - 19 of the Profit & Loss Account.

b. Defined Benefit Plan :

The employee gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2010 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

i. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :

	2009-10	2008-09
a. Present Value of Defined Benefit Obligation at the beginning of the year	1,742,888	1,310,434
b. Interest Cost	139,431	74,105
c. Current Service Cost	661,386	382,818
d. Actuarial Losses/(Gains)	(197,689)	(24,469)
e. Benefits Paid	-	-
f. Present Value of Defined Benefit Obligation at the close of the year	2,346,016	1,742,888

ii. Changes in the Fair Value of Plan Assets and reconciliation thereof :

	2009-10	2008-09
a. Fair Value of Plan Assets at the beginning of the year	2,116,149	1,310,434
b. Add : Expected Return on Plan Assets	179,873	118,986
c. Add/(Less) : Actuarial Gains/(Losses)	-	11,629
d. Add : Contributions	737,967	675,100
e. Less : Benefits Paid	-	-
f. Fair Value of Plan Assets at the close of the year	3,033,989	2,116,149
Actual Return on Plan Assets	179,873	130,615

iii. Amount recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

	2009-10	2008-09
a. Present Value of Defined Benefit Obligation	2,346,016	1,742,888
b. Less : Fair Value of Plan Assets	3,033,989	2,116,149
c. Present Value of unfunded obligation	-	-
d. Net Liability/(Assets) recognised in the Balance Sheet **	-	-

** The excess of assets over liabilities have not been recognised as they are lying in an irrevocable trust fund.

iv. Amount recognised in the Profit & Loss Account are as follows :

	2009-10	2008-09
a. Current Service Cost	661,386	382,818
b. Interest Cost	139,431	74,105
c. Expected return on Plan Assets	(179,873)	(118,986)
d. Actuarial Losses/(Gains)	(197,689)	(36,098)
e. Net asset not recognised as above	314,712	373,261
f. Recognised in the Profit & Loss Account	737,967	675,100

v. Broad Categories of Plan Assets as a percentage of Total Assets as at 31.03.2010 :

	2009-10	2008-09
Qualifying Insurance Policy	100%	100%

vi. Actuarial Assumptions as at the Balance Sheet date :

	2009-10	2008-09
a. Mortality Table	LIC 1994-96 Ultimate	
b. Discount Rate	8%	8%
c. Salary Escalation Rate	4%	4%

Schedules forming part of the Accounts

- vii. a) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.
- c) Expected rate of return assumed by the insurance Company is generally based on their investment pattern as stipulated by the Government of India.

viii. The above information is certified by the actuary.

16. (A) Business Segments : Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard - 17, the Company is predominantly engaged in a single reportable segment of 'Ferro Alloys' during the year. Trading of iron and steel & minerals has not been considered as a separate reportable segment since segment revenue/result from the same is less than 10% of the total revenue/result.
- (B) Geographical Segments : The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets and liabilities are based on the location of such asset/liability.

	(Rs. in Lacs)	
	2009-10	2008-09
Revenue (Gross Sales)		
Within India	36,801.94	36,338.26
Outside India	47,850.52	54,374.36
	84,652.47	90,712.62
Carrying Amount of Segment Assets		
Within India	88,214.08	71,671.42
Outside India	3,646.38	4,502.07
	91,860.46	76,173.49
Capital Expenditure		
Within India	12,955.70	3,526.94
Outside India	-	-
	12,955.70	3,526.94

17. Related Party Disclosures

- i) Name of the related parties where control exists irrespective of whether transactions have occurred or not :
- a) Enterprise on which the Company has control
SKP Overseas Pte. Ltd. Wholly Owned Subsidiary
- b) Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control None
- c) Joint Ventures Rohit Persia Mines & Industries PJSC
- ii) Names of the other related parties with whom transactions have taken place during the year :
- a) Key Managerial Personnel Suresh Kumar Patni
Rohit Patni
Ankit Patni
Binit Jain
- b) Relatives of Key Managerial Person Sarita Patni
- c) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives Arin Minerals Pvt. Ltd.
Impex Metal & Ferro Alloys Ltd.
Impex Ferro Tech Ltd.
Ankit Metal & Power Ltd.
Vasupujya Enterprises (P) Ltd.
Marble Arch Properties Pvt. Ltd.
SKP Power Ventures Ltd.
VNG Mercantiles Pvt. Ltd.
Invesco Finance Pvt. Ltd.
Poddar Mech Tech Services (P) Ltd.
Suanvi Trading & Investment Co. Pvt. Ltd.

Schedules forming part of the Accounts

iii) Details of Transactions with Related Parties :

(Amount in Rs.)

Sl. No.	Nature of Transactions	2009-10	2008-09
1.	Advance Given		
	SKP Overseas Pte. Ltd.	4,514,000	7,023,254
	Rohit Persia Mines & Industries PJSC	–	7,098,056
	Marble Arch Properties Pvt. Ltd.	1,800,000	–
2.	Advance Refunded		
	SKP Overseas Pte. Ltd.	7,023,524	–
3.	Investment in Equity Shares		
	SKP Overseas Pte. Ltd.	69,043,750	187,679,325
	Rohit Persia Mines & Industries PJSC	–	3,178
	SKP Power Ventures Ltd.	–	100,000
4.	Loans Taken *		
	Invesco Finance Pvt. Ltd.	147,000,000	–
	Vasupujya Enterprises (P) Ltd.	63,500,000	67,700,00
	VNG Mercantiles Pvt. Ltd.	153,500,000	–
	Poddar Mech Tech Services Pvt. Ltd.	140,500,000	–
	Suanvi Trading & Investment Co. Pvt. Ltd.	91,500,000	–
5.	Loans Repaid		
	Invesco Finance Pvt. Ltd.	500,000	–
	Vasupujya Enterprises (P) Ltd.	3,680,628	9,500,000
6.	Interest Paid		
	Vasupujya Enterprises (P) Ltd.	32,055	1,235,048
	VNG Mercantiles Pvt. Ltd.	1,221,165	–
	Poddar Mech Tech Services Pvt. Ltd.	9,247	–
7.	Purchases		
	Ankit Metal & Power Ltd.	51,056,485	79,042,987
	Arin Minerals Pvt. Ltd.	1,356,078	2,503,126
	Impex Metal & Ferro Alloys Ltd.	465,941,370	555,584,644
	Rohit Persia Mines & Industries PJSC	–	2,204,967
8.	Sales of Goods		
	Ankit Metal & Power Ltd.	9,880,427	41,282,506
	Impex Metal & Ferro Alloys Ltd.	133,983,954	241,052,285
9.	DEPB Licence Purchased		
	Ankit Metal & Power Ltd.	928,635	1,971,503
	Impex Metal & Ferro Alloys Ltd.	–	1,430,908
10.	Directors' Remuneration		
	Rohit Patni	3,600,000	3,600,000
	Ankit Patni	2,400,000	2,400,000
	Binit Jain	550,000	300,000
11.	Sitting Fees		
	Suresh Kumar Patni	40,000	45,500
	Sarita Patni	–	17,500

* Of the above, the following amounts were converted to share application money

Schedules forming part of the Accounts

(Amount in Rs.)

	Nature of Transactions	2009-10	2008-09
	Invesco Finance Pvt. Ltd.	146,500,000	–
	Poddar Mech Tech Services Pvt. Ltd.	140,500,000	–
	Suanvi Trading & Investment Co. Pvt. Ltd.	91,500,000	–
	Vasupujya Enterprises (P) Ltd.	105,500,000	–

iv) Outstanding Balances

Sl. No.	Nature of Transactions	As at 31st March, 2010	As at 31st March, 2009
1.	Sundry Creditors		
	Ankit Metal & Power Limited	928,635	–
2.	Sundry Debtors		
	Ankit Metal & Power Limited	–	8,578,514
3.	Loan Taken		
	Vasupujya Enterprises (P) Ltd.	17,000,000	62,680,628
	VNG Mercantiles Pvt. Ltd.	153,500,000	–
4.	Advances Given		
	SKP Overseas Pte. Ltd.®	4,514,000	7,023,254
	Rohit Persia Mines & Industries PJSC	6,178,341	6,765,393
	Marble Arch Properties Pvt. Ltd.	16,800,000	15,000,000
5.	Investment in Equity Shares		
	SKP Overseas Pte. Ltd.	256,723,075	187,679,325
	Rohit Persia Mines & Industries PJSC	3,178	3,178
	SKP Power Ventures Ltd.	100,000	100,000
6.	Deposit against Share Warrants		
	Ankit Patni	–	2,580,000
	Rohit Patni	–	2,580,000
	Sarita Patni	–	2,580,000
	Suresh Kumar Patni	–	2,580,000
7.	Share Application Money Received - Pending Allotment		
	Invesco Finance Pvt. Ltd.	146,500,000	–
	Poddar Mech Tech Services Pvt. Ltd.	140,500,000	–
	Suanvi Trading & Investment Co. Pvt. Ltd.	91,500,000	–
	Vasupujya Enterprises (P) Ltd.	105,500,000	–

@ Maximum Amount outstanding at any time during the year Rs. 11,537,254/-.

18. Earnings Per Share (EPS)

Particulars	As at 31st March, 2010	As at 31st March, 2009
(a) Number of Shares considered as weighted average shares for calculation of Basic Earnings Per Share	39,482,945	37,437,397
Dilutive effect of issue of shares on exercise of warrants	–	5,025,548
Number of shares considered as weighted average shares and potential shares outstanding for calculation of Diluted EPS	39,482,945	42,462,945
(b) Profit after Tax, before extraordinary item (Rs.)	360,248,506	90,376,263
Profit after Tax, after extraordinary item (Rs.)	341,762,177	80,937,683
(c) Nominal Value of Equity Share (Rs.)	10.00	10.00

Schedules forming part of the Accounts

Particulars	As at 31st March, 2010	As at 31st March, 2009
(d) Earning Per Share (Basic) in Rs. :		
(i) Before Extraordinary item	9.12	2.41
(ii) After Extraordinary item	8.66	2.16
(e) Earning Per Share (Diluted) in Rs. :		
(i) Before Extraordinary item	9.12	2.13
(ii) After Extraordinary item	8.66	1.91

Note : Pending approval of rights issue referred to in Note 15, share application money received from the promoters has not been considered for calculation of Diluted Earnings Per Share.

19. Components of Deferred Tax Liability as per AS-22, "Accounting for Taxes on Income" is as under : (Amount in Rs.)

Nature of Timing Differences	As at 31st March, 2010	As at 31st March, 2009
Deferred Tax Liability		
Depreciation	187,261,359	146,668,579
Deferred Tax Asset		
Unabsorbed Depreciation	–	14,883,831
Net Deferred Tax Liability	187,261,359	131,784,748

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

Nature (Nos.) of Contract	Foreign Currency	Buy/Sell	Amount in Foreign Currency	Purpose
Forward Contract	USD	Buy	1,000,000 (Previous year - Nil)	Hedging Purpose
Forward Contract	USD	Sell	Nil (Previous year - 2,000,000)	Hedging Purpose

Particulars of unhedged foreign currency exposure as at 31.03.2010 are as follows :

	Currency	2009-10	2008-09
Amounts Receivable	USD	2,253,738	3,019,799
	EURO	102,020	100,893
Amounts Payable	USD	8,961,583	19,279,500

21. The Company has not made any remittance in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made on behalf of non-resident shareholders.
22. The Company has entered into a Joint Venture namely "Rohit Persia Mines and Industries PJSC" with 49% interest to acquire mines in Iran. The said Joint Venture is yet to acquire the same. The Company has invested a sum of Rs. 6,181,519/- (Previous year - Rs. 6,768,571/-) (including advances for supplies) as on 31st March, 2010.
23. There are no transactions (other than transactions with subsidiaries as given in para 17 above) which are required to be disclosed under Clause 32 of the Listing Agreement.
24. Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.

A) Capacity, Production, Sales & Stock of Finished Goods

Licensed Capacity : N.A.

Installed Capacity : Ferro Alloys 172,875 M.T. Per Annum (Previous year - 172,875 M.T.)

(Installed Capacity has been certified by the management and not verified by the auditors being a technical matter)

Ferro Alloys	For the Year ended 31.03.2010		For the Year ended 31.03.2009	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Opening Stock	8,941.220	383,586,333	3,631.490	264,634,706
Production	142,289.250	–	115,376.030	–
Sales	147,212.000	7,508,119,660	110,066.300	8,051,887,832
Closing Stock*	3,921.480	201,466,268	8,941.220	383,586,333

* Exclude Shortage of 96.990 MT (Previous year - Nil)

Schedules forming part of the Accounts

B) Raw Materials Consumed (Including cost of raw materials sold)

Ferro Alloys	For the Year Ended 31.03.2010		For the Year Ended 31.03.2009	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Chrome Ore	286,321.719	1,889,570,397	193,274.905	2,352,171,132
Manganese Ore	56,194.838	713,645,299	74,782.510	1,251,267,239
Coke & Coal	73,393.910	906,084,843	77,770.640	1,012,065,143
Carbon Electrode Paste	2,401.037	66,749,851	2,247.343	70,757,047
Molases	14,970.840	140,162,198	10,756.675	62,457,949
Quartzite	24,871.060	147,877,836	26,103.360	8,360,072
Others (being less than 10% of total consumption individually)		25,667,956		169,045,965
		3,889,758,380		4,926,124,546
Break-up				
Imported	1,526,741,986	39.25%	1,657,035,514	33.64%
Indigenous	2,363,016,394	60.75%	3,269,089,032	66.36%
Total	3,889,758,380	100.00%	4,926,124,546	100.00%
C) Stores, Spares & Consumables		163,228,167		149,099,739
Break-up				
Imported	226,536	0.14%	1,461,662	0.98%
Indigenous	163,001,631	99.86%	147,638,077	99.02%
Total	163,228,167	100.00%	149,099,739	100.00%
D) Sale of Raw Materials				
Manganese Ore	869.000	1,738,000	2,846.550	43,381,560
Coke	998.340	13,477,590	4,142.760	55,119,048
Others		–		6,132,594
		15,215,590		104,633,202
E) Purchases & Sales of Items traded				
i) Purchases				
Iron & Steel	23,239.365	682,174,050	20,752.065	693,372,071
Minerals	–	–	13,715.832	134,749,829
Ferro Alloys	2,012.570	94,626,288	–	–
		776,800,338		828,121,900
ii) Sales				
Iron & Steel	23,233.615	711,332,787	20,752.065	715,917,917
Minerals	–	–	13,715.832	138,767,578
Ferro Alloys	2,012.570	109,610,111	–	–
		820,942,898		854,685,495
F) Value of Imports/Expenditure in Foreign Currency				
CIF Value of Imports				
a) Raw Materials		1,324,756,072		2,190,399,728
b) Stores & Spares		226,536		1,327,121
c) Capital Goods		–		15,996,016
		1,324,982,608		2,207,722,865

Schedules forming part of the Accounts

Ferro Alloys	For the Year Ended 31.03.2010		For the Year Ended 31.03.2009	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
Expenditure in Foreign Currency				
a) Travelling & Conveyance		912,944		4,083,161
b) Membership & Subscription		1,588,327		2,181,637
c) Legal & Professional Fees		5,633,308		82,915
d) Commission on Sales		5,124,031		2,337,811
e) Advertisement & Sales Promotion		821,252		–
		14,079,862		8,685,524
G) Earnings in Foreign Currency				
FOB Value of Exports		4,726,560,189		5,285,894,184

25. Previous year's figures have been re-worked, re-grouped, re-arranged and re-classified wherever considered necessary. Accordingly, amounts and other disclosures for the the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

In terms of our report of even date attached

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

For & on behalf of the Board

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Balance Sheet Abstract

Information as required under Part IV of Schedule VI to the Companies Act, 1956

a) Registration Details

Registration No.

	9	1	6	2	9
--	---	---	---	---	---

 State Code

					2	1
--	--	--	--	--	---	---

Balance Sheet date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

b) Capital raised during the year (Figures in Rs. Thousand)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

 Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

 Private Placement

					N	I	L
--	--	--	--	--	---	---	---

c) Position of Mobilisation & Deployment of funds (Figures in Rs. Thousand)

Total Liabilities

	7	2	5	4	0	4	9
--	---	---	---	---	---	---	---

 Total Assets

	7	2	5	4	0	4	9
--	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

			3	9	4	8	2	9
--	--	--	---	---	---	---	---	---

 Deposit against Share Warrants

			4	8	4	0	0	0
--	--	--	---	---	---	---	---	---

Reserves & Surplus

		2	1	6	6	4	1	7
--	--	---	---	---	---	---	---	---

 Secured Loans

		3	2	3	8	7	6	8
--	--	---	---	---	---	---	---	---

Unsecured Loans

			7	8	2	7	7	3
--	--	--	---	---	---	---	---	---

 Deferred Tax liability

			1	8	7	2	6	1
--	--	--	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

		2	2	7	2	2	2	9
--	--	---	---	---	---	---	---	---

 Net Current Assets

		3	4	1	6	2	4	8
--	--	---	---	---	---	---	---	---

Capital work-in-progress

		1	3	0	1	9	2	7
--	--	---	---	---	---	---	---	---

 Investments

			2	5	6	8	2	8
--	--	--	---	---	---	---	---	---

Misc. expenditure to the extent not written off

		6	8	1	9
--	--	---	---	---	---

d) Performance of the Company (Figures in Rs. Thousand)

Total Income

		8	3	0	5	4	9	2
--	--	---	---	---	---	---	---	---

 Total Expenditure

		7	7	8	5	4	6	7
--	--	---	---	---	---	---	---	---

Profit before Tax

			5	2	0	0	2	5
--	--	--	---	---	---	---	---	---

 Profit after Tax

			3	4	1	7	6	2
--	--	--	---	---	---	---	---	---

Earnings Per Share (Rs.)

					8	.	6	6
--	--	--	--	--	---	---	---	---

 Dividend Rate (%)

								5
--	--	--	--	--	--	--	--	---

e) Generic Names of the Principal Products/Services of the Company

Item Code No. (ITC Code)

7	2	0	2	.	2	1	0	0
---	---	---	---	---	---	---	---	---

Product Description

F	E	R	R	O	-	A	L	L	O	Y	S
---	---	---	---	---	---	---	---	---	---	---	---

In terms of our report of even date attached

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

For & on behalf of the Board

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Statement pursuant to Section 212 of the Companies Act, 1956

Name of the subsidiary	SKP OVERSEAS PTE. LTD.
The financial year of the Subsidiary Company ended on	31st March, 2010
Number of shares held by Holding Company as on the above date	8,081,535
Extent of interest of the Holding Company at the end of financial year of the subsidiary	100%
Date from which it became a Subsidiary	9th April, 2008 (Since Incorporation)
The net aggregate amount of Profits/(Losses) of the Subsidiary so far as they concern the members of the Holding Company not dealt with in the holding company's accounts	
- For the Financial Year of the subsidiary	Loss Rs. 17,023,778
- For the previous Financial Year of the subsidiary since it became the holding company's subsidiary	Loss Rs. 13,946,219
The net aggregate amount of Profits/(Losses) of the Subsidiary so far as they concern the members of the Holding Company dealt with in the holding company's accounts	
- For the financial year of the subsidiary	Nil
- For the previous Financial year of the Subsidiary since it became the holding company's subsidiary	Nil
Change in the interest of Holding Company between the end of subsidiary's financial year and 31st March, 2010	The subsidiary's financial year is same as that of the Company.
Material changes between the end of subsidiary's financial year and 31st March, 2010 in :	The subsidiary's financial year is same as that of the Company.
(i) Fixed assets	
(ii) Investments	
(iii) Moneys lent by the subsidiary	
(iv) Moneys borrowed by the subsidiary other than for meeting current liabilities	

For & on behalf of the Board

Dated : The 12th day of May, 2010
Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Directors' Report

The Directors have pleasure in presenting their report to the members together with the audited financial statements of the Company for the financial year ended 31st March, 2010.

1. DIRECTORS

The Directors of the Company in office at the date of this report are :

Rohit Patni

Ankit Patni

Ragini Dhanvantray

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during that year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3. DIRECTORS INTERESTS IN SHARES AND DEBENTURES

No director holding office at the end of the financial year had an interest in shares or debentures of the Company as recorded in the register of directors' shareholdings.

4. DIRECTORS RECEIPTS AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

5. OPTION TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the Company was granted.

6. OPTIONS EXERCISED

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares of the Company under option.

8. INDEPENDENT AUDITORS

M/s. S. Renganathan & Co., has expressed their willingness to accept re-appointment as auditors.

On behalf of the Directors

Place : Singapore

Date : 12th May, 2010

Rohit Patni

Director

Ankit Patni

Director

Statement by Directors for the financial year ended 31st March, 2010

In the opinion of the Board of Directors of the Company :

- (i) the financial statements as set out on notes to the financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the results, changes in equity and cash flows of the Company for the year ended on that date in accordance with the Singapore Financial Reporting Standards; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

Place : Singapore

Date : 12th May, 2010

Rohit Patni

Director

Ankit Patni

Director

Independent Auditor's Report

To
The Members of
SKP Overseas Pte. Ltd.

We have audited the accompanying financial statements of **SKP OVERSEAS PTE. LTD.** which comprise the Balance Sheet as at 31st March, 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other Explanatory Notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes : devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit & loss statement and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion :

- a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, and so as to give true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and
- b) the accounting and other records, required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Place : Singapore
Date : 12th May, 2010

S. RENGANATHAN & CO.
*Public Accountants &
Certified Public Accountants*

Balance Sheet as at 31st March, 2010

(Amount in US\$)

Particulars	Notes	2010	2009
ASSETS			
Current Assets			
Cash and Cash Equivalent	3	77,447	1,036,339
Other Receivables	4	1,852,171	1,082,171
Total Current Assets		1,929,618	2,118,510
Non-Current Assets			
Investment	5	11,000,000	7,000,000
Deferred Expenditure	6	828,300	78,300
Total Assets		13,757,918	9,196,810
LIABILITIES			
Current Liabilities			
Accrual	7	2,644	1,397
Other Payables	8	100,000	185,846
Borrowings	9	3,000,000	1,000,000
Total Current Liabilities		3,102,644	1,187,243
Non-Current Liabilities			
Borrowings	9	5,500,000	4,000,000
Total Liabilities		8,602,644	5,187,243
Net Assets		5,155,274	4,009,567
EQUITY			
Share Capital	10	5,816,347	4,316,347
Accumulated (Losses)		(661,073)	(306,780)
Total Shareholders Equity		5,155,274	4,009,567

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Statement of Comprehensive Income for the financial year ended 31st March, 2010

(Amount in US\$)

Particulars	Notes	2010	2009
Revenue	2g	–	–
Less : Direct Expenses		–	–
Gross Profit		–	–
Interest Income		–	2,290
Administrative Expenses		(5,457)	(39,953)
Operating Expenses		(2,141)	(53,525)
Net (Loss) from the Operations	11	(7,598)	(91,188)
Financial (Cost)		(346,695)	(215,592)
Net (Loss) before Tax		(354,293)	(306,780)
Taxation	12	–	–
Net (Loss) after Tax		(354,293)	(306,780)
Other Comprehensive (Loss) (Net of Tax)		–	–
Total Comprehensive (Loss)		(354,293)	(306,780)

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Statement of Changes in Equity

for the financial year ended 31st March, 2010

(Amount in US\$)

Particulars	Share Capital	Accumulated (Losses)	Total
Balance at 9th April, 2008	7,357	–	7,357
Additions	4,308,990	–	4,308,990
Total Comprehensive (Loss) for the period	–	(306,780)	(306,780)
Balance at 31st March, 2009	4,316,347	(306,780)	4,009,567
Additions	1,500,000	–	1,500,000
Total Comprehensive (Loss) for the year	–	(354,293)	(354,293)
Balance at 31st March, 2010	5,816,347	(661,073)	5,155,274

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Cash Flow Statement

for the financial year ended 31st March, 2010

(Amount in US\$)

Particulars	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Taxation	(354,293)	(306,780)
Adjustments for :		
Interest Expenses	346,695	215,592
Operating Cash before Working Capital Changes	(7,598)	(91,188)
Change in Operating Assets and Liabilities :		
Other Receivables	(770,000)	(1,082,171)
Trade Payables	1,247	1,397
Other Payables	(85,846)	185,846
Cash generated from Operations	(854,599)	(894,928)
Net Cash Inflow from Operating Activities	(862,197)	(986,116)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment	(4,000,000)	(7,000,000)
Net Cash Outflow from Investing activities	(4,000,000)	(7,000,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of Share Issue	1,500,000	4,316,347
Borrowings - Term Loan	3,500,000	5,000,000
Deferred Expenditure	(750,000)	(78,300)
Interest Expenses	(346,695)	(215,592)
Net Cash Outflow from Financing Activities	3,903,305	9,022,455
Net (Decrease)/Increase in Cash and Cash Equivalents held	(958,892)	1,036,339
Cash and Cash Equivalents at the beginning of the year	1,036,339	-
Cash and Cash Equivalents at the end of the year	77,447	1,036,339

Notes to the Financial Statements for the financial year ended 31st March, 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

The Company (Registration Number: 200806931E) is incorporated in Singapore with its registered and the administration office at 20 Cecil Street, #14-01, Equity Plaza, Singapore - 049705.

The financial statements are presented in United States dollars which is also the Company's functional currency.

The principal activities of the Company are that of business management and consultancy services and there has been no significant change in the nature of this activity during the financial year.

The financial statements of the Company for the year ended March 31, 2010 were authorized for issue by the Board of Directors on 12th May, 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS ("INT FRS") and the Companies Act, Cap 50. The financial statements are prepared under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

b. Basis of Preparation

The preparation of financial statements in conformity with FRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgments in the process of applying the Company's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where estimates and assumptions are significant to the financial statements are disclosed in the note.

c. Financial Assets

Initial recognition and measurement :

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement :

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows :

1. Financial Assets at fair value through Profit and Loss : As at year end date, there were no financial assets classified in this category.
2. Loans and Receivables : Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement. The trade and other receivables are classified in this category.
3. Held-to-maturity financial assets : As at year end date, there were no financial assets classified in this category.
4. Available for sale financial assets : As at year end date, there were no financial assets classified in this category.

Derecognition of financial assets :

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

d. Impairment of Non-financial assets

Investment shares are reviewed for impairment whenever there is any indication that these assets may be impaired. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation)

Notes to the Financial Statement

had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

e. Financial Liabilities

Initial recognition and measurement :

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Subsequent measurement :

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows :

1. Liabilities at fair value through profit and loss : As at year end date, there were no financial liabilities classified in this category.
2. Other financial liabilities : All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

f. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

g. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be easily measured. Revenue is measured at the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities.

Service Income :

Revenue from management and consultancy services related to information technology is recognised when the services were rendered, upon completion of the actual service performed.

h. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the Company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders and no gain or loss is recognized in the income statement.

i. Fair Value of Financial Assets and Financial Liabilities

The fair values of financial assets traded in active markets are based on quoted market bid-prices at the balance sheet date. The fair values of currency forwards and the embedded foreign exchange derivatives are determined using actively quoted forward currency exchange rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

j. Income Tax

Income Tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the balance sheet date.

Deferred Tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred Tax Liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if

Notes to the Financial Statement

the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities over cost.

k. Functional Currency

The functional currency is the United States Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in United States Dollars at the rate of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items

denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

l. Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits. For the cash flow statement the item includes cash and cash equivalents.

m. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical assumptions used and accounting estimates in applying accounting policies :

Income tax :

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. CASH AND CASH EQUIVALENT

(Amount in US\$)

	2010	2009
Cash at Bank	77,447	34,049
Fixed Deposit	-	1,002,290
	77,447	1,036,339

Fixed Deposits have an average maturity of 1 month.

The weighted average effective interest rate at balance sheet date is Nil (2009 : 1%).

The carrying values of these cash and cash equivalents approximate their fair value and they are denominated in United States Dollar.

The Currency exposure profile is as follows :

	2010	2009
Singapore Dollar	4,614	-

Notes to the Financial Statement

4. OTHER RECEIVABLES

(Amount in US\$)

	2010	2009
Amount due from non-related party	1,850,000	1,080,000
Deposits	2,171	2,171
	1,852,171	1,082,171

The amount due from related Company is unsecured, interest free and receivable on demand.

The carrying values of these other receivables approximate their fair values and they are denominated in United States Dollar.

5. INVESTMENT

These represent Exchangeable Bond issued by PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia). These can be exchange for shares in the subsidiaries of PT Pacific Samudra Perkasa. The subsidiaries hold mining rights in coal mines in Indonesia.

6. DEFERRED EXPENDITURE

These represents expenditures incurred for feasible studies and documentation for the purposes of the investment. These will be amortization over a period of 5 years commencing from April 2010.

7. TRADE PAYABLES

	2010	2009
Accrued Expenses	2,644	1,397

The carrying values of these trade creditors approximate their fair values and they are denominated in United States Dollar.

8. OTHER PAYABLES

	2010	2009
Amount due to Holding Company	100,000	137,846
Advance	–	48,000
	100,000	185,846

The amount due to Holding Company are interest free, unsecured and repayable on demand.

The carrying values of these other creditors approximate their fair values and they are denominated in United States Dollar.

9. BORROWINGS

	Effective interest rate	2010	2009
Current			
Term Loan	6 months LIBOR + 4.5%	3,000,000	1,000,000
		3,000,000	1,000,000
Non-Current			
Term Loan	6 months LIBOR +4.5%	5,500,000	4,000,000
Total Borrowings		8,500,000	5,000,000

The above facilities are secured by pledge on the investment as well as corporate guarantee from the Holding Company and personal guarantees given by certain shareholders and directors of the Holding Company.

Borrowings Repayment Commitments

	2010	2009
Within 12 months	3,000,000	1,000,000
Within 2 to 5 years	5,500,000	4,000,000
	8,500,000	5,000,000

10. SHARE CAPITAL

	2010	2009
Issued and fully paid 8,081,535 ordinary shares of S\$ 1 each, with no par value equivalent to US\$	5,816,347	4,316,347

Notes to the Financial Statement

11. LOSS FROM OPERATIONS

This is stated after charging/(crediting) :

(Amount in US\$)

	2010	2009
Exchange (Gain)/Loss	(637)	52,286
Interest Income	–	(2,290)
Interest Expenses	346,695	215,592

12. INCOME TAX

No provision for taxation is deemed necessary as the Company has no chargeable income during the year ended 31st March, 2010.

13. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Rohit Ferro-Tech Ltd., incorporated in India which is also the corporation regarded by the directors as being the Company's ultimate Holding Company. Related Companies in these financial statements refer to members of the ultimate Holding Company's group of Companies.

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

14. FINANCIAL RISK MANAGEMENT POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of directors reviews and agrees policies and procedures for managing of these risks and fair values of the assets and liabilities of the Company. Each of these risks are summarised below :

Foreign Exchange Risk

The Company transacts its business in primarily in functional currency hence is not exposed to foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its loans and borrowings.

The Company's policy is to manage interest cost using a mix of fixed and floating rate debts.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

As at balance sheet date, the Company has no significant concentration of credit risk in relation to any single external receivable. Cash and cash equivalents are placed with credit worthy financial institution. The carrying amounts of the Company's other receivables, cash at bank and cash represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company has no significant liquidity risk.

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities as well as funding from the Holding Company.

15. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the year ended 31st March, 2010, the following new or revised Singapore Financial Reporting Standards were adopted for the first time. The new or revised standards did not require any material modification of the measurement method or the presentation in the financial statements.

FRS No. Title

FRS 1 Presentation of Financial Statements - Amendments relating to Capital Disclosures

The adoption of the above new or revised FRS did not result in any substantial change to the Company's accounting policies.

16. FUTURE CHANGES IN ACCOUNTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to have a material impact on the financial statements.

FRS No. Title

FRS 39 Financial Instruments

FRS 23 Borrowing Costs

17. COMPARATIVE FIGURES

This financial statements for the year ended 31st March, 2010 cover the period from 1st April, 2009 to 31st March, 2010. The financial statements cover the period since incorporation on 9th April, 2008 to 31st March, 2009.

Consolidated Auditors' Report

To
The Board of Directors of
Rohit Ferro-Tech Limited

1. We have audited the attached Consolidated Balance Sheet of **ROHIT FERRO-TECH LIMITED** ("the Company") and its subsidiary ("the Group") as at 31st March, 2010 and also the Consolidated Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiary, SKP Overseas Pte. Ltd., (incorporated in Singapore), with total assets of Rs. 6,210.32 lacs as at 31st March, 2010, total revenue of Rs. 0.31 lacs and total expenditure of Rs. 170.54 lacs for the year ended on that date have not been audited by us. These financial statements have been audited by other auditor, whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of other auditor. However, the financial statements of a Joint Venture, namely Rohit Persia Mines and Industries PJSC, are not considered for consolidation for the reasons cited in Note No.1 of Schedule 22 of the Consolidated Financial Statements.
4. We report that the Consolidated Financial Statements have been prepared by the Group in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiary.
5. Based on our audit and on consideration of the report of other auditor on separate financial statements of the subsidiary, and read with Note No. 1 is Schedule 22 to the Accounts and on the basis of information and explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2010 and
 - ii. in case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the Group for the year ended on that date.

For **S. JAYKISHAN**
Chartered Accountants

V. Newatia
Partner

Membership No. 062636
FRN. 309005E

Place : Kolkata
Dated : The 12th day of May, 2010

Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	394,829,450	394,829,450
b) Deposit against share warrants [Refer Note No. B-7 in Schedule 22]		–	12,814,000
c) Share Application Money, pending allotment		484,000,000	–
d) Reserves and Surplus	2	2,142,403,260	1,851,469,487
2. Loan Funds			
a) Secured Loans	3	3,622,458,166	2,747,004,466
b) Unsecured Loans	4	782,772,864	670,892,033
3. Deferred Tax Liability [Refer Note no. B-19 in Schedule 22]		187,261,359	131,784,748
TOTAL		7,613,725,099	5,808,794,184
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	2,603,266,376	2,498,197,159
b) Less : Depreciation		331,037,719	222,719,588
c) Net Block		2,272,228,657	2,275,477,570
d) Capital Work-in-Progress [Refer Note no. B-13 in Schedule 22]		1,301,927,057	111,426,728
2. Investments	6	496,643,178	356,753,178
3. Current Assets, Loans & Advances			
a) Inventories	7	3,004,313,626	3,018,793,672
b) Sundry Debtors	8	576,935,699	733,188,422
c) Cash & Bank Balances	9	368,003,962	369,114,670
d) Loans & Advances	10	1,526,571,618	1,102,900,870
		5,475,824,905	5,223,997,633
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	1,861,383,151	2,129,385,512
b) Provisions	12	115,723,770	41,399,322
		1,977,106,921	2,170,784,834
Net Current Assets		3,498,717,983	3,053,212,799
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	13	44,208,224	11,923,909
TOTAL		7,613,725,099	5,808,794,184

Significant Accounting Policies & Notes on Accounts

22

Schedule 1 to 13 & 22 referred above form an integral part of the Balance Sheet

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Consolidated Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Schedule	Year ended 31st March, 2010	Year ended 31st March, 2009
I. INCOME			
Sales	14	8,465,246,794	9,071,261,907
Less : Excise Duty		(221,667,115)	(323,746,133)
		8,243,579,679	8,747,515,774
Other Income	15	61,943,013	48,020,318
Increase/(Decrease) in Stock	16	(24,539,324)	234,210,821
		8,280,983,368	9,029,746,913
II. EXPENDITURE			
Raw Materials Consumed	17	3,889,758,380	4,926,124,546
Purchase of Traded Goods		776,800,338	828,121,900
Manufacturing Expenses	18	2,036,416,075	1,576,237,712
Payments to & Provisions for Employees	19	76,947,594	65,238,613
Administrative, Selling & Other Expenses	20	476,638,404	940,104,044
Interest & Finance Charges	21	413,148,802	469,775,877
Depreciation		108,272,436	99,074,623
		7,777,982,029	8,904,677,315
Profit before Tax		503,001,339	125,069,599
Provision for Taxation			
- Current		104,300,000	15,750,492
- Deferred		55,476,611	47,366,983
- Fringe Benefit Tax		-	1,272,571
Deferred MAT Credit Entitlement		-	(15,750,492)
Profit after Tax		343,224,728	76,430,045
Less : Income Tax for earlier years		(18,486,329)	(9,438,580)
Surplus from last year		1,217,370,255	1,182,285,049
Balance available for Appropriation		1,542,108,653	1,249,276,514
Appropriations			
Dividend for earlier year		-	7,530,000
Proposed Dividend		19,741,473	19,741,473
Corporate Tax on Dividend		3,278,812	4,634,787
Balance carried to Balance Sheet		1,519,088,369	1,217,370,255
		1,542,108,653	1,249,276,514
Earnings Per Share (Face Value - Rs. 10/- each) [Refer Note No. B-18 in Schedule 22]			
Before extraordinary item			
- Basic		8.69	2.04
- Diluted		8.69	1.80
After extraordinary item			
- Basic		8.22	1.79
- Diluted		8.22	1.58

Significant Accounting Policies & Notes on Accounts

22

Schedule 14 to 22 referred above form an integral part of the Consolidated Profit & Loss Account

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Cash Flow Statement

for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	503,001,339	
Adjustments for :		
Depreciation	108,272,436	
Foreign Currency Translation Reserve	(23,598,342)	
Investment Income	-	
Interest Income	(38,064,373)	
Interest Expenses	413,148,802	
Liabilities no longer required written back	(743,377)	
Sundry Balances written off	13,903	
Share Issue Expenses written off	3,967,262	462,996,311
Operating Profit before Working Capital Changes	965,997,650	
Adjustments for :		
Trade & Other Receivables	(81,869,659)	
Inventories	14,480,045	
Trade Payables & Other Liabilities	(353,535,999)	(420,925,612)
Cash generated from Operations	545,072,037	
Direct Taxes Paid	(4,857,102)	(4,857,102)
Net Cash from/(used in) Operating Activities	540,214,935	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital W.I.P.	(1,202,832,528)	
Advances for Capitalised Goods	(165,692,350)	
Purchase of Investment	(139,890,000)	
Sale of Investment	-	
Interest Received	16,893,227	
Decrease/(Increase) in Fixed Deposits	(8,816,808)	
Net Cash from/(used in) Investing Activities	(1,500,338,459)	

Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Share Application Money	484,000,000
Proceeds of Shares issued on conversion of warrants	–
Proceeds from Long Term Loan	998,678,014
Repayments of Long Term Loans	(176,837,678)
Increase/(Decrease) in Short Term Borrowings	(19,539,047)
Increase in Inter Corporate Deposits	185,033,241
Share Issue Expenses	(2,851,500)
Preliminary Expenses	(33,400,077)
Interest Paid	(460,580,911)
Dividend Paid	(19,741,473)
Corporate Dividend Tax Paid	(4,634,787)
Net Cash from/(used in) Financing Activities	950,125,783
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(9,997,741)
Cash and Cash Equivalents at the beginning of period	94,006,707
Cash and Cash Equivalents at the end of period	84,008,966

Notes :

- i) The Cash Flow Statement has been prepared under the “Indirect Method” set out in Accounting Standard - 3 on “Cash Flow Statement” notified by the Companies (Accounting Standards) Rules, 2006.
- ii) Cash and Cash Equivalents includes Cash-in-Hand and Bank balances in current account (Refer Schedule 9).
- iii) Figures in brackets indicate Cash outflow.
- iv) This being the first year of preparation of Cash Flow Statement, previous year figures have not been given.

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

Schedules

annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 1 SHARE CAPITAL		
Authorised		
80,000,000 Equity Shares of Rs.10/- each	800,000,000	450,000,000
(Previous year - 45,000,000 Equity Shares of Rs.10/- each)		
Issued, Subscribed & Paid-up		
39,482,945 Equity Shares of Rs.10/- each fully paid-up in Cash	394,829,450	394,829,450
(Previous year - 39,482,945 Equity Shares of Rs. 10/- each)		
	394,829,450	394,829,450

Schedule - 2 RESERVES & SURPLUS		
Securities Premium		
As per last account	534,544,900	368,884,900
Add : Received during the year	–	165,660,000
	534,544,900	534,544,900
Capital Reserve		
Capital Investment Subsidy - As per last account	24,000,000	24,000,000
Forfeiture of Deposit against Share Warrants	12,814,000	–
	36,814,000	24,000,000
General Reserve		
As per last account	45,000,000	45,000,000
Foreign Currency Translation Reserve	6,955,991	30,554,333
Surplus as per Profit & Loss A/c annexed	1,519,088,369	1,217,370,254
	2,142,403,260	1,851,469,487

Schedules

annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 3 SECURED LOANS		
A) Term Loans		
State Bank of India	82,012,000	143,900,000
State bank of India (for Haldia Project)	470,000,000	–
State Bank of Travancore	34,990,000	60,000,000
State Bank of Hyderabad	39,986,446	59,975,124
United Bank of India	159,719,000	229,670,000
United Bank of India (for Haldia Project)	550,000,000	150,261,986
Indian Overseas Bank - Hongkong Branch (in foreign currency)	383,690,000	254,750,000
B) Working Capital Loans		
Cash Credit		
State Bank of India	152,498,020	252,740,941
State Bank of Hyderabad	131,403,773	89,239,171
State Bank of Travancore	98,112,271	99,501,728
United Bank of India	421,788,726	299,548,844
Export Packing Credit		
State Bank of India	399,498,435	250,000,555
State Bank of Hyderabad	100,000,000	–
State Bank of Travancore	200,000,000	–
FCNRB - Demand Loan		
State Bank of India	45,992,500	–
Stand by Line of Credit		
State Bank of India	–	50,008,793
State Bank of Hyderabad	–	25,000,000
State Bank of Travancore	–	30,000,000
Buyers' Credit		
State Bank of India	218,064,951	374,800,413
United Bank of India	64,694,197	177,606,911
State Bank of Hyderabad	70,007,847	–
C) Rupee Loan		
IDBI Bank Ltd.	–	200,000,000
	3,622,458,166	2,747,004,466

Notes :

A. Securities for Loans

- Term Loans from State Bank of India are secured by way of 1st charge on pari passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Bishnupur, Jajpur & Haldia units.
- Term Loans from United Bank of India (Other than Haldia Project) State Bank of Hyderabad & State Bank of Travancore are secured by way of 1st charge on pari passu basis by equitable mortgage of factory land & building and hypothecation of plant and machinery.
- Term Loan from United Bank of India (Haldia Project) is secured by way of 1st charge on pari passu basis by equitable mortgage of factory land & building and hypothecation of plant and machineries, both existing & future, of Haldia unit.
- All the above term loans are additionally secured with collateral security by equitable mortgage on pari passu basis of (i) office premises at Kolkata & (ii) property of Shubham Complex (P) Ltd. and 2nd pari passu charge on current assets of the Company.
- Working Capital Loans are secured by way of 1st charge on pari passu basis by hypothecation of Inventories, Book Debts and Other Current Assets with 2nd charge on Company's fixed assets at Bishnupur & Jajpur units and collateral security by equitable mortgage on pari passu basis of (i) office premises at Kolkata & (ii) property of Shubham Complex (P) Ltd. and Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group Companies.
- Loan from Indian Overseas Bank is secured by pledge of investments in exchangeable bonds of PT Pacific Samudra Perkasa and personally guaranteed by certain promoters and directors of the Parent Company.

B. Term Loans repayable within one year - Rs. 4,448 lacs (Previous year - Rs. 3,727.94 lacs).

Schedules

annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 4 UNSECURED LOANS		
Standard Chartered Bank	–	65,961,545
State Bank of Bikaner & Jaipur	–	150,000,000
Citi Bank	–	70,000,000
Short Term Loan from UCO Bank	300,000,000	–
(Personally guaranteed by the promoter directors & subservient charge over fixed assets of the Company) (repayable within one year)		
IndusInd Bank	–	100,000,000
WBIDC Ltd. (Bridge Loan against Power Subsidy receivable)	77,930,906	67,898,630
SIDBI Loan (Under MSME receivable finance scheme)	2,776,859	–
Other Bodies Corporate	402,065,099	217,031,858
	782,772,864	670,892,033

Schedule - 5 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2009	Additions during the year	Deductions during the year	As at 31.03.2010	As at 01.04.2009	For the year*	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
1 Land and Land Development									
a) Leasehold	284,566,551	1,746,351	–	286,312,902	–	–	–	286,312,902	284,566,551
b) Freehold	3,820,075	–	–	3,820,075	–	–	–	3,820,075	3,820,075
2 Factory Shed & Building	510,831,923	29,072,111	–	539,904,034	37,532,271	17,090,665	54,622,936	485,281,098	473,299,652
3 Office & Other Buildings	9,008,533	3,376,569	–	12,385,102	458,846	146,990	605,835	11,779,267	8,549,687
4 Guest House	1,725,500	–	–	1,725,500	112,504	28,126	140,629	1,584,871	1,612,996
5 Plant & Machineries	1,023,739,493	54,890,806	–	1,078,630,299	108,044,954	54,298,826	162,343,780	916,286,519	915,694,539
6 Electrical Installations	618,210,455	4,650,884	–	622,861,339	68,216,743	32,642,185	100,858,928	522,002,411	549,993,712
7 Tools & Equipments	7,849,371	–	–	7,849,371	1,152,737	372,845	1,525,583	6,323,788	6,696,634
8 Air Conditioners	2,730,050	–	–	2,730,050	342,588	129,677	472,266	2,257,784	2,387,461
9 Office Equipments	2,108,997	1,229,906	–	3,338,903	250,170	114,888	365,059	2,973,844	1,858,827
10 Computers	5,370,504	717,214	–	6,087,718	1,618,943	916,394	2,535,338	3,552,380	3,751,561
11 Vehicles	14,666,277	8,760,991	–	23,427,268	3,152,100	1,700,102	4,852,201	18,575,067	11,514,177
12 Furniture & Fixtures	13,396,566	52,783	–	13,449,349	1,826,180	849,972	2,676,152	10,773,197	11,570,386
13 Fire Extinguisher	172,864	571,602	–	744,466	11,552	27,460	39,012	705,454	161,312
TOTAL	2,498,197,159	105,069,217	–	2,603,266,376	222,719,588	108,318,131	331,037,719	2,272,228,657	2,275,477,570
Figures as on 31.03.2009	2,085,589,155	412,608,004	–	2,498,197,159	123,638,392	99,081,196	222,719,588	2,275,477,570	
Capital Work-in- Progress	111,426,728	1,266,121,061	75,624,002	1,301,923,787	–	–	–	1,301,923,787	111,426,728
Previous year	171,340,425	151,730,048	211,643,745	111,426,728	–	–	–	111,426,728	

* Includes Rs. 45,694/- (Previous year - Rs. 6,573/-) debited to Capital Work-in-Progress

Notes :

The original cost of vehicles & equipments includes Rs. 86,43,151/- (Previous year - Rs. 5,643,724/-) acquired from loans taken from banks & financial institutions, of which Rs. 5,879,470/- (Previous year - Rs. 1,906,803/-) were outstanding as at 31.03.2010.

Schedules

annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 6 INVESTMENTS (Long Term)		
Trade (Unquoted)		
Investment in Equity Shares		
SKP Power Ventures Ltd.	100,000	100,000
10,000 shares of Rs. 10/- each fully paid up		
Rohit Persia Mines & Industries PJSC	3,178	3,178
49 Shares of 10,000 Rials (Rs. 64.87/-) each fully paid up		
Investment in Exchangeable Bonds		
PT Pacific Samudra Perkasa (Refer Note No. B-21 in Schedule 22)	496,540,000	356,650,000
	496,643,178	356,753,178

Schedule - 7 INVENTORIES		
(as taken, valued & certified by the management)		
Raw Materials	2,340,988,331	2,326,735,269
Finished Goods (including in transit Rs. 131,263,319/-; Previous year - Rs. 130,057,505/-)	201,466,268	383,586,333
Work-in-Progress	415,417,864	257,837,123
Packing Materials	7,287,229	5,212,689
Stores & Spares including Packing Materials	39,153,935	45,422,258
	3,004,313,626	3,018,793,672

Schedule - 8 SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Due for more than 6 months	12,320,573	145,484,195
Other Debts	564,615,126	587,704,227
	576,935,699	733,188,422

Schedules

annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 9 CASH & BANK BALANCES		
Cash in Hand	5,726,039	2,464,681
(As Certified by the Management)		
Balances with Foreign Banks		
In Current Accounts	3,495,958	1,734,797
In Fixed Deposit Accounts	–	51,066,676
Balances with Scheduled Banks		
In Current Accounts	74,786,968	38,740,553
In Public Issue Account		
- HDFC Bank Ltd.	10,410	14,820
In Dividend Accounts		
- HDFC Bank Ltd.	452,715	467,951
- Yes Bank	89,872	–
In Fixed Deposit Accounts	283,442,000	274,625,192
(pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)		
	368,003,962	369,114,670

Schedule - 10 LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
- For Capital Goods	230,759,210	65,066,860
- To Suppliers & Others	369,921,745	218,899,049
Accrued Interest on deposits	25,012,749	4,898,726
Prepaid Expenses	12,558,269	29,028,786
Security & Other Deposits	228,613,123	192,894,949
Balance with Excise Department	43,626,355	106,579,179
Cenvat/VAT Credit Receivable	234,576,431	136,546,850
Export Incentives Receivable	47,510,448	42,246,413
Subsidy Receivable	295,821,780	226,319,747
Income Tax Payments (including TDS)	3,691,910	20,975,650
Income Tax Refundable	608,832	203,770
MAT Credit Entitlement	33,870,765	59,240,891
	1,526,571,618	1,102,900,870

Schedules

annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Schedule - 11 CURRENT LIABILITIES		
Acceptances	912,636,489	141,231,672
Sundry Creditors		
Dues to Micro, Small & Medium Enterprises	184,393	–
Dues to Others		
- For Supplies	506,697,729	1,676,058,298
- For Capital Goods	102,036,326	9,345,003
- For Expenses	269,929,970	269,224,381
- For Pending Disbursements	16,602,990	18,509,502
Advances from Parties	49,683,771	4,919,689
Income Received in advance	1,152,873	2,209,996
Interest accrued but not due	1,905,613	7,333,023
Unpaid Dividends*	542,586	467,951
Share Application Money Refundable	10,410	14,820
	1,861,383,151	2,129,385,512

* There is no amount due & outstanding to be credited to Investor Education & Protection Fund

Schedule - 12 PROVISIONS		
For Taxation	92,703,486	15,750,492
For Fringe Benefit Tax	–	1,272,571
For Proposed Dividend	19,741,473	19,741,473
For Corporate Tax on Dividend	3,278,812	4,634,787
	115,723,770	41,399,323

Schedule - 13 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	3,989,385	–
Addition during the year	33,400,077	3,989,385
Less : Amortised during the year	–	–
	37,389,462	3,989,385
Share Issue Expenses		
Opening Balance	7,934,524	11,901,786
Addition during the year	2,851,500	–
	10,786,024	11,901,786
Less : Amortised during the year	3,967,262	3,967,262
	6,818,762	7,934,524
	44,208,224	11,923,909

Schedules

annexed to and forming part of the Consolidated Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Schedule - 14 SALES/INCOME FROM OPERATIONS		
Sale of Manufactured Goods		
- Export Sales	4,677,366,211	5,437,436,267
- Domestic Sales	2,830,753,449	2,614,451,565
Sale of Raw Materials	15,215,590	104,633,202
Sale of Traded Goods	-	854,685,495
- Export Sales	107,686,111	-
- Domestic Sales	713,256,787	-
Export Incentives	120,968,646	60,055,378
	8,465,246,794	9,071,261,907

Schedule - 15 OTHER INCOME		
Interest on Credit Sales (TDS - Rs. 1,080,215/-, Previous year - Rs. 1,927,013/-)	12,332,354	6,360,837
Interest on Fixed Deposits with Banks (TDS - Rs. 2,799,389/-, Previous year - Rs. 5,778,823/-)	24,922,244	25,974,396
Interest on Other deposits (TDS - Rs. 105,125/-, Previous year - Rs. 954,446/-)	809,775	7,884,714
Interest Received on Advances (TDS - Rs. Nil, Previous year - Rs. 492,707/-)	-	2,391,781
Foreign Exchange Fluctuation Gain (Net)	9,791,402	-
Premium on Forward Contracts	4,186,000	4,975,000
Liabilities no longer required written back	743,377	285,908
Prior Period Items (Refer Note No. B-12 in Schedule 22)	736,712	-
Miscellaneous Income	8,421,148	-
Profit on Redemption of Investments with Mutual Funds (current Investments - other than trade)	-	147,682
	61,943,013	48,020,318

Schedule - 16 INCREASE/(DECREASE) IN STOCK		
Closing Stock of Finished Goods (including in transit)	201,466,268	383,586,333
Closing Work-in-Progress	415,417,864	257,837,123
	616,884,132	641,423,456
Less : Opening Stock of Finished Goods & Work-in-Progress	641,423,456	407,212,635
	(24,539,324)	234,210,821

Schedule - 17 RAW MATERIALS CONSUMED		
(Including cost of Raw Materials sold)		
Opening Stock	2,326,735,269	846,079,119
Add : Purchases (including freight)	3,904,011,442	6,406,780,695
	6,230,746,711	7,252,859,814
Less : Closing Stock	2,340,988,331	2,326,735,269
	3,889,758,380	4,926,124,546

Schedules annexed to and forming part of the Consolidated Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Schedule - 18 MANUFACTURING EXPENSES		
Labour Charges	103,475,801	91,979,951
Power & Fuel	1,676,174,394	1,276,725,213
Water Supply Charges	4,243,608	3,527,183
Stores, Spares & Consumables	163,228,167	149,099,739
Packing Materials	27,074,375	19,218,882
Material Handling Charges	58,032,959	48,063,164
Excise Duty on Variation in Stocks (Refer Note No. B-11 in Schedule 22)	(2,229,191)	(19,230,815)
Machinery Hire Charges	–	1,705,491
Repairs & Maintenance		
- To Factory Shed & Buildings	70,020	211,449
- To Plant & Machinery	6,345,942	4,937,455
	2,036,416,075	1,576,237,712

Schedule - 19 PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Factory Wages	47,935,199	36,431,033
Salaries	16,600,267	15,706,744
Contribution to Provident Fund	3,202,466	2,693,276
Gratuity	737,967	675,100
Directors' Remuneration	6,550,000	6,300,000
Welfare Expenses	1,921,695	3,432,460
	76,947,594	65,238,613

Schedule - 20 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	4,219,090	15,192,977
Rates & Taxes	3,051,424	3,616,245
Electricity Charges	379,076	240,855
Insurance	13,187,694	13,878,672
Printing & Stationery	2,573,251	2,393,840
Postage, Telegram & Courier	761,392	808,705
Telephone Charges	2,813,224	2,793,120
Travelling & Conveyance	12,945,779	15,548,005
Car Running & Maintenance	5,815,968	4,549,524
Other Repairs & Maintenance	935,935	3,546,806
Security Service Charges	17,597,463	18,783,984
Membership & Subscription	2,023,943	2,433,907
Legal & Professional Charges	9,906,577	12,627,647

Schedules annexed to and forming part of the Consolidated Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Auditors Remuneration		
- For Audit	281,685	204,552
- For Tax Audit	40,000	30,000
- For Income Tax matters	39,500	11,000
- In any other matter	84,500	56,000
Directors' Sitting Fees	240,934	266,464
Miscellaneous Expenses	14,614,193	10,942,841
Bank Charges	91,002,761	89,306,337
Bill Discounting Charges	1,624,229	1,361,524
Processing Fees to WBIDC Ltd.	637,870	2,673,397
Testing & Inspection Charges	6,899,263	7,543,711
Donations	343,601	339,832
Advertisement, Publicity & Sales Promotion	7,159,684	6,387,929
Freight & Forwarding on Export	166,807,297	239,231,373
Transportation, Loading & Labour Charges	39,281,693	56,610,819
Commission on Sales - other than sole selling agent	6,874,661	3,274,427
Discounts & Rebates	60,272,140	-
Foreign Exchange Fluctuation Loss (net)	-	419,106,260
Excise Duty/Sales Tax for earlier years	242,413	1,044,913
Prior Period Items (Refer Note No. B-12 in Schedule 22)	-	1,058,015
Sundry Balances Written off	13,903	220,413
Share Issue Expenses Written off	3,967,262	3,967,262
	476,638,404	940,104,044

Schedule - 21 INTEREST & FINANCE CHARGES		
Interest to Banks/Financial Institutions		
- On Fixed Loans	87,408,408	140,006,144
- Others	288,373,972	284,536,314
Motor Car Finance Charges	316,013	312,219
Interest to Others	37,050,410	44,921,201
	413,148,802	469,775,877

Schedules forming part of the Accounts

Schedule - 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The consolidated financial statements relate to Rohit Ferro-Tech Limited ('the Company') and its subsidiary Company. The Consolidated Financial Statements have been prepared on the following basis :

- The financial statements of the Company and its subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with the Accounting Statandard (AS - 21) "Consolidated Financial Statements".
- In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Exchange Translation Reserve.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit & Loss Account as exceptional item being the profit or loss on disposal of investment in subsidiary.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Investments

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

3. Other Accounting Policies

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

B. NOTES ON ACCOUNTS

- The Consolidated Financial Statements includes the financial statements of the parent Company and its wholly-owned subsidiary, SKP Overseas Pte. Ltd. incorporated in Singapore. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal. The Joint Venture Company "Rohit Persia Mines and Industries PJSC" was incorporated with 49% interest to acquire mines in Iran. The Company has not yet started any operations and due to non co-operation of the local JV partner in Iran, the Company was unable to get the audited financial statements for the year ended 31st March, 2010 and therefore the same could not be consolidated. The parent Company has invested a sum of Rs. 6,181,519/- (including advance for supplies) as on 31st March, 2010.

- Contingent Liabilities not provided for in the books of accounts in respect of :

- Bank Guarantees - Rs. 35,080,618/- (Previous year - Rs. 8,46,000/-).
- Bills discounted with Banks, outstanding as on 31st March, 2010 Rs. 853,625,986/- (Previous year - Rs. 680,792,008/-).
- Letters of Credit opened in favour of suppliers, outstanding as on 31st March, 2010 - Rs. 338,907,794/- (Previous year - Rs. 33,794,920/-).
- Claim against the Company not acknowledged as debt : (Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
Disputed Excise Duty under appeal	11,899,557	-
Disputed Sales Tax/VAT under appeal	6,396,795	1,749,295
Disputed Entry Tax under appeal	594,010	594,010
Disputed Excise Duty for which appeals are pending	3,395,888	-
Disputed Sales Tax/VAT for which appeals are pending	1,912,431	-

- Excise duty liability arising out of search operation by the Directorate General of Central Excise Intelligence. However, the Company has paid under protest a sum of Rs. 15,000,000 pending issuance of any show cause notice.
- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - Rs. 454,328,844/- (Previous year - Rs. 125,907,600/-).
 - In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.
 - Certain balances of Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation.
 - Draft Letter of Offer for issue of equity shares of the Company on rights basis to the existing equity shareholders is pending approval from Securities Exchange Board of India. The Company has received an amount of Rs. 484,000,000 as share application money from the Promoter Group against the proposed rights issue.

Schedules forming part of the Accounts

7. In the year 2007-08, the Company had issued 8,000,000 Preferential Convertible Warrants (Exercise Price of Rs. 43 each) on preferential basis to promoters & other strategic investors. Each warrant carried a right to convert the same into one Equity Share of Rs. 10 each at a premium of Rs. 33 each [as per the formula prescribed under the SEBI (DIP) guidelines] over a period of 18 months from the date of allotment. Of the above, 5,020,000 warrants were converted into the Equity Shares during the year 2008-09. Warrant holders holding 2,980,000 warrants expressed their inability to pay the remaining amount. Accordingly, the Board of Directors forfeited the same and credited the amount of Rs. 12,814,000 received against those warrants to Capital Reserve.
8. Sundry Debtors include Rs. 194,068,926/- (Previous year - Rs. 275,901,296/-) covered by letters of credit in favour of the Company.
9. During the year, the Company has accounted for Interest Subsidy receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to Rs. 42,004,699/- (Previous year - Nil) including Rs. 35,863,351/- (Previous year - Nil) for earlier years. The said amount recognised has been net off with interest and finance charges in Schedule 21.
10. a) Details of payments and provisions on account of remuneration to managerial personnel are as under : (Amount in Rs.)

	2009-10	2008-09
i) Salaries to Managing Directors		
Rohit Patni - Managing Director	3,600,000	3,600,000
Ankit Patni - Joint Managing Director	2,400,000	2,400,000
	6,000,000	6,000,000
ii) Salaries to Executive Director		
Binit Jain	550,000	300,000
	550,000	300,000
iii) Perquisites	-	-
iv) Sitting Fees to Other Director	158,000	187,500
	158,000	187,500
	6,708,000	6,487,500

Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole. The amount pertaining to the directors is not ascertainable and therefore, not included above.

- b) The computation of net profit for the purpose of Director's Remuneration under Section 349 of Companies Act, 1956 has not been enumerated since no commission has been paid to any of the directors. Fixed managerial remuneration has been paid to the whole-time directors as per Schedule XIII of the Companies Act, 1956.
11. Amount of excise duty on variation in stocks shown in Schedule 16 represents differential excise duty on opening and closing stock of finished goods.
12. Prior period items for the year comprise of the following : (Amount in Rs.)

	2009-10	2008-09
Labour Charges	335,298	-
Water Supply Charges	-	36,497
Material Handling Charges	-	177,180
Machinery Hire Charges	-	74,618
Excise Duty	-	(771,641)
Clearing & Forwarding	8,000	-
Factory Wages	-	1,038,295
Salaries	-	60,000
Legal, Professional & Consultancy	86,964	-
Discount Received	-	(461,445)
Export Incentives	(1,166,974)	-
Rent	-	810,000
Telephone Expenses	-	84,511
Service Charges	-	2,500
Miscellaneous Expenses	-	7,500
Net Prior Period Expense/(Income)	(736,712)	1,058,015

Schedules forming part of the Accounts

13. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets :
(Amount in Rs.)

	2009-10	2008-09
Pre-Operative Expenses		
Opening Balance	10,198,804	7,390,534
Add : Expenditure incurred during the year		
Salary	3,120,252	372,500
Welfare Expenses	243,858	7,226
Rent	459,031	174,005
Rates & Taxes	735,750	1,800,697
Repairs & Maintenance	154,132	92,200
Insurance	1,136,373	–
Electricity Charges	1,170,860	6,806
Printing & Stationary	479,394	31,356
Security Services Charges	3,347,519	–
Telephone Charges	129,211	23,981
Travelling & Conveyance	350,424	7,414
Motor Car Expenses	90,928	8,809
Legal, Professional & Consultancy Charges	3,486,000	550,000
Bank Charges	9,255,250	13,556
Miscellaneous Expenses	1,048,364	109,444
Advertisement & Sales Promotion	1,857,661	28,300
Transportation, Loading & Labour Charges	325,796	95,878
Interest [Includes Rs. 52,333,066/- (Previous year - Rs. 4,425,015/-) on Term Loan from Banks]	56,117,803	11,033,088
Depreciation	45,694	6,573
Total	93,753,105	21,752,367
Less : Amount allocated to Fixed Assets	–	11,553,563
Closing Balance	93,753,105	10,198,804

14. Research and Development expenses aggregating to Rs. 795,500/- (Previous year - Rs. 657,829/-) in the nature of revenue expenditure have been included under the appropriate account heads.
15. Disclosure pursuant to Accounting Standard- 15 (Revised) " Employee Benefits" :
- Defined Contribution Plan: Amount of Rs. 3,202,466/- (Previous year - Rs.2,693,276/-) is recognised as expense and included in "Payments to and Provisions For Employees" in Schedule - 19 of the Profit & Loss Account.
 - Defined Benefit Plan :

The employee gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2010 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :

	2009-10	2008-09
a. Present Value of Defined Benefit Obligation at the beginning of the year	1,742,888	1,310,434
b. Interest Cost	139,431	74,105
c. Current Service Cost	661,386	382,818
d. Actuarial Losses/(Gains)	(197,689)	(24,469)
e. Benefits Paid	–	–
f. Present Value of Defined Benefit Obligation at the close of the year	2,346,016	1,742,888

Schedules forming part of the Accounts

ii. Changes in the Fair Value of Plan Assets and recociliation thereof :

	2009-10	2008-09
a. Fair Value of Plan Assets at the beginning of the year	2,116,149	1,310,434
b. Add : Expected Return on Plan Assets	179,873	118,986
c. Add/(Less) : Actuarial Gains/(Losses)	-	11,629
d. Add : Contributions	737,967	675,100
e. Less : Benefits Paid	-	-
f. Fair Value of Plan Assets at the close of the year	3,033,989	2,116,149
Actual Return on Plan Assets	179,873	130,615

iii. Amount recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

	2009-10	2008-09
a. Present Value of Defined Benefit Obligation	2,346,016	1,742,888
b. Less : Fair Value of Plan Assets	3,033,989	2,116,149
c. Present Value of unfunded obligation	-	-
d. Net Liability/(Assets) recognised in the Balance Sheet **	-	-

** The excess of assets over liabilities have not been recognised as they are lying in an irrevocable trust fund.

iv. Amount recognised in the Profit & Loss Account are as follows :

	2009-10	2008-09
a. Current Service Cost	661,386	382,818
b. Interest Cost	139,431	84,105
c. Expected return on Plan Assets	(179,873)	(118,986)
d. Actuarial Losses/(Gains)	(197,689)	(36,098)
e. Net asset not recognised as above	314,712	373,261
f. Recognised in the Profit and Loss Account	737,967	675,100

v. Broad Categories of Plan Assets as a percentage of Total Assets as at 31.03.2010

	2009-10	2008-09
Qualifying Insurance Policy	100%	100%

vi. Actuarial Assumptions as at the Balance Sheet date :

	2009-10	2008-09
a. Mortality Table	LIC 1994-96 Ultimate	
b. Discount Rate	8%	8%
c. Salary Escalation Rate	4%	4%

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

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

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

viii. The above information is certified by the actuary.

16. (A) Business segments : Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard - 17, the Company is predominantly engaged in a single reportable segment of 'Ferro Alloys' during the year. Trading of iron and steel & minerals has not been considered as a separate reportable segment since segment revenue/result from the same is less than 10% of the total revenue/result.

Schedules forming part of the Accounts

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

(Rs. in Lakhs)

	2009-10	2008-09
Revenue (Gross Sales)		
Within India	36,801.94	36,338.26
Outside India	47,850.52	54,374.36
	84,652.47	90,712.62
Carrying Amount of Segment Assets		
Within India	88,214.08	71,671.42
Outside India	6,870.44	7,200.92
	95,860.52	76,173.49
Capital Expenditure		
Within India	12,955.70	3,526.94
Outside India	-	-
	12,955.70	3,526.94

17. Related Party Disclosures

i) Name of the related parties where control exists irrespective of whether transactions have occurred or not :

- | | |
|---|--------------------------------------|
| a) Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control | None |
| b) Joint Ventures | Rohit Persia Mines & Industries PJSC |

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

- | | |
|---|--|
| a) Key Managerial Personnel | Suresh Kumar Patni
Rohit Patni
Ankit Patni
Binit Jain |
| b) Relatives of Key Managerial Person | Sarita Patni |
| c) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives | Arin Minerals Pvt. Ltd.
Impex Metal & Ferro Alloys Ltd.
Impex Ferro Tech Ltd.
Ankit Metal & Power Ltd.
Vasupujya Enterprises (P) Ltd.
Marble Arch Properties Pvt. Ltd.
SKP Power Ventures Ltd.
VNG Mercantiles Pvt. Ltd.
Invesco Finance Pvt. Ltd.
Poddar Mech Tech Services (P) Ltd.
Suanvi Trading & Investment Co.Pvt. Ltd. |

Schedules forming part of the Accounts

iii) Details of Transactions with Related Parties :

(Amount in Rs.)

Sl. No.	Nature of Transactions	2009-10	2008-09
1.	Advance Given		
	Rohit Persia Mines & Industries PJSC	–	7,098,056
	Marble Arch Properties Pvt.Ltd.	1,800,000	–
2.	Investment in Equity Shares		
	Rohit Persia Mines & Industries PJSC	–	3,178
	SKP Power Ventures Ltd.	–	100,000
3.	Loans Taken *		
	Invesco Finance Pvt.Ltd.	147,000,000	–
	Vasupujya Enterprises (P) Ltd.	63,500,000	67,700,00
	VNG Mercantiles Pvt. Ltd.	153,500,000	–
	Poddar Mech Tech Services Pvt. Ltd.	140,500,000	–
	Suanvi Trading & Investment Co. Pvt. Ltd.	91,500,000	–
4.	Loans Repaid		
	Invesco Finance Pvt. Ltd.	500,000	–
	Vasupujya Enterprises (P) Ltd.	3,680,628	9,500,000
5.	Interest Paid		
	Vasupujya Enterprises (P) Ltd.	32,055	1,235,048
	VNG Mercantiles Pvt.Ltd.	1,221,165	–
	Poddar Mech Tech Services Pvt. Ltd.	9,247	–
6.	Purchases		
	Ankit Metal & Power Ltd.	51,056,485	79,042,987
	Arin Minerals Pvt. Ltd.	1,356,078	2,503,126
	Impex Metal & Ferro Alloys Ltd.	465,941,370	555,584,644
	Rohit Persia Mines & Industries PJSC	–	2,204,967
7.	Sales of Goods		
	Ankit Metal & Power Ltd.	9,880,427	41,282,506
	Impex Metal & Ferro Alloys Ltd.	133,983,954	241,052,285
8.	DEPB Licence Purchased		
	Ankit Metal & Power Ltd.	928,635	1,971,503
	Impex Metal & Ferro Alloys Ltd.	–	1,430,908
9.	Directors' Remuneration		
	Rohit Patni	3,600,000	3,600,000
	Ankit Patni	2,400,000	2,400,000
	Binit Jain	550,000	300,000
10.	Sitting Fees		
	Suresh Kumar Patni	40,000	45,500
	Sarita Patni	–	17,500

* Of the above, the following amounts were converted to share application money

Nature of Transactions	2009-10	2008-09
Invesco Finance Pvt.Ltd.	146,500,000	–
Poddar Mech Tech Services Pvt. Ltd.	140,500,000	–
Suanvi Trading & Investment Co. Pvt. Ltd.	91,500,000	–
Vasupujya Enterprises (P) Ltd.	105,500,000	–

Schedules forming part of the Accounts

iv) Outstanding Balances

(Amount in Rs.)

Sl. No.	Nature of Transactions	As at 31st March, 2010	As at 31st March, 2009
1	Sundry Creditors		
	Ankit Metal & Power Limited	928,635	–
2	Sundry Debtors		
	Ankit Metal & Power Limited	–	8,578,514
3	Loan Taken		
	Vasupujya Enterprises (P) Ltd.	17,000,000	62,680,628
	VNG Mercantiles Pvt. Ltd.	153,500,000	–
4	Advances Given		
	Rohit Persia Mines & Industries PJSC	6,178,341	6,765,393
	Marble Arch Properties Pvt. Ltd.	16,800,000	15,000,000
5	Investment in Equity Shares		
	Rohit Persia Mines & Industries PJSC	3,178	3,178
	SKP Power Ventures Ltd.	100,000	100,000
6	Deposit against Share Warrants		
	Ankit Patni	–	2,580,000
	Rohit Patni	–	2,580,000
	Sarita Patni	–	2,580,000
	Suresh Kumar Patni	–	2,580,000
7	Share Application Money Received - Pending Allotment		
	Invesco Finance Pvt. Ltd.	146,500,000	–
	Poddar Mech Tech Services Pvt. Ltd.	140,500,000	–
	Suanvi Trading & Investment Co. Pvt. Ltd.	91,500,000	–
	Vasupujya Enterprises (P) Ltd.	105,500,000	–

18. Earnings Per Share (EPS)

Particulars	As at 31st March, 2010	As at 31st March, 2009
(a) Number of Shares considered as weighted average shares for calculation of Basic Earnings Per Share	39,482,945	37,437,397
Dilutive effect of issue of shares on exercise of warrants	–	5,025,548
Number of shares considered as weighted average shares and potential shares outstanding for calculation of Diluted EPS	39,482,945	42,462,945
(b) Profit after Tax, before extraordinary item (Rs.)	343,224,728	76,430,045
Profit after Tax, after extraordinary item (Rs.)	324,738,399	66,991,465
(c) Nominal Value of Equity Share (Rs.)	10.00	10.00
(d) Earning Per Share (Basic) in Rs. :		
(i) Before Extraordinary item	8.69	2.04
(ii) After Extraordinary item	8.22	1.79
(e) Earning Per Share (Diluted) in Rs. :		
(i) Before Extraordinary item	8.69	1.80
(ii) After Extraordinary item	8.22	1.58

Note : Pending approval of rights issue referred to in Note 6, share application money received from the promoters has not been considered for calculation of Diluted Earnings Per Share.

Schedules forming part of the Accounts

19. Components of Deferred Tax Liability as per AS-22, "Accounting for Taxes on Income" is as under : (Amount in Rs.)

Nature of Timing Differences	As at 31st March, 2010	As at 31st March, 2009
Deferred Tax Liability		
Depreciation	187,261,359	146,668,579
Deferred Tax Asset		
Unabsorbed Depreciation	–	14,883,831
Net Deferred Tax Liability	187,261,359	131,784,748

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

Nature (Nos.) of Contract	Foreign Currency	Buy/ Sell	Amount in Foreign Currency	Purpose
Forward Contract	USD	Buy	1,000,000 (Previous year - Nil)	Hedging Purpose
Forward Contract	USD	Sell	Nil (Previous year - 2,000,000)	Hedging Purpose

Particulars of unhedged foreign currency exposure as at 31.03.2010 are as follows :

	Currency	2009-10	2008-09
Amounts Receivable	USD	2,153,738	3,019,799
	EURO	102,020	100,893
	SGD	4,614	–
Amounts Payable	USD	8,961,583	19,279,500

21. Investments in PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia) represents investments in exchangeable bonds of the said Company which can be exchanged for shares in the subsidiaries of the Company. These subsidiaries hold mining rights in coal mines in Indonesia.
22. Previous year's figures have been re-worked, re-grouped, re-arranged and re-classified wherever considered necessary. Accordingly, amounts and other disclosures for the the preceeding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

In terms of our report of even date attached

For & on behalf of the Board

For **S. JAYKISHAN**

Chartered Accountants

V Newatia

Partner

Membership No. 062636

FRN. 309005E

Dated : The 12th day of May, 2010

Place : Kolkata

Pramod Kumar Jain
CFO & Company Secretary

S. K. Patni
Chairman

Rohit Patni
Managing Director

ROHIT FERRO-TECH LIMITED

Registered Office :

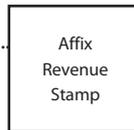
35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012

Form of Proxy

I/We.....
of.....
.....being a Member(s) of the above named Company,
hereby appoint.....
of.....
or failing him.....
of.....as my/our proxy to vote for me/us on
my/our behalf at the 10th Annual General Meeting of the Company to be held on Monday, the 27th September, 2010
at 3.00 P.M. and at any adjournment thereof.

Signed this day of2010

Signature



Folio No.

DP ID No.....

Client ID No.....

Note : This Form of Proxy must be deposited at the Registered Office of the Company, 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012, not less than 48 hours before the time of holding the meeting.

ROHIT FERRO-TECH LIMITED

Registered Office :

35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012

Attendance Slip

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

I hereby record my/our presence at the 10th Annual General Meeting of the above named Company held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020 on Monday, the 27th September, 2010 at 3.00 P.M.

Full Name of Member/Proxy
attending the meeting

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

Folio No.....

Signature of the Member/Proxy

DP ID No..... (To be signed at the time of handing over this slip)

Client ID No.....

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

Corporate Information

BOARD OF DIRECTORS

Mr. Suresh Kumar Patni	<i>Non-Executive Chairman</i>
Mr. Rohit Patni	<i>Managing Director</i>
Mr. Ankit Patni	<i>Joint Managing Director</i>
Mr. Binit Jain	<i>Executive Director</i>
Mr. Kailash Chand Jain	<i>Director</i>
Mr. Jayant Kumar Chatterjee	<i>Director</i>
Mr. Jatindra Nath Rudra	<i>Director</i>
Mr. Asoke Kumar Basu	<i>Director</i>

CFO & COMPANY SECRETARY

Mr. Pramod Kumar Jain

AUDITORS

S. Jaykishan
Chartered Accountants
12, Ho-Chi-Minh Sarani
Kolkata - 700 071

BANKERS

Allahabad Bank
Canara Bank
State Bank of India
State Bank of Travancore
State Bank of Hyderabad
United Bank of India

REGISTERED & CORPORATE OFFICE

35, Chittaranjan Avenue, Kolkata - 700 012
Phone : +91 33 2211 9805/9806
Fax : +91 33 2211 4134
E-mail : grievance@rohitferrotech.com
enquiry@rohitferrotech.com
Website : www.rohitferrotech.com

PLANT INFORMATIONS

Bishnupur

WBIIIDC Road, P.O. : Dwarika
Bishnupur - 722 122
District : Bankura (West Bengal)

Jajpur

Kalinganagar Industrial Complex
Duburi - 755 026
District : Jajpur (Orissa)

Haldia

Jaynagar, P.O. : Buniaraichak
P.S. : Durgachak
District : Purba Medinipur (West Bengal)

