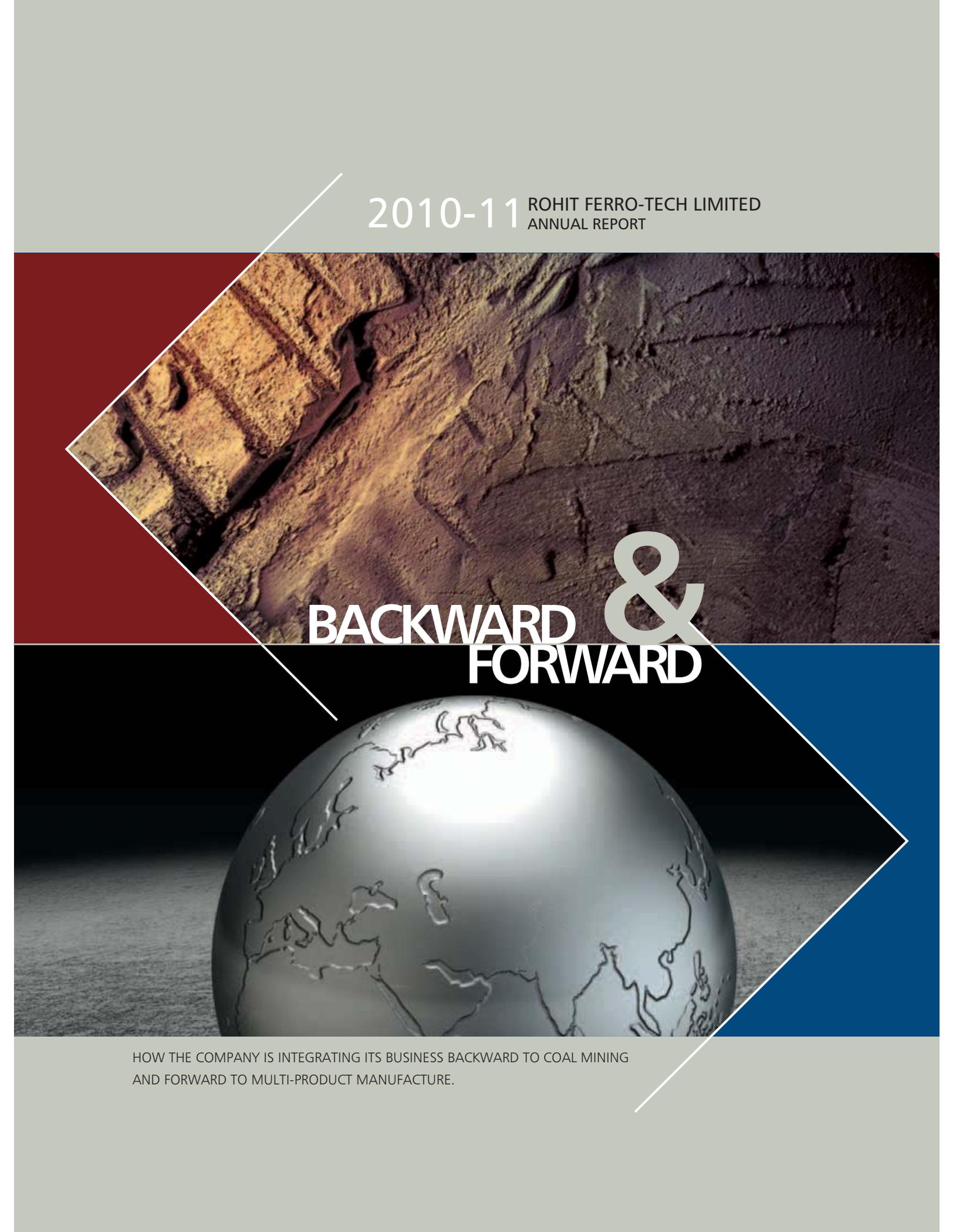


2010-11 ROHIT FERRO-TECH LIMITED
ANNUAL REPORT



**BACKWARD &
FORWARD**

HOW THE COMPANY IS INTEGRATING ITS BUSINESS BACKWARD TO COAL MINING
AND FORWARD TO MULTI-PRODUCT MANUFACTURE.



› Inside the document

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Rohit Ferro-Tech is at an inflection point in its existence.

Over the years, the Company commissioned ferro alloy and stainless steel capacities.

The Company acquired economic interest in coal blocks (thermal and coking) in Indonesia through its subsidiary company to feed its downstream ferro alloys units and the upcoming power plant. This backward integration will strengthen its raw material security, reduce costs and increase revenue streams.

The Company went a step forward and commissioned a stainless steel manufacturing plant as well. This forward integration will enable it to manufacture value-added products and enhance realisations.

**GOING BACK
CAN REALLY BE
GOING AHEAD.**



ROHIT FERRO-TECH – THREE COMPANIES IN ONE.

- A MINING-FOCUSED COMPANY WITH ECONOMIC INTEREST IN INDONESIAN MINES (THERMAL AND COKING COAL) FOR CAPTIVE USE AND MERCHANT SALE THROUGH A SUBSIDIARY COMPANY.*
- A FERRO ALLOYS COMPANY, POSSESSING ONE OF INDIA'S LARGEST CAPACITIES.
- A STAINLESS STEEL COMPANY FOCUSED ON VALUE-ADDITION.

THIS INTEGRATION WILL MAKE IT POSSIBLE TO ENGAGE IN EFFECTIVE COST REDUCTION AT ONE END AND EXTENSIVE VALUE-ADDITION AT THE OTHER.

* Effective from the second quarter of 2011-12

Pedigree

- Part of the ₹ 3,000 Crores SKP Group with interests in the manufacture and trading of ferro alloys, steel, metals and minerals
- Promoted and managed by Suresh Kumar Patni (Chairman), Rohit Patni (Managing Director) and Ankit Patni (Joint Managing Director)

Business

- Among India's largest ferro alloy manufacturers with leadership in high-carbon ferro-chrome
- Commenced operations with 24,000 TPA in October 2003; recorded a 10-fold increase in capacity to 241,040 TPA in eight years to 2010-11

Locations

- Headquartered in Kolkata, India
- Manufacturing facilities in Bishnupur, Haldia (both West Bengal) and Jajpur (Orissa)

- Depots in West Bengal, Gujarat, Chhattisgarh, Andhra Pradesh, Uttar Pradesh and Tamil Nadu
- Exports to various countries across the globe including China, Japan, Korea, Indonesia, Vietnam, Taiwan, Thailand, Netherlands, Italy, Greece, Spain, Romania, Germany, Sweden, Russia, Ukraine, Poland, Brazil, Argentina, Peru, Mexico, West Indies, the US, Turkey, Doha, Saudi Arabia and UAE
- Thermal (prognosticated reserves of 20 MT) and coking coal mines (proven reserves of over 5 MT) in Indonesia

Listing

- Listed on the Bombay Stock Exchange and the National Stock Exchange of India

Accreditations

- Manufacturing units certified for ISO 9001:2008
- Registered as a two-star export house

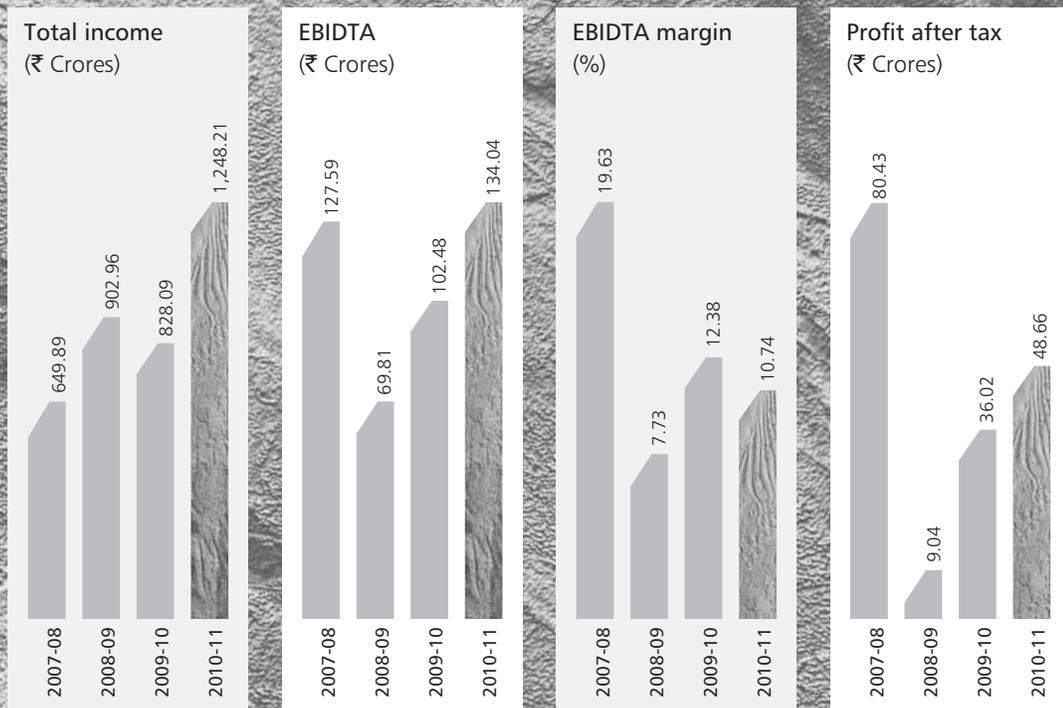
Products

- High-carbon ferro-manganese, silico-manganese, high-carbon ferro-chrome and ferro-silicon
- Stainless steel
- Coking and thermal coal for captive use and merchant sale (through subsidiary)

Clientele

- Exports over 63% of ferro alloys production to Europe, Asia, the US, South America and the Middle East
- Key Indian consumers include major stainless steel producers and government steel plants. The clientele includes prominent names like POSCO, YUSCO, LISCO, Glencore, Arcelor Mittal, ABS, Bao Steel, Stemcore, ThyssenKrupp, Jindal Steel, SAIL and Shah Alloys among others

KEY PERFORMANCE INDICATORS



Operational

- ▶ Operationalised four ferro alloy furnaces in Haldia with a cumulative capacity of 67,080 TPA
- ▶ Successfully commissioned a stainless and alloy steel project of 100,000 TPA capacity six months ahead of its schedule
- ▶ Increased ferro alloy capacity from 172,875 TPA in 2009-10 to 241,040 TPA
- ▶ Enhanced ferro alloy production from 142,289 tonnes in 2009-10 to 181,360 tonnes
- ▶ Achieved ferro alloy capacity utilisation of 75%

Marketing

- ▶ Ferro alloy exports to 49.06% from ₹ 478.51 Crores in 2009-10 to ₹ 713.29 Crores
- ▶ Increased average ferro alloy realisations from ₹ 52,767 per tonne in 2009-10 to ₹ 61,568 per tonne, owing to positive market conditions

Ferro alloy capacity

24,000 TPA
in 2003



241,040 TPA
in 2010-11



274,583 TPA
in 2011-12 (projected)

CHAIRMAN'S OVERVIEW



“OUR
EXTENSIVE
INTEGRATION
WILL ENABLE
US TO
UNLEASH
VALUE”

IN THE COMPETITIVE METALS, INPUTS AND RESOURCES BUSINESSES, IT IS NOT ENOUGH TO BE A COMPETENT PLAYER IN ONE, BUT TO POSSESS AN INTEGRATED BALANCE OF EACH, EXTENDING THE COST ADVANTAGE OF ONE TO THE SCALE ADVANTAGE OF THE OTHER TO THE VALUE-ADDITION EDGE OF THE THIRD. WHEN ANY COMPANY HAS ALL THESE INTEGRATED COMPETENCIES IN PLACE, IT CAN HOPE TO BE VIABLE ACROSS PRODUCT SEGMENTS, GEOGRAPHIES AND INDUSTRY CYCLES.

It is precisely this competitive advantage that is now unfolding at Rohit Ferro-Tech. For years, we were a ferro alloys manufacturer; in 2011-12, we are becoming three companies in one (post balance sheet development) – mining at one end, ferro alloys in the middle and stainless steel at the other. In the next two years, we will create the fourth element – a captive power company.

Competitive advantage

At Rohit Ferro-Tech, we are not just engaged in putting these elements together; we are creating a competitive advantage in each for onward sustainability.

One, our coal assets (comprising thermal and coking coal) will provide a non-inflationary resource for our power needs (thermal coal) and ferro alloy production (after converting coking coal into LAM coke). This captive access to resources will insulate us from external price or supply volatility. Our competitive advantage is not merely a captive access to them leading to cost reduction; we are empowered to market material from these mines on a merchant basis (through our subsidiary), which will translate into high-margin revenues that will lift our overall profitability average.

Two, our ferro alloy capacity is one of the largest in India, resulting in organisational economies in terms of raw material procurement on the one hand and operational efficiencies on the other. This business is increasingly attractive on account of China reducing its international exposure; Rohit Ferro-Tech exports over 63% of its output to various countries.

Three, our upcoming power plant in Jajpur will largely meet the power requirement of Jajpur manufacturing facility.

Four, our stainless steel facility has been launched at a time of growing Indian affluence which led to increase consumption of stainless steel. We are already competitive within months of having ventured into commercial production on account of captive ferro alloys supply and adequate production capacity.

Benefits

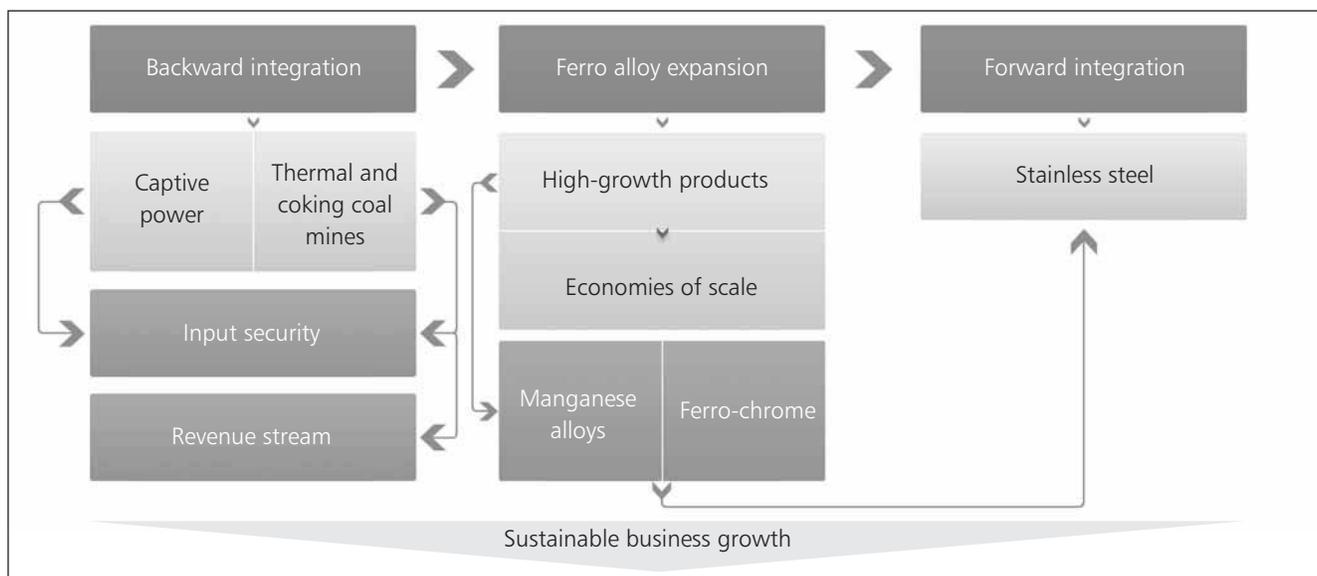
A number of benefits of this integrated business model will begin to manifest once these initiatives come on stream:

- › Savings in power cost between ₹ 2,000-4,000 per tonne (depending on the respective ferro alloys being manufactured) using captive power 2013-14 onwards
- › Wider product basket, resulting in a diverse dispersal of risk across a larger number of products
- › Increase in revenues arising from fully commissioning our stainless steel facility and Haldia ferro alloy furnaces
- › Progressive reduction in debt and a greater reliance on accruals for our subsequent projects

Valuation

At Rohit Ferro-Tech, we are aware that our Company's market capitalisation has underperformed our rich

Integrated model



fundamentals over the last couple of years. I would like to assure investors that once mining profits start coming in and we right-size our balance sheet, then the positives should be numbered : That our long gestation is over as we now possess all relevant clearances, that there is a global dearth of coking coal, that our mines are in commercially exploitable condition, that there is an adequate resource quantity at our

disposal, that these resources are for captive and merchant use, that we allied with strong local partners, that we will consider the rented use of our infrastructure (road and jetty) to other agencies that will accelerate payback; that the cumulative impact of our various initiatives is expected to translate into significant revenue in the coming years.

In view of these, we expect to enhance value in an attractive and sustainable way for those who hold shares in our Company.

Suresh Kumar Patni
Chairman

Our competitive edge



Integration

Rohit Ferro-Tech is integrated from coal mines to ferro alloys to stainless steel manufacture.

Projects team

Rohit Ferro-Tech's project management team ensures timely and cost-effective execution. All expansion projects undertaken by the Company were executed on time and the upcoming projects are in progress and on schedule.

Scale

The Company is among India's largest ferro alloys manufacturers with 241,040 TPA capacity projected to increase to 274,583 TPA by 2011-12. It is among India's few ferro alloys companies manufacturing all bulk ferro alloys including ferro-manganese, ferro-chrome, silico-manganese, ferro-silicon and stainless steel.

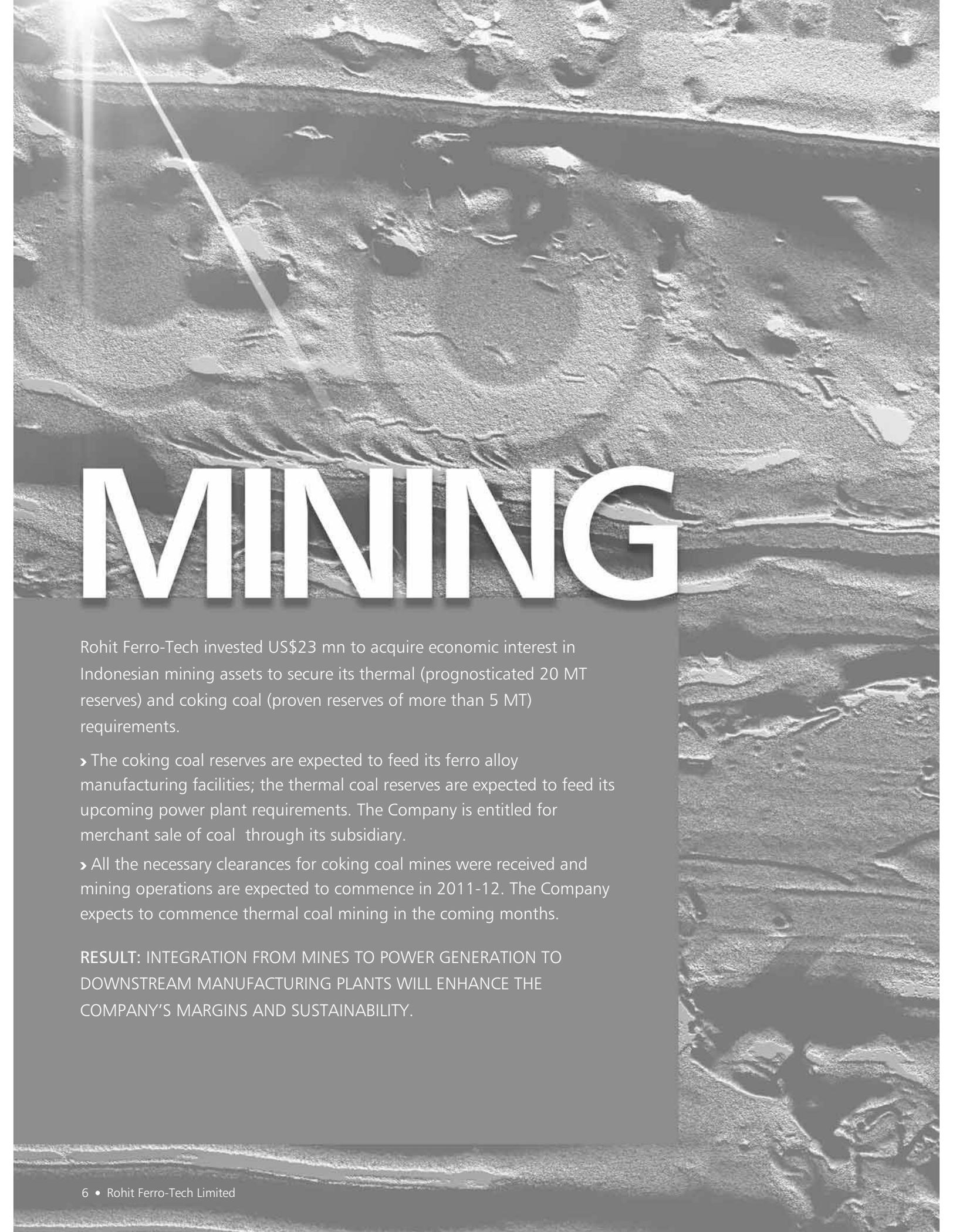
Resource security

Rohit Ferro-Tech acquired economic interest in

Indonesian mines (coking and thermal coal) through its wholly-owned subsidiary. The reserves will feed a part of the coal requirement for the upcoming 67.5 MW power plant; the plant will largely meet the energy requirements of our Jajpur plant.

Spread

Besides India, Rohit Ferro-Tech's products are marketed to various countries; over 63% of the production is sold in the overseas markets.



MINING

Rohit Ferro-Tech invested US\$23 mn to acquire economic interest in Indonesian mining assets to secure its thermal (prognosticated 20 MT reserves) and coking coal (proven reserves of more than 5 MT) requirements.

- › The coking coal reserves are expected to feed its ferro alloy manufacturing facilities; the thermal coal reserves are expected to feed its upcoming power plant requirements. The Company is entitled for merchant sale of coal through its subsidiary.
- › All the necessary clearances for coking coal mines were received and mining operations are expected to commence in 2011-12. The Company expects to commence thermal coal mining in the coming months.

RESULT: INTEGRATION FROM MINES TO POWER GENERATION TO DOWNSTREAM MANUFACTURING PLANTS WILL ENHANCE THE COMPANY'S MARGINS AND SUSTAINABILITY.

STAINLESS STEEL

Rohit Ferro-Tech commissioned a 100,000 TPA stainless steel manufacturing facility in April, 2011, and the capacity utilisation is being enhanced in phases.

- › This initiative will serve as a forward integration for the Company's ferro alloy production.
- › A proportion of the Company's ferro alloy production will be used captively in the manufacture of stainless steel.

RESULT: THE STAINLESS STEEL FACILITY IS EXPECTED TO ADD MORE THAN 30% OF THE COMPANY'S TOPLINE IN 2011-12 FOR THE CHANGED PRODUCT MIX.



MANAGEMENT DISCUSSION AND ANALYSIS >

GLOBAL ECONOMIC REVIEW

STRONG DEMAND GROWTH IN DEVELOPING COUNTRIES (46% OF GLOBAL GROWTH IN 2010) ENABLED THE GLOBAL ECONOMY TO EXPAND 5.1% IN 2010 AGAINST A NEGATIVE GROWTH OF 2.2% IN 2009. GDP IN LOW AND MIDDLE-INCOME COUNTRIES EXPANDED 7% DURING 2010 (5.2% EXCLUDING INDIA AND CHINA). WHILE DEVELOPING COUNTRIES REGAINED GROWTH RATES CLOSE TO THOSE OBSERVED IN THE PRE-CRISIS PERIOD, HIGH-INCOME COUNTRIES (EUROPE AND CENTRAL ASIA) DID NOT MAKE MAJOR INROADS ON ACCOUNT OF UNEMPLOYMENT AND SPARE CAPACITY.



Indian economic review

India's GDP rebounded from 8% in 2009-10 to 8.6% in 2010-11, following a recovery in its agriculture and manufacturing sectors. Mining declined 6.2% in 2010-11 against 6.9% in 2009-10.

Global ferro alloys industry

Global ferro alloys production grew during 2010-11, owing to robust steel demand. Over 80% of the world's ferro-chrome output is used in stainless steel production. Global ferro-chrome production was 8.3 MT in 2010, representing a growth of 37% year-on-year from 2009 despite energy tariffs, influencing production levels in South Africa and China. South Africa ramped up production in the first half of 2010 with scheduled maintenance, reducing production in the high electricity-cost winter months.

Despite growing energy costs, rising chrome ore prices and the Chinese government's energy supply restrictions (as it pursues energy reduction and efficiency targets), China produced 1.8-1.9 MT ferro chrome in 2010 and remained a net importer for 50-55% of its annual requirements. South Africa's global (despite reaching record levels of 3.5 MT) market share declined from 50% in 2002 to 42% in 2010, owing to increased Chinese production.

Indian ferro alloys industry

India accounts for around 10% of the world's ferro alloy production. India

emerged as a preferred supplier on account of low-cost manpower, ore availability and favourable locations. Besides, ongoing power issues in South Africa and the recent Chinese clampdown helped India emerge as a favourable ferro alloys supplier.

The Indian industry's 3.25 MTPA capacity covers products like manganese alloys (high-carbon, MC and low-carbon ferro-manganese and silico-manganese), ferro-silicon, chrome alloys (high-carbon, MC and low-carbon ferro-chrome, silico-chrome and charge chrome), noble ferro alloys (ferro-molybdenum, ferro-vanadium, ferro-tungsten, ferro-silicon magnesium, ferro-boron and ferro-titanium). The demand for ferro alloys is driven by steel production, which in turn depends on growth from the infrastructure, housing, automobile and consumer durable industries.

Steel industry

Global: Global crude steel production was 1,414 MT in 2010, an increase of 15% over 2009. All major steel-producing countries showed double-digit growth in 2010. Asian steel production increased 11.6% from 2009 to 897.9 MT in 2010; its share of world steel production declined to 63.5% in 2010 from 65.5% in 2009. China's crude steel production in 2010 stood at 626.7 MT an increase of 9.3% over 2009; its share of world crude steel production declined from 46.7% in 2009 to 44.3% in 2010.

India: India maintained its position as the world's fifth-largest steel producer in 2010, recording a 11.3% growth. India presents high-growth potential with per capita finished steel consumption of a mere 54 kg compared with 430 kg in China and

200 kg globally. Urban steel consumption is expected to touch 165 kg per capita by 2019-20, reflecting attractive growth potential, while India's rural per capita steel consumption is only 2 kg. The Government set a target for raising per capita rural steel consumption to 4 kg by 2019-20, implying increasing demand. According to the Ministry of Steel estimates, India is expected to add around 200 MT capacity in this decade, increasing overall crude steel capacity from 78 MT in 2010-11 to around 280-290 MT by 2020. India is expected to emerge as the world's second-largest steel producer by 2015-16. The increasing use of alloy steel across industrial, consumer durable and automobile industries is expected to grow at a 5% CAGR over 2013-14, widening the market for ferro alloys.

Ferro alloy uses

Product	Share (%)	Applications	Key inputs
Bulk ferro alloys			
Manganese alloys	62	<ul style="list-style-type: none"> › Normal and high-carbon steel manufacture › Ferro-manganese – finds application in auto industry › Silicon-manganese – used in construction industry 	Manganese ore
Ferro-silicon	5	<ul style="list-style-type: none"> › Additive for deoxidation and as an alloying element › Used in steel-making and foundries as a source of silicon in carbon stainless steel production 	Silica and charcoal
Chrome alloys	32	<ul style="list-style-type: none"> › Ferro chrome used in superior alloys and stainless steel manufacture › All classes of stainless steel have a minimum of 10.5% chromium › Apart from ferrous and non-ferrous industries, ferro-chrome is used in chemical and refractory industries 	Chromite
Noble ferro alloys	1	<ul style="list-style-type: none"> › Vital additive used in alloy and special steels › Used as a deoxidant and alloying agent 	NA

Stainless steel industry

Global: The global stainless steel industry's 2010 crude steel production touched a record 32.2 MT. Chinese crude stainless steel production reached 11.8 MT in 2010 (up 7% from 11 MT in 2009) and accounted for a third of the global stainless steel production. Indian stainless steel production was recorded at 2.9 MT (up 12% from 2.61 MT in 2009) (*Source: Steel and Metals Market Research*). Stainless steel production is anticipated to grow 7% in 2011, resulting in an 8% increase in global ferro-chrome consumption.

India: Indian stainless steel production was 2.9 MT in 2010 (up 12% from 2009). With increasing affluence, India's stainless steel demand is set to rise significantly from 1.2 kg per capita to over 2 kg in a few years.

The Indian demand for stainless steel is likely to be driven by the following factors:

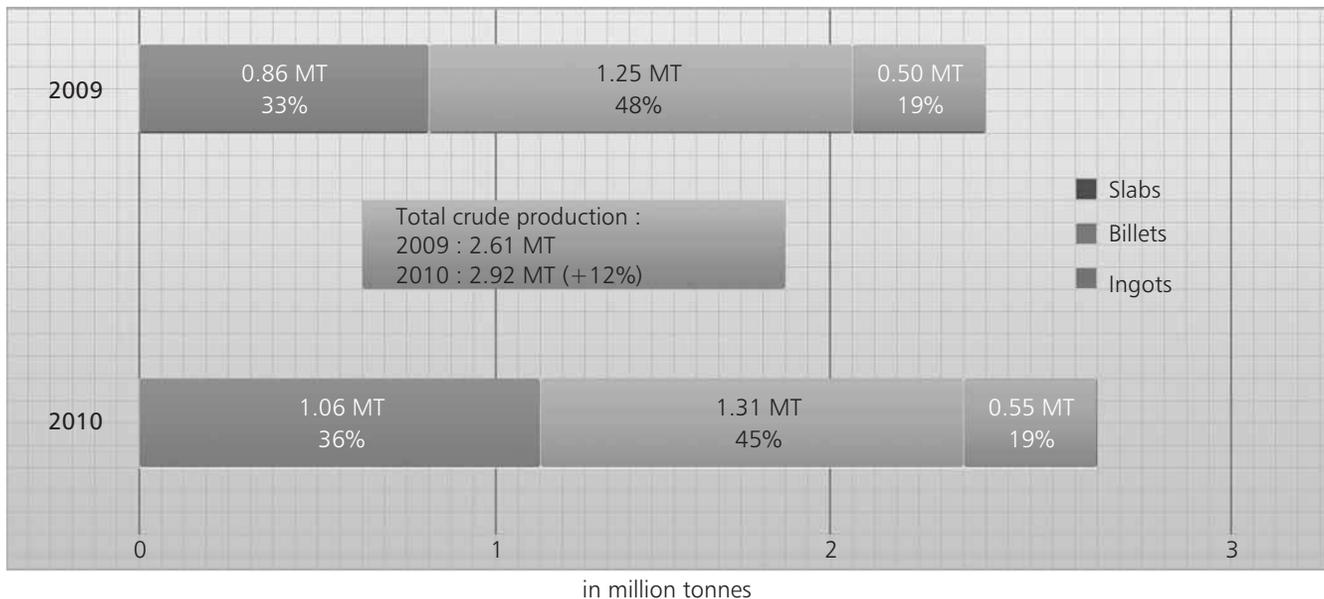
- Automobile industry growth, as cars consume 5 kg of stainless steel. The automobile volume is expected to register a CAGR of 11-12% over FY2011–13, aided by rising penetration, healthy economic environment, favourable demographics and higher per capita income.
- Indian Railways is in the process of manufacturing 15,000 stainless steel wagons a year, translating into an incremental requirement of over 70,000 tonnes of stainless steel in 2011-12.
- The Indian auto components sector is poised to grow four-fold to US\$113 bn by 2020, owing to a surge in the country's automobile sector.

➤ Of the 30 airport modernisation projects, 11 were completed and 19 are under execution, requiring large stainless steel quantities.

➤ Half of India's stainless steel demand is dominated by utensils, kitchenware and appliances. Demand from building, construction, transportation and process industries is expected to grow 10% per year and could exceed 4 MT by 2016.

Based on this outlook and expected export growth, crude stainless steel production could increase from 2.9 MT presently to 5 MT by 2016. This will result in the country's per capita stainless steel consumption correcting from a mere 1.2 kgs towards the global average of 9.4 kgs.

Indian stainless steel crude production in 2009 and 2010





Business driver – 1

RESOURCE MANAGEMENT

ROHIT FERRO-TECH'S MAJOR RAW MATERIALS COMPRISE CHROME ORE, COKE AND MANGANESE ORE. RAW MATERIAL ACCOUNTS FOR A MAJOR PROPORTION OF THE TOTAL OPERATING COST. THE COMPANY MAINTAINS ADEQUATE INVENTORY TO ENSURE SEAMLESS PRODUCTION. POWER IS ALSO A CRITICAL COMPONENT OF PRODUCTION AS IT ACCOUNTS FOR A LARGE PART OF THE PRODUCTION COST.

Chrome ore: The Company sources superior-grade chrome ore from Orissa through long-term contracts with Orissa Mining Corporation; it also imports quantities from Turkey, Albania and Oman.

Manganese ore: The Company sources manganese ore from MOIL and imports from BHP, Eramet, Ore and Metal and CML, among others, based in countries like South Africa, Ivory Coast and Australia.

Coke: Imports low-ash metallurgical coke from the US, Colombia and China, among others.

Power: Procures uninterrupted power from Nesco for its Jajpur plant and from WBSEB for Bishnupur and Haldia plants. Going ahead, the upcoming 67.5 MW Captive Power Plant will cater to the requirements of the Jajpur unit.



Business driver – 2

OPERATIONS

ROHIT FERRO-TECH PRODUCES HIGH-CARBON FERRO-CHROME, FERRO-MANGANESE AND SILICO-MANGANESE ACROSS THREE MANUFACTURING FACILITIES - BISHNUPUR (71,430 TPA), JAJPUR (102,530 TPA) AND HALDIA (67,080 TPA).

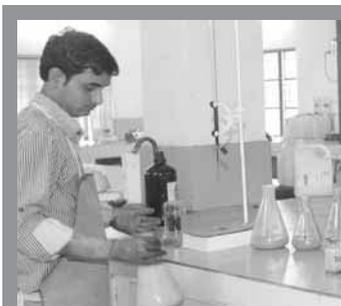
Cumulative capacity was 241,040 TPA (31st March, 2011) of conventional submerged arc furnaces, helping optimise production costs and manufacture refined products free of carbon and silicon impurities.

Highlights, 2010-11

- › Increased production from 142,289 tonnes in 2009-10 to 181,360 tonnes
- › Commissioned four furnaces in Haldia with a manufacturing capacity of 67,080 TPA
- › Achieved capacity utilisation of 75%

Road ahead

As a post-balance sheet development, the Company commenced the fifth furnace at Haldia. The Company will commission the remaining furnace at Haldia shortly and stabilise production of the already-commissioned furnaces.



Business driver – 3

QUALITY

QUALITY CONSISTENCY IS IMPORTANT IN SUSTAINABLE PRODUCT OFFTAKE.

The Company's quality management comprises checks on incoming raw materials, multi-step shop floor quality checks and inspection of finished products. It invested in a state-of-the-art QC laboratory equipped with Leco, Spectrophotometer, CS apparatus and digital heat analysers. The QC team strictly monitors conformance with stringent quality parameters. The Company's manufacturing units are ISO 9001: 2008-certified.

Highlights, 2010-11

► Reduced rejection rates by maintaining consistent product quality

Road ahead

The Company will focus on quality stabilisation at the newly commissioned Haldia unit.



Business driver – 4

MARKETING

ROHIT FERRO-TECH EMERGED AS ONE OF INDIA'S LARGEST FERRO ALLOYS ORGANISATIONS WITH A MARKETING NETWORK ACROSS INDIA AND THE WORLD.

The Company exported ferro alloys to China, Japan, Korea, Indonesia, Vietnam, Taiwan, Thailand, Netherlands, Italy, Greece, Spain, Romania, Germany, Sweden, Russia, Ukraine, Poland, Brazil, Argentina, Peru, Mexico, West Indies, the US, Turkey, Doha, Saudi Arabia, and UAE, among others. It supplied material directly to steel and stainless steel manufacturers and other traders. It established nationwide depots proximate to steel-producing centres

(Raipur, Chandigarh, Faridabad, Ghaziabad, Ahmedabad, Kolkata, Visakhapatnam and Chennai) and emerged as a preferred supplier.

Highlights, 2010-11

► Increased average realisations from ₹ 52,767 per tonne in 2009-10 to ₹ 61,568 per tonne, owing to buoyant market conditions
► Extended footprint in new geographies

Road ahead

Going ahead, the Company will expand its marketing network in domestic and international markets and strengthen product acceptance.



Business segment

STAINLESS STEEL

ROHIT FERRO-TECH INTEGRATED FORWARD THROUGH A 100,000 TPA STAINLESS STEEL UNIT IN BISHNUPUR THAT COMMENCED PRODUCTION IN APRIL 2011. A PROPORTION OF THE COMPANY'S FERRO ALLOY PRODUCTION WILL BE CONSUMED IN THIS DOWNSTREAM MANUFACTURE OF STAINLESS STEEL.

Project highlights

- › Invested ₹ 100.86 Crores with a debt-equity ratio of 67:33

- › Acquired advanced processes and technology from Engineering & Metallurgical Consultants (EMC)

Road ahead

The Company will focus on production stabilisation to achieve rated capacity utilisation.



Business support

MINING

THROUGH ITS WHOLLY-OWNED SUBSIDIARY SKP OVERSEAS PTE LTD, THE COMPANY ACQUIRED 60% ECONOMIC INTEREST IN INDONESIAN THERMAL COAL AND COKING COAL MINES.

Thermal coal will be used at the Company's upcoming power plant in Jajpur while coking coal will be consumed for ferro alloy manufacture, after converting it into LAM coke. The coking coal mine possesses proven reserves of over 5 MT and the thermal coal mine possesses an prognosticated 20 MT reserves. The Company invested US\$23mn in both mines with a

provision to sell surplus coal through its subsidiary.

Project highlights

- › Acquired necessary clearances for the coking coal mine
- › Established supporting infrastructure (coal hauling road from mine to jetty with an automatic conveyor barge loading facility)
- › Deployed all mining equipment

Road ahead

The Company expects to commence production from the coking coal mine in 2011-12 and thermal coal mine in the coming months.

FINANCIAL REVIEW



Accounting policy

The Company's financial statements were prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on an accrual basis and in line with principles of a going concern with a consistent application of accounting policies.

Income analysis

Total income increased 50.73% from ₹ 828.09 Crores to ₹ 1,248.21 Crores, owing to a growth in realisations due to improved market conditions and capacity enhancement.

Revenue by geography: The Company's products were sold in domestic and global markets.

Domestic: Gross domestic revenues (40.81% of gross revenue in 2010-11 against 43.47% in 2009-10) increased

33.60% from ₹ 368.02 Crores in 2009-10 to ₹ 491.69 Crores in 2010-11, in line with buoyant demand.

Export: Gross export revenue increased 49.06% from ₹ 478.51 Crores in 2009-10 to ₹ 713.29 Crores in 2010-11, owing to global demand recovery. Export sales accounted for 59.19% of the gross revenue in 2010-11 against 56.53% in 2009-10.

Income from other sources: Other income increased 109.85% from ₹ 6.19 Crores in 2009-10 to ₹ 12.99 Crores in 2010-11, owing to foreign exchange fluctuation gains and miscellaneous income. Other income accounted for 1.04% of the total income in 2010-11 (0.75% in 2009-10), reflecting focus on the core business.

Net worth

Net worth increased 29.45% from

₹ 303.84 Crores as on 31st March, 2010 to ₹ 393.32 Crores as on 31st March, 2011, owing to an increase in equity capital and reserves and surplus. Return on net worth increased 32 basis points to 13.96% in 2010-11.

Equity Capital: Equity Capital increased from ₹ 39.48 Crores as on 31st March, 2010 to ₹ 55.28 Crores as on 31st March, 2011, owing to a rights issue of 15,793,178 equity shares. Equity share capital comprised 55,276,123 equity shares of ₹ 10 each.

Reserves and Surplus: Reserves and surplus increased 56.04% from ₹ 216.64 Crores as on 31st March, 2010 to ₹ 338.05 Crores as on 31st March, 2011, owing to an increased transfer to general reserves and increased profit plough back.

Performance snapshot

	₹ in Crores		Growth (%)
	2009-10	2010-11	
Total income	828.09	1,248.21	50.73
EBIDTA	102.48	134.04	30.80
PAT	36.02	48.66	35.09
Cash profit	52.40	69.71	33.03
EBIDTA margin (%)	12.38	10.74	(164 bps)
PAT margin (%)	4.35	3.90	(45 bps)

RISK MANAGEMENT

01 ECONOMY RISK

Economic slowdowns could impact growth.

Mitigation

- › The Indian economy grew 8.6% during 2010-11 and is projected to grow 8.5% in 2011-12
- › The country's manufacturing sector grew a robust 8.8% during 2010-11
- › Per capita income grew substantially 17.28% to ₹ 54,527 during 2010-11

02 INDUSTRY RISK

User industry downturns could affect offtake.

Mitigation

- › India is expected to emerge as the world's third-largest stainless steel producer by 2014
- › Global steel demand is expected to grow at a 5.3% CAGR over FY11-13 to 1,546 MTPA, reflecting a significant opportunity for the ferro alloys sector
- › India is expected to add around 200 MT capacity in this decade, increasing overall crude steel capacity from 78 MT in 2010-11 to around 280-290 MT by 2020 (Source: Ministry of Steel)
- › Per capita Indian stainless steel demand is expected to rise from 1.2 kg to over 2 kg in 2-3 years (Source: Steelworld)

03 RAW MATERIAL RISK

Timely and cost-effective raw material supply is critical to growth.

Mitigation

- › The Company has long-term supply contracts for chrome ore with Orissa Mining Corporation
- › It acquired economic interests through its subsidiary in Indonesian mines (thermal and coking coal) for uninterrupted resource supply for its upcoming power plant
- › It is establishing a 67.5 MW Captive Power Plant at Jajpur to address captive energy needs
- › It maintains adequate raw material inventory to ensure smooth operations

04 RECEIVABLES RISK

Inefficient receivables management could increase working capital outlay.

Mitigation

- › The Company regularly monitors its debtors' position; only 2.88% of debtors were more than six months old at the close of 2010-11
- › It has a consortium of banks to provide working capital loans comprising State Bank of India, UCO Bank, State Bank of Travancore, United Bank of India, Allahabad Bank, State Bank of Hyderabad and Canara Bank.

05 FUNDING RISK

The Company may not be able to procure adequate low-cost funds.

Mitigation

- › The Company enjoys a low 1.81 debt-equity ratio (31st March, 2011), reflecting room for additional borrowing
- › The Company funded its mines and Haldia expansion; it achieved 100% financial closure for its upcoming Captive Power Plant project which is expected to be commissioned by 2013-14.

OPPORTUNITIES AND THREATS

BEING A POWER-INTENSIVE INDUSTRY, CAPTIVE POWER PLAYS AN IMPORTANT ROLE IN ITS SUCCESS.

Besides, captive supply of raw materials is also vital for a seamless operational process and manufacturing quality products at the competitive cost. Volatility in major input costs i.e. ores, coal and power, holds the threat of an increase in production costs. Volatility of finished product prices is another major concern.

With rapid industry growth, availability of all inputs within the country and the Company's linkage with renowned overseas manganese and chrome ore miners and coal/coke, the Company is

confident of maintaining its cost-competitive edge and prevail over competition in the market place.

The Company's upcoming 67.5 MW Captive Power Plant in Jajpur, Orissa, will help mitigate power availability risk and increase power costs in the future.

The Company secured its coal supply its for captive consumption as well as for upcoming power plant through the acquisition of economic interest in its thermal and coking coal mines in Indonesia through its subsidiary. This will make the Company more competitive and secure on the energy front.

The Company's 100% EOU project in Haldia for ferro alloys, along with a beneficiation plant for upgrading the readily available manganese ore fines worldwide, has already started production. This will help reduce production cost, giving the Company a competitive edge over its peers.

With favorable macro-economic environment, increasing disposable income of people and growing steel demand, the Company expects a favourable business environment in the coming years.

SEGMENT-WISE PERFORMANCE

THE COMPANY PRIMARILY OPERATES ONLY IN ONE REPORTABLE SEGMENT – FERRO ALLOYS.

The product's performance during 2010-11 is given in detail in the financial analysis section of the Annual Report. The secondary segment,

identified as the geographical segment, is given in Notes No. B-19(B) in Schedule - 22 to the Annual Accounts.

INTERNAL CONTROL

THE COMPANY HAS AN APPROPRIATE AND ADEQUATE INTERNAL CONTROL SYSTEM, IN LINE WITH THE SIZE AND NATURE OF THE BUSINESS, TO ENSURE THAT ALL THE ASSETS ARE SAFEGUARDED, TRANSACTIONS ARE

AUTHORISED, RECORDED, REPORTED PROPERLY AND THE APPLICABLE STATUTES DULY COMPLIED WITH.

The Company placed a strong internal audit system with a qualified team, which strives to ensure conformity with

all internal control systems and the same is reviewed by the Audit Committee periodically to strengthen and upgrade the system, taking care of the evolving risk parameters.

INDUSTRIAL RELATIONS AND HUMAN RESOURCES

HUMAN RESOURCE IS A CRITICAL ASSET FOR A COMPANY'S GROWTH. Human resource management is important, owing to a dearth in skilled and experienced manpower. The Company's human capital comprises a prudent mix of youth and experience. It employs contract labourers in its manufacturing facilities.

The Company recruited judiciously through industry contacts, newspaper advertisements and consultancies. The Company also recruited trainees from reputed ITIs, technical and professional

institutes. All the new recruits were given an induction, on-the-job and specialised training under supervision. The employees were also given opportunities to attend conferences and seminars in India and abroad to enhance their knowledge.

It designed a compensation package for the employees at par with the best industry standards.

The Company adopted a self-appraisal model to rate the employees. The employees identified their key

performance areas and accordingly informed the management about their expectations, which was then, compared with the management's own studies. The employees are appraised annually.

The Company maintained harmonious relationship with all its workers and there were no strikes or lockouts during the year under review.

As on 31st March, 2011, the Company's human resource strength stood at 753.

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Shareholders of M/s. Rohit Ferro-Tech Limited will be held on Thursday, 15th September, 2011 at 10:30 A.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, 2011 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. Kailash Chand Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jatindra Nath Rudra, 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 authorise 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 an

Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, consent of the members be and is hereby accorded for the re-appointment of Mr. Binit Jain as an Executive Director for a further period of one year w.e.f. 01.09.2011, 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 mentioned in the explanatory statement annexed to this notice, 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**

Place : Kolkata
Date : 12th August, 2011

Vineeta Baid
Company Secretary

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 CORPORATE 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 Saturday, 10th September, 2011 to Thursday, 15th September, 2011 (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 15th September, 2011 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 10th September, 2011.
- 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 10th September, 2011.



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 authorising 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 dematerialised 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.
10. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.
11. **IMPORTANT ANNOUNCEMENT TO MEMBERS :**
The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars allowing service of notices/documents including Annual Report by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to do the same immediately.

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

Item No. 6

The members had, at the Annual General Meeting of the

Company held on 27th September, 2010 approved the re-appointment and payment of remuneration to Mr. Binit Jain, Executive Director for a period of 12 months effective from 01.09.2010 to 31.08.2011.

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 12th August, 2011 as an Executive Director of the Company for a further period of 1 (one) year, with effect from 1st September, 2011 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 ₹ 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 Corporate 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. Kailash Chand Jain	62 years	5th September, 2005	Mr. Kailash Chand Jain is a Commerce Graduate from Guwahati University, Chartered Accountant from the Institute of Chartered Accountants of India, Company Secretary from Institute of Company Secretaries of India, Cost and Works Accountant from the Institute of Cost and Works Accountant of India along with LLB from Calcutta University. He has an overall experience of 36 years in the field of finance and accounting.	Directorships : Ankit Metal & Power Ltd. Vikash Metal & Power Ltd. Shyam Metalics & Energy Ltd. Committee Memberships : In Ankit Metal & Power Ltd. - Audit Committee - Remuneration Committee In Vikash Metal & Power Ltd. - Audit Committee - Remuneration Committee In Shyam Metalics & Energy Ltd. - Audit Committee
Mr. Jatindra Nath Rudra	74 years	5th September, 2005	Mr. Jatindra Nath Rudra is a Bachelor of Civil Engineering from Jadavpur University and has done his Master of Engineering from Calcutta University. He is also a life member of Institute of Surveyors. He was the CEO of WBIIDC, Government of West Bengal. He was deputed by Government of India for 6 years as Town Engineer, Kabwe, Republic of Zambia, Africa.	Directorships : Ankit Metal & Power Ltd. Committee Memberships : In Ankit Metal & Power Ltd. - Audit Committee - Remuneration Committee - Investor Grievance and Share Transfer Committee
Mr. Binit Jain	32 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 Alloys Plant at Jajpur, Orissa.	Directorships : Nil Committee Memberships : Nil

Mr. Kailash Chand Jain, Mr. Jatindra Nath Rudra and Mr. Binit Jain do 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 Eleventh Annual Report together with audited statement of accounts for the financial year ending 31st March, 2011.

Financial Results

(₹ in Crores)

Particulars	Standalone	
	Current Year 31st March, 2011	Previous year 31st March, 2010
Net Sales	1166.72	824.36
Operating profit	134.04	102.48
Interest	52.58	39.65
Depreciation	13.33	10.83
Profit Before Tax (PBT)	68.13	52.00
Tax Expenses	19.47	15.98
Profit After Tax (PAT)	48.66	36.02
Balance brought forward from previous year	155.00	123.13
Adjustment for earlier years	(2.47)	(1.85)
Profit available for appropriation	201.19	157.30
Less : Appropriated as under		
- Proposed dividend (5%) including Tax	3.21	2.30
- Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	197.98	155.00

Financial and Operational Review

During the year under review, the net sales/Income from Operation increased from ₹ 824.36 Crores in FY 2009-10 to ₹ 1166.72 Crores in FY 2010-11 representing an increase of 41.53%. Profit Before Tax for the year stood to ₹ 68.13 Crores as compared to ₹ 52.00 Crores in previous year registering a growth of 31%. The increase in sales and profit was mainly due to increase in sales quantity of Ferro Alloys.

During the year under review, the Company has produced 181,360 MT of Ferro Alloys resulting an increase of 27.45% as against 142,289 MT in the previous year.

Consequent on the improved working of the Company, the net worth stood at

₹ 393.32 Crores as against ₹ 303.84 Crores in last year. During the year, Gross Fixed Assets increased to ₹ 369.62 Crores as compared to ₹ 260.33 Crores in last year due to capital expenditure incurred and recorded in the Gross block.

Dividend

Your Directors are pleased to recommend a dividend @ 5% i.e., ₹ 0.50 per share on 55,276,123 Equity Shares of ₹ 10 each for the financial year ended 31st March, 2011 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 ₹ 3.21 Crores.

Subsidiaries

SKP Overseas Pte. Ltd. was incorporated on 9th April, 2008 in Singapore as

Wholly-Owned Subsidiary of your Company. The Ministry of Company Affairs vide its general circular no-2/2011 dated 08.02.2011 has granted General Exemption to Companies from attaching the financial accounts of the subsidiary companies to the accounts of the Company subject to fulfilment of certain conditions. The Company will make available documents/details of the subsidiary company upon request by any member or investor of the Company/subsidiary company. The Annual accounts of the subsidiary company will be kept open for inspection by any investor at the corporate office of the Company and also that of the subsidiary company.

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.

Changes In Share Capital

During the year under review, the Company has allotted 15,793,178 equity shares of ₹ 10 each on rights basis at a premium of ₹ 50 per share aggregating to ₹ 9475.91 Lacs as per the Basis of Allotment approved by Bombay Stock Exchange Limited.

Consequent to said allotment, the paid up Share Capital of the Company stood increased to ₹ 552,761,230. The total proceeds received from the Rights Issue is deployed towards the object of the issue.

Proposed Qualified Institutional Placement and Increase in Authorised Share Capital

The Company has decided to raise funds through QIP (Qualified Institutional Placement) by issue of equity shares to the Qualified Institutional Buyers to part finance the Capital expenditure of its Captive Power Plant of 67.5 MW.

Foreseeing the needs for long term capital resources for further corporate actions like capital expenditures for expansion and diversification, requirement of long term working capital and general corporate purpose of the Company in coming future, the Company has increased its authorised share capital from ₹ 80 Crores to ₹ 150 Crores.

New Projects and Expansions

■ Haldia Unit - West Bengal

Your directors are pleased to inform you that third and fourth furnace out of six furnaces of 9 MVA capacity each of 100% EOU project at Haldia has started

commercial production on 23rd February, 2011 and the 5th furnace has started production on 23rd July, 2011. The 6th furnace is expected to commence production by the end of August, 2011.

■ Bishnupur Unit - West Bengal

The Company has successfully commissioned the Stainless and Alloy Steel project at Bishnupur (West Bengal) having production capacity of 100,000 TPA six months ahead of scheduled commercial operation date considered at the time of its financial closure.

■ Jajpur Unit - Orissa

The Company is installing a Captive Power Plant of 67.5 MW at its Jajpur unit. The Company has since achieved financial closure for the project. The implementation of the CPP project is proceeding as per schedule. After installation of the Captive Power Plant, the power cost of the unit will be reduced and will ensure competitive advantage over other market players.

Major orders for the plant & machinery have already been placed and the project is expected to commence its commercial production by October, 2013.

Coal Mines

The Company has acquired 60% economic interest in a coal mine in Indonesia through its subsidiary Company SKP Overseas Pte. Ltd. The mine has a proven Coking Coal reserve of over 5 Million tonnes and estimated Thermal Coal reserve of 20 Million tonnes. The Coking Coal mine is expected to start production in the current financial year and will feed the requirements of Ferro Alloys units. The Thermal Coal mine is expected to start production in FY 2011-12 and will meet the coal requirements of our upcoming Captive Power Plant at Jajpur Unit.

Credit Rating

The Credit rating of the Company for long term and medium term debts/facilities has been accorded as BBB (Triple B) and the short term

debts/facilities have been rated as PR3 (PR Three) by the Credit rating Agency – Credit Analysis & Research Ltd (CARE).

Public Deposits

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

Insurance

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

Export Marketing and Initiatives

During the year under review, the Company has achieved an export turnover of ₹ 713.29 Crores as compared to ₹ 478.51 Crores in previous year registering a growth of 49.06 % over previous year.

The Company has a very strong customer extension activity internationally adding new business partners from Japan, Slovenia, Peru, Ukraine, China, Egypt, Turkey, Germany, Argentina, Switzerland, etc.

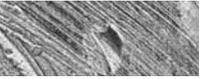
The Company has adopted the following strategies for establishing better and direct marketing to overseas buyers :

■ Direct contract with steel plants.

■ Appointed agent/employee in overseas countries for direct marketing.

■ Retail selling concept to cater to small buyers requirement directly like foundries etc.

■ The Company has warehouse facility 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).

Awards & Achievements

During the year under review, the Company was awarded All India Best Exporter award in Ferro Alloy for the Year 2008-09.

Directors

Mr. Kailash Chand Jain and Mr. Jatindra Nath Rudra, 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, 2011 has been re-appointed by the Board of Directors for a further period of one year w.e.f 01.09.2011, 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.

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.

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.

Particulars of Employees

None of the employees of the Company has drawn remuneration in excess of the

limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

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.

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, 12th August, 2011



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 :

Based on the market trend and demand the Company has changed its products mix as compared to last year, resulting into higher consumption of energy.

Lower level of emission.

Better quality products.

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	2010-11	2009-10
A. Power and fuel consumption		
1. Electricity		
Total unit Purchased/Consumed	695,754,950	541,231,200
Total Cost (₹)	2,781,669,312	1,676,174,394
Average rate per unit (₹)	4.00	3.10
2. Coal and Coke		
Quantity (MT)	126,724	73,394
Total Cost (₹)	1,354,539,737	906,084,843
Average rate per MT (₹)	10,689	12,345
B. Consumption Per Unit of Production		
1. Electricity (Unit/MT)	3,836	3,804
2. Coal and Coke (Kg/MT)	699	516

FORM B

(Form for Disclosure of Particulars with respect to Technology Absorption for the year ended 2010-11)

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 :

a) Capital	Nil
b) Recurring	₹ 801,584
c) Total	₹ 801,584
d) Total R&D expenditure as a percentage of total Turnover	0.006%

B. Technology Absorption, Adaptation and Innovation

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

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

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 plan 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) Total Foreign Exchange used and earned :

(₹ in Crores)

Sl.No.	Particulars	2010-11	2009-10
1	Foreign exchange earned	698.91	472.66
2	Foreign exchange used	259.11	133.91

For and on behalf of the Board

Suresh Kumar Patni
Chairman

Kolkata, 12th August, 2011

CORPORATE GOVERNANCE REPORT

FOR THE YEAR 2010-11

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 recognise that this is a conscious and continuous process across the Organisation, 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 2010-11 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, 2011#		Whether attended the Last AGM
			Board	Committee\$	
Mr. Suresh Kumar Patni	Promoter/ Non-Executive Chairman	19	8	2	NO
Mr. Rohit Patni	Promoter/Executive	19	6	1	YES
Mr. Ankit Patni	Promoter/Executive	17	5	2	YES
Mr. Binit Jain	Executive	17	–	–	NO
Mr. Kailash Chand Jain	Independent/Non-Executive	14	3	3 (Chairman - 3)	YES
Mr. Jatindra Nath Rudra	Independent/Non-Executive	14	1	2 (Chairman - 1)	YES
Mr. Jayanta Kumar Chatterjee	Independent/Non-Executive	14	–	–	YES
Mr. Asoke Kumar Basu	Independent/Non-Executive	12	–	–	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 :

1. 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.
2. Twenty (20) Board Meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :
5th April, 2010; 10th May, 2010; 12th May, 2010; 5th June, 2010; 2nd August, 2010; 10th August, 2010;

28th August, 2010; 31st August, 2010; 15th September, 2010; 16th September, 2010; 23rd September, 2010; 23rd October, 2010; 12th November, 2010; 2nd December, 2010; 24th December, 2010; 1st February, 2011; 10th February, 2011; 2nd March, 2011; 16th March, 2011; 31st March, 2011.

3. 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.
4. The Board periodically reviews compliance reports of all laws

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

5. Mr. Rohit Patni, 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.

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, 2011.

For Rohit Ferro-Tech Limited

Kolkata, 12th August, 2011

Rohit Patni
Managing Director

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 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 meeting attended during the year
Mr. Kailash Chand Jain	Independent (Chairman)	5
Mr. Jatindra Nath Rudra	Independent	5
Mr. Jayanta Kumar Chatterjee	Independent	4

The Managing Director, Joint Managing Director and VP-Finance & Accounts are permanent invitees to the Committee. The



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 and all the other members of the committee are financially literate. He was present at the last Annual General Meeting of the Company held on 27th September, 2010 to answer the queries raised by the Shareholders.

During the financial year ended 31st March, 2011 five Audit Committee Meetings were held on 12th May, 2010; 10th August, 2010; 31st August, 2010; 12th November, 2010; 10th February, 2011. The necessary quorum was present at these meetings.

The Annual Accounts for the year ended 31st March, 2011 were duly reviewed by the Audit Committee at its meeting held on 20th May, 2011 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. Jayanta Kumar Chatterjee.

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

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

The Committee met once during the year

on 31st August, 2010. 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.

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 2010-11 are as follows :

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Rohit Patni (Managing Director)	3,600,000	27.08.2007	26.08.2012	2 Months
Mr. Ankit Patni (Jt. Managing Director)	2,400,000	27.08.2007	26.08.2012	2 Months
Mr. Binit Jain (Executive Director)	600,000	01.09.2010	31.08.2011	2 Months

During the current year, on the recommendation made by the remuneration committee, the Board of Directors in their meeting held on 12th August, 2011 has re-appointed Mr. Binit Jain, subject to the approval of members in General Meeting, as an Executive Director of the Company for a further period of 1 year w.e.f 1st September, 2011.

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, 2011 are as follows :

Name of the Director	Sitting Fees paid (₹)	No. of Shares held as on 31st March, 2011
Mr. Asoke Kumar Basu	30,000	Nil
Mr. Jatindra Nath Rudra	49,500	Nil
Mr. Jayanta Kumar Chatterjee	48,500	Nil
Mr. Kailash Chand Jain	47,000	Nil
Mr. Suresh Kumar Patni	50,000	1,536,403

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, 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 31st March, 2011.

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

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

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

The Company has received total 3 Investor's grievances/complaints during the year ended 31st March, 2011 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
2009-2010	27th September, 2010	'ROTARY SADAN' 94/2, Chowringhee Road, Kolkata - 700 020	3:00 PM
2008-2009	22nd September, 2009	'ROTARY SADAN' 94/2, Chowringhee Road, Kolkata - 700 020	1:30 PM
2007-2008	25th September, 2008	'ROTARY SADAN' 94/2, Chowringhee Road, Kolkata - 700 020	11:00 AM

Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2009-2010	Re-appointment of Executive Director (Mr. Binit Jain)
2008-2009	Re-appointment of Executive Director (Mr. Binit Jain)
2007-2008	None

No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting. During the year under review, no special resolutions were passed through postal ballot.

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-20 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 minimisation 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.

- Proceeds from the Rights Issue : During the year under review, the Company has raised ₹ 9475.91 Lacs by issuing 15,793,178 equity shares of ₹ 10 each on right basis at a premium of ₹ 50 to part finance its Haldia Project. The Company has utilised the entire proceeds in the said project as per the object of the issue stated in the Letter of Offer.

- All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.

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, 2011 has been placed before the Board in the meeting held on 20th May, 2011.

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/The Financial Express/The Times of India” and in a local vernacular newspaper – “Dainik Statesman” widely circulated in the state of West Bengal. The results were also placed on the Company’s website at <http://www.rohitferrotech.com>.

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 & Analysis Report is given separately, and forms part of Annual Report.

General Shareholder Information

1. Annual General Meeting (AGM)

Day, Date & Time : Thursday,
15th September, 2011 at 10.30 AM.
Venue : ‘Rotary Sadan’,
94/2, Chowringhee Road,
Kolkata-700 020

2. Date of Book Closure :

10th September, 2011 to 15th September, 2011
(both days inclusive)

3. Dividend payment date :

On or after 15th September, 2011

4. Financial Calendar : Indicative calendar of events for the financial year 2011-2012 is as under :

Financial Year : 1st April to 31st March

Unaudited/Audited Financial Results for :

First Quarter	Already disclosed on 12th August, 2011
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, 2012

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 2011-12 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.

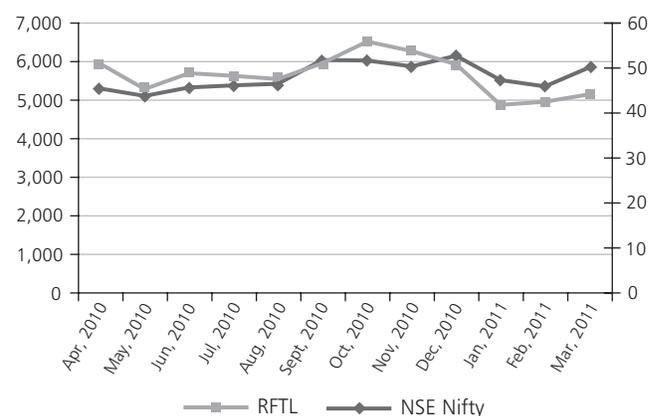
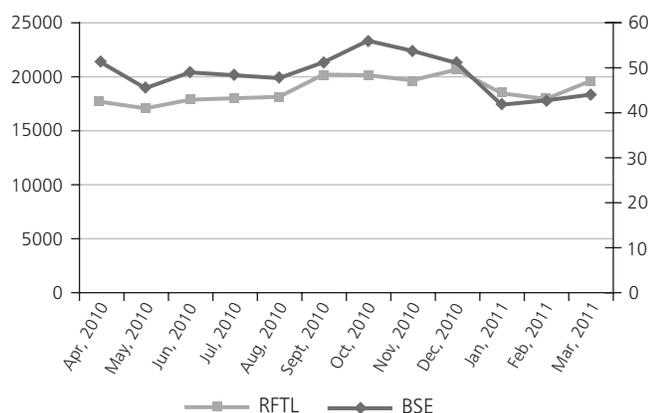


7. Market Price Data

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

Month	The National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High	Low	High	Low
April, 2010	60.30	42.20	60.20	42.70
May, 2010	53.90	42.00	54.30	42.25
June, 2010	53.10	42.30	53.00	44.20
July, 2010	53.10	47.10	53.30	47.00
August, 2010	54.50	45.90	54.30	46.00
September, 2010	53.95	47.10	53.80	47.50
October, 2010	63.50	51.40	63.65	51.55
November, 2010	67.45	51.05	67.50	51.45
December, 2010	56.25	43.50	56.35	43.50
January, 2011	54.60	34.40	54.65	40.10
February, 2011	51.50	35.00	51.50	34.70
March, 2011	49.10	42.50	49.20	42.55

8. Performance in comparison to broad based indices



9. Shareholding Pattern as on 31st March, 2011

Particulars	No. of Shares	%
Indian Promoters	36,657,842	66.32
Domestic Bodies Corporate	5,485,180	9.92
Resident Individuals	11,885,448	21.50
Non-Resident Individuals	365,570	0.66
Foreign Institutional Investors	666,193	1.21
Foreign Institutions/Banks	10,620	0.02
Trust	500	0.00
Clearing Member	204,770	0.37
TOTAL	55,276,123	100.00

10. Distribution of Shareholding as on 31st March, 2011

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total
Upto 500	14,119	80.03	2,279,254	4.12
501 to 1,000	1,635	9.27	1,380,915	2.50
1,001 to 10,000	1,678	9.51	5,076,394	9.18
10,001 to 100,000	190	1.08	4,569,072	8.27
100,001 and above	20	0.11	41,970,488	75.93
Total	17,642	100.00	55,276,123	100.00

11. Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both NSDL and CDSL. As on 31st March, 2011, 42,363,920 equity shares representing 76.64% of the share capital are held in dematerialised form viz. CDSL – 13,449,605 equity shares and NSDL – 28,914,315 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 Registrar and Share Transfer Agent of the Company, both for Physical and Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

13. Share Transfer System

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

14. Outstanding ADR's/GDR's/Warrants

The Company has at present no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity.

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

Ms. Vineeta Baid
Company Secretary & Compliance Officer
(#appointed w.e.f. 16.05.2011)

Registered Office :

Rohit Ferro-Tech Limited
35, C. R. Avenue, 4th floor,
Kolkata - 700 012;
Phone : +91 33 2211 9805/9806
E-mail : grievance@rohitferrotech.com

Corporate Office :

Rohit Ferro-Tech Limited
SKP House, 132A, S.P.Mukherjee Road,
Kolkata - 700 026
Phone : +91 33 4016 8000/8100
Fax : +91 33 4016 8189

16. Plant Locations

Bishnupur
WBIIDC Road, P.O. Dwarika
Bishnupur – 722 122,
Dist : Bankura (West Bengal)

Jajpur
Kalinganagar Industrial Complex
Duburi – 755 026, Dist : Jajpur (Orissa)

Haldia
Jaynagar, PO : Buniaraichak,
PS : 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 Whistle Blower Policy will be implemented by the Company as and when required.

For Rohit Ferro-Tech Limited

Suresh Kumar Patni
Chairman

Kolkata, 12th August, 2011



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, 2011, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s).

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

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

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

For A J & ASSOCIATES
Company Secretaries

Date : 12th August, 2011
Place : Kolkata

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, 2011 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, 2011 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, 2011,
 - 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.

For S. Jaykishan
Chartered Accountants
FRN : 309005E

B. K. Newatia
Partner

Place : Kolkata
Date : 20th May, 2011

Membership No. 050251

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, 2011)

- 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 Loans from seven 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 ₹ 56.86 Crores and ₹ 24.99 Crores 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 loans, 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, 2011 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, 2011 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 :

Name of Statute	Nature of Dues	Amount in ₹	Forum where dispute is pending
Orissa VAT Act, 2004	Orissa VAT	861,559	Appellate Tribunal
Orissa Entry Tax Act, 1999	Entry Tax	193,997	Joint Commissioner of Commercial Taxes (Jajpur, Orissa)
The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005	Central Sales Tax and Value Added Tax	27,914,387	Sr. Joint Commissioner of Commercial Taxes
The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005	Central Sales Tax and Value Added Tax	4,647,500	Taxation Tribunal, Extra-Ordinary Jurisdiction
Central Excise Act, 1944	Excise Duty	10,455,592	Commissioner of Central Excise (Appeals) - IV
Central Excise Act, 1944	Excise Duty	10,084,665	Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	3,495,888	Joint Commissioner of Central Excise, Bolpur
Central Excise Act, 1944	Excise Duty	40,958,756	Customs, Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	13,780,479	Commissioner of Income Tax (Appeals) - I, Kolkata
Workmens' Compensation Act, 1923	Workmens' Compensation	498,936	Workmens' Compensation Court

- 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 preferential allotment of shares to companies, firms or other parties 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 raised money by way of Rights Issue during the year. We have verified the end use of the proceeds thereof, as disclosed in Note No. B-7 of Schedule - 22 to the accounts.
- (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
FRN : 309005E

B. K. Newatia
Partner

Place : Kolkata
Date : 20th May, 2011

Membership No. 050251

Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	31.03.2011	31.03.2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	552,761,230	394,829,450
b) Share Application Money, pending allotment		-	484,000,000
c) Reserves and Surplus	2	3,380,465,696	2,166,417,266
2. Loan Funds			
a) Secured Loans	3	6,661,907,030	3,238,768,166
b) Unsecured Loans	4	458,338,323	782,772,864
3. Deferred Tax Liability [Refer Note No. B - 23 in Schedule 22]		264,507,660	187,261,359
Total		11,317,979,939	7,254,049,105
II. APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		3,696,227,011	2,603,266,376
b) Less : Depreciation		464,331,831	331,037,719
c) Net Block		3,231,895,180	2,272,228,657
d) Capital Work-in-Progress [Refer Note No. B - 16 in Schedule 22]		2,474,280,472	1,301,927,057
2. Investments	6	448,814,253	256,826,253
3. Current Assets, Loans & Advances			
a) Inventories	7	4,570,785,534	3,004,313,626
b) Sundry Debtors	8	597,064,804	576,935,699
c) Cash & Bank Balances	9	427,860,127	364,508,004
d) Loans & Advances	10	1,945,337,784	1,447,478,619
		7,541,048,249	5,393,235,948
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	2,210,141,568	1,861,263,801
b) Provisions	12	167,916,647	115,723,770
		2,378,058,215	1,976,987,571
Net Current Assets		5,162,990,034	3,416,248,376
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	13	-	6,818,762
Total		11,317,979,939	7,254,049,105
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 S. Jaykishan

Chartered Accountants

FRN : 309005E

For & on behalf of the Board

B.K.Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : 20th May, 2011

S. K. Patni

Chairman

Rohit Patni

Managing Director

Vineeta Baid

Company Secretary

Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	31.03.2011	31.03.2010
I. INCOME			
Sales/Income from Operations	14	12,049,813,875	8,465,246,794
Less : Excise Duty		382,615,900	221,667,115
Net Sales/Income from Operations		11,667,197,975	8,243,579,679
Other Income	15	129,930,312	61,912,405
Increase/(Decrease) in Stock	16	684,998,191	(24,539,324)
		12,482,126,478	8,280,952,760
II. EXPENDITURE			
Raw Materials Consumed	17	6,602,808,789	3,889,758,380
Purchase of Traded Goods		441,331,030	776,800,338
Manufacturing Expenses	18	3,305,170,216	2,036,416,075
Payments to & Provisions for Employees	19	128,062,934	76,947,594
Administrative, Selling & Other Expenses	20	664,359,964	476,242,712
Interest & Finance Charges	21	525,758,576	396,490,108
Depreciation		133,294,111	108,272,436
		11,800,785,621	7,760,927,643
PROFIT BEFORE TAX		681,340,857	520,025,117
Provision for Taxation :			
- Current		135,795,000	104,300,000
- Deferred		77,246,301	55,476,611
Deferred MAT Credit Entitlement		(18,313,400)	-
PROFIT AFTER TAX		486,612,956	360,248,506
Less : Income Tax for Earlier Years		(24,707,665)	(18,486,329)
Surplus from last year		1,550,058,366	1,231,316,473
Balance available for Appropriation		2,011,963,658	1,573,078,650
APPROPRIATIONS :			
Proposed Dividend		27,638,062	19,741,473
Corporate Tax on Dividend		4,483,585	3,278,812
Balance carried to Balance Sheet		1,979,842,011	1,550,058,366
		2,011,963,658	1,573,078,650
Earnings per Share (Face Value - ₹ 10 each) [Refer Note No. B - 21 in Schedule 22]			
Before extraordinary item			
- Basic		10.49	9.12
- Diluted		10.49	9.12
After extraordinary item			
- Basic		9.95	8.66
- Diluted		9.95	8.66
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 S. Jaykishan

Chartered Accountants

FRN : 309005E

For & on behalf of the Board

B.K.Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : 20th May, 2011

S. K. Patni

Chairman

Rohit Patni

Managing Director

Vineeta Baid

Company Secretary

Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	Year ended 31.03.2011		Year ended 31.03.2010	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary Items		681,340,857		520,025,117
Adjustments for :				
Depreciation	133,294,111		108,272,436	
Interest Income	(43,264,855)		(38,064,373)	
Interest Expenses	525,758,576		396,490,108	
Liabilities no longer required written back	(4,294,086)		(743,377)	
Sundry Balance written off	(994,208)		13,903	
Share Issue Expenses written off	3,967,261	614,466,799	3,967,262	469,935,958
Operating Profit before Working Capital Changes		1,295,807,656		989,961,076
Adjustments for :				
Trade & Other Receivables	(519,533,318)		(53,399,272)	
Inventories	(1,566,471,908)		14,480,046	
Trade Payables & Other Liabilities	344,211,076	(1,741,794,150)	(351,138,571)	(390,057,798)
Cash Generated from Operations		(445,986,494)		599,903,278
Extraordinary Item	-		-	
Direct Taxes Paid	(117,922,662)	(117,922,662)	(4,857,102)	(4,857,102)
Net Cash from/(used in) Operating Activities		(563,909,156)		595,046,175
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & Capital W.I.P.	(2,264,721,490)		(1,202,832,528)	
Advances for Capital Goods	33,765,099		(165,692,350)	
Purchase of Investment	(192,088,000)		(69,043,750)	
Sale of Investments	100,000		-	
Interest Received	33,092,279		16,893,227	
Advance to Subsidiary	-		2,509,254	
Decrease/(Increase) in Fixed Deposits	(59,803,427)		(8,816,808)	
Net Cash from/(used in) Investing Activities		(2,449,655,539)		(1,426,982,954)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Share Application Money	-		484,000,000	
Proceeds of Issue of Equity Share (including premium)	463,590,680		-	
Proceeds from Long Term Loans	1,780,995,560		869,738,014	
Repayments of Long Term Loans	(162,122,079)		(176,837,678)	
Increase /(Decrease) in Short Term Borrowings	1,431,095,942		(19,539,047)	
Increase in Inter Corporate Deposits	48,734,901		185,033,241	
Share Issue Expenses	(2,542,615)		(2,851,500)	
Interest Paid	(519,900,689)		(443,922,217)	
Dividend Paid	(19,741,473)		(19,741,473)	
Corporate Dividend Tax Paid	(3,278,812)		(4,634,787)	
Net Cash from/(used in) Financing Activities		3,016,831,415		871,244,553
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		3,266,720		39,307,774
Cash and Cash Equivalents at the beginning of period		80,513,008		41,205,234
Cash and Cash Equivalents at the end of period		83,779,728		80,513,008

Cash Flow Statement (*Contd.*)

Notes :

- i) 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.
- ii) Cash and cash equivalents include cash in hand and bank balances on current account (Refer Schedule 9).
- iii) Figures in brackets indicate Cash outflow.
- iv) Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

In terms of our report of even date attached

For **S. Jaykishan**
Chartered Accountants
FRN : 309005E

For & on behalf of the Board

B.K.Newatia
Partner
Membership No. 050251
Place : Kolkata
Dated : 20th May, 2011

S. K. Patni
Chairman

Rohit Patni
Managing Director

Vineeta Baid
Company Secretary

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 1 SHARE CAPITAL		
Authorised :		
80,000,000 Equity Shares of ₹ 10 each (P.Y. - 80,000,000 Equity Shares of ₹ 10 each)	800,000,000	800,000,000
Issued, Subscribed & Paid-up :		
55,276,123 Equity Shares of ₹ 10 each fully paid up in Cash (P.Y. - 39,482,945 Equity Shares of ₹ 10 each)	552,761,230	394,829,450
	552,761,230	394,829,450

Schedule 2 RESERVES & SURPLUS		
Securities Premium :		
As per last account	534,544,900	534,544,900
Add : Received during the year	789,658,900	-
	1,324,203,800	534,544,900
Less : Share Issue Expenses Written Off	(5,394,115)	-
	1,318,809,685	534,544,900
Capital Reserve - As per last account :		
Capital Investment Subsidy	24,000,000	24,000,000
Forfeiture of Deposit against Share Warrants	12,814,000	12,814,000
	36,814,000	36,814,000
General Reserve :		
As per last account	45,000,000	45,000,000
Surplus as per Profit & Loss Account annexed	1,979,842,011	1,550,058,366
	3,380,465,696	2,166,417,266

Schedule 3 SECURED LOANS		
[Refer Note No. B - 6 in Schedule 22 for Securities]		
A) Term Loans		
From Banks		
- Rupee Loans	2,729,734,899	1,336,707,446
- FCNRB Loan	225,846,028	-
B) Working Capital Loans		
From Banks		
- Cash Credit	1,741,938,789	803,802,790
- Export Packing Credit	841,226,616	699,498,435
- FCNRB - Demand Loan	134,857,500	45,992,500
- Stand by Line of Credit	100,145,967	-
- Buyers' Credit	888,157,231	352,766,995
	6,661,907,030	3,238,768,166

Notes :

Term Loans repayable within one year - ₹ 4,610 Lacs (P.Y. - ₹ 1,749 Lacs)

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 4 UNSECURED LOANS		
Short Term Loan from UCO Bank	-	300,000,000
WBIDC Ltd. (Bridge Loan against Subsidy receivable)	7,538,323	77,930,906
SIDBI Loan (Under MSME receivable finance scheme)	-	2,776,859
Other Bodies Corporate	450,800,000	402,065,099
	458,338,323	782,772,864

Schedule 5 FIXED ASSETS

	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As on 01.04.2010	Additions during the year	Deductions during the year	As on 31.03.2011	As on 01.04.2010	For the year*	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Land and Land Development									
	a) Leasehold	286,312,902	119,629,522	-	405,942,424	-	-	-	405,942,424	286,312,902
	b) Freehold	3,820,075	36,636,363	-	40,456,438	-	-	-	40,456,438	3,820,075
2	Factory Shed & Buildings	539,904,034	184,024,232	-	723,928,266	54,622,936	21,675,727	76,298,663	647,629,603	485,281,098
3	Office & Godown Premises	12,385,102	10,457,814	-	22,842,916	605,835	336,321	942,155	21,900,760	11,779,267
4	Guest House	1,725,500	-	-	1,725,500	140,629	28,126	168,754	1,556,746	1,584,871
5	Plant & Machineries	1,078,630,299	564,681,872	-	1,643,312,171	162,343,780	68,502,111	230,845,891	1,412,466,280	916,286,519
6	Electrical Installations	622,861,339	112,624,264	-	735,485,603	100,858,928	35,975,625	136,834,553	598,651,051	522,002,411
7	Tools & Equipments	7,849,371	16,313,348	-	24,162,719	1,525,583	1,000,246	2,525,829	21,636,890	6,323,788
8	Air Conditioners	2,730,050	2,047,668	-	4,777,718	472,266	159,708	631,974	4,145,743	2,257,784
9	Office Equipments	3,437,603	3,464,712	-	6,902,315	367,669	212,170	579,839	6,322,476	3,069,934
10	Computers	6,124,726	5,810,045	-	11,934,771	2,544,971	1,268,761	3,813,731	8,121,040	3,579,755
11	Vehicles	23,391,744	9,041,165	-	32,432,909	4,847,926	2,702,993	7,550,919	24,881,990	18,543,818
12	Furniture & Fixtures	14,063,306	28,229,630	-	42,292,936	2,697,629	1,430,884	4,128,514	38,164,422	11,365,677
13	Fire Extinguisher	30,325	-	-	30,325	9,568	1,440	11,008	19,317	20,757
	TOTAL	2,603,266,376	1,092,960,635	-	3,696,227,011	331,037,719	133,294,112	464,331,831	3,231,895,180	2,272,228,657
	Figure as on 31.03.10	2,498,197,159	105,069,217	-	2,603,266,376	222,719,588	108,318,131	331,037,719	2,272,228,657	
	Capital Work-in- Progress	1,301,927,057	2,138,436,357	966,082,942	2,474,280,472	-	-	-	2,474,280,472	1,301,927,057
	Previous year	111,426,728	1,266,124,331	75,624,002	1,301,927,057	-	-	-	1,301,927,057	-

* Includes ₹ Nil (P.Y. - ₹ 45,694) debited to Capital Work-in-Progress

Note :

The original cost of vehicles & equipments includes ₹ 25,927,181 (P.Y. - ₹ 8,643,151) acquired from loans taken from banks & financial institutions, of which ₹ 17,200,644 (P.Y. - ₹ 5,879,470) were outstanding as at 31.03.2011.

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 6 INVESTMENTS (Long Term)		
Trade (Unquoted)		
Investment in Subsidiaries		
SKP Overseas Pte Ltd. 12,089,535 (P.Y. - 8,081,535) Shares of S\$ 1 each fully paid up	398,711,075	256,723,075
Investment in Equity Shares		
SKP Power Ventures Ltd. 10,000 shares of ₹ 10 each fully paid up	100,000	100,000
Rohit Persia Mines & Industries PJSC 49 Shares of 10,000 Rials (₹ 64.87) each fully paid up	3,178	3,178
Investments in Mutual Funds (pledged with Banks as margin for Letter of Credit facility)		
5,000,000 (-) SBI Mutual Fund (NAV as on 31.03.2011 - ₹ 50,475,000)	50,000,000	-
	448,814,253	256,826,253

Schedule 7 INVENTORIES

(as taken, valued & certified by the management)		
Raw Materials*	3,194,467,044	2,340,988,331
Finished Goods (including in transit ₹ 385,170,105 ; P.Y. - ₹ 131,263,319)	732,180,373	201,466,268
Work-in-Progress	569,701,951	415,417,864
Packing Materials	10,042,343	7,287,229
Stores & Spares	64,393,823	39,153,935
	4,570,785,534	3,004,313,626

* Includes Stock valued at ₹ 9.99 Crores Pledged with PEC Limited

Schedule 8 SUNDRY DEBTORS

(Unsecured, Considered Good)		
Due for more than 6 months	17,181,402	12,320,573
Other Debts	579,883,402	564,615,126
	597,064,804	576,935,699

Schedule 9 CASH & BANK BALANCES

Cash in Hand (As Certified by the Management)	3,088,025	5,726,039
Balances with Scheduled Banks :		
In Current Accounts	80,691,702	74,786,968
In Public Issue Account		
- H.D.F.C Bank Ltd.	10,410	10,410
In Dividend Account		
- H.D.F.C Bank Ltd.	824,563	452,715
- Yes Bank Limited	-	89,872
In Fixed Deposit Accounts	343,245,427	283,442,000
(pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)		
	427,860,127	364,508,004

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 10 LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
- For Capital Goods	196,994,112	230,759,210
- To Subsidiary	4,465,000	4,514,000
- To Suppliers & Others	636,038,604	286,412,745
Accrued Interest on Deposits	35,577,646	25,012,749
Prepaid Expenses	10,219,228	12,558,269
Derivative Contracts Receivable/Payable	6,042,795	-
Security & Other Deposits	298,195,119	228,515,124
Balance with Excise Department	147,081,037	43,626,355
Cenvat/Vat Credit Receivable	293,841,944	234,576,431
Export Incentives Receivable	138,106,761	47,510,448
Subsidy Receivable	121,779,120	295,821,780
Income Tax Payments (including TDS)	23,733,890	3,691,910
Income Tax Refundable	928,510	608,832
MAT Credit Entitlement [Refer Note No. B - 22 in Schedule 22]	32,334,018	33,870,765
	1,945,337,784	1,447,478,619

Schedule 11 CURRENT LIABILITIES

Acceptances	526,297,185	912,636,489
Sundry Creditors		
Dues to Micro, Small & Medium Enterprises	-	184,393
Dues to Others		
- For Supplies	1,236,600,200	506,697,729
- For Capital Goods	104,667,276	102,036,326
- For Expenses	257,523,498	269,810,620
- For Pending Disbursements	20,504,336	16,602,990
Advances from Parties	54,607,763	49,683,771
Income Received in advance	1,545,194	1,152,873
Interest Accrued but not due	7,561,143	1,905,613
Unpaid Dividends*	824,563	542,586
Share Application Money Refundable	10,410	10,410
	2,210,141,568	1,861,263,801

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

Schedule 12 PROVISIONS

For Taxation	135,795,000	92,703,486
For Proposed Dividend	27,638,062	19,741,473
For Corporate Tax on Dividend	4,483,585	3,278,812
	167,916,647	115,723,770

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 13 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	6,818,762	7,934,524
Addition during the year	2,542,615	2,851,500
	9,361,377	10,786,024
Less : Amortised during the year	3,967,262	3,967,262
Less : Written off with Securities Premium	5,394,115	-
	-	6,818,762

Schedules Annexed to and forming part of the Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 14 SALES/INCOME FROM OPERATIONS		
Sale of Manufactured Goods		
- Export Sales	7,118,800,092	4,677,366,211
- Domestic Sales	4,047,256,874	2,830,753,449
Sale of Raw Materials	278,661,089	15,215,590
Sale of Traded Goods		
- Export Sales	14,074,320	107,686,111
- Domestic Sales	381,863,347	713,256,787
Export Incentives	209,158,153	120,968,646
	12,049,813,875	8,465,246,794

Schedule 15 OTHER INCOME

Interest on Credit Sales (TDS ₹ 1,119,175, P.Y. - ₹ 1,080,215)	10,671,698	12,332,354
Interest on Fixed Deposits with Banks (TDS ₹ 2,540,672, P.Y. - ₹ 2,799,389)	27,859,471	24,922,244
Interest on Other deposits (TDS ₹ 473,368, P.Y. - ₹105,125)	4,733,686	809,775
Foreign Exchange Fluctuation Gain (Net)	70,800,913	9,760,794
Premium on Forward Contracts	8,083,350	4,186,000
Liabilities no longer required written back	4,294,086	743,377
Prior Period Items	-	736,712
Sundry Balances Written Off	994,208	-
Lease Premium	500,000	-
Lease Rent Received	180,000	-
Miscellaneous Income	1,812,900	8,421,148
	129,930,312	61,912,405

Schedules Annexed to and forming part of the Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 16 INCREASE/(DECREASE) IN STOCK		
Closing Stock of Finished Goods (including in transit)	732,180,373	201,466,268
Closing Work-in-Progress	569,701,951	415,417,864
	1,301,882,324	616,884,132
Less : Opening Stock of Finished Goods & Work-in-Progress	616,884,133	641,423,456
	684,998,191	(24,539,323)

Schedule 17 RAW MATERIALS CONSUMED

(Including cost of Raw Materials Sold)		
Opening Stock	2,340,988,331	2,326,735,269
Add : Purchases (including freight)	7,456,287,502	3,904,011,442
	9,797,275,833	6,230,746,711
Less : Closing Stock	3,194,467,044	2,340,988,331
	6,602,808,789	3,889,758,380

Schedule 18 MANUFACTURING EXPENSES

Labour Charges	142,228,075	103,475,801
Power & Fuel	2,781,669,312	1,676,174,394
Water Supply Charges	5,519,802	4,243,608
Stores, Spares & Consumables	213,556,930	163,228,167
Packing Materials	36,606,861	27,074,375
Material Handling Charges	106,344,037	58,032,959
Excise Duty on Variation in Stocks [Refer Note No. B - 13 in Schedule 22]	5,756,216	(2,229,191)
Repairs & Maintenance		
- To Factory Shed & Buildings	99,790	70,020
- To Plant & Machinery	13,389,193	6,345,942
	3,305,170,216	2,036,416,075

Schedule 19 PAYMENTS TO & PROVISIONS FOR EMPLOYEES

Factory Wages	67,412,348	47,935,199
Salaries	44,169,089	16,600,267
Contribution to Provident & Other Funds	5,241,575	3,202,466
Gratuity	760,700	737,967
Directors' Remuneration	6,600,000	6,550,000
Welfare Expenses	3,879,222	1,921,695
	128,062,934	76,947,594

Schedules Annexed to and forming part of the Profit and Loss Account for the year ended 31st March, 2011

	(Amount in ₹)	
	31.03.2011	31.03.2010
Schedule 20 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	10,937,322	4,219,090
Rates & Taxes	3,288,242	3,051,424
Electricity Charges	1,158,355	379,076
Insurance	15,475,796	13,187,694
Printing & Stationery	4,440,553	2,573,251
Postage, Telegram & Courier	1,208,656	761,392
Telephone Charges	5,030,273	2,813,224
Travelling & Conveyance	16,375,548	12,945,779
Car Running & Maintenance	14,384,543	5,815,968
Other Repairs & Maintenance	781,429	935,935
Security Service Charges	23,935,623	17,597,463
Membership & Subscription	2,231,818	2,023,943
Legal & Professional Charges	12,266,993	9,809,035
Auditors Remuneration		
- For Audit	350,000	200,000
- For Tax Audit	75,000	40,000
- For Income Tax Matters	25,000	39,500
- In any other matter	90,500	84,500
Directors' Sitting Fees	225,000	158,000
Miscellaneous Expenses	12,795,325	14,614,193
Bank Charges	113,681,743	90,869,230
Bill Discounting Charges	8,463,665	1,624,229
Processing Fees to WBIDC Ltd	2,681,461	637,870
Testing & Inspection Charges	10,630,276	6,899,263
Donations	629,680	343,601
Advertisement, Publicity & Sales Promotion	11,301,227	7,159,684
Freight & Forwarding on Export	293,871,385	166,807,297
Transportation, Loading & Labour Charges	55,880,883	39,281,693
Commission on Sales - other than sole selling agent	10,973,597	6,874,661
Discounts & Rebates	1,616,888	60,272,140
Excise Duty/Sales Tax for earlier years	17,553,993	242,413
Prior Period Expenses [Refer Note No. B - 14 in Schedule 22]	1,799,553	-
Sundry Balances Written Off	-	13,903
Short Recovery & Damages	6,232,376	-
Share Issue Expenses Written Off	3,967,261	3,967,262
	664,359,964	476,242,712

Schedule 21 INTEREST & FINANCE CHARGES

Interest to Banks/Financial Institutions		
- On Fixed Loans	141,071,484	70,749,714
- Others	337,179,293	288,373,972
Motor Cars & Equipments Finance Charges	1,152,218	316,013
Interest to Others	46,355,581	37,050,410
	525,758,576	396,490,108

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.

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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.

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 and 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 recognised 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 recognised 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 and 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 capitalised 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.

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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 capitalised upto the date of commissioning of project to the cost of the respective assets.

13. Taxes on Income

Tax expense comprises of current tax and deferred tax.

- a) Current income 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 recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are 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 recognised in the Accounts.

16. Share Issue Expenses

Share Issue expenses incurred in earlier years are being amortised over a period of 5 years under Section 35D of the Income Tax Act, 1961. Share Issue expenses incurred during the year are adjusted with the balance available in Securities Premium in accordance with Section 78 of the Companies Act, 1956.

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 - ₹ 53,088,850 (P.Y. - ₹ 35,080,618).
- b) Bills discounted with Banks, outstanding as on 31st March, 2011 ₹ 892,709,093 (P.Y. - ₹ 853,625,986).
- c) Letters of Credit opened in favour of suppliers, outstanding as on 31st March, 2011 - ₹ 67,529,725 (P.Y. - ₹ 338,907,794).
- 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 (P.Y. - USD 15 million). Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March, 2011 is USD. 8.35 Million (P.Y. - USD 8.5 Million).

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

e) Claims against the company not acknowledged as debt :

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
Disputed Excise Duty under appeal	61,499,013	11,899,557
Disputed Sales Tax/VAT under appeal	33,423,446	6,396,795
Disputed Entry Tax under appeal	193,997	594,010
Disputed Income Tax Demands under appeal	13,780,479	-
Excise Duty demand for which show cause notice issued	3,495,888	3,395,888
Disputed Sales Tax/ VAT for which appeals are pending	-	1,912,431
Claim under Workmens' Compensation Act	498,936	-

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 110,732,188 (P.Y. - ₹ 454,328,844).
3. Estimated amount of export obligation to be fulfilled in respect of goods imported under Duty Free Import Authorisation Scheme - ₹ 862.53 lacs. (P.Y. - ₹ 871.99 lacs)
4. During the year, the company has changed its accounting policy relating to accounting of share issue expenses from writing off 1/5th of the expenditure every year to adjusting the same against the balance available in Securities Premium Account in line with Section 78 of the Companies Act, 1956. Had there been no change in the policy, the profit for the year would have been lower by ₹ 1,078,823.
5. 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.
6. **Securities for Loans :**
 - i) Term Loans from banks (other than Stainless Steel Project and Captive Power Plant) are secured by way of :
 - a) 1st charge on pari passu basis on the entire Fixed Assets of the Company, both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal) and Jajpur (Orissa) and exclusive 1st charge over Haldia where UBI and SBI are the Term Lenders.
 - b) Charge on the entire cash flows of the Company on pari passu basis.
 - c) Collateral security by equitable mortgage of landed properties with building at Jaipur held in the name of Shubham Complex (P) Ltd., equitable mortgage of office space at Kolkata and extension of charge over all the Current assets of the Company pertaining to all the units.
 - d) Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group companies.
 - ii) Term loans from banks for Stainless Steel Project of the Company at Bishnupur (West Bengal) are secured by pari passu 1st charge over the entire fixed assets of the said project and pari passu 2nd charge on all the current assets of the said Project.
 - iii) Term loans from banks for Captive Power Plant of the Company at Jajpur (Orissa) are secured by pari passu 1st charge over the entire fixed assets of the said project and pari passu 2nd charge on all the current assets of the said project.
 - iv) Working Capital Loans (Fund Based + Non Fund Based) are secured by way of :

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

- a) Hypothecation of current assets including inventory, receivables etc., of the Company at Jajpur, Bishnupur and Haldia on pari passu basis.
 - b) Collateral security by equitable mortgage of landed properties with building at Jaipur held in the name of Shubham Complex (P) Ltd., equitable mortgage of office space at Kolkata and extension of charge over all the fixed assets of the Company, both present and future, located at Bishnupur (West Bengal) and Jajpur (Orissa) and exclusive charge over Haldia where UBI and SBI are the Term Lenders.
 - c) Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group companies.
7. During the year, the Company has issued and allotted 15,793,178 equity shares of ₹ 10 each on rights basis at a premium of ₹ 50 per share, aggregating to ₹ 9,475.91 Lacs to part finance Ferro Alloys Plant at Haldia and issue related expenses. The proceeds of the issue have been utilised on the objects of the issue.
 8. Certain balances of Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation.
 9. Details of dues to Micro and Small enterprises :

(Amount in ₹)

	31.03.2011		31.03.2010	
	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.

10. Sundry Debtors include ₹ 241,219,735 (P.Y. - ₹ 194,068,926) covered by letters of credit in favour of the Company.
11. The Company has accounted for Interest Subsidy receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ NIL (P.Y. - ₹ 42,004,699) including ₹ NIL (P.Y. - ₹ 35,863,351) for earlier years. The said amount was recognised as net off with interest and finance charges in Schedule 21.

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

12. a) Details of payments and provisions on account of remuneration to managerial personnel are as under :

(Amount in ₹)

	2010-11	2009-10
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	600,000	550,000
	600,000	550,000
iii) Perquisites	-	-
iv) Sitting Fees to Other Directors	225,000	158,000
	225,000	158,000
	6,825,000	6,708,000

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 wholetime directors within the limit specified in Schedule XIII of the Companies Act, 1956.

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

14. Prior period items for the year comprise of the followings :

(Amount in ₹)

	2010-11	2009-10
Advertisement, Publicity & Sales Promotion	227,415	-
Clearing & Forwarding	-	8,000
Export Incentives	-	(1,166,974)
Labour Charges	600,000	335,298
Legal, Professional & Consultancy	-	86,964
Material Handling Charges	247,600	-
Miscellaneous Expenses	75,642	-
Rent	163,400	-
Repair and Maintainance	117,496	-
Travelling & Conveyance	368,000	-
Net Prior Period Expense/(Income)	1,799,553	(736,712)

15. The Company has commenced commercial production of four Furnaces out of six Furnaces of 9 MVA each at its Haldia Unit. The 1st Furnace started from 10th June, 2010 ; 2nd Furnace from 10th August, 2010 ; 3rd and 4th Furnace from 23rd February, 2011. Accordingly, pre-operative expenses relating to the said project have been capitalised by transfer to Factory Shed & Building, Plant & Machinery and Electrical Installations in proportion to their respective costs.

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

16. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets :

(Amount in ₹)

	2010-11	2009-10
Pre-Operative Expenses		
Opening Balance	93,753,105	10,198,804
Add : Expenditure incurred during the year		
Advertisement & Sales Promotion	-	1,857,661
Bank Charges	19,841,871	9,255,250
Depreciation	-	45,694
Electricity Charges	1,089,681	1,170,860
General Expenses	253,479	1,048,364
Hotel Expenses	54,998	-
Insurance	727,330	1,136,373
Interest [Includes ₹ 208,828,805 (P.Y.- ₹ 52,333,066) on Term Loan from Banks]	209,849,984	56,117,803
Legal, Professional & Consultancy Charges	12,977,581	3,486,000
License and Application Fees	505,000	-
Motor Car Expenses	119,610	90,928
Power Hi Tension	17,023,887	-
Printing & Stationery	45,759	479,394
Rates & Taxes	-	735,750
Rent	452,600	459,031
Repairs & Maintainance	7,680	154,132
Salary	8,723,856	3,120,252
Security Services Charges	5,683,046	3,347,519
Site Preparation Expenses	10,428,151	-
Telephone Charges	57,492	129,211
Transportation, Loading & Labour Charges	34,505	325,796
Travelling & Conveyance	60,691	350,424
Welfare Expenses	58,994	243,858
Total	381,749,300	93,753,105
Less : Amount allocated to Fixed Assets	95,164,719	-
Closing Balance	286,584,581	93,753,105

17. Research and Development expenses aggregating to ₹ 801,584 (P.Y. - ₹ 795,500) in the nature of revenue expenditure have been included under the appropriate account heads.

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

a. Defined Contribution Plan : Amount of ₹ 5,241,575 (P.Y. - ₹ 3,202,466) is recognised as expense and included in "Payments to & 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, 2011 which recognises 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.

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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

(Amount in ₹)

	2010-11	2009-10
a. Present Value of Defined Benefit Obligation at the beginning of the year	2,346,016	1,742,888
b. Interest Cost	187,681	139,431
c. Current Service Cost	685,985	661,386
d. Actuarial Losses/(Gains)	(439,303)	(197,689)
e. Benefits Paid	-	-
f. Present Value of Defined Benefit Obligation at the close of the year	2,780,379	2,346,016

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

(Amount in ₹)

	2010-11	2009-10
a. Fair Value of Plan Assets at the Beginning of the year	3,033,989	2,116,149
b. Add : Expected Return on Plan Assets	278,328	179,873
c. Add/(Less) : Actuarial Gains/(Losses)	-	-
d. Add : Contributions	760,700	737,967
e. Less : Benefits Paid	-	-
f. Fair Value of Plan Assets at the close of the year	4,073,017	3,033,989
Actual Return on Plan Assets	278,328	179,873

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 :

(Amount in ₹)

	2010-11	2009-10
a. Present Value of Defined Benefit Obligation	2,780,379	2,346,016
b. Less : Fair Value of Plan Assets	4,073,017	3,033,989
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 and Loss Account are as follows :

(Amount in ₹)

	2010-11	2009-10
a. Current Service Cost	685,985	661,386
b. Interest Cost	187,681	139,431
c. Expected return on Plan Assets	(278,328)	(179,873)
d. Actuarial Losses/(Gains)	(439,303)	(197,689)
e. Net asset not recognised as above	604,665	314,712
f. Recognised in the Profit and Loss Account	760,700	737,967

v. Broad Categories of Plan Assets as a percentage of Total Assets as at 31st March, 2011

	2010-11	2009-10
Qualifying Insurance Policy	100%	100%

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

vi. Actuarial Assumptions as at the Balance Sheet date :

	2010-11	2009-10
a. Mortality table	LIC 1994-96 Ultimate	
b. Discount Rate	8%	8%
c. Salary Escalation Rate	4%	4%

vii. Other Disclosures :

(Amount in ₹)

	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	2,780,379	2,346,016	1,742,888	1,310,434
Plan Assets	4,073,017	3,033,989	2,116,149	1,310,434
Surplus/(Deficit)	1,292,638	687,973	373,261	-
Experience adjustments on Plan Liabilities	(439,303)	(197,689)	(24,469)	160,716

viii. 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.

ix. The above information is certified by the actuary.

x. The Company expects to contribute ₹ 8.5 Lacs to the Gratuity Fund managed by the Life Insurance Corporation of India during the financial year 2011-12.

19. 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.

(Amount in Lakhs)

	2010-11	2009-10
Revenue (Gross Sales)		
Within India	49,169.39	36,801.94
Outside India	71,328.74	47,850.52
	120,498.14	84,652.47
Carrying Amount of Segment Assets		
Within India	128,585.47	88,214.08
Outside India	7,800.17	3,646.38
	136,385.64	91,860.46
Capital Expenditure		
Within India	22,653.14	12,955.70
Outside India	-	-
	22,653.14	12,955.70

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

iii) Details of Transactions with Related Parties (Contd.)

(Amount in ₹)

Sl. No.	Nature of Transactions	2010-11	2009-10
	Poddar Mech Tech Services Pvt. Ltd.	2,500,000	140,500,000
	Suanvi Trading & Investment Co. Pvt. Ltd.	6,500,000	91,500,000
	Vasupujya Enterprises Pvt. Ltd.	75,200,000	63,500,000
	VNG Mercantiles Pvt. Ltd.	53,000,000	153,500,000
	Whitestone Suppliers Pvt. Ltd.	250,400,000	-
6	Loans Repaid		
	Arthodock Vinimay Pvt. Ltd.	11,000,000	-
	Invesco Finance Pvt. Ltd.	-	500,000
	Nucore Exports Pvt. Ltd.	28,500,000	-
	Poddar Mech Tech Services Pvt. Ltd.	2,500,000	-
	Suanvi Trading & Investment Co. Pvt. Ltd.	6,500,000	-
	Vasupujya Enterprises Pvt. Ltd.	76,200,000	3,680,628
	VNG Mercantiles Pvt. Ltd.	182,000,000	-
	Whitestone Suppliers Pvt. Ltd.	25,000,000	-
7	Interest Paid		
	Poddar Mech Tech Services Pvt. Ltd.	-	9,247
	Vasupujya Enterprises Pvt. Ltd.	-	32,055
	VNG Mercantiles Pvt. Ltd.	-	1,221,165
8	Purchases		
	Ankit Metal & Power Ltd.	87,038,989	51,056,485
	Arin Minerals Pvt. Ltd.	-	1,356,078
	Impex Ferro Tech Ltd.	815,143	-
	Impex Metal & Ferro Alloys Ltd.	288,290,759	465,941,370
	SKP Overseas Pte. Ltd.	14,404,415	-
9	Sales of Goods		
	Ankit Metal & Power Ltd.	51,842,704	9,880,427
	Arin Minerals Pvt. Ltd.	4,360,837	-
	Hira Concast Ltd.	39,602,852	-
	Impex Ferro Tech Ltd.	10,240,179	-
	Impex Metal & Ferro Alloys Ltd.	214,502,066	133,983,954
	Impex Steel Ltd.	26,971,207	-
10	DEPB Licence Purchased		
	Ankit Metal & Power Ltd.	746,720	928,635
11	DEPB Licence Sold		
	Impex Metal & Ferro Alloys Ltd.	17,246,093	-
12	Lease Premium Received		
	Impex Metal & Ferro Alloys Ltd.	500,000	-
13	Lease Rent Received		
	Impex Metal & Ferro Alloys Ltd.	180,000	-
14	Rent Paid		
	Marble Arch Properties Pvt. Ltd.	180,000	-
15	Managerial Remuneration		
	Rohit Patni, Director	3,600,000	3,600,000
	Ankit Patni, Director	2,400,000	2,400,000
	Binit Jain, Director	600,000	550,000
16	Sitting Fees		
	Suresh Kumar Patni	50,000	40,000

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

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

iii) Details of Transactions with Related Parties (Contd.)

(Amount in ₹)

	2010-11	2009-10
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 Pvt. Ltd.	16,000,000	105,500,000

iv) Outstanding Balances

(Amount in ₹)

Sl. No.	Nature of Transactions	As at 31.03.2011	As at 31.03.2010
1	Sundry Creditors		
	Ankit Metal & Power Ltd.	-	928,635
	Impex Ferro Tech Ltd.	815,143	-
	Marble Arch Properties Pvt. Ltd.	180,000	-
2	Sundry Debtors		
	Impex Metal & Ferro Alloys Ltd.	682,072	-
3	Loan Taken		
	Vasupujya Enterprises Pvt. Ltd.	-	17,000,000
	VNG Mercantiles Pvt. Ltd.	24,500,000	153,500,000
	Whitestone Suppliers Pvt. Ltd.	225,400,000	-
4	Advances/Deposits Given		
	Ankit Metal & Power Ltd.	2,029,347	-
	Impex Metal & Ferro Alloys Ltd.	2,566,328	-
	Marble Arch Properties Pvt. Ltd.	16,800,000	16,800,000
	Rohit Persia Mines & Industries PJSC	6,451,755	6,178,341
	SKP Overseas Pte. Ltd. @	4,465,000	4,514,000
5	Advances Received		
	Ankit Metal & Power Ltd.	8,702,510	-
6	Investment in Equity Shares		
	SKP Overseas Pte. Ltd.	398,711,075	256,723,075
	Rohit Persia Mines & Industries PJSC	3,178	3,178
	SKP Power Ventures Ltd.	100,000	100,000
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 Pvt. Ltd.	-	105,500,000

@ Maximum amount outstanding at any time during the year ₹ 4,514,000

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

21. Earnings Per Share (EPS)

Particulars	As at 31st March, 2011	As at 31st March, 2010
(a) Number of Shares considered as weighted average shares for calculation of Basic Earnings Per Share	46,405,982	39,482,945
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	46,405,982	39,482,945
(b) Profit after tax, before extraordinary item (₹)	486,612,956	360,248,506
Profit after tax, after extraordinary item (₹)	461,905,291	341,762,177
(c) Nominal Value of Equity Share (₹)	10.00	10.00
(d) Earning Per Share (Basic) in ₹ :		
(i) Before Extraordinary item	10.49	9.12
(ii) After Extraordinary item	9.95	8.66
(e) Earning Per Share (Diluted) in ₹ :		
(i) Before Extraordinary item	10.49	9.12
(ii) After Extraordinary item	9.95	8.66

22. The Company has made current tax provision for Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT Credit receivable for the amount in excess over tax liability as per normal computation has been recognised as an asset. MAT credit is recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement.

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

Nature of Timing Differences	As at 31st March, 2011	As at 31st March, 2010
Deferred Tax Liability		
Depreciation	264,507,660	187,261,359
Net Deferred Tax Liability	264,507,660	187,261,359

24. 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 Contracts (2)	USD	Buy	8,000,000 (P.Y. - 1,000,000)	Hedging Purpose
Forward Contracts (9)	USD	Sell	13,220,454 (P.Y. - Nil)	Hedging Purpose

Particulars of unhedged foreign currency exposure as at 31st March, 2011 are as follows :

	Currency	2010-11	2009-10
Amounts Receivable	USD	-	2,253,738
	EURO	102,020	102,020
Amounts Payable	USD	24,117,757	8,961,583

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

25. 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.
26. 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 ₹ 6,454,933 (P.Y. - ₹ 6,181,519) (including advances for supplies) as on 31st March, 2011.
27. 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.
28. Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.
- A) The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O.301 (E) dated 8th February, 2011 issued under Section 211 (3) of the Companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their Profit & Loss Account. The Company being an 'Export Oriented Company' is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of Part II, Schedule VI to the Companies Act, 1956 have not been provided.
- B) Capacity & Production - Ferro Alloys
- a) Licenced Capacity : N.A.
- b) Installed Capacity : 239,542 MT Per Annum (P.Y. - 172,875 MT)
(Installed Capacity has been certified by the management and not verified by the auditors being a technical matter)
- c) Production : 181,360.04 MT (P. Y. - 142,289.25 MT)

C) Raw Materials Consumed

	31.03.2011		31.03.2010	
	Amount (₹)	Percentage (%)	Amount (₹)	Percentage (%)
Imported	2,738,191,328	41.47%	1,526,741,986	39.25%
Indigenous	3,864,617,461	58.53%	2,363,016,394	60.75%
Total	6,602,808,789	100.00%	3,889,758,380	100.00%

D) Stores, Spares & Consumables

	31.03.2011		31.03.2010	
	Amount (₹)	Percentage (%)	Amount (₹)	Percentage (%)
Imported	-	-	226,536	0.14%
Indigenous	213,556,930	100.00%	163,001,631	99.86%
Total	213,556,930	100.00%	163,228,167	100.00%

Schedules forming part of the Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

E) Value of Imports/Expenditure in Foreign Currency

(Amount in ₹)

	31.03.2011	31.03.2010
CIF Value of Imports		
a) Raw Materials	2,575,073,087	1,324,756,072
b) Stores & Spares	-	226,536
c) Capital Goods	3,879,018	-
	2,578,952,105	1,324,982,608
Expenditure in Foreign Currency		
a) Travelling & Conveyance	1,743,398	912,944
b) Membership & Subscription	1,397,510	1,588,327
c) Legal & Professional Fees	4,055,415	5,633,308
d) Commission on Sales	4,247,032	5,124,031
e) Advertisement & Sales Promotion	692,061	821,252
	12,135,416	14,079,862

F) Earnings in Foreign Currency

FOB Value of Exports	6,989,088,001	4,726,560,189
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29. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary. Accordingly, amounts and other disclosures for 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 S. Jaykishan

Chartered Accountants

FRN : 309005E

For & on behalf of the Board

B.K.Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : 20th May, 2011

S. K. Patni

Chairman

Rohit Patni

Managing Director

Vineeta Baid

Company Secretary

Balance Sheet Abstract

Information as required under part IV of Schedule VI of the Companies Act, 1956.

a. Registration Details

Registration No. State Code

Balance Sheet Date

Date Month Year

b. Capital Raised during the year

(Figures in ₹ '000)

Public Issue Bonus Issue

Rights Issue Private Placement

c. Position of Mobilisation and Deployment of Funds

(Figures in ₹ '000)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Secured Loans

Deposit Against Share Warrants Unsecured Loans

Reserves & Surplus Deferred Tax Liability

Application of Funds

Net Fixed Assets Capital Work-in-Progress

Investments Net Current Assets

Misc. expenditure to the extent not written off

d. Performance of the Company

(Figures in ₹ '000)

Total Income Total Expenditure

Profit Before Tax Profit After Tax

Earning per share Dividend Rate %

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

ITC Code No. (ITC Code)	Product Description
7202 2100	Ferro-Alloys

In terms of our report of even date attached

For S. Jaykishan
Chartered Accountants
FRN : 309005E

For & on behalf of the Board

B.K.Newatia
Partner

S. K. Patni
Chairman

Rohit Patni
Managing Director

Vineeta Baid
Company Secretary

Membership No. 050251
Place : Kolkata
Dated : 20th May, 2011

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, 2011 and also the Consolidated Profit & Loss Account and the Consolidated 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. The financial statements of the subsidiary, SKP Overseas Pte. Ltd., (incorporated in Singapore), with total assets of ₹ 8,183.62 lacs as at 31st March, 2011, total revenue of ₹ 136.24 lacs and total expenditure of ₹ 352.44 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 in 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 the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the group as at 31st March, 2011,
 - ii. in the case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the group for the year ended on that date, and
 - iii. In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the group for the year ended on that date.

For S. Jaykishan
Chartered Accountants
FRN : 309005E

B. K. Newatia
Partner
Place : Kolkata
Date : 20th May, 2011
Membership No. 050251

Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	31.03.2011	31.03.2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	552,761,230	394,829,450
b) Share Application Money, pending allotment		-	484,000,000
c) Reserves and Surplus	2	3,330,984,461	2,142,403,260
2. Loan Funds			
a) Secured Loans	3	7,034,734,530	3,622,458,166
b) Unsecured Loans	4	458,338,323	782,772,864
3. Deferred Tax Liability [Refer Note No. B - 23 in Schedule 22]		264,507,660	187,261,359
Total		11,641,326,205	7,613,725,099
II. APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		3,696,227,011	2,603,266,376
b) Less : Depreciation		464,331,831	331,037,719
c) Net Block		3,231,895,180	2,272,228,657
d) Capital Work-in-Progress [Refer Note No. B - 16 in Schedule 22]		2,474,280,472	1,301,927,057
2. Investments	6	541,253,178	496,643,178
3. Current Assets, Loans & Advances			
a) Inventories	7	4,570,785,534	3,004,313,626
b) Sundry Debtors	8	597,064,804	576,935,699
c) Cash & Bank Balances	9	457,144,410	368,003,963
d) Loans & Advances	10	2,137,074,215	1,526,571,617
		7,762,068,963	5,475,824,906
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	2,301,981,036	1,861,383,150
b) Provisions	12	167,916,647	115,723,771
		2,469,897,683	1,977,106,921
Net Current Assets		5,292,171,279	3,498,717,983
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	13	101,726,095	44,208,224
Total		11,641,326,205	7,613,725,099
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 S. Jaykishan

Chartered Accountants

FRN : 309005E

For & on behalf of the Board

B.K.Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : 20th May, 2011

S. K. Patni

Chairman

Rohit Patni

Managing Director

Vineeta Baid

Company Secretary

Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	31.03.2011	31.03.2010
I. INCOME			
Sales/Income from Operations	14	12,049,813,875	8,465,246,794
Less : Excise Duty		382,615,900	221,667,115
Net Sales/Income from Operations		11,667,197,975	8,243,579,679
Other Income	15	129,932,680	61,943,013
Increase/(Decrease) in Stock	16	684,998,191	(24,539,324)
		12,482,128,847	8,280,983,368
II. EXPENDITURE			
Raw Materials Consumed	17	6,602,103,089	3,889,758,380
Purchase of Traded Goods		441,331,030	776,800,338
Manufacturing Expenses	18	3,305,170,216	2,036,416,075
Payments to & Provisions for Employees	19	129,172,006	76,947,594
Administrative, Selling & Other Expenses	20	666,194,088	476,638,404
Interest & Finance Charges	21	545,143,445	413,148,802
Depreciation		133,294,112	108,272,437
		11,822,407,986	7,777,982,030
PROFIT BEFORE TAX		659,720,861	503,001,338
Provision for Taxation :			
- Current		135,795,000	104,300,000
- Deferred		77,246,301	55,476,611
Deferred MAT Credit Entitlement		(18,313,400)	-
PROFIT AFTER TAX		464,992,960	343,224,727
Less : Income Tax for Earlier Years		(24,707,665)	(18,486,329)
Surplus from last year		1,519,088,369	1,217,370,255
Balance available for Appropriation		1,959,373,664	1,542,108,653
APPROPRIATIONS :			
Proposed Dividend		27,638,062	19,741,473
Corporate Tax on Dividend		4,483,585	3,278,812
Balance carried to Balance Sheet		1,927,252,017	1,519,088,369
		1,959,373,664	1,542,108,653
Earnings per Share (Face Value - ₹ 10 each) [Refer Note No. B - 21 in Schedule 22]			
Before extraordinary item			
- Basic		10.02	8.69
- Diluted		10.02	8.69
After extraordinary item			
- Basic		9.49	8.22
- Diluted		9.49	8.22
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 S. Jaykishan

Chartered Accountants

FRN : 309005E

For & on behalf of the Board

B.K.Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : 20th May, 2011

S. K. Patni

Chairman

Rohit Patni

Managing Director

Vineeta Baid

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	Year ended 31.03.2011		Year ended 31.03.2010	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary Items		659,720,861		503,001,339
Adjustments for :				
Depreciation	133,294,112		108,272,436	
Foreign Currency Translation Reserve	(3,847,231)		(23,598,342)	
Interest Income	(43,264,855)		(38,064,373)	
Interest Expenses	545,143,445		413,148,802	
Liabilities no longer required written back	(4,294,086)		(743,377)	
Sundry Balance written off	(994,208)		13,903	
Share Issue Expenses written off	3,967,261	630,004,438	3,967,262	462,996,311
Operating Profit before Working Capital Changes		1,289,725,298		965,997,650
Adjustments for :				
Trade & Other Receivables	(634,012,785)		(81,869,659)	
Inventories	(1,566,471,908)		14,480,045	
Trade Payables & Other Liabilities	435,931,195	(1,764,553,498)	(353,535,999)	(420,925,612)
Cash Generated from Operations		(474,828,200)		545,072,038
Extraordinary Item	-		-	
Direct Taxes Paid	(117,922,662)	(117,922,662)	(4,857,102)	(4,857,102)
Net Cash from/(used in) Operating Activities		(592,750,862)		540,214,935
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & Capital W.I.P.	(2,264,721,490)		(1,202,832,528)	
Advances for Capital Goods	33,765,099		(165,692,350)	
Purchase of Investment	(44,710,000)		(139,890,000)	
Sale of Investment	100,000		-	
Interest Received	33,092,279		16,893,227	
Advance to Subsidiary	-		-	
Decrease/(Increase) in Fixed Deposits	(59,803,427)		(8,816,808)	
Net Cash from/(used in) Investing Activities		(2,302,277,539)		(1,500,338,459)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Share Application Money	-		484,000,000	
Proceeds of Issue of Equity Share (including premium)	463,590,680		-	
Proceeds from Long Term Loans	1,904,083,060		998,678,014	
Repayments of Long Term Loans	(296,072,079)		(176,837,678)	
Increase/(Decrease) in Short Term Borrowings	1,431,095,942		(19,539,047)	
Increase in Inter Corporate Deposits	48,734,901		185,033,241	
Share Issue Expenses	(2,542,615)		(2,851,500)	
Deferred Expenses	(64,336,633)		(33,400,077)	
Interest Paid	(537,449,525)		(460,580,911)	
Dividend Paid	(19,741,473)		(19,741,473)	
Corporate Dividend Tax Paid	(3,278,812)		(4,634,787)	
Net Cash from/(used in) Financing Activities		2,924,083,446		950,125,783
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		29,055,045		(9,997,741)
Cash and Cash Equivalents at the beginning of period		84,008,966		94,006,707
Cash and Cash Equivalents at the end of period		113,064,011		84,008,966

Cash Flow Statement (*Contd.*)

Notes :

- i) 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.
- ii) Cash and cash equivalents include cash in hand and bank balances on current account (Refer Schedule 9).
- iii) Figures in brackets indicate Cash outflow.
- iv) Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

In terms of our report of even date attached

For **S. Jaykishan**
Chartered Accountants
FRN : 309005E

For & on behalf of the Board

B.K.Newatia
Partner
Membership No. 050251
Place : Kolkata
Dated : 20th May, 2011

S. K. Patni
Chairman

Rohit Patni
Managing Director

Vineeta Baid
Company Secretary

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 1 SHARE CAPITAL		
Authorised :		
80,000,000 Equity Shares of ₹10 each	800,000,000	800,000,000
(P.Y. - 80,000,000 Equity Shares of ₹10 each)		
Issued, Subscribed & Paid-up :		
55,276,123 Equity Shares of ₹10 each fully paid up in Cash	552,761,230	394,829,450
(P.Y. - 39,482,945 Equity Shares of ₹ 10 each)		
	552,761,230	394,829,450

Schedule 2 RESERVES & SURPLUS		
Securities Premium :		
As per last account	534,544,900	534,544,900
Add : Received during the year	789,658,900	-
	1,324,203,800	534,544,900
Less : Share Issue Expenses Written Off	(5,394,115)	-
	1,318,809,685	534,544,900
Capital Reserve - As per last account :		
Capital Investment Subsidy	24,000,000	24,000,000
Forfeiture of Deposit against Share Warrants	12,814,000	12,814,000
	36,814,000	36,814,000
General Reserve :		
As per last account	45,000,000	45,000,000
Foreign Currency Translation Reserve	3,108,760	6,955,991
Surplus as per Profit & Loss Account annexed	1,927,252,017	1,519,088,369
	3,330,984,461	2,142,403,260

Schedule 3 SECURED LOANS		
[Refer Note No. B - 7 in Schedule 22 for Securities]		
A) Term Loans		
From Banks		
- Rupee Loans	2,729,734,899	1,336,707,446
- Foreign Currency Loan	372,827,500	383,690,000
- FCNRB Loan	225,846,028	-
B) Working Capital Loans		
From Banks		
- Cash Credit	1,741,938,789	803,802,790
- Export Packing Credit	841,226,616	699,498,435
- FCNRB - Demand Loan	134,857,500	45,992,500
- Stand by Line of Credit	100,145,967	-
- Buyers' Credit	888,157,231	352,766,995
	7,034,734,530	3,622,458,166

Notes :

Term Loans repayable within one year - ₹ 5,949.50 Lacs (P.Y. - ₹ 3,103.20 Lacs)

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 4 UNSECURED LOANS		
Short Term Loan from UCO Bank	-	300,000,000
WBIDC Ltd. (Bridge Loan against Subsidy receivable)	7,538,323	77,930,906
SIDBI Loan (Under MSME receivable finance scheme)	-	2,776,859
Other Bodies Corporate	450,800,000	402,065,099
	458,338,323	782,772,864

Schedule 5 FIXED ASSETS

	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As on 01.04.2010	Additions during the year	Deductions during the year	As on 31.03.2011	As on 01.04.2010	For the year*	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Land & Land Development									
	a) Leasehold	286,312,902	119,629,522	-	405,942,424	-	-	-	405,942,424	286,312,902
	b) Freehold	3,820,075	36,636,363	-	40,456,438	-	-	-	40,456,438	3,820,075
2	Factory Shed & Buildings	539,904,034	184,024,232	-	723,928,266	54,622,936	21,675,727	76,298,663	647,629,603	485,281,098
3	Office & Godown Premises	12,385,102	10,457,814	-	22,842,916	605,835	336,321	942,155	21,900,760	11,779,267
4	Guest House	1,725,500	-	-	1,725,500	140,629	28,126	168,754	1,556,746	1,584,871
5	Plant & Machineries	1,078,630,299	564,681,872	-	1,643,312,171	162,343,780	68,502,111	230,845,891	1,412,466,280	916,286,519
6	Electrical Installations	622,861,339	112,624,264	-	735,485,603	100,858,928	35,975,625	136,834,553	598,651,051	522,002,411
7	Tools & Equipments	7,849,371	16,313,348	-	24,162,719	1,525,583	1,000,246	2,525,829	21,636,890	6,323,788
8	Air Conditioners	2,730,050	2,047,668	-	4,777,718	472,266	159,708	631,974	4,145,743	2,257,784
9	Office Equipments	3,437,603	3,464,712	-	6,902,315	367,669	212,170	579,839	6,322,476	3,069,934
10	Computers	6,124,726	5,810,045	-	11,934,771	2,544,971	1,268,761	3,813,731	8,121,040	3,579,755
11	Vehicles	23,391,744	9,041,165	-	32,432,909	4,847,926	2,702,993	7,550,919	24,881,990	18,543,818
12	Furniture & Fixtures	14,063,306	28,229,630	-	42,292,936	2,697,629	1,430,884	4,128,514	38,164,422	11,365,677
13	Fire Extinguisher	30,325	-	-	30,325	9,568	1,440	11,008	19,317	20,757
	TOTAL	2,603,266,376	1,092,960,635	-	3,696,227,011	331,037,719	133,294,112	464,331,831	3,231,895,180	2,272,228,657
	Figure as on 31.03.10	2,498,197,159	105,069,217	-	2,603,266,376	222,719,588	108,318,131	331,037,719	2,272,228,657	
	Capital Work-in-Progress	1,301,927,057	2,138,436,357	966,082,942	2,474,280,472	-	-	-	2,474,280,472	1,301,927,057
	Previous year	111,426,728	1,266,124,331	75,624,002	1,301,927,057	-	-	-	1,301,927,057	-

* Includes ₹ Nil (P.Y. - ₹ 45,694) debited to Capital Work-in-Progress

Note :

The original cost of vehicles & equipments includes ₹ 25,927,181 (P.Y. - ₹ 8,643,151) acquired from loans taken from banks & financial institutions, of which ₹ 17,200,644 (P.Y. - ₹ 5,879,470) were outstanding as at 31.03.2011.

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 6 INVESTMENTS (Long Term)		
Trade (Unquoted)		
Investment in Equity Shares		
SKP Power Ventures Ltd.	100,000	100,000
10,000 shares of ₹ 10 each fully paid up		
Rohit Persia Mines & Industries PJSC	3,178	3,178
49 Shares of 10,000 Rials (₹ 64.87) each fully paid up		
Investments in Mutual Funds		
(pledged with Banks as margin for Letter of Credit facility)		
5,000,000 (-) SBI Mutual Fund (NAV as on 31.03.2011- ₹ 50,475,000)	50,000,000	-
Investment in Exchangeable Bonds		
PT Pacific Samudra Perkasa [Refer Note No. 21 in Schedule 22]	491,150,000	496,540,000
	541,253,178	496,643,178

Schedule 7 INVENTORIES

(as taken, valued & certified by the management)		
Raw Materials*	3,194,467,044	2,340,988,331
Finished Goods (including in transit ₹ 385,170,105 ; P.Y. - ₹ 131,263,319)	732,180,373	201,466,268
Work-in-Progress	569,701,951	415,417,864
Packing Materials	10,042,343	7,287,229
Stores & Spares	64,393,823	39,153,935
	4,570,785,534	3,004,313,626

* Includes Stock Valued at ₹ 9.99 Crores Pledged with PEC Limited

Schedule 8 SUNDRY DEBTORS

(Unsecured, Considered Good)		
Due for more than 6 months	17,181,402	12,320,573
Other Debts	579,883,402	564,615,126
	597,064,804	576,935,699

Schedule 9 CASH & BANK BALANCES

Cash in Hand (As Certified by the Management)	3,101,286	5,726,039
Balances with Foreign Banks :		
In Current Accounts	29,271,022	3,495,958
Balances with Scheduled Banks :		
In Current Accounts	80,691,702	74,786,968
In Public Issue Account		
- H.D.F.C Bank Ltd.	10,410	10,410
In Dividend Account		
- H.D.F.C Bank Ltd.	824,563	452,715
- Yes Bank Limited	-	89,872
In Fixed Deposit Accounts	343,245,427	283,442,000
(pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)		
	457,144,410	368,003,963

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 10 LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
- For Capital Goods	196,994,112	230,759,210
- To Suppliers & Others	832,052,104	369,921,745
Accrued Interest on deposits	35,577,646	25,012,749
Prepaid Expenses	10,310,225	12,558,269
Derivative Contracts Receivable/Payable	6,042,795	-
Security & Other Deposits	298,292,054	228,613,123
Balance with Excise Department	147,081,037	43,626,355
Cenvat/Vat Credit Receivable	293,841,944	234,576,431
Export Incentives Receivable	138,106,761	47,510,448
Subsidy Receivable	121,779,120	295,821,780
Income Tax Payments (including TDS)	23,733,890	3,691,910
Income Tax Refundable	928,510	608,832
MAT Credit Entitlement [Refer Note No. B - 22 in Schedule 22]	32,334,018	33,870,765
	2,137,074,215	1,526,571,617

Schedule 11 CURRENT LIABILITIES

Acceptances	526,297,185	912,636,489
Sundry Creditors		
Dues to Micro, Small & Medium Enterprises	-	184,393
Dues to Others		
- For Supplies	1,328,132,700	506,697,729
- For Capital Goods	104,667,276	102,036,326
- For Expenses	257,830,467	269,929,970
- For Pending Disbursements	20,504,336	16,602,990
Advances from Parties	54,607,763	49,683,771
Income Received in advance	1,545,194	1,152,873
Interest Accrued but not due	7,561,143	1,905,613
Unpaid Dividends*	824,563	542,586
Share Application Money Refundable	10,410	10,410
	2,301,981,036	1,861,383,150

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

Schedule 12 PROVISIONS

For Taxation	135,795,000	92,703,486
For Proposed Dividend	27,638,062	19,741,473
For Corporate Tax on Dividend	4,483,585	3,278,812
	167,916,647	115,723,771

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 13 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Deferred Expenses		
Opening Balance	37,389,462	3,989,385
Addition during the year	64,336,633	33,400,077
Less : Amortised during the year	-	-
	101,726,095	37,389,462
Share Issue Expenses		
Opening Balance	6,818,762	7,934,524
Addition during the year	2,542,615	2,851,500
	9,361,377	10,786,024
Less : Amortised during the year	3,967,262	3,967,262
Less : Written off with Securities Premium	5,394,115	-
	-	6,818,762
	101,726,095	44,208,224

Schedules Annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 14 SALES/INCOME FROM OPERATIONS		
Sale of Manufactured Goods		
– Export Sales	7,118,800,092	4,677,366,211
– Domestic Sales	4,047,256,874	2,830,753,449
Sale of Raw Materials	278,661,089	15,215,590
Sale of Traded Goods		
– Export Sales	14,074,320	107,686,111
– Domestic Sales	381,863,347	713,256,787
Export Incentives	209,158,153	120,968,646
	12,049,813,875	8,465,246,794

Schedule 15 OTHER INCOME

Interest on Credit Sales (TDS ₹ 1,119,175, P.Y. - ₹ 1,080,215)	10,671,698	12,332,354
Interest on Fixed Deposits with Banks (TDS ₹ 2,540,672, P.Y. - ₹ 2,799,389)	27,859,471	24,922,244
Interest on Other deposits (TDS ₹ 473,368, P.Y. - ₹ 105,125)	4,733,686	809,775
Foreign Exchange Fluctuation Gain (Net)	70,803,281	9,791,402
Premium on Forward Contracts	8,083,350	4,186,000
Liabilities no longer required written back	4,294,086	743,377
Prior Period Items	-	736,712
Sundry Balances Written Off	994,208	-
Lease Premium	500,000	-
Lease Rent Received	180,000	-
Miscellaneous Income	1,812,900	8,421,148
	129,932,680	61,943,013

Schedules Annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 16 INCREASE/(DECREASE) IN STOCK		
Closing Stock of Finished Goods (including in transit)	732,180,373	201,466,268
Closing Work-in-Progress	569,701,951	415,417,864
	1,301,882,324	616,884,132
Less : Opening Stock of Finished Goods & Work-in-Progress	616,884,133	641,423,456
	684,998,191	(24,539,324)

Schedule 17 RAW MATERIALS CONSUMED

(Including cost of Raw Materials Sold)		
Opening Stock	2,340,988,331	2,326,735,269
Add : Purchases (including freight)	7,455,581,802	3,904,011,442
	9,796,570,133	6,230,746,711
Less : Closing Stock	3,194,467,044	2,340,988,331
	6,602,103,089	3,889,758,380

Schedule 18 MANUFACTURING EXPENSES

Labour Charges	142,228,075	103,475,801
Power & Fuel	2,781,669,312	1,676,174,394
Water Supply Charges	5,519,802	4,243,608
Stores, Spares & Consumables	213,556,930	163,228,167
Packing Materials	36,606,861	27,074,375
Material Handling Charges	106,344,037	58,032,959
Excise Duty on Variation in Stocks [Refer Note No. B - 13 in Schedule 22]	5,756,216	(2,229,191)
Repairs & Maintenance		
- To Factory Shed & Buildings	99,790	70,020
- To Plant & Machinery	13,389,193	6,345,942
	3,305,170,216	2,036,416,075

Schedule 19 PAYMENTS TO & PROVISIONS FOR EMPLOYEES

Factory Wages	67,412,348	47,935,199
Salaries	44,169,089	16,600,267
Contribution to Provident & Other Funds	5,241,575	3,202,466
Gratuity	760,700	737,967
Directors' Remuneration	7,709,072	6,550,000
Welfare Expenses	3,879,222	1,921,695
	129,172,006	76,947,594

Schedules Annexed to and forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
Schedule 20 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	10,937,322	4,219,090
Rates & Taxes	3,288,242	3,051,424
Electricity Charges	1,158,355	379,076
Insurance	15,475,796	13,187,694
Printing & Stationery	4,440,553	2,573,251
Postage, Telegram & Courier	1,208,656	761,392
Telephone Charges	5,030,273	2,813,224
Travelling & Conveyance	16,572,988	12,945,779
Car Running & Maintenance	14,384,543	5,815,968
Other Repairs & Maintenance	866,832	935,935
Security Service Charges	23,935,623	17,597,463
Membership & Subscription	2,231,818	2,023,943
Legal & Professional Charges	13,073,111	9,906,577
Auditors Remuneration		
- For Audit	439,380	281,685
- For Tax Audit	75,000	40,000
- For Income Tax Matters	25,000	39,500
- In any other matter	90,500	84,500
Directors' Sitting Fees	225,000	240,934
Miscellaneous Expenses	12,845,155	14,614,193
Bank Charges	114,287,695	91,002,761
Bill Discounting Charges	8,463,665	1,624,229
Processing Fees to WBIDC Ltd	2,681,461	637,870
Testing & Inspection Charges	10,630,276	6,899,263
Donations	629,680	343,601
Advertisement, Publicity & Sales Promotion	11,301,227	7,159,684
Freight & Forwarding on Export	293,871,385	166,807,297
Transportation, Loading & Labour Charges	55,880,883	39,281,693
Commission on Sales - other than sole selling agent	10,973,597	6,874,661
Discounts & Rebates	1,616,888	60,272,140
Excise Duty/Sales Tax for earlier years	17,553,993	242,413
Prior Period Expenses [Refer Note No. B - 14 in Schedule 22]	1,799,553	-
Sundry Balances Written Off	-	13,903
Short Recovery & Damages	6,232,376	-
Share Issue Expenses Written Off	3,967,261	3,967,262
	666,194,088	476,638,404

Schedule 21 INTEREST & FINANCE CHARGES

Interest to Banks/Financial Institutions		
- On Fixed Loans	160,456,352	87,408,408
- Others	337,179,293	288,373,972
Motor Cars & Equipments Finance Charges	1,152,218	316,013
Interest to Others	46,355,581	37,050,410
	545,143,445	413,148,802

Schedules forming part of the Consolidated 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 :

- a) 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 Standard (AS - 21) - " Consolidated Financial Statements".
- b) 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.
- c) 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 recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) 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 recognised in the consolidated statement of Profit and Loss Account as exceptional item being the profit or loss on disposal of investment in subsidiary.
- e) 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

1. The Consolidated Financial Statement 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, 2011 and therefore the same could not be consolidated. The parent Company has invested a sum of ₹ 6,454,933 (P.Y. - ₹ 6,181,519) (including advance for supplies) as on 31st March, 2011.

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

- a) Bank Guarantees - ₹ 53,088,850 (P.Y. - ₹ 35,080,618)
- b) Bills discounted with Banks, outstanding as on 31st March, 2011 ₹ 892,709,093 (P.Y. - ₹ 853,625,986).
- c) Letters of Credit opened in favour of suppliers, outstanding as on 31st March, 2011 - ₹180,047,725 (P.Y. - ₹ 338,907,794)

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

d) Claims against the company not acknowledged as debt :

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
Disputed Excise Duty under appeal	61,499,013	11,899,557
Disputed Sales Tax/VAT under appeal	33,423,446	6,396,795
Disputed Entry Tax under appeal	193,997	594,010
Disputed Income Tax Demands under appeal	13,780,479	-
Excise Duty demand for which show cause notice issued	3,495,888	3,395,888
Disputed Sales Tax/VAT for which appeals are pending	-	1,912,431
Claim under Workmens' Compensation Act	498,936	-

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 110,732,188 (P.Y. - ₹ 454,328,844).
4. Estimated amount of export obligation to be fulfilled in respect of goods imported under Duty Free Import Authorisation Scheme - ₹ 862.53 lacs. (P.Y. - ₹ 871.99 lacs)
5. During the year, the company has changed its accounting policy relating to accounting of share issue expenses from writing off 1/5th of the expenditure every year to adjusting the same against the balance available in Securities Premium Account in line with Section 78 of the Companies Act, 1956. Had there been no change in the policy, the profit for the year would have been lower by ₹ 1,078,823.
6. 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.
7. **Securities for Loans :**
 - i) Term Loans from banks (other than Stainless Steel Project and Captive Power Plant) are secured by way of :
 - a) 1st charge on pari passu basis on the entire Fixed Assets of the Company, both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal) and Jajpur (Orissa) and exclusive 1st charge over Haldia where UBI and SBI are the Term Lenders.
 - b) Charge on the entire cash flows of the Company on pari passu basis.
 - c) Collateral security by equitable mortgage of landed properties with building at Jaipur held in the name of Shubham Complex (P) Ltd., equitable mortgage of office space at Kolkata and extension of charge over all the current assets of the Company pertaining to all the units.
 - d) Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group companies.
 - ii) Term loans from banks for Stainless Steel Project of the Company at Bishnupur (West Bengal) are secured by pari passu 1st charge over the entire fixed assets of the said project and pari passu 2nd charge on all the current assets of the said project.
 - iii) Term loans from banks for Captive Power Plant of the Company at Jajpur (Orissa) are secured by pari passu 1st charge over the entire fixed assets of the said project and pari passu 2nd charge on all the current assets of the said project.
 - iv) Working Capital Loans (Fund Based + Non Fund Based) are secured by way of :
 - a) Hypothecation of current assets including inventory, receivables etc., of the Company at Jajpur, Bishnupur and Haldia on pari passu basis.
 - b) Collateral security by equitable mortgage of landed properties with building at Jaipur held in the name of Shubham Complex Pvt. Ltd., equitable mortgage of office space at Kolkata and extension of charge over all the fixed assets of the Company, both present and future, located at Bishnupur (West Bengal) and Jajpur (Orissa) and exclusive charge over Haldia where UBI and SBI are the Term Lenders.
 - c) Personal Guarantee of the Promoter Directors & Corporate Guarantee of the group companies.

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

- v) Foreign Currency 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.
8. During the year, the Company has issued and allotted 15,793,178 equity shares of ₹ 10 each on rights basis at a premium of ₹ 50 per share, aggregating to ₹ 9,475.91 Lacs to part finance Ferro Alloys Plant at Haldia and issue related expenses. The proceeds of the issue have been utilised on the objects of the issue.
9. Certain balances of Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to confirmation.
10. Sundry Debtors include ₹ 241,219,735 (P.Y. - ₹ 194,068,926) covered by letters of credit in favour of the Company.
11. The Company has accounted for Interest Subsidy receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ NIL (P.Y. - ₹ 42,004,699) including ₹ NIL (P.Y. - ₹ 35,863,351) for earlier years. The said amount was recognised as net off with interest and finance charges in Schedule 21.
12. a) Details of payments and provisions on account of remuneration to managerial personnel are as under :

(Amount in ₹)

	2010-11	2009-10
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		
Pramod Kumar Jain	1,109,072	-
Binit Jain	600,000	550,000
	1,709,072	550,000
iii) Perquisites	-	-
iv) Sitting Fees to Other Directors	225,000	158,000
	225,000	158,000
	7,934,072	6,708,000

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 wholtime directors within the limit specified in Schedule XIII of the Companies Act, 1956.
13. Amount of excise duty on variation in stocks shown in Schedule 18 represents differential excise duty on opening and closing stock of finished goods.

14. Prior period items for the year comprise of the followings :

(Amount in ₹)

	2010-11	2009-10
Advertisement, Publicity & Sales Promotion	227,415	-
Clearing & Forwarding	-	8,000
Export Incentives	-	(1,166,974)
Labour Charges	600,000	335,298
Legal, Professional & Consultancy	-	86,964
Material Handling Charges	247,600	-
Miscellaneous Expenses	75,642	-
Rent	163,400	-
Repair and Maintainance	117,496	-
Travelling & Conveyance	368,000	-
Net Prior Period Expense/(Income)	1,799,553	(736,712)

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

15. The Company has commenced commercial production of four Furnaces out of six Furnaces of 9 MVA each at its Haldia Unit. The 1st Furnace started from 10th June, 2010 ; 2nd Furnace from 10th August, 2010 ; 3rd and 4th Furnace from 23rd February, 2011. Accordingly, pre-operative expenses relating to the said project have been capitalised by transfer to Factory Shed & Building, Plant & Machinery and Electrical Installations in proportion to their respective costs.

16. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets :

(Amount in ₹)

	2010-11	2009-10
Pre-Operative Expenses		
Opening Balance	93,753,105	10,198,804
Add : Expenditure incurred during the year		
Advertisement & Sales Promotion	-	1,857,661
Bank Charges	19,841,871	9,255,250
Depreciation	-	45,694
Electricity Charges	1,089,681	1,170,860
General Expenses	253,479	1,048,364
Hotel Expenses	54,998	-
Insurance	727,330	1,136,373
Interest [Includes ₹ 208,828,805 (P.Y. - ₹ 52,333,066) on Term Loan from Banks]	209,849,984	56,117,803
Legal, Professional & Consultancy Charges	12,977,581	3,486,000
License and Application Fees	505,000	-
Motor Car Expenses	119,610	90,928
Power Hi Tension	17,023,887	-
Printing & Stationery	45,759	479,394
Rates & Taxes	-	735,750
Rent	452,600	459,031
Repairs & Maintainance	7,680	154,132
Salary	8,723,856	3,120,252
Security Services Charges	5,683,046	3,347,519
Site Preparation Expenses	10,428,151	-
Telephone Charges	57,492	129,211
Transportation, Loading & Labour Charges	34,505	325,796
Travelling & Conveyence	60,691	350,424
Welfare Expenses	58,994	243,858
Total	381,749,300	93,753,105
Less : Amount allocated to Fixed Assets	95,164,719	-
Closing Balance	286,584,581	93,753,105

17. Research and Development expenses aggregating to ₹ 801,584 (P.Y. - ₹ 795,500) in the nature of revenue expenditure have been included under the appropriate account heads.

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

- Defined Contribution Plan : Amount of ₹ 5,241,575 (P.Y. - ₹ 3,202,466) is recognised as expense and included in "Payments to & 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, 2011 which recognises 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.

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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

(Amount in ₹)

	2010-11	2009-10
a. Present Value of Defined Benefit Obligation at the beginning of the year	2,346,016	1,742,888
b. Interest Cost	187,681	139,431
c. Current Service Cost	685,985	661,386
d. Actuarial Losses/(Gains)	(439,303)	(197,689)
e. Benefits Paid	-	-
f. Present Value of Defined Benefit Obligation at the close of the year	2,780,379	2,346,016

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

(Amount in ₹)

	2010-11	2009-10
a. Fair Value of Plan Assets at the Beginning of the year	3,033,989	2,116,149
b. Add : Expected Return on Plan Assets	278,328	179,873
c. Add/(Less) : Actuarial Gains/(Losses)	-	-
d. Add : Contributions	760,700	737,967
e. Less : Benefits Paid	-	-
f. Fair Value of Plan Assets at the close of the year	4,073,017	3,033,989
Actual Return on Plan Assets	278,328	179,873

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 :

(Amount in ₹)

	2010-11	2009-10
a. Present Value of Defined Benefit Obligation	2,780,379	2,346,016
b. Less : Fair Value of Plan Assets	4,073,017	3,033,989
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 and Loss Account are as follows :

(Amount in ₹)

	2010-11	2009-10
a. Current Service Cost	685,985	661,386
b. Interest Cost	187,681	139,431
c. Expected return on Plan Assets	(278,328)	(179,873)
d. Actuarial Losses/(Gains)	(439,303)	(197,689)
e. Net asset not recognised as above	604,665	314,712
f. Recognised in the Profit and Loss Account	760,700	737,967

v. Broad Categories of Plan Assets as a percentage of Total Assets as at 31st March, 2011

	2010-11	2009-10
Qualifying Insurance Policy	100%	100%

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

vi. Actuarial Assumptions as at the Balance Sheet date :

	2010-11	2009-10
a. Mortality table	LIC 1994-96 Ultimate	
b. Discount Rate	8%	8%
c. Salary Escalation Rate	4%	4%

vii. Other Disclosures :

(Amount in ₹)

	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	2,780,379	2,346,016	1,742,888	1,310,434
Plan Assets	4,073,017	3,033,989	2,116,149	1,310,434
Surplus/(Deficit)	1,292,638	687,973	373,261	-
Experience adjustments on Plan Liabilities	(439,303)	(197,689)	(24,469)	160,716

viii. 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.

ix. The above information is certified by the actuary.

x. The Company expects to contribute ₹ 8.5 Lacs to the Gratuity Fund managed by the Life Insurance Corporation of India during the financial year 2011 - 2012

19. 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.

(Amount in Lakhs)

	2010-11	2009-10
Revenue (Gross Sales)		
Within India	49,169.39	36,801.94
Outside India	71,328.74	47,850.52
	120,498.14	84,652.47
Carrying Amount of Segment Assets		
Within India	128,585.47	88,214.08
Outside India	10,934.76	6,870.44
	139,520.23	95,084.52
Capital Expenditure		
Within India	22,653.14	12,955.70
Outside India	-	-
	22,653.14	12,955.70

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

20. 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
Pramod Kumar Jain (from 26.08.2010)
 - 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.
Nucore Exports Pvt. Ltd.
Arthodock Vinimay Pvt. Ltd.
Whitestone Suppliers Pvt. Ltd.
Vasupujya Enterprises Pvt. Ltd.
Marble Arch Properties Pvt. Ltd.
SKP Power Ventures Ltd.
SKP Aviation Services Ltd.
VNG Mercantiles Pvt. Ltd.
Invesco Finance Pvt. Ltd.
Poddar Mech Tech Services Pvt. Ltd.
Suanvi Trading & Investment Co. Pvt. Ltd.
Hira Concast Ltd.
Impex Steel Ltd.

iii) Details of Transactions with Related Parties

(Amount in ₹)

Sl. No.	Nature of Transactions	2010-11	2009-10
1	Advance Given		
	Marble Arch Properties Pvt. Ltd.	-	1,800,000
2	Investment in Equity Shares		
	SKP Aviation Services Ltd.	100,000	-
3	Sale of Investment		
	Invesco Finance Pvt. Ltd.	100,000	-
4	Loans Taken *		
	Arthodock Vinimay Pvt. Ltd.	11,000,000	-
	Invesco Finance Pvt. Ltd.	-	147,000,000
	Nucore Exports Pvt. Ltd.	28,500,000	-
	Poddar Mech Tech Services Pvt. Ltd.	2,500,000	140,500,000
	Suanvi Trading & Investment Co. Pvt. Ltd.	6,500,000	91,500,000
	Vasupujya Enterprises Pvt. Ltd.	75,200,000	63,500,000
	VNG Mercantiles Pvt. Ltd.	53,000,000	153,500,000

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

iii) Details of Transactions with Related Parties (Contd.)

(Amount in ₹)

Sl. No.	Nature of Transactions	2010-11	2009-10
	Whitestone Suppliers Pvt. Ltd.	250,400,000	-
5	Loans Repaid		
	Arthodock Vinimay Pvt. Ltd.	11,000,000	-
	Invesco Finance Pvt. Ltd.	-	500,000
	Nucore Exports Pvt.Ltd.	28,500,000	-
	Poddar Mech Tech Services Pvt. Ltd.	2,500,000	-
	Suanvi Trading & Investment Co. Pvt. Ltd.	6,500,000	-
	Vasupujya Enterprises Pvt. Ltd.	76,200,000	3,680,628
	VNG Mercantiles Pvt. Ltd.	182,000,000	-
	Whitestone Suppliers Pvt. Ltd.	25,000,000	-
6	Advance Received		
	Ankit Metal & Power Ltd.	29,022,500	-
	Impex Metal & Ferro Alloys Ltd.	29,022,500	-
7	Interest Paid		
	Poddar Mech Tech Services Pvt. Ltd.	-	9,247
	Vasupujya Enterprises Pvt. Ltd.	-	32,055
	VNG Mercantiles Pvt. Ltd.	-	1,221,165
8	Purchases		
	Ankit Metal & Power Ltd.	87,038,989	51,056,485
	Arin Minerals Pvt. Ltd.	-	1,356,078
	Impex Ferro Tech Ltd.	815,143	-
	Impex Metal & Ferro Alloys Ltd.	288,290,759	465,941,370
9	Sales of Goods		
	Ankit Metal & Power Ltd.	51,842,704	9,880,427
	Arin Minerals Pvt. Ltd.	4,360,837	-
	Hira Concast Ltd.	39,602,852	-
	Impex Ferro Tech Ltd.	10,240,179	-
	Impex Metal & Ferro Alloys Ltd.	214,502,066	133,983,954
	Impex Steel Ltd.	26,971,207	-
10	DEPB Licence Purchased		
	Ankit Metal & Power Ltd.	746,720	928,635
11	DEPB Licence Sold		
	Impex Metal & Ferro Alloys Ltd.	17,246,093	-
12	Lease Premium Received		
	Impex Metal & Ferro Alloys Ltd.	500,000	-
13	Lease Rent Received		
	Impex Metal & Ferro Alloys Ltd.	180,000	-
14	Rent Paid		
	Marble Arch Properties Pvt. Ltd.	180,000	-
15	Managerial Remuneration		
	Rohit Patni, Director	3,600,000	3,600,000
	Ankit Patni, Director	2,400,000	2,400,000
	Pramod Kumar Jain, Director	1,109,072	-
	Binit Jain, Director	600,000	550,000
16	Sitting Fees		
	Suresh Kumar Patni	50,000	40,000

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

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

iii) Details of Transactions with Related Parties (Contd.)

(Amount in ₹)

	2010-11	2009-10
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 Pvt. Ltd.	16,000,000	105,500,000

iv) Outstanding Balances

(Amount in ₹)

Sl. No.	Nature of Transactions	As at 31.03.2011	As at 31.03.2010
1	Sundry Creditors		
	Ankit Metal & Power Ltd.	-	928,635
	Impex Ferro Tech Ltd.	815,143	-
	Marble Arch Properties Pvt. Ltd.	180,000	-
2	Sundry Debtors		
	Impex Metal & Ferro Alloys Ltd.	682,072	-
3	Loan Taken		
	Vasupujya Enterprises Pvt. Ltd.	-	17,000,000
	VNG Mercantiles Pvt. Ltd.	24,500,000	153,500,000
	Whitestone Suppliers Pvt. Ltd.	225,400,000	-
4	Advances/Deposits Given		
	Ankit Metal & Power Ltd.	2,029,347	-
	Impex Metal & Ferro Alloys Ltd.	2,566,328	-
	Marble Arch Properties Pvt. Ltd.	16,800,000	16,800,000
	Rohit Persia Mines & Industries PJSC	6,451,755	6,178,341
5	Advances Received		
	Ankit Metal & Power Ltd.	37,725,010	-
	Impex Metal & Ferro Alloys Ltd.	29,022,500	-
6	Investment in Equity Shares		
	Rohit Persia Mines & Industries PJSC	3,178	3,178
	SKP Power Ventures Ltd.	100,000	100,000
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 Pvt. Ltd.	-	105,500,000

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

21. Earnings Per Share (EPS)

Particulars	As at 31st March, 2011	As at 31st March, 2010
a) Number of Shares considered as weighted average shares for calculation of Basic Earnings Per Share	46,405,982	39,482,945
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	46,405,982	39,482,945
b) Profit after tax, before extraordinary item (₹)	464,992,960	343,224,727
Profit after tax, after extraordinary item (₹)	440,285,295	324,738,398
c) Nominal Value of Equity Share (₹)	10.00	10.00
d) Earning Per Share (Basic) in ₹ :		
i) Before Extraordinary item	10.02	8.69
ii) After Extraordinary item	9.49	8.22
e) Earning Per Share (Diluted) in ₹ :		
i) Before Extraordinary item	10.02	8.69
ii) After Extraordinary item	9.49	8.22

22. The Company has made current tax provision for Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT Credit receivable for the amount in excess over tax liability as per normal computation has been recognised as an asset. MAT credit is recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement.

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

Nature of Timing Differences	As at 31st March, 2011	As at 31st March, 2010
Deferred Tax Liability		
Depreciation	264,507,660	187,261,359
Net Deferred Tax Liability	264,507,660	187,261,359

24. 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 Contracts (2)	USD	Buy	8,000,000 (P.Y. - 1,000,000)	Hedging Purpose
Forward Contracts (9)	USD	Sell	13,220,454 (P.Y. - Nil)	Hedging Purpose

Schedules forming part of the Consolidated Accounts

Schedule 22 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

Particulars of unhedged foreign currency exposure as at 31st March, 2011 are as follows :

	Currency	2010-11	2009-10
Amounts Receivable	USD	-	2,153,738
	EURO	102,020	102,020
	SGD	9,032	4,614
Amounts Payable	USD	24,117,757	8,961,583

25. Investments in PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia) represent 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.
26. Previous year's figures have been reworked, regrouped, rearranged and reclassified 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 S. Jaykishan

Chartered Accountants

FRN : 309005E

For & on behalf of the Board

B.K.Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : 20th May, 2011

S. K. Patni

Chairman

Rohit Patni

Managing Director

Vineeta Baid

Company Secretary

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company for the year ended 31st March, 2011 :

Name of the Subsidiary	SKP OVERSEAS PTE LIMITED
The financial year of the subsidiary Company ended on	31st March, 2011
Number of shares held by holding Company as on the above date	12,089,535 shares
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 -	
i) For the financial year of the subsidiary	(₹ 21,600,643)
ii) For the previous financial year of the subsidiary since it became the holding Company's subsidiary	(₹ 27,516,909)
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 -	
i) For the financial year of the subsidiary	NIL
ii) 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, 2011	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, 2011 in:	The subsidiary's financial year is same as that of the Company.
i) Fixed Assets	N.A.
ii) Investments	N.A.
iii) Moneys let by the subsidiary	N.A.
iv) Moneys borrowed by the subsidiary other than for meeting current liabilities	N.A.

Summarised financial information in respect of Subsidiary of the Company in compliance with the exemption granted by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 :

Particulars	(Amount in ₹)
i) Share Capital	400,347,394
ii) Reserves	(51,117,552)
iii) Total Assets	818,361,810
iv) Total Liabilities	469,131,969
v) Investments (except in case of investment in subsidiaries)	491,150,000
vi) Turnover	13,611,776
vii) Profit before Taxation	(21,600,643)
viii) Provision for Taxation	-
ix) Profit after Taxation	(21,600,643)
x) Proposed Dividnd (including Dividend Distribution Tax thereon)	-

Note : Indian rupee equivalents of the figures given are based on the exchange rate as on 31st March, 2011 i.e. ₹ 44.65 per US Dollar.

For & on behalf of the Board

S. K. Patni
Chairman

Rohit Patni
Managing Director

Vineeta Baid
Company Secretary

Place : Kolkata

Dated : 20th May, 2011

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

Ministry of Corporate Affairs (MCA) has recently issued Circulars regarding 'Green Initiative' in Corporate Governance' by allowing paperless compliances by serving documents through electronic mode. Accordingly, we propose to send all future shareholders' communications like Notices, Company's Annual Report etc through electronic mode. This will ensure prompt receipt of communication, avoid loss in postal transit and most importantly, will enable your Company to help in conservation of forest resources.

If you are holding shares in electronic form, we would request you to register your e-mail address with your Depository Participant, in case you have not already done so. You are also requested to intimate to the Depository Participant changes, if any, in your registered addresses, e-mail id and/or changes in your bank account details. You are not required to re-register unless there is a change in your e-mail address etc.

If you are holding shares in Physical form, you may provide your e-mail address by filling the attached printed form and send it to our Registrar & Share Transfer Agent at the following address and also intimate whether going forward you desire to receive documents in electronic mode or not.

Maheshwari Datamatics Private Limited
6, Mangoe Lane (Surendra Mohan Ghosh Sarani),
2nd Floor, Kolkata - 700 001
Phone : +91 33 22482248, Fax No : +91 33 22484787,
E-mail : mdpldc@yahoo.com

You may note that documents sent through e-mail will also be available on the Company's website www.rohitferrotech.com. As a member of the Company, you will continue to be entitled to be furnished, free of cost, with printed copy of Annual Report and all other documents, upon receipt of a request from you for the same.

We appreciate the 'Green Initiative' taken by MCA and trust you would help in implementing the e-governance initiative of the Government.

Thanking you,

Yours faithfully
For Rohit Ferro-Tech Limited

Vineeta Baid
Company Secretary

Place: Kolkata
Date: 12th August, 2011

The Director
Maheshwari Datamatics Private Limited
6, Mangoe Lane (Surendra Mohan Ghosh Sarani),
2nd Floor
Kolkata - 700 001

Sub: E-mail updation for Shareholders holding shares in Physical Form

Dear Sir,

In view of the MCA Circulars bearing no.17/2011 dated 21st April 2011 and No.18/2011 dated 29th April 2011, I, _____

_____, Son/Daughter/Wife of

_____ holding _____ shares of

Rohit Ferro-Tech Limited ("the Company") bearing Folio No. _____ do hereby wish to receive all future communications/requisite documents of the Company at the following e-mail id:

E-mail Id : _____

You are requested to please update the same in your Book of Records.

Signature:

Sole/First holder

Second holder

Third holder

Note: The above Form duly filled in and signed by the member(s) may please be sent to the Registrar, Maheshwari Datamatics Private Limited, in the following manner:

(i) By hand/Post/Courier (ii) Scanned copy through e-mail.



Rohit Ferro-Tech Limited

Registered Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012

Corporate Office : SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026

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 11th Annual General Meeting of the Company to be held on Thursday, the 15th September, 2011 at 10:30
A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature: _____

Affix
Revenue
Stamp

Folio No. _____

DP ID No. _____

Client ID No. _____

Note: This Form of Proxy must be deposited at the Corporate Office of the Company, SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026,
not less than 48 hours before the time of holding the meeting.



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ATTENDANCE SLIP

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

I hereby record my/our presence at the 11th Annual General Meeting of the above named Company held at "Rotary Sadan",
94/2, Chowringhee Road, Kolkata - 700 020 on Thursday, the 15th September, 2011 at 10:30 A.M.

Full Name of Member/Proxy
attending the meeting _____

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

Folio No. _____

DP ID No. _____

Client ID No. _____

Signature of the Member/Proxy
(To be signed at the time of handing over this slip)

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	Non-Executive Chairman
Mr. Rohit Patni	Managing Director
Mr. Ankit Patni	Jt. Managing Director
Mr. Binit Jain	Executive Director
Mr. Kailash Chand Jain	Director
Mr. Jatindra Nath Rudra	Director
Mr. Jayanta Kumar Chatterjee	Director
Mr. Asoke Kumar Basu	Director

Company Secretary

Ms. Vineeta Baid

Auditors

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

Bankers

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

Registered office

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

Corporate office

SKP House, 132A, S. P. Mukherjee Road
Kolkata - 700 026
Phone : +91 33 4016 8000/8100
Fax : +91 33 4016 8189

Plant information

Bishnupur

WBIIDC Road, P.S. : Bishnupur,
P.O. : Dwarika – 722122
Dist. : Bankura, West Bengal

Jajpur

Kalinganagar Industrial Complex
P.O. : Duburi – 755026,
Dist. : Jajpur, Orissa

Haldia

Jaynagar, P.S. : Durgachak,
P.O. : Buniaraichak,
Dist. : Purba Medinipur, West Bengal

DISCLAIMER

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects 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 'anticipates', 'estimates', '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 realised, although we believe we have been prudent in our 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.

Book Post



Rohit Ferro-Tech Limited

www.rohitferrotech.com

If undelivered, please return to :

Rohit Ferro-Tech Limited

SKP House, 132A, S. P. Mukherjee Road

Kolkata - 700 026