

# Towards a **sustainable** future



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## Economic Overview

The global economy is on a recovery path due to concerted policy actions around the world although it is still looking fragile in some regions. The world GDP, as reported by the International Monetary Fund, witnessed a moderate growth of 3.9% in 2011 as compared to a growth of 5.3% in 2010. The growth in the advanced economies slowed to 1.6% in 2011 in comparison to 3.2% in 2010, while the emerging and developing economies grew at 6.2% in 2011 compared to 7.5% in 2010.

Indian economy grew at 6.5% in 2011-12 down from 8.4% in 2010-11. Global factors such as euro zone crisis, geopolitical disturbances and weather extremities contributed to the domestic economic slowdown. Domestic factors like monetary tightening and rising repo rate to control inflation slowed industrial investment and growth. Fortunately, India enjoys the unique advantage of having multiple forces driving its economic growth engine in the form of a favourable demographic profile of population, relatively high savings and investment rates, a large domestic consumption base and the oft-quoted entrepreneurial spirit of its people.



# Industry Structure and Developments

Established over 50 years ago, the Indian ferro-alloys industry is a part of the core sector and is engaged in supplying crucial intermediaries to iron and steel industry. Ferro-alloys are critical additives in the production of iron & steel. Therefore, ferro-alloys industry fortunes are closely linked to steel industry growth. On account of abundant availability of key resources comprising chrome ore and manganese ore, trained and cost-effective manpower and access to key consumption markets both within the country and outside, India has emerged as a significant ferro-alloys manufacturing destination.

## Demand Drivers of Ferro-Alloys

The major demand drivers of ferro-alloys are :

- Crude Steel Production
- Alloy and Special Steel Production
- Stainless Steel Production

The product mix of ferro-alloys consists of Bulk Ferro-Alloys - HC Ferro Manganese, Silico Manganese, Ferro Silicon, HC Ferro Chrome, Charge Chrome, etc. and Noble Ferro Alloys - Ferromolybdenum, Ferro-vanadium, Ferrotungsten, Ferro-silicon magnesium, Ferro-boron and Ferro-titanium. India is the seventh highest producer of manganese ore in the world. According to industry experts, the Indian manganese alloy industry has the potential to meet the challenges despite various constraints and if properly nurtured and the government plays a proactive role, the Indian ferro-alloys industry has the potential to make India the hub for ferro-alloys to the world. Going forward, the demand for ferro-alloys is expected to improve as a result of an increase in infrastructural spending in India and China, strong steel demand from buoyant auto sector in the US and the likely recovery in the euro zone.

## Company Overview

Impex Ferro Tech Ltd., a part of the ₹ 3,800 crores SKP Group, was incorporated in 1995. Today, the Company possesses five sub merged arc furnaces with a cumulative ferro-alloys production capacity of 59,025 TPA and manufactures ferro-manganese and silico-manganese. In a significant initiative, the Company established a 30 MW captive power plant and emerged self-reliant in its energy needs.

## Opportunities and Threats

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. India, at a per capita steel consumption of 59 kg, is just above the average across most of Africa and much below the global average of 215 kg, thereby reflecting massive under-penetration and immense opportunities for growth, which will in turn, drive ferro-alloys demand as these are key input resources for iron and steel manufacture. Moreover, with significant investments envisaged in India's infrastructure sector in the creation of capital assets including roads, bridges, airports, seaports, flyovers and railway tracks, demand for steel and hence, ferro-alloys will grow. The World Steel Association projects global world steel demand to grow by 49 million tonnes to 1,422 million tonnes in 2012 showing the global steel demand are likely to remain generally positive.

Electrical energy is one of the major inputs in production of ferro-alloys and high power tariff is a threat for the ferro-alloys industry. Apart from electrical energy, the industry faces challenges of acquiring good quality raw materials like high grade ores and coke. The unavailability of rakes for transportation of raw materials from mines and poor infrastructure at ports result in pile-ups and increase in logistics cost. Indian ferro-alloy industry has very few integrated players and most of the producers depend on public sector mining companies for their requirement of ore and on local power utilities for their energy requirement.

As regards the power cost ferro-alloys producers are now focusing on making their units self reliant by setting up their own power units. This not only reduces the input cost but ensures continuous supply of power. In the long run this effort of backward integration shall definitely help the domestic ferro-alloys producers to compete in the international market. Moreover with India remaining as one of the largest producers of manganese ore, there is adequate availability of this resource for the onward production of ferro-alloys.

Further, it is hoped that the government would recognise these challenges which hamper growth of this industry and take steps to address them urgently to enable the ferro-alloys producers to compete in the domestic as well as international markets.

## Risks and Concerns

- The cost-effective availability of key raw material resources is a global challenge. However with long term arrangements with domestic and international manganese ore suppliers and coking coal and thermal coal mines ownership within group company, the Company continues to remain in a healthy position in terms of raw material supply.
- Electricity comprises a key cost component in the total operating cost structure and an inability to manage this might impact the Company's operations. The 30 MW captive power plant enables the Company to emerge self-reliant in its power needs and reduce dependence on the expensive state grid electricity.



- The Company's sales may in the future be concentrated in a few markets as a consequence of continued global slow down, thereby negatively impacting its operations. However, currently the Company's sales are well-spread to key consumption centers across the globe. The Company presently caters to the needs of several multinational customers, thereby mitigating concentration risks.
- The Company deals in sizeable amount of foreign exchange in import of raw materials and exports of finished products. A comprehensive and robust forex policy has been formulated for insulating the Company by hedging foreign exchange exposure.





## Segment-wise Performance

The Company is mainly in the business segment of manufacturing & sales of ferro-alloys and trading in iron & steel products. The key financials of the business segments including secondary segment details identified as the geographical segment based on the location of customers within India and outside India is given in notes no. 33 to the Annual Accounts. The Company also generates power from its captive power plant, which is entirely consumed in the manufacture of ferro-alloys without any sale to third parties.

## Industrial Relations and Human Resources

Human Resource is the Company's principal asset. The Company provides continual training to its staff to help them upgrade their skills and seeks to balance individual aspirations with Company goals. The Company is an equal opportunities employer. Industrial relation at the factory continued to remain cordial. As on the date of this report the Company has 197 employees on its payroll.



## Internal Control

The Company has implemented proper and adequate system of internal control commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and applicable statutes and corporate policies are duly complied with. Some significant features of internal control systems are :

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all important functions.
- Deployment of an ERP system which covers most operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards, and internal procedures and systems.
- Ensuring the integrity of the accounting system; the properly authorised recording and reporting of all transactions.
- Ensuring a reliability of all financial and operational information.
- The Company has an Audit Committee with majority of Independent Directors as members. The Committee periodically reviews significant audit findings, adequacy of internal control and compliance with Accounting Standards, amongst others.



# NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on Wednesday, 26th September, 2012 at 10.00 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 Balance Sheet of the Company as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors thereon.
2. To appoint a Director in place of Mr. Ankit Patni, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 :

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

**"RESOLVED THAT** Mr. Vijay Kumar Jain who was appointed as an Additional Director of the Company by the Board of Directors on 12th December, 2011 to hold office upto the date of the next Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Satish Kumar Singh, who was appointed as an Additional Director of the Company by the Board of Directors on 24th August, 2012 to hold office upto the date of the next Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. 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 Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Satish Kumar Singh as an Executive Director of the Company for a period of 3 (Three) years w.e.f. 24th August, 2012, 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, with an authority to the Board of Directors to alter and vary the terms and conditions of the said 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. Satish Kumar Singh, within the limits specified in Schedule XIII of the Act, as may be amended from time to time."

Corporate Office :  
SKP House  
132A, S. P. Mukherjee Road,  
Kolkata - 700 026  
Date : 24th August, 2012

By Order of the Board of Directors  
For Impex Ferro Tech Limited

Ritesh Kumar Singh  
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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in relation to the special business in point no. 5, 6 and 7 to be transacted is annexed hereto.
3. Proxies in order to be effective should be completed, stamped, signed and must be deposited at the Corporate Office of the Company not less than forty eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books will remain closed from Friday, 21st September, 2012 to Wednesday, 26th September, 2012 (both days inclusive).
5. Shareholders holding shares in physical form are requested to advise any change of the address immediately to the Company's Registrar and Share Transfer Agents - M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 and to their respective DP's in respect of Equity Shares held in dematerialised form.

6. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the persons seeking appointment/re-appointment as Director under item no. 2, 3, 5 & 6 is annexed to the notice.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
8. Members/Proxies should bring their attendance slip sent herewith, duly filled in, for attending the meeting. Corporate members are requested to send a duly certified copy of the resolution authorising their representatives to attend and vote at 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. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
11. 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.

## Important Announcement to Members

Pursuant to Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the Companies are allowed to send notices, documents and other communication to the shareholders in electronic mode.

In view of the above circulars issued by MCA, like last year, this year too your Company is sending documents like the notice convening the General Meeting, Financial Statements, Directors' Report, Auditors' Report etc. to the email addresses provided by you to your Depository Participant(DP)/Company's Registrar and Transfer Agent, M/s. Maheshwari Datamatics Private Limited.

Your Company encourages its shareholders to support the 'Green Initiative' by registering their email address with their respective depositories/Company's Registrar and Transfer Agent and intimate changes in the email address from time to time.

Even after registering the email address, members are entitled to receive such communication in Physical Form, upon receipt of request for the same, by post/courier free of cost.

The Annual Report of 2012 (including notice of Annual General Meeting) will also be available on the Company's website [www.impexferrotech.com](http://www.impexferrotech.com) for download by the members. Format for request letter for registration/changes of email id is also available in the Investor's Corner of the Company's website.

The Physical copies of the aforesaid documents will also be available at the Company's Corporate Office for inspection during business hour upto the date of Annual General Meeting.

## EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No - 5

Mr. Vijay Kumar Jain was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 12th December, 2011.

In terms of the provision of Section 260 of the Companies Act, 1956, Mr. Vijay Kumar Jain holds office up to the date of the next Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 along with the deposit from a member proposing the candidature of Mr. Vijay Kumar Jain as a Director of the Company.

None of the Directors except Mr. Vijay Kumar Jain himself are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 5 for your consideration and approval.

### Item No - 6 & 7

Mr. Satish Kumar Singh was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 24th August, 2012.

In terms of the provision of Section 260 of the Companies Act, 1956, Mr. Satish Kumar Singh holds office up to the date of the next Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 along with the deposit from a member proposing the candidature of Mr. Satish Kumar Singh as a Director of the Company.

Subject to approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company at its meeting held on 24th August, 2012 has appointed Mr. Satish Kumar Singh as an Executive Director of the Company for a period of 3 (Three) years w.e.f. 24th August, 2012 on the terms and conditions mentioned in the Agreement dated 24th August, 2012, based on the recommendation made by Remuneration Committee.

Mr. Satish Kumar Singh is B. Tech (Electrical & Electronic Engineering) and has been actively involved in the overall management of the Company's Manufacturing facility at Kalyaneshwari, District – Burdwan. Under his supervisions and management, the operation and production of the plant has improved significantly. The Board recommends his induction to the Board.



# Notice

The material terms and remuneration payable in terms of Agreement dated 24th August, 2012 are as follows :

(a) **Tenure** - 24th August, 2012 to 23rd August, 2015.

(b) **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 Part II of the Act, as may be amended from time to time.

Perquisites : Perquisites applicable to the Executive Director are as follows :-

- I. Leave : Mr. Satish Kumar Singh will be entitled to leave as per applicable rule of the Company.
- II. Leave Encashment : As per applicable rule of the Company.
- III. Company's contribution to Provident Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.

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

(c) **General**

- I. The Executive Director shall subject to the provisions of Companies Act, 1956, the Articles of Association of the Company and to the terms of Agreement with the Board of Directors shall have the whole or substantially the whole of the management, control and superintendence for the affairs of the Company's factories.

Provided that the Executive Director shall exercise his powers subject to the superintendence, control and direction of the Board of Directors and the Managing Director. He shall further exercise and perform such powers and duties as the Board of Directors of

the Company (hereinafter referred to as the Board) shall from time to time determine subject to any directions and restrictions given or imposed by the Board.

- II. He shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
- III. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving two months' notice in writing.
- IV. If at any time Mr. Satish Kumar Singh ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Executive Director of the Company.

The terms and conditions for the appointment and the remuneration payable to Mr. Satish Kumar Singh 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.

The relevant agreement entered by the Board is available for inspection of the members of the Company at the Corporate Office of the Company on any working day during business hours.

None of the Directors except Mr. Satish Kumar Singh are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 6 & 7 for your consideration and approval.

Corporate Office :  
SKP House  
132A, S. P. Mukherjee Road,  
Kolkata - 700 026  
Date: 24th August, 2012

By Order of the Board of Directors  
For Impex Ferro Tech Limited

Ritesh Kumar Singh  
Company Secretary

# Notice

## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

(In pursuance to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Ankit Patni	Mr. Ashok Kr. Jain	Mr. Vijay Kumar Jain	Mr. Satish Kumar Singh
Date of Birth	13.01.1985	09.01.1960	15.06.1966	20.12.1985
Date of Appointment	28.03.2011	11.06.2008	12.12.2011	24.08.2012
Expertise in Specific Functional Area	Finance and Marketing	Finance & Wide Management Experience	Wide experience in the field of Accounts, Finance & Taxation matters.	Wide Technical and Management Experience.
Qualification	M.B.A from University of Technology, Sydney, CFA from ICAI University.	B. Com	B. Com	B. Tech (Electrical & Electronic Engineering)
Board membership of other Public Companies (Excluding Directorship in Private/Foreign Companies and Companies under Section 25 of the Companies Act, 1956.)	SKP Power Ventures Limited. SKP Aviation Services Limited Ankit Metal & Power Limited Sarita Steel & Power Limited	Nil	Ankit Metal & Power Limited	Nil
Chairman/Member of the Committee (Audit Committee, Investors' Grievance cum Share Transfer Committee and Remuneration Committee) of the Board of Directors of the Company	Member-Audit Committee	Chairman - Investor Grievance cum Share Transfer Committee, Member - Audit Committee, Member - Remuneration Committee	Chairman - Audit Committee and Remuneration Committee. Member - Investor Grievance cum Share Transfer Committee	Nil
Chairman/Member of the Committee of Directors of other public Companies in which he is a Director				
a) Audit Committee	Nil	Nil	Nil	Nil
b) Investors' Grievance cum Share Transfer Committee	Member - Ankit Metal & Power Limited	Nil	Member - Ankit Metal & Power Limited	Nil
c) Remuneration Committee	Nil	Nil	Member - Ankit Metal & Power Limited	Nil
Shareholding as on 31st March, 2012	1,75,600 Equity Shares	Nil	Nil	Nil

# DIRECTORS' REPORT

## Dear Shareholders

Your Directors are pleased to present the 17th Annual Report of the Company together with the Audited Accounts of the Company for the financial year ended 31st March, 2012.

### Financial Highlights

(₹ in Lacs)

Particulars	Current Year	Previous Year
	31.03.2012	31.03.2011
Revenue from Operation (net)	52,639.39	60,275.00
Other Income	556.51	552.67
Total Revenue	53,195.90	60,827.67
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>3,487.59</b>	<b>3,044.33</b>
Less : Depreciation & Amortisation	454.43	293.29
Less : Finance Cost	2,429.48	1,701.42
Less : Tax Expenses	245.13	369.82
<b>Net Profit after Tax</b>	<b>358.55</b>	<b>679.80</b>
Add : Balance brought forward from previous year	4,628.79	3,948.99
<b>Balance carried over to Balance Sheet</b>	<b>4,987.34</b>	<b>4,628.79</b>

### Financial and Operational Review

During the year under review the Company has achieved net sales/income from operation of ₹ 52,639.39 Lacs as against ₹ 60,275.00 Lacs in the previous year. The profit before tax for the year stood at ₹ 603.68 Lacs as against ₹ 1,049.62 Lacs in the previous year. The Company has produced 38,580.28 MT of Ferro Alloys as compared to 31,530.68 MT in previous year. During the year under review the net profit after tax reduced by 47.26% due to margin pressure on account of increase in raw material cost, power cost and interest cost.

### Dividend

The Directors of your Company do not recommend any dividend on the Equity Shares for the year under review.

### Changes in Share Capital

During the year under review the Company has raised an amount of ₹ 35 Crores by issuing 1,75,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 10/- per share to the entities belonging to promoter group and strategic investors belonging to non-promoter group on a preferential basis. To accommodate the allotment of Equity Shares, consequent to issue of Equity Shares on preferential basis, the Company has enhanced its authorised share capital from ₹ 58 Crores to ₹ 68 Crores.

Consequent to said allotment, the paid up share capital of the Company stood increased to ₹ 67,47,16,040.00. The entire proceeds received from the preferential allotment of Equity Share has been utilised towards the object of the issue.

### Amalgamation

The Board of Directors of the Company in their meeting held on 30th May, 2012, took up the proposal of amalgamation of the Company with Rohit Ferro-Tech Limited, a group Company, subject to the approval of the members and creditors of the respective Companies, the Hon'ble Calcutta High Court, Stock Exchange(s) and other Concerned Authorities.

### Awards & Achievement

During the current year the Company has been awarded with "Top Exporter-Gold" under Medium Enterprise category by EEPC-ER (Engineering Export Promotion Council, Eastern Region) for its export contribution during the year 2009-10.

### Management Discussion & Analysis and Corporate Governance Report

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance along with the certificate from the Company Secretary in Practice and the Management Discussion & Analysis forms part of this Annual Report.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that :

- in preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- the Directors 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 at the end of the financial year and of the profit or loss of the Company for that period;
- the Directors 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;
- the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### Public Deposits

During the year under review, the Company has not accepted any deposits from the public.

# Directors' Report

## Directors

Mr. Ankit Patni and Mr. Ashok Kumar Jain retires by rotation and being eligible, offer themselves for re-appointment.

Mr. Krishna Kumar Chanani has resigned from the Directorship of the Company with effect from 12th December, 2011. The Board of Directors recorded its appreciation for the valuable services rendered by Mr. Krishna Kumar Chanani to the Company.

Mr. Vijay Kumar Jain has been appointed as an Additional Director w.e.f. 12th December, 2011 to hold office up to the date of the next Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Vijay Kumar Jain as Director of the Company.

Mr. Rohit Patni has resigned from the Directorship of the Company w.e.f. 21st May, 2012. The Board of Directors recorded its appreciation for the valuable services rendered by Mr. Rohit Patni to the Company.

Mr. Satish Kumar Singh has been appointed as an Additional Director w.e.f. 24th August, 2012 to hold office up to the date of the next Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Satish Kumar Singh as Director of the Company. Based on the recommendation of the Remuneration Committee and subject to the approval of the members in the ensuing Annual General Meeting, Mr. Satish Kumar Singh has been appointed as an Executive Director of the Company for a period of 3 years w.e.f. 24th August, 2012.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 274(1) (g) of the Companies Act, 1956. As required under Clause 49 of the Listing Agreement the additional information on the Directors seeking appointment/re-appointment is annexed to the notice.

## Auditors & Auditors' Remarks

The Auditors, M/s. S. Jaykishan, Chartered Accountants, retires at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that if reappointed, their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

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

## Insurance

The properties and insurable assets and interests of your Company, like building, plant and machinery and stocks, among others, are adequately insured.

## Particulars of Employees

The Company had no employee during the year ended 31st March, 2012 who was in receipt of remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Amendment Rules, 2011.

## Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The information relating to 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 given in the annexure to this report.

## Acknowledgement

The Directors of your Company express their sincere thanks to the Company's Shareholders, Business Partners, Suppliers and Bankers for their continued support and co-operation. The Board wishes to record their deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board

Suresh Kumar Patni

Kolkata, 24th August, 2012

Chairman cum Managing Director

# Annexure to Directors' Report

Information pursuant to Section 217(1) (e) of the Companies Act, 1956

## A) Conservation of Energy

### a. Energy conservation measures taken :

- Close monitoring of operating parameters of high energy consuming equipment in plant.
- Using power factor controller/capacitors to maintain power factor at optimum level.
- Keeping maximum demand under control by scheduling auxiliary load during peak power consumption levels.
- Replacement of old motor with energy efficient motors.
- Replacement of tube light with LED's.

### b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

To further install LED lamps, installation of energy efficient equipments, resizing of motor, etc. The Company also proposes to install solar power equipments like night lighting systems and solar power pump sets to further conserve carbon emitting thermal power.

### c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods :

The above measures have helped in reduction of power consumption at the plant and reducing the Company's carbon foot print.

Total energy consumption and energy consumption per unit of production as per FORM-A attached.

## B) Technology Absorption

### a. Effort made in technology absorption as per Form-B attached.

## C) Foreign Exchange Earning and Outgo

### a. Activities relating to export, initiative taken to increase exports, development of new export markets for the products & services and export plans :

The export revenue during the year was ₹ 137.83 Crores. The export team regularly visit the international market, customer and end users. The export team participates in all major trade fairs and events to improve the Company's visibility amongst the global market.

### b. Total Foreign Exchange used and earned :

(₹ in Lacs)

Particulars	31.03.2012	31.03.2011
Foreign Exchange earned	10,472	10,380
Foreign Exchange used	6,352	2,821

## FORM A

(Disclosure of particulars with respect to Conservation of Energy)

	2011-2012	2010-2011
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity :</b>		
a) Purchased		
Unit (in Lacs - KWH)	1,482.28	1,396.99
Amount - (₹ in Lacs)	5,100.46	4,043.65
Cost/unit (₹/KWH)	3.44	2.89
b) Own Generation		
Unit (in Lacs-KWH)	73.31	-
Amount - (₹ in Lacs)	252.24	-
Cost/unit (₹/KWH)	3.44	-
<b>2. Coal #</b>		
Quantity (in M. T.)	32,125	30,046
Amount - (₹ in Lacs)	3,100.86	1,925.94
Average Rate/MT	9,652.56	6,410.00
<b>B. Consumption per unit of production</b>		
1. Electricity (Unit/MT)	3,868	4431
2. Coal & Coke (Kg/MT)	833	953

# used in production of Electricity (Power) & Ferro-Alloys Production

## FORM B

(Disclosure of particulars with respect to Technology Absorption)

### A. Research & Development (R&D)

Specific areas in which R&D proposed to be carried out by the Company	None
Benefits derived	Does not arise
Future plan of action	Under planning
Expenditure on R & D	
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R&D expenditure as a percentage of total turnover	Nil

### B. Technology absorption, adaptation and innovation

#### Efforts made :

Continuous efforts are being made towards improvements in existing production process.

#### Benefits :

The Company is successful in improving the quality of its products and reducing consumption of inputs.

Particulars of Imported Technology during last 5 years Nil

For and on behalf of the Board

Suresh Kumar Patni  
Kolkata, 24th August, 2012 Chairman cum Managing Director



# CORPORATE GOVERNANCE REPORT

## I. Philosophy

The Company has always believed in good Corporate Governance which involves transparency, accountability, integrity and fairness in all facts of its operations and in all its transactions with the shareholders, employees, lenders and the Government.

## II. Board of Directors

As on 31st March, 2012 the Board consisted of 6 (Six) Directors out of which 1 (One) was Executive Director and 5 (Five) were Non-Executive Directors of which 3 (Three) were Independent. The Chairman of the Company is an Executive-Promoter-Director. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

Post 31st March, 2012 the following changes took place in the composition of the Board of the Company :

- Mr. Rohit Patni has resigned from the Directorship of the Company w.e.f. 21st May, 2012.
- Mr. Satish Kumar Singh has been appointed as an Additional Director w.e.f. 24th August, 2012 to hold office upto the date of the next Annual General Meeting. Subject to the approval of the members in the ensuing Annual General Meeting, Mr. Satish Kumar Singh has been appointed as an Executive Director of the Company for a period of 3 (three) years w.e.f. 24th August, 2012.

After the aforesaid changes as on the date of this report the Board comprises of 6 (Six) Directors, out of which the Chairman is an Executive-Promoter-Director. The Board has 4 (Four) Non-Executive Directors (of which 3 are Independent Directors) and 2 (Two) are Executive Directors (including Chairman). The composition of the Board is in compliance with Clause 49 of the Listing Agreement as on the date of the report.

None of the Directors on the Board are members of more than ten Committees and Chairman of more than five Committees across all the Public Companies in which they are the Directors. The necessary disclosures regarding other directorships and committee memberships have been made by all the Directors.

During the year 17 (Seventeen) Board Meetings were held on 5th April, 2011; 2nd May, 2011; 18th May, 2011; 30th May, 2011; 25th June, 2011; 11th July, 2011; 12th August, 2011; 21st October, 2011; 8th November, 2011; 14th November, 2011; 28th November, 2011; 5th December, 2011; 12th December, 2011; 26th December, 2011; 14th February, 2012; 21st February, 2012; and 22nd March, 2012.

The details of the composition of the Board as on 31st March, 2012, attendance at the Board meeting during the year and at the last Annual General Meeting, number of Directorship, Membership/Chairmanship in other Public Companies are as follows:-

Sl. No.	Name of the Director	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies\$	
						As Member	As Chairman
1	Mr. Suresh Kumar Patni	Promoter/ Executive	14	No	8	2	-
2	Mr. Rohit Patni**	Promoter/ Non-Executive	16	Yes	6	-	-
3	Mr. Ankit Patni	Promoter/ Non-Executive	12	Yes	6	1	-
4	Mr. Prem Narayan Khandelwal	Independent/ Non-Executive	14	No	1	-	-
5	Mr. Ashok Kumar Jain	Independent/ Non-Executive	15	Yes	-	-	-
6	Mr. Vijay Kumar Jain#	Independent/ Non-Executive	4	No	1	1	-
7	Mr. Krishna Kumar Chanani*	Independent/ Non-Executive	9	Yes	-	-	-
8	Mr. Satish Kumar Singh ##	Executive	N.A.	N.A.	Nil	Nil	Nil

\$ Includes the Membership/Chairmanship of only Audit Committee and Shareholders/Investors' Grievance Committee.

\* Mr. Krishna Kumar Chanani has resigned from the Directorship of the Company w.e.f. 12th December, 2011.

# Mr. Vijay Kumar Jain has been appointed as an Additional Director (Independent/Non-Executive) w.e.f. 12th December, 2011 to hold office upto the date of the next Annual General Meeting.

# Corporate Governance Report

\*\* Mr. Rohit Patni has resigned from the Directorship of the Company w.e.f. 21st May, 2012.

## Mr. Satish Kumar Singh has been appointed as an Additional Director w.e.f. 24th August, 2012 to hold office upto the date of the next Annual General Meeting. Based on the recommendation of the Remuneration Committee and subject to the approval of the members in the ensuing Annual General Meeting, Mr. Satish Kumar Singh has been appointed as an Executive Director of the Company for a period of 3 (three) years w.e.f. 24th August, 2012.

Mr. Rohit Patni and Mr. Ankit Patni are sons of Mr. Suresh Kumar Patni. None of the other Directors are in any way related to any other Director.

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except holding Directorship and receiving sitting fees, save and except Mr. Rohit Patni\*\* and Mr. Ankit Patni, who are also Promoters/Directors in the Companies, which has a business relation with this Company.

Board Meetings are held at the Corporate Office of the Company. The Agenda along with explanatory notes are sent in advance to the Directors to get their input in the discussion. The information as required under Annexure IA of Clause 49 are being made available to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any.

## III Code of Conduct

The Code of Conduct is available on the Company's website, i.e., [www.impexferrotech.com](http://www.impexferrotech.com) and is applicable to all Directors and Senior Management Personnel of the Company. The Board and Senior Management Personnel have affirmed the compliances of the said Code of Conduct.

### Declaration

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2012

For IMPEX FERRO TECH LIMITED

Suresh Kumar Patni

Kolkata, 24th August, 2012

Chairman cum Managing Director

## IV 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	Designation	Category	No. of Meetings attended
Mr. Krishna Kumar Chanani#	Chairman	Independent/ Non-Executive	3
Mr. Vijay Kumar Jain#	Chairman	Independent/ Non-Executive	1
Mr. Ankit Patni	Member	Non-Executive	3
Mr. Ashok Kumar Jain	Member	Independent/ Non-Executive	4

# w.e.f. 12th December, 2011, Mr. Vijay Kumar Jain has been appointed as a member and Mr. Krishna Kumar Chanani ceases to be member of the committee. Mr. Vijay Kumar Jain has been appointed as the Chairman of the Committee in place of Mr. Krishna Kumar Chanani.

The Managing Director and Head of (Finance & Accounts) departments are permanent invitees to the Committee. The Company Secretary acts as Secretary of the Audit Committee. The representative of internal auditors also attends the meeting. The Audit Committee invites, as and when considers appropriate, the representatives from the Statutory Auditors to be present at the meeting of the Committee.

The Audit Committee comprises of three Directors all of whom are financially literate. All the members of the Committee are Non-Executive of which two are Independent. Mr. Krishna Kumar Chanani, Independent Director having expertise in finance, chaired the meeting of the Audit Committee till 12th December, 2011 as the Chairman of the Audit Committee and after that Mr. Vijay Kumar Jain, Independent Director having expertise in finance, appointed as Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 16th September, 2011 to answer the queries raised by the Shareholders.

During the year four meetings of the Audit Committee were held on 30th May, 2011, 12th August, 2011, 14th November, 2011, and 14th February, 2012.

The Annual Accounts for the year ended 31st March, 2012 were duly reviewed by the Audit Committee at its meeting held on 21st May, 2012 prior to adoption by the Board.

## V. Remuneration Committee

The Committee comprises of three Non-Executive Independent Directors. During the year no meeting of the Remuneration Committee was held. The composition of the Remuneration Committee is as follows :

Name of the Member	Designation	Category
Mr. Krishna Kumar Chanani#	Chairman	Independent/ Non-Executive
Mr. Vijay Kumar Jain #	Chairman	Independent/ Non-Executive
Mr. Prem Narayan Khandelwal	Member	Independent/ Non-Executive
Mr. Ashok Kumar Jain	Member	Independent/ Non-Executive

# w.e.f. 12th December, 2011, Mr. Vijay Kumar Jain has been appointed as a member and Mr. Krishna Kumar Chanani ceases to be member

# Corporate Governance Report

of the committee. Mr. Vijay Kumar Jain has been appointed as Chairman of the Committee in place of Mr. Krishna Kumar Chanani.

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

- To determine on behalf of the Board and on behalf of the shareholders, the Company's policy on specific remuneration packages for Executive Directors.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

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

## VI. 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 or for 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 Director and the same is within the limit specified under Schedule XIII of the Companies Act, 1956 and duly approved by the Board and Shareholders of the Company. The remuneration paid to Executive Director during the year ended 31st March, 2012 is :

Name of the Director	Salary (₹)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni	12,00,000/-	01.07.2008	30.06.2013	2 Months

### Remuneration of Non-Executive Directors :

The remuneration of Non-Executive Directors consists only of sitting fees @ ₹ 1,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the Equity Shares held by them as on 31st March, 2012 are as follows:

Name of the Director	Sitting Fees paid for Board and Committee Meetings (₹)	No. of Shares held as on 31.03.2012
Mr. Rohit Patni \$	27,000/-	1,75,000
Mr. Ankit Patni	22,500/-	1,75,600
Mr. Vijay Kumar Jain#	7,500/-	Nil
Mr. Krishna Kumar Chanani*	18,000/-	Nil
Mr. Prem Narayan Khandelwal	21,000/-	Nil
Mr. Ashok Kumar Jain	31,500/-	Nil

\$ resigned from the Directorship w.e.f. 21st May, 2012.

# appointed as an Additional Director w.e.f. 12th December, 2011.

\* resigned from the Directorship w.e.f. 12th December, 2011.

## VII. Investor Grievance cum Share Transfer Committee

The Investor Grievance cum Share Transfer Committee was constituted to specifically look into the redressal of investors' complaints like transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, etc.

The Investor Grievance cum Share Transfer Committee consists of three Directors, out of which two are Non-Executive Directors and one is an Executive Director. The Chairman of the Committee is an Independent Director.

The broad terms of reference includes the following :

- Redressal of shareholder and investors' complaints including but not limited to transfer of shares and issue of duplicate share certificates, non-receipt of Balance Sheet and non-receipt of declared dividends, etc.
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company.

During the year under review, the Committee has met twice on 12th August, 2011 and 30th March, 2012.

The composition of the committee and the attendance of the members in the meeting are given hereunder :

Name of the Member	Designation	Category	No. of Meetings attended
Mr. Ashok Kumar Jain	Chairman	Independent/ Non-Executive	2
Mr. Rohit Patni#	Member	Non-Executive	2
Mr. Suresh Kumar Patni	Member	Executive	2
Mr. Vijay Kumar Jain#	Member	Independent/ Non-Executive	Nil

# w.e.f. 21st May, 2012, Mr. Vijay Kumar Jain has been appointed as a member and Mr. Rohit Patni ceases to be member of the committee.

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

As per clause 47(f) of the Listing Agreement with the Stock Exchanges, the Company has designated a separate e-mail id (investors@impexferrotech.com) exclusively for redressal of investors' complaints.

The details of the complaints during the year 2011-2012, excluding correspondences which are not in the nature of complaints are given below :

Number of complaints received from the shareholders	Nil
Number of complaints redressed	Nil
Number of complaints not solved/pending	Nil

# Corporate Governance Report

## VIII. General Body Meetings

The last three Annual General Meetings were held as under :

Date	Financial Year	Venue	Time	Special Resolution Passed
September 24, 2009	2008-2009	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III Saltlake, Kolkata-700106	10.30 AM	None
September 30, 2010	2009-2010	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III Saltlake, Kolkata-700106	10.30 AM	None
September 16, 2011	2010-2011	'Rotary Sadan' 94/2 Chowringee Road, Kolkata - 700 020	10.30 AM	None

No special resolution was passed in the last 3 (three) AGM's. No special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting. However 2 (two) resolutions were passed through Postal Ballot during the year 2011-12 in

accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011. The results of the Postal Ballot are given hereunder :

Particulars of Resolutions	Type of Resolution	Resolution passed on	Applicable Section of the Companies Act, 1956	No. and % of votes in favour	No. and % of votes in against
Increase of Authorised Share Capital and consequent amendment to Memorandum of Association of the Company	Ordinary Resolution	9th February, 2012	Section 16, 94 and other applicable provisions, if any of the Companies Act, 1956.	3,04,95,705 99.977%	7,168 0.023%
Issue of Equity Shares on Preferential Basis	Special Resolution	9th February, 2012	Section 81(1A) and other provisions if any, of the Companies Act, 1956	3,04,93,060 99.976%	7,168 0.024%

The Postal Ballot result was declared on 9th February, 2012 at the Corporate Office of the Company and was also placed on the Company's website.

CS Abhijeet Jain, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process which was conducted in terms of the procedures laid down in the Companies (Passing of Resolution by Postal Ballot) Rules 2011, read with relevant provisions of the Companies Act, 1956.

## IX. Disclosures

- There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Directors periodically disclosed their interest in different Companies which are noted by the Board. 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 arm's length basis. The related party transactions are given in the Note No. 34 to the Annual Accounts of the Company. There was no other material pecuniary transaction with any Non-Executive Director of the Company that requires a separate disclosure.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- Proceeds from Preferential issue :  
During the year, the Company has raised an amount of ₹ 35

crores by issue and allotment of 17,500,000 Equity Shares of ₹ 10/- each at a premium of ₹ 10/- each on preferential basis to the entities belonging to promoter group and strategic investors belonging to non-promoter group. The entire proceeds received from the preferential issue were fully utilised towards the object of the issue. Besides this, the Company did not raise any amount through public or right or preferential issues.

- The Company has complied with various rules and regulations prescribed by regulatory authorities on capital market and no penalties or strictures have been imposed by them on the Company in the last three years.
- The Board has received disclosures from the Key Managerial Personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- The Company has laid down procedures to inform the Board Members about the risk assessment and risk management mechanism which is periodically reviewed and reported to the Board by the Senior Executives.
- Though the Company does not presently have a Whistle Blower Policy, the Company promotes ethical behavior 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.
- The requisite certification from the Managing Director and Head (Finance & Accounts) of the Company heading the finance function for the financial year 2011-2012 required to be given under Clause

# Corporate Governance Report

49(V) has been placed before the Board in the meeting held on 21st May, 2012.

- i. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The non-mandatory requirements, to the extent followed by the Company have been stated in this report.
- j. The Company does not have any Subsidiary.
- k. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.
- l. A Management Discussion and Analysis Report is given separately and forms a part of this Report.

## X. Means of Communication

The Quarterly/Half yearly/Annual results are regularly submitted to the Stock Exchanges and published in newspapers in accordance with the Listing Agreement. 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. The Company's website contains a separate dedicated section "Investor's Corner" where shareholders' information are available.

Newspapers wherein results are published	The Financial Express, Dainik Statesman and Ek Din (Bengali)
Display in Website	www.impexferrotech.com (under "Investor's Corner" Link)

## XI. General Information for Member

Date, time and venue of the Annual General Meeting	Wednesday, 26th September, 2012 at 10.00 A.M. at 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020
Date of Book Closure	Friday, 21st September, 2012 to Wednesday, 26th September, 2012 (both days inclusive).

## Financial Calendar

Indicative calendar of events for the financial year 2012-2013 is as under :

Financial Year	1st April to 31st March
----------------	-------------------------

## Financial Reporting for the Quarters

First Quarter	Disclosed on 14th August, 2012
Second Quarter and Half Yearly	Within 45 days from the end of the quarter
Third Quarter and Nine Months	Within 45 days from the end of the quarter
Fourth Quarter and Annual (Audited)	Within 60 days from the end of the quarter/financial year.
Annual General Meeting	On or before 30th September, 2013

## Listing at Stock Exchanges and Stock Code

- a) Bombay Stock Exchange Limited. (BSE) : Stock Code - 532614
- b) National Stock Exchange of India Ltd. (NSE) : Stock Code - IMPEXFERRO

International Securities Identification Number (ISIN) : INE691G01015

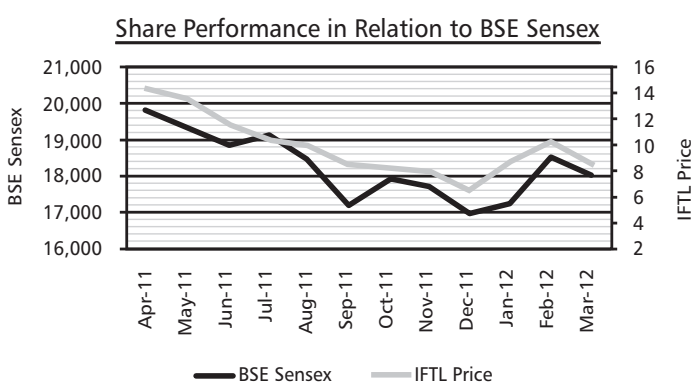
The Company has paid the Annual Listing Fees for the year 2012-2013 to both the Stock Exchanges where the shares of the Company are listed as well as Custodial Fees to the depositories.

## Market Price Data

The Stock Market data on BSE & NSE for the last 12 (twelve) months are provided herein :

Month	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High	Low	High	Low
April-11	14.20	10.60	14.19	10.75
May-11	15.50	10.00	13.43	10.08
June-11	11.25	9.15	11.50	9.73
July-11	10.40	9.05	10.34	9.02
Aug-11	9.30	6.55	9.78	6.60
Sep-11	8.40	7.00	8.36	7.18
Oct-11	7.90	6.95	8.00	6.81
Nov-11	7.90	5.40	7.78	5.38
Dec-11	6.40	5.40	6.39	5.40
Jan-12	8.80	6.00	8.55	5.70
Feb-12	10.10	7.15	9.99	7.26
Mar-12	8.25	6.65	8.40	6.66

## Performance of the Company in comparison with BSE Sensex



## Shareholding pattern as on 31st March, 2012

Category	No. of Shares	% of holding
Promoters & Promoter Group	4,44,39,846	65.86
Bodies Corporate	1,22,75,336	18.19
Individuals	1,06,87,642	15.85
NRIs/OCBs	67,770	0.10
Trusts	100	0.00
Clearing Members	910	0.00
<b>Total</b>	<b>6,74,71,604</b>	<b>100.00</b>



# Corporate Governance Report

## Distribution of shareholding as on 31st March, 2012

Range	No. of Shareholders	% of Shareholders	No. of Shares of the face value of ₹ 10 each	% of Share held
1-500	5,396	70.1599	11,89,687	1.7632
501-1,000	1,071	13.9254	9,30,044	1.3784
1,001-2,000	551	7.1642	8,83,752	1.3098
2,001-3,000	184	2.3924	4,87,558	0.7226
3,001-4,000	82	1.0662	3,00,346	0.4451
4,001-5,000	100	1.3002	4,81,482	0.7136
5,001-10,000	128	1.6643	9,79,845	1.4522
10,001-above	178	2.3274	6,22,18,890	92.2149
<b>Total</b>	<b>7,690</b>	<b>100.00</b>	<b>6,74,71,604</b>	<b>100.00</b>

## 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 the authority by Investor Grievance cum Share Transfer Committee to approve transfers. The Company Secretary addresses all the requests fortnightly.

## Dematerialisation of Shares and Liquidity

As on 31st March, 2012, 97.14% of the total shares of the Company have been dematerialised as under :

Category	No. of Shares	No. of Shareholders	% of total Shareholding
NSDL	5,93,53,723	5,115	87.9684
CDSL	61,86,530	2,467	9.1691
Physical	19,31,351	108	2.8625

## Outstanding GDRs, ADRs, Warrants or any other convertible instruments, conversion date and likely impact on equity

During the year under review, the Company has not issued any ADR's & GDR's, Warrants or any other convertible instruments. The Company has at present no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity.

## Address for Correspondence

### Registered Office

35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012  
Ph : +91 33 2211 0225/0226, 4064 0021/22  
Fax : +91 33 4064 0020  
Email : info@impexferrotech.com

## Corporate Office

SKP House  
132A, S.P. Mukherjee Road, Kolkata - 700 026  
Ph : +91 33 4016 8000/8100  
Fax : +91 33 4016 8189/8107  
Email : info@impexferrotech.com

## Plant Location

Kadavita Dendua Road  
P.O. - Kalyaneshwari, P.S. - Kulti,  
Dist. - Burdwan, West Bengal - 713 369  
Ph : 0341 2522248/49  
Fax : 0341 2522961

## Compliance Officer

Ritesh Kumar Singh  
Company Secretary & Compliance Officer  
(Appointed w.e.f. 14th February, 2012)  
Impex Ferro Tech Limited  
SKP House  
132A, S.P. Mukherjee Road, Kolkata - 700 026  
Ph : +91 33 4016 8000/8100  
Fax : +91 33 4016 8189/8107  
Email : cs@impexferrotech.com

## Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Ph : +91 33 2248 2248/2243 5029/5809  
Fax : +91 33 2248 4787  
Email : mdpl@cal.vsnl.net.in

## XII Status of non-mandatory requirements

- The Board :**  
None of the Independent Directors of the Company has tenures exceeding a period of 9 (nine) years on the Board.
- Remuneration Committee :**  
The Company has a Remuneration Committee comprising of 3 (three) Independent Non-Executive Directors. The detailed note on this committee is provided in this report.
- Audit Qualifications :**  
There are no qualifications in the financial statements of the Company for the year 2011-12.
- Other Items :**  
The rest of the non-mandatory requirements such as Shareholder's Rights, training of Board members and mechanism for evaluation of Non-Executive Board members will be implemented by the Company as and when required.

For and on behalf of the Board

Suresh Kumar Patni  
Kolkata, 24th August, 2012  
Chairman cum Managing Director

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

To  
The members of  
**Impex Ferro Tech Limited**

We have examined the compliance of conditions of Corporate Governance by Impex Ferro Tech Limited, for the year ended 31st March, 2012 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 the compliance of the 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*

**Abhijeet Jain**  
*Proprietor*  
C.P. No. 3426

Date : 24th August, 2012  
Place : Kolkata

# AUDITORS' REPORT

To  
The Members of  
Impex Ferro Tech Limited

1. We have audited the attached Balance Sheet of IMPEX FERRO TECH LIMITED as at 31st March, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended as 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 annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the said Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 Financial Statements, read together with the Notes thereon and attached thereto, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - ii) in the case of the Statement of Profit & Loss, of the profit 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

Vivek Newatia  
Partner

Place : Kolkata  
Dated : The 21st day of May, 2012

Membership No. 062636

# Annexure to the Auditor's Report

(Annexure referred to in paragraph (3) of our report of even date to the shareholders of Impex Ferro Tech Limited on the Financial Statements for the year ended 31st March, 2012)

- i) (a) The Company has maintained proper records showing 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 disposed off any substantial/major part of fixed assets during the year.
- ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper records of inventories and no material discrepancies have been noticed on physical verification as compared to book records.
- 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.
- (e) The Company has taken unsecured loans from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 2,211.17 Lacs and the year-end balance of such loans aggregate to ₹ Nil.
- (f) In our opinion, the terms and conditions of such loans taken by the Company are prima facie not prejudicial to the interest of the Company.
- (g) There is no closing balance in respect of such loan. Hence, clause (g) is not applicable to the Company.
- 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 the 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 explanation 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 lac 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) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Order made by the Central Government for maintenance of cost records under Section 209(1)(d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- ix) (a) According to the books and records as produced to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Excise Duty, Custom Duty and any other statutory dues. According to the information and explanations given to us there are no undisputed outstanding statutory dues as at the end of the year exceeding six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us & upon our enquiries in this regard, disputed statutory dues unpaid as at the last day of the financial year, are as follows :

# Annexure to the Auditor's Report

Nature of Dues	Year	₹ in Lacs	Forum where Dispute is Pending
Excise Duty	2005-06 and 2006-07	8.26	Commissioner of Central Excise (Appeals)
	2006-07	0.50	Commissioner of Central Excise (Appeals)
	2007-08	15.55	CESTAT, Calcutta Bench
	2005-06	4.56	Joint Commissioner of Central Excise (Bolpur)
<b>Total</b>		<b>28.87</b>	<b>₹ 5.00 Lacs paid under Protest</b>
VAT	2005-06	304.13	Sr. Joint Commissioner of Commercial Taxes
	2006-07	479.91	Sr. Joint Commissioner of Commercial Taxes
	2008-09	748.45	Sales Tax Officer, Central Audit Under Commercial Taxes
	2009-10	867.80	Joint Commissioner of Commercial Taxes
<b>Total</b>		<b>2,400.29</b>	<b>₹ 88.62 Lacs paid under Protest</b>

- x) The Company neither has 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) The Company has not defaulted in repayment of dues to any bank or financial institution, except in respect of repayment of ₹ 164.16 lacs due since September, 2011 out of bridge loan taken from WBIDC Ltd. against interest subsidy. However, the Company has applied for linking the repayments with receipt of subsidy amount.
- xii) As explained to us, the Company has not granted any loans or 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 to the Company, as the Company is not a Chit Fund Company or Nidhi/Mutual Benefit Fund/Society.
- xiv) Clause (xiv) of the Order is not applicable, as the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- xvi) The Company has not obtained any term loans 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 made fresh Preferential Allotment of shares during the year to Companies covered in the register maintained under Section 301 of the Companies Act, 1956 and such allotment is not prima facie prejudicial to the interest of the Company.
- 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 funds by way of Preferential Allotment and according to the information and explanations given to us, the proceeds of the same have been utilised for the objects of the issue.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S. Jaykishan  
Chartered Accountants  
FRN : 309005E

Vivek Newatia  
Partner  
Place : Kolkata  
Dated : The 21st day of May, 2012  
Membership No. 062636



# Balance Sheet as at 31st March, 2012

(₹ in Lacs)

Particulars	Note	31.03.2012	31.03.2011
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	6,747.16	4,997.16
(b) Reserves and Surplus	3	8,609.90	6,539.51
		15,357.06	11,536.67
<b>(2) Non-current Liabilities</b>			
(a) Long-Term Borrowings	4	12,767.15	13,060.10
(b) Deferred Tax Liabilities (Net)	5	878.05	753.07
		13,645.20	13,813.17
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	6,412.93	6,364.55
(b) Trade Payables	7	16,086.02	15,451.54
(c) Other Current Liabilities	8	4,864.60	3,990.30
(d) Short Term Provisions	9	124.97	350.00
		27,488.52	26,156.39
<b>Total</b>		<b>56,490.78</b>	<b>51,506.23</b>
<b>II ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	20,466.50	4,270.71
(ii) Intangible Assets	10	12.23	14.00
(iii) Capital Work-in-Progress	11	436.29	13,489.20
		20,915.02	17,773.91
(b) Long-Term Loans and Advances	12	111.89	1,194.58
(c) Other Non-Current Assets	13	-	18.09
		21,026.91	18,986.58
<b>(2) Current Assets</b>			
(a) Inventories	14	16,806.93	15,376.04
(b) Trade Receivables	15	12,938.55	12,670.48
(c) Cash and Bank Balances	16	2,187.75	2,067.44
(d) Short-Term Loans and Advances	17	2,167.22	2,120.16
(e) Other Current Assets	18	1,363.42	285.53
		35,463.87	32,519.65
<b>Total</b>		<b>56,490.78</b>	<b>51,506.23</b>
Significant Accounting Policies	1		

Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

CA Vivek Newatia

Partner

Membership No: 062636

Place : Kolkata

Date : The 21st day of May, 2012

S.K. Patni  
Managing Director

Ankit Patni  
Director

Ritesh Kumar Singh  
Company Secretary

# Statement of Profit & Loss for the year ended 31st March, 2012

(₹ in Lacs)

Particulars	Note	31.03.2012	31.03.2011
<b>I INCOME</b>			
Revenue from Operations (Gross)	19	53,184.26	60,482.85
Less : Excise Duty		544.87	207.85
Revenue from Operations (Net)		52,639.39	60,275.00
<b>II Other Income</b>	20	556.51	552.67
<b>III Total Revenue (I + II)</b>		<b>53,195.90</b>	<b>60,827.67</b>
<b>IV EXPENSES :</b>			
Cost of Raw Materials Consumed	21	33,491.28	37,898.14
Purchases of Stock-in-Trade	22	9,613.94	14,264.50
(Increase)/Decrease in Inventories	23	(431.22)	269.98
Employee Benefits Expense	24	216.47	168.69
Finance Costs	25	2,429.48	1,701.42
Depreciation and Amortisation Expense	10	454.43	293.29
Other Expenses	26	6,817.84	5,182.03
<b>Total Expenses (IV)</b>		<b>52,592.22</b>	<b>59,778.05</b>
<b>PROFIT BEFORE TAX (III-IV)</b>		<b>603.68</b>	<b>1,049.62</b>
Tax Expenses			
Current Tax		124.97	350.00
Less : MAT Credit Entitlement		(49.17)	-
Net Current Tax		75.80	350.00
Earlier Years Tax		44.36	42.93
Deferred Tax		124.97	(23.11)
<b>PROFIT FOR THE YEAR</b>		<b>358.55</b>	<b>679.80</b>
Earnings per Equity Share [Nominal Value of Share - ₹ 10/-]			
Basic and Diluted	35	0.69	1.36
Significant Accounting Policies	1		

Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

**CA Vivek Newatia**

Partner

Membership No: 062636

Place : Kolkata

Date : The 21st day of May, 2012

**S.K. Patni**  
Managing Director

**Ankit Patni**  
Director

**Ritesh Kumar Singh**  
Company Secretary

# Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lacs)

	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax & Extraordinary Items		603.68		1,049.62
Adjustments for :				
Depreciation	454.43		293.29	
Finance Costs	2,429.48		1,701.42	
Interest Received	(165.46)		(150.40)	
Interest Subsidy Received	(342.00)		(323.14)	
Sundry Balances written back	(0.75)		(0.92)	
Loss on Sale of Fixed Assets	-		4.16	
Preliminary & Pre-Operative Expenses written off	-		10.67	
		2,375.70		1,535.08
<b>Operating Profit before Working Capital Changes</b>		<b>2,979.38</b>		<b>2,584.70</b>
Adjustments for :				
(Increase)/Decrease in Inventories	(1,430.89)		1,151.63	
(Increase)/Decrease in Trade Receivables	(268.08)		(5,639.28)	
(Increase)/Decrease in Loans and Advances	(28.60)		3,445.33	
(Increase)/Decrease in Other Assets	(746.57)		(80.76)	
Increase/(Decrease) in Trade Payables	635.23		1,517.14	
Increase/(Decrease) in Other Liabilities	367.67		(379.35)	
		(1,471.24)		14.71
<b>Cash Generated from Operations</b>		<b>1,508.14</b>		<b>2,599.41</b>
Direct Tax Paid		(370.10)		(759.22)
<b>Net Cash from Operating Activities</b>		<b>1,138.04</b>		<b>1,840.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (including Capital Work-in-Progress)	(3,177.33)		(4,630.21)	
Sale of Fixed Assets	-		2.16	
Advances for Capital Goods	1,089.14		3,101.27	
Interest Income	165.46		150.40	
Maturity Proceeds of Fixed Deposits	964.60		1,740.23	
Purchase of Fixed Deposits with Banks	(1,079.30)		(1,670.00)	
<b>Net Cash used in Investing Activities</b>		<b>(2,037.43)</b>		<b>(1,306.15)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	3,500.00		-	
Increase/(Decrease) in Short-Term Borrowings	48.38		182.22	
Long-Term Borrowings	1,098.26		1,857.92	
Repayment of Long-Term Borrowings	(1,355.85)		(1,207.32)	
Interest Subsidy Received	-		323.14	
Share Issue Expenses	(9.40)		-	
Finance Costs	(2,375.59)		(1,760.91)	
<b>Net Cash from Financing Activities</b>		<b>905.80</b>		<b>(604.96)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>6.41</b>		<b>(70.92)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year (Refer Note No.16 to the Accounts)</b>		<b>16.90</b>		<b>87.82</b>
<b>Cash &amp; Cash Equivalents at the end of the year (Refer Note No.16 to the Accounts)</b>		<b>23.30</b>		<b>16.90</b>

## Cash Flow Statement (*Contd.*)

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash and cheques in hand and bank balances on current accounts [Refer Note No.16 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For **S. Jaykishan**

*Chartered Accountants*

**FRN : 309005E**

**CA Vivek Newatia**

*Partner*

**Membership No: 062636**

Place : Kolkata

Date : The 21st day of May, 2012

For and on behalf of the Board

**S.K. Patni**

*Managing Director*

**Ankit Patni**

*Director*

**Ritesh Kumar Singh**

*Company Secretary*

# Notes to and forming part of the Financial Statements as at 31st March, 2012

## Note 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 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) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI (Revised) to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.
- (d) 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/materialise.

### 1.2 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.
- (b) Sales are recognised when significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with the time when goods are despatched 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.
- (c) Export Incentives arising out of Export Sales under Duty Entitlement Pass Book Scheme/Duty Drawback are accounted for on accrual basis. Profit or loss on sale of DEPB Licenses is accounted for in the year of such sale.
- (d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (e) Purchases are inclusive of freight and net of CENVAT/Duty Credit, trade discount and claims.

### 1.3 Fixed Assets

- (a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises of 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 life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. Software is amortised over a period of five years.
- (c) The carrying amount of fixed assets is 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 a fixed asset exceeds the recoverable amount. The recoverable amount is the higher of the fixed 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 is shown as Capital Work-in-Progress/Intangible Assets under Development.

### 1.4 Inventories

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

### 1.5 Foreign Currency Transactions

- (a) **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 as at the date of the transaction.
- (b) **Conversion**  
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.
- (c) **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.



# Notes to and forming part of the Financial Statements as at 31st March, 2012

## Note 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### (d) Forward Exchange Contracts

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

### 1.6 Government Grants

Government Grants are recognised on a prudent basis when there is a reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Government grants 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.

### 1.7 Employee Benefits

#### (a) Defined Contribution Plan :

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and family pension fund are charged to the Statement of Profit and Loss of the period when 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 in the Statement of Profit and Loss. The Company has an Employees Gratuity Fund managed by the SBI Life Insurance Company Limited.

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

### 1.8 Borrowing Costs

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

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

### 1.9 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 commercial production to the cost of the respective assets.

### 1.10 Taxes on Income

Tax expense comprises of current tax and deferred tax.

Current 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 Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961 deferred MAT Credit entitlement is separately recognised under the head 'Short Term Loans and Advances'. Deferred MAT Credit Entitlement is recognised and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax liabilities and assets are recognised at substantively enacted rates on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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.

### 1.11 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.

# Notes to and forming part of the Financial Statements as at 31st March, 2012

## Note 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### 1.12 Prior Period Items

Significant items of income and expenditure which relate to prior accounting periods, other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year, are accounted for in the Statement of Profit and Loss under the head "Prior Period Items".

### 1.13 Provisions/Contingencies

- (a) Provision involving substantial degree of estimation in measurement is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- (b) 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.
- (c) A Contingent Asset is not recognised in the accounts.

### 1.14 Preliminary & Share Issue Expenses

Preliminary & Share Issue expenses are adjusted with the balance available in Securities Premium in accordance with Section 78 of the Companies Act, 1956.

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Note 2 SHARE CAPITAL</b>		
<b>Authorised :</b>		
68,000,000 (P.Y. - 58,000,000) Equity Shares of ₹ 10/- each	6,800.00	5,800.00
<b>Issued, Subscribed and Paid-up :</b>		
67,471,604 (P.Y. - 49,971,604) Equity Shares of ₹ 10/- each fully paid up in Cash	6,747.16	4,997.16

## (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31.03.2012		31.03.2011	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the Beginning of the Period	49,971,604	4,997.16	49,971,604	4,997.16
Issued During the Period	17,500,000	1,750.00	-	-
<b>At the End of the Period</b>	<b>67,471,604</b>	<b>6,747.16</b>	<b>49,971,604</b>	<b>4,997.16</b>

## (b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, no dividend has been declared by the Company. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

## (c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31.03.2012		31.03.2011	
	No. of Shares	% holding	No. of Shares	% holding
Suanvi Trading & Investment Co. Pvt. Ltd.	11,483,046	17.02	8,783,046	17.58
Sahyogi Distributors Ltd.	*	*	6,846,250	13.70
Vasupujya Enterprises Pvt. Ltd.	10,600,000	15.71	6,569,300	13.15
Poddar Mech Tech Services Pvt. Ltd.	10,633,750	15.76	5,633,750	11.27
Invesco Finance Pvt. Ltd.	10,871,250	16.11	*	*

\*Not holding more than 5% of Equity Shares as on that date.

## (d) The Company has made preferential allotment of 17,500,000 Equity Shares of ₹ 10/- each at ₹ 20/- per Equity Share (including a premium of ₹ 10/-) in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on 21st February, 2012.

The Company has utilised the proceeds of the issue towards the objects of the said issue, i.e., repayment of unsecured loans, long-term working capital requirements and other general corporate purposes.

## Note 3 RESERVES AND SURPLUS

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Capital Reserve - As per last account</b>		
- State Capital Subsidy	278.62	278.62
- Forfeiture of Share Warrants	133.80	133.80
	412.42	412.42
<b>Securities Premium Account</b>		
At the beginning of the accounting period	1,498.30	1,498.30
Additions during the year (Refer Note No 2(d))	1,750.00	-
	3,248.30	1,498.30
Share Issue/Preliminary Expenses written off (Refer Note No 36(a))	(38.16)	-
At the end of the accounting period	3,210.14	1,498.30
<b>Surplus (Balance in the Statement of Profit &amp; Loss)</b>		
Balance as per last Financial Statement	4,628.79	3,948.99
Profit for the year	358.55	679.80
Closing Balance	4,987.34	4,628.79
<b>Total</b>	<b>8,609.90</b>	<b>6,539.51</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	Non-current portion		Current Maturities	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>Note 4 LONG-TERM BORROWINGS</b>				
<b>Term Loans</b>				
Rupee Loans				
From Banks (Secured)	3,693.32	5,081.00	1,605.10	1,569.17
From Bodies Corporate (Unsecured)	9,073.62	7,975.36	-	-
	12,766.94	13,056.36	1,605.10	1,569.17
<b>Other Loans and Advances</b>				
Loans against Vehicles (Secured)	0.21	3.74	2.89	3.47
	12,767.15	13,060.10	1,607.99	1,572.64
The above amount includes				
Secured Borrowings	3,693.53	5,084.74	1,607.99	1,572.64
Unsecured Borrowings	9,073.62	7,975.36	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 8)			(1,607.99)	(1,572.64)
	12,767.15	13,060.10	-	-

## (A) Details of Security

- (a) Term loans from Banks are secured by first charge on all the immovable & movable plant and machinery and other fixed assets including equitable mortgage of factory land with shed & building and office premises and second charge on the current assets of the Company, all ranking pari-passu jointly in favour of State Bank of India, Punjab National Bank and Bank of Baroda and personally guaranteed by the promoter Directors.
- (b) Loans against Vehicles are secured by way of hypothecation of the underlying asset financed.

## (B) Terms of Repayment

### a) Term Loans

Name of the Lendor	Loan Outstanding as on 31st March, 2012 (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	No of Instalments outstanding as on 31st March, 2012	Instalment Amount (₹ in Lacs)
State Bank of India - I	2,787.24	5 yrs	21 (Quarterly)	134.00
State Bank of India - II	29.43	6 m	3 (Quarterly)	13.50
Punjab National Bank - I	1,353.61	3 yrs 4 m	41 (Monthly)	33.02
Punjab National Bank - II	87.55	2 yrs 5 m	30 (Monthly)	2.92
Bank of Baroda - I	964.44	2 yrs 9 m	34 (Monthly)	28.37
Bank of Baroda - II	76.15	2 yrs 9 m	12 (Quarterly)	6.35

\* Term Loans carry an average interest rate of 17% .

- b) Unsecured Loan from Bodies Corporate amounting to ₹ 5,958.81 Lacs are interest free. Balance carry an average interest rate of 12%. The loans are repayable at the option of the Company and are stated by the management to be in the nature of long-term borrowings.
- c) Loans against Vehicles are repayable by way of Equated Monthly Instalments subsequent to taking of such loan. The original period of such loans is between 3 and 5 years.

## **Note 5 DEFERRED TAX LIABILITY (NET)**

(₹ in Lacs)

	31.03.2012	31.03.2011
Deferred Tax Liability		
Related to Fixed Assets	878.05	753.07
Deferred Tax Asset	-	-
<b>Net Deferred Tax Liability</b>	<b>878.05</b>	<b>753.07</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Note 6 SHORT-TERM BORROWINGS</b>		
Working Capital Loans from Banks (Secured)		
Rupee Loans	6,248.77	6,200.39
Other Loans and Advances (Unsecured)		
From WBIDC (against interest subsidy receivable)	164.16	164.16
	<b>6,412.93</b>	<b>6,364.55</b>

## (A) Details of security :

Working capital loans are secured by hypothecation of entire current assets including Stocks of Raw Materials, Stock-in-Process, Finished Goods, Stores and Spares, Receivables, both present & future ranking pari-passu jointly in favour of State Bank of India, Punjab National Bank, Bank of Baroda and United Bank of India and also secured by second charge on all the block assets and personally guaranteed by the promoter Directors.

- (B) Bridge Loan from WBIDC was sanctioned against interest subsidy receivable by the Company under West Bengal Incentive Scheme, 2000. As per the stipulated repayment terms, the said Bridge Loan is overdue for repayment since September, 2011. The Company intends to link the repayment of the said bridge loan with the receipt of admitted subsidy amount.

## Note 7 TRADE PAYABLES

Dues to Micro & Small Enterprises	-	-
Dues to others	16,086.02	15,451.54
	<b>16,086.02</b>	<b>15,451.54</b>

- a) There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- b) Trade Payables include ₹ 2,019.13 Lacs (P.Y. - ₹ 3,392.44 Lacs) against pledge of stock of raw materials.

## Note 8 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts (Refer Note No. 4)	1,607.99	1,572.64
Interest accrued and due on Borrowings	113.04	63.00
Interest accrued and not due	3.85	-
Advance from Customers	775.00	301.11
Unclaimed Share Application Money	-	0.80
Other Payables		
For Statutory Dues	33.46	17.86
For Capital Goods	469.75	51.55
For Accrued Expenses	1,861.51	1,983.34
	<b>4,864.60</b>	<b>3,990.30</b>

## Note 9 SHORT-TERM PROVISIONS

For Taxation	124.97	350.00
	<b>124.97</b>	<b>350.00</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

Particulars	Tangible Assets								Intangible Assets
	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total	ERP Software
<b>Note 10 FIXED ASSETS</b>									
<b>Gross Block</b>									
As at 1st April, 2010	100.77	1,330.04	4,738.14	25.60	32.55	14.22	10.20	6,251.52	15.00
Additions	34.42	1.68	180.37	1.15	8.12	1.42	0.49	227.65	17.50
Disposals	-	-	-	-	(9.36)	-	-	(9.36)	-
As at 31st March, 2011	135.19	1,331.72	4,918.51	26.75	31.31	15.64	10.69	6,469.81	32.50
Additions	38.72	2,025.35	11,455.20	3.22	-	6.16	3.80	13,532.45	1.73
Disposals	-	-	-	-	-	(12.44)	-	(12.44)	(15.00)
Other Adjustments									
- Borrowing Costs	9.45	492.85	2,611.97	-	-	-	-	3,114.27	-
As at 31st March, 2012	183.36	3,849.92	18,985.68	29.97	31.31	9.36	14.49	23,104.09	19.23
<b>Depreciation &amp; Amortisation</b>									
As at 1st April, 2010	-	340.35	1,533.91	10.26	12.94	11.49	3.40	1,912.35	15.00
Charge for the year	-	44.03	238.98	1.68	3.04	1.56	0.50	289.79	3.50
Deductions/Adjustments	-	-	-	-	(3.04)	-	-	(3.04)	-
As at 31st March, 2011	-	384.38	1,772.89	11.94	12.94	13.05	3.90	2,199.10	18.50
Charge for the year	-	65.20	379.58	1.78	2.97	0.76	0.64	450.93	3.50
Deductions/Adjustments	-	-	-	-	-	(12.44)	-	(12.44)	(15.00)
As at 31st March, 2012	-	449.58	2,152.47	13.72	15.91	1.37	4.54	2,637.59	7.00
<b>Net Block</b>									
As at 31st March, 2011	135.19	947.34	3,145.62	14.81	18.37	2.59	6.79	4,270.71	14.00
As at 31st March, 2012	183.36	3,400.34	16,833.21	16.25	15.40	7.99	9.95	20,466.50	12.23

Note : Vehicles include ₹ 11.80 Lacs (P.Y. - ₹ 15.49 Lacs) acquired under Auto Loan Scheme of the Bank. Present outstanding is ₹ 3.10 Lacs (P.Y. - ₹ 7.21 Lacs)

## Note 11 CAPITAL WORK-IN-PROGRESS

	31.03.2012	31.03.2011
At the beginning of the year	13,489.20	9,126.75
Add : Incurred during the year	3,568.57	4,362.45
Less : Capitalised during the year	16,621.48	-
<b>At the end of the year</b>	<b>436.29</b>	<b>13,489.20</b>

Capital Work-in-Progress includes Pre Operative Expenses relating to project under implementation, pending allocation to Fixed Assets.

Opening Balance	2,349.57	1,310.06
<b>Add : Expenditure incurred during the period</b>		
Cost of Materials Consumed	99.10	-
Stores & Spares	106.36	-
Vehicle Hire Charges	11.03	-
Legal, Professional & Consultancy Charges	8.25	2.00
Pollution Fee & Other Charges	9.07	3.02
Finance Costs - Interest Expense	913.74	1,034.48
<b>Total</b>	<b>1,147.55</b>	<b>1,039.50</b>
Amount allocated to Fixed Assets	(3,488.87)	-
<b>Closing Balance</b>	<b>8.25</b>	<b>2,349.56</b>

## Note 12 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)		
Capital Advances (Refer Note No. 27 (B))	92.90	1,182.04
Security Deposits	18.99	12.54
	<b>111.89</b>	<b>1,194.58</b>

## Note 13 OTHER NON-CURRENT ASSETS

Unamortised Expenses		
Preliminary Expenses	-	2.66
Share Issue Expenses	-	15.43
	<b>-</b>	<b>18.09</b>



# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Note 14 INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials* [includes in transit ₹ 151.89 Lacs (P.Y. - ₹ 200.07 Lacs)]	14,770.36	13,788.37
Work-in-Progress	1,692.90	997.58
Finished Goods	304.03	568.13
Stores & Spares	31.00	18.17
Others	8.64	3.79
	<b>16,806.93</b>	<b>15,376.04</b>

\* Includes ₹ 2,019.13 Lacs (P.Y. - ₹ 3,856.09 Lacs) pledged with PEC Ltd.

## **Note 15 TRADE RECEIVABLES**

(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	492.18	427.89
Other Debts	12,446.37	12,242.59
	<b>12,938.55</b>	<b>12,670.48</b>

## **Note 16 CASH & BANK BALANCES**

i) Cash & Cash Equivalents		
(A) Cash in Hand (as Certified)	7.55	2.50
(B) Balance with Banks		
In Current Accounts (Refer Note (a) below)	15.75	14.40
	<b>23.30</b>	<b>16.90</b>
ii) Other Bank Balances		
(A) Term Deposits with Banks (Refer Note (b) and (c) below)	2,164.45	2,049.74
(includes ₹ 1,757.35 Lacs (P.Y. - ₹ 2,049.74 Lacs) having maturity greater than 12 months)		
(B) Balance with Banks in Public Issue Account	-	0.80
	<b>2,164.45</b>	<b>2,050.54</b>
<b>Total</b>	<b>2,187.75</b>	<b>2,067.44</b>

- a) Balances in respect of certain inoperative bank accounts amounting to ₹ 2.10 Lacs (P.Y. - ₹ 4.10 Lacs) are subject to confirmation.
- b) Term Deposits with Banks include :
- Interest accrued but not due amounting to ₹ 144.33 Lacs (P.Y. - ₹ 74.49 Lacs)
  - Overdue deposits amounting to ₹ 47.18 Lacs (P.Y. - ₹ NIL)
- c) Term Deposits amounting to ₹ 2,117.27 Lacs (P.Y. - ₹ 2,049.74 Lacs) have been pledged as margin money against letter of credit facilities.

## **Note 17 SHORT TERM LOANS & ADVANCES**

(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
To Related Parties	64.78	339.40
To Others	445.38	260.50
Balance with Central Excise & CENVAT Receivable	1,400.40	1,216.91
VAT Credit Receivable/Refundable (Refer Note (a) below)	165.99	237.60
Income Tax Payments (Refer Note (b) below)	41.50	65.75
MAT Credit Entitlement (Refer Note (c) below)	49.17	-
	<b>2,167.22</b>	<b>2,120.16</b>

- a) VAT Credit Receivable/Refundable includes ₹ 8.24 Lacs (P.Y. - ₹ 8.24 Lacs) paid to Bureau of Investigation in course of enquiries relating to Sales Tax matters.
- b) Income Tax Payments include ₹ 21.42 Lacs (P.Y. - ₹ 21.42 Lacs) seized pursuant to search and seizure operation conducted by the Income Tax authorities on 5th January, 2004.
- c) 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. The said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement.

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Note 18 OTHER CURRENT ASSETS</b>		
(Unsecured, Considered Good)		
Insurance Claim Receivable	420.32	-
Incentives Receivable	943.10	246.97
Interest Receivable	-	27.88
Preliminary Expenses	-	2.66
Share Issue Expenses	-	8.02
	<b>1,363.42</b>	<b>285.53</b>

## **Note 19 REVENUE FROM OPERATIONS (GROSS)**

Sale of Products		
Sale of Manufactured Goods - Ferro Alloys		
Export Sales	13,783.39	15,884.40
Domestic Sales	5,776.71	2,225.80
Sale of Raw Materials (Domestic)		
Manganese Ore	21,050.38	27,480.03
Coal & Coke	2,040.79	-
Others	38.66	-
Sale of Traded Goods (Domestic)		
Iron and Steel Products	9,804.99	14,466.43
Other Operating Revenues		
Export Incentives	689.34	426.19
	<b>53,184.26</b>	<b>60,482.85</b>

## **Note 20 OTHER INCOME**

Interest Income		
- On Fixed Deposits	160.47	122.46
- Others	4.99	27.94
Interest Subsidy (Refer Note No. 36(b))	342.00	323.14
Foreign Exchange Fluctuation Gain	48.17	78.22
Sundry Balances written back	0.75	0.91
Miscellaneous Income	0.13	-
	<b>556.51</b>	<b>552.67</b>

## **Note 21 COST OF RAW MATERIALS CONSUMED**

(including cost of raw material sold)		
Inventory at the beginning of the year	13,788.37	14,657.64
Add : Purchases	34,006.42	37,028.87
	47,794.79	51,686.51
Less : Inventory at the end of the year	14,303.51	13,788.37
	<b>33,491.28</b>	<b>37,898.14</b>
Details of Raw Materials Consumed		
Manganese Ore	28,141.30	35,379.55
Coal and Coke	4,816.29	1,925.94
Dolomite	60.44	89.22
Others	473.25	503.43
	<b>33,491.28</b>	<b>37,898.14</b>

Break up into Imported & Indigenous

	31.03.2012		31.03.2011	
	%	(₹ in Lacs)	%	(₹ in Lacs)
Indigenous	72.67%	24,337.11	87.06%	32,994.44
Imported	27.33%	9,154.18	12.94%	4,903.71
	<b>100.00%</b>	<b>33,491.29</b>	<b>100.00%</b>	<b>37,898.15</b>

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Note 22 PURCHASES OF STOCK-IN-TRADE</b>		
Iron and Steel Products	9,613.94	14,264.50
	<b>9,613.94</b>	<b>14,264.50</b>

<b>Note 23 (INCREASE)/DECREASE IN INVENTORIES</b>		
Ferro Alloys		
Opening Stock		
Finished Goods	568.13	855.22
Work-in-Progress	997.58	980.47
	<b>1,565.71</b>	<b>1,835.69</b>
Less : Closing Stock		
Finished Goods	304.03	568.13
Work-in-Progress	1,692.90	997.58
	<b>1,996.93</b>	<b>1,565.71</b>
	<b>(431.22)</b>	<b>269.98</b>

<b>Note 24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Bonus	198.19	153.28
Contribution to Provident & Other Funds	16.53	14.51
Staff Welfare Expenses	1.75	0.90
	<b>216.47</b>	<b>168.69</b>

<b>Note 25 FINANCE COSTS</b>		
Interest Expense	1,907.41	1,126.50
Other Borrowing Costs	522.07	574.92
	<b>2,429.48</b>	<b>1,701.42</b>

<b>Note 26 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts [Refer Note (a) below]	59.01	65.12
Packing Materials	78.39	57.55
Power & Fuel [Refer Note 27 A (d)]	5,292.72	4,043.65
Rent	5.24	3.49
Rates & Taxes [Refer Note (b) below]	84.45	7.95
Repairs & Maintenance		
- Factory Shed & Building	28.90	28.74
- Plant & Machinery	119.93	76.15
- Others	5.03	4.49
Insurance	18.29	33.31
Material Handling Expenses	78.14	57.11
Other Manufacturing Expenses	116.43	91.77
Directors' Sitting Fees	1.28	1.01
Auditors' Remuneration [Refer Note (c) below]	2.74	2.25
Motor Car Expenses	6.30	7.79
Travelling & Conveyance	76.02	58.51
Commission	7.78	15.96
Legal & Professional Charges	23.44	28.65
Security Charges	76.07	65.79
Miscellaneous Expenses	32.97	36.88
Rebates and Discounts	15.82	0.10
Freight & Forwarding	653.88	455.98
Loss on sale of DEPB	9.61	8.08
Penalty	2.23	6.42
Testing Charges	23.17	10.45

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

	31.03.2012	31.03.2011
<b>Note 26 OTHER EXPENSES (Contd.)</b>		
Loss on sale of Fixed Assets	-	4.16
Preliminary & Share Issue Expenses written off	-	10.67
<b>Total</b>	<b>6,817.84</b>	<b>5,182.03</b>

## a) Stores, Spares & Consumables

	31.03.2012		31.03.2011	
	%	(₹ in Lacs)	%	(₹ in Lacs)
Indigenous	100.00%	59.01	100.00%	65.12
Imported	0.00%	-	0.00%	-
	<b>100.00%</b>	<b>59.01</b>	<b>100.00%</b>	<b>65.12</b>

b) Rates & Taxes includes ₹ 80.12 Lacs (P.Y. - ₹ 0.86 Lacs) on account of Excise Duty and Sales Tax on Adjudication/Assessment for earlier years.

## c) Auditors Remuneration

(₹ in Lacs)

	31.03.2012	31.03.2011
i) As Auditor [includes tax audit fees of ₹ 0.40 Lacs (P.Y. - ₹ 0.30 Lacs)]	2.20	1.80
ii) For Other services	0.54	0.45
	<b>2.74</b>	<b>2.25</b>

## Note 27 CONTINGENT LIABILITIES & COMMITMENTS

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

- Bills discounted with Banks outstanding as on 31st March, 2012 - ₹ 2,374.03 Lacs (P.Y. - ₹ 973.66 Lacs).
- Excise Demand of ₹ 28.87 Lacs (P.Y. - ₹ 36.12 Lacs) for the financial year 2005-06, 2006-07 & 2007-08 disputed in appeal (₹ 5.00 Lacs is paid under protest).
- Sales Tax Demand disputed in appeal for the year 2005-06, 2006-07, 2008-09 & 2009-10 aggregates to ₹ 2,400.29 Lacs (P.Y. - ₹ 1,703.79 Lacs). The Company has paid a sum of ₹ 88.62 Lacs (P.Y. - ₹ 139.66 Lacs) under protest.
- Several parties including the Company have disputed the basis of levy of Fuel Surcharge in the electricity bills of Damodar Valley Corporation (DVC). During the year, the Company has recognised amount of ₹ 777.61 Lacs as expense being the adhoc payments made against the bills. An amount of ₹ 2,681.56 Lacs (P.Y. - ₹ 1,952.98 Lacs) (after considering waiver of electricity duty admitted by DVC) has not been provided for by the Company.
- Claims not acknowledged as debts for commitment charges debited by the Bank - ₹ 135.27 Lacs (P.Y. - ₹ 135.27 Lacs).

B) Estimated amount of contracts remaining to be executed on Capital Account and not provided for - ₹ 150.58 Lacs (P.Y. - ₹ 1,961.47 Lacs).  
Advances paid there against - ₹ 92.90 Lacs (P.Y. - ₹ 1,182.04 Lacs)

## Note 28 FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings :		
F.O.B. Value of Exports	10,472.02	10,379.99
CIF Value of Imports :		
Raw Materials	6,344.93	2,810.00
Expenditure in Foreign Currency :		
Sales Commission	2.74	5.48
Interest on Buyer's Credit	3.85	-
Membership & Subscription	-	0.97
Testing & Other Charges	-	4.59

## Note 29 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY

Forward contracts/hedging instruments outstanding as at the Balance Sheet date are Nil.

Particulars of unhedged foreign currency exposures as at 31st March, 2012 are as follows :

# Notes to and forming part of the Financial Statements as at 31st March, 2012

## Note 29 AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY (Contd.)

Particulars	Currency	31.03.2012	31.03.2011
Amount payable in foreign currency	USD	84.78	36.50
Amount receivable in foreign currency	USD	6.25	6.26

## Note 30

In the opinion of the management, Current Assets and Non-Current Assets 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.

## Note 31

Certain balances of Sundry Creditors, Sundry Debtors and Advances are subject to confirmation.

## Note 32 EMPLOYEE BENEFITS

The disclosures of Employee Benefits as defined in Accounting Standard - 15 are given below

### Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under :

(₹ in Lacs)

Employer's Contribution to Provident and Other Funds	13.65	7.90
--	-------	------

### Defined Benefit Plan :

The employees' 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, 2012, 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.

	Gratuity (Funded)	
	31.03.2012	31.03.2011
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation :</b>		
Defined Benefit Obligation at beginning of the year	17.51	17.93
Current Service Cost	4.55	4.05
Interest Cost	1.35	1.07
Actuarial (Gain)/Loss	(1.67)	3.50
Benefits paid	(1.24)	(9.04)
Defined Benefit Obligation at the year end	20.50	17.51
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of Plan Assets :</b>		
Fair value of Plan Assets at beginning of the year	21.01	26.31
Expected return on Plan Assets	1.49	1.81
Actuarial Gain/(Loss)	0.27	0.20
Employers' contribution	3.56	1.72
Benefits paid	(1.24)	(9.03)
Fair value of Plan Assets at the year end	25.09	21.01
Actual return on Plan Assets	1.76	2.02
<b>(iii) Reconciliation of fair value of assets and obligation :</b>		
Fair value of Plan Assets	25.09	21.01
Present value of obligation	20.50	17.51
Amount recognised as (liability)/asset in Balance Sheet	4.59	3.50
<b>(iv) Expenses recognised during the year in the Statement of Profit &amp; Loss :</b>		
Current Service Cost	4.55	4.06
Interest Cost	1.35	1.07
Expected return on Plan Assets	(1.49)	(1.81)
Actuarial (Gain)/Loss	(1.94)	3.30
Net Cost	2.47	6.61
<b>(v) Break-up of Plan Assets as a percentage of total Plan Assets :</b>		
Insurer Managed Funds	100%	100%

# Notes to and forming part of the Financial Statements as at 31st March, 2012

	Gratuity (Funded)	
	31.03.2012	31.03.2011
<b>Note 32 EMPLOYEE BENEFITS (Contd.)</b>		
(vi) Actuarial Assumptions :		
Mortality Table (IAL)	IAL 1994-96 Modified Ultimate	
Discount rate (per annum)	8%	8%
Expected return on Plan Assets (per annum)	8%	8%
Rate of escalation in salary (per annum)	10%F5Y & 6%TA	5%

## (vii) Other Disclosures

	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	20.50	17.51	17.93	15.95	12.27
Plan Assets	25.09	21.01	26.31	24.58	14.66
Surplus/(Deficit)	4.59	3.50	8.39	8.64	2.40
Experience Adjustment on Plan Liabilities	(1.67)	(3.50)	1.23	(0.89)	(1.42)

(₹ in Lacs)

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.

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.

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

The Company expects to contribute ₹ 4.55 Lacs to the Gratuity Fund managed by the SBI Life Insurance Company Limited during the financial year 2012-13.

The above information is certified by the actuary.

## **Note 33 SEGMENT REPORTING**

**Business Segments :** The Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys, trading in Iron & Steel and Generation of Power.

### Segment Revenue

	31.03.2012	31.03.2011
Ferro Alloys	42,834.39	45,808.57
Iron and Steel	9,804.99	14,466.43
Power	252.24	-
	52,891.62	60,275.00
Less : Inter Segment Revenue	(252.24)	-
<b>Total</b>	<b>52,639.38</b>	<b>60,275.00</b>

### Segment Results (Profit before Finance Cost & Tax)

Ferro Alloys	2,939.26	2,549.10
Iron and Steel	191.04	201.93
Power	(97.15)	-
<b>Total</b>	<b>3,033.15</b>	<b>2,751.03</b>
Finance Costs	2,429.47	1,701.41
<b>Profit Before Tax</b>	<b>603.68</b>	<b>1,049.62</b>
Less : Tax Expenses	245.13	369.82
<b>Profit After Tax</b>	<b>358.55</b>	<b>679.80</b>



# Notes to and forming part of the Financial Statements as at 31st March, 2012

## Note 33 SEGMENT REPORTING (Contd.)

### Other information

(₹ in Lacs)

	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Expenses (other than Depreciation)
<b>For the Financial Year 2011-12</b>					
Ferro Alloys	33,958.99	16,762.16	463.26	297.30	-
Iron and Steel	5,883.90	1,993.84	-	-	-
Power	16,557.24	469.75	3,132.28	157.14	-
Unallocated	90.67	1,119.91	-	-	-
<b>Total</b>	<b>56,490.80</b>	<b>20,345.66</b>	<b>3,595.54</b>	<b>454.44</b>	<b>-</b>
<b>For the Financial Year 2010-11</b>					
Ferro Alloys	36,607.00	17,701.51	235.79	293.29	14.83
Iron and Steel	154.89	53.14	-	-	-
Power	14,671.24	51.55	4,362.46	-	-
Unallocated	73.09	1,166.08	-	-	-
<b>Total</b>	<b>51,506.22</b>	<b>18,972.28</b>	<b>4,598.25</b>	<b>293.29</b>	<b>14.83</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 are based on the location of such asset.

			Segment Revenue (Based on Location of Customers)	Segment Assets (Based on Location of Assets)	Capital Expenditure
Within India	Year ended	31.03.2012	38,855.99	56,171.09	3,595.54
	Year ended	31.03.2011	44,390.60	51,226.55	4,598.25
Outside India	Year ended	31.03.2012	13,783.39	319.71	-
	Year ended	31.03.2011	15,884.40	279.67	-
<b>Total</b>	<b>Year ended</b>	<b>31.03.2012</b>	<b>52,639.38</b>	<b>56,490.80</b>	<b>3,595.54</b>
	<b>Year ended</b>	<b>31.03.2011</b>	<b>60,275.00</b>	<b>51,506.22</b>	<b>4,598.25</b>

## Note 34 RELATED PARTY DISCLOSURE

(i) Parties where control exists irrespective of whether transactions have occurred or not : None

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

- (a) Key Managerial Personnel (KMP) Mr. Suresh Kumar Patni, Managing Director  
Relative of KMP Mr. Virendra Kumar Jain
- (b) Enterprises owned or significantly influenced by the Key Managerial Personnel or their relatives :  
Ankit Metal & Power Ltd.  
Arin Minerals Private Ltd.  
Arthodock Vinimay Pvt. Ltd.  
Brahmand Udyog Ltd.  
Dhodwala Enterprises Ltd.  
Gold Mohar Steel Ltd.  
Hira Concast Ltd.  
Impex Cements Ltd.  
Impex Industries Ltd.  
Impex Metal & Ferro Alloys Ltd.  
Impex Steel Ltd.  
Invesco Finance Pvt. Ltd.  
Mahabali Ispat Pvt. Ltd.  
Patni Metal & Ferro Alloys Ltd.  
Poddar Mech Tech Services Pvt. Ltd.  
Rohit Ferro-Tech Ltd.  
Sahyogi Distributors Ltd.  
Suanvi Trading & Investment Co. Pvt. Ltd.

# Notes to and forming part of the Financial Statements as at 31st March, 2012

## Note 34 RELATED PARTY DISCLOSURE (Contd.)

Shreyansh Leafin Pvt. Ltd.  
Unilever Enterprises Pvt. Ltd.  
Vasupujya Enterprises Pvt. Ltd.  
Vikash Metal & Power Ltd.  
Vikash Smelters & Alloys Ltd.  
VSN Agro Products Ltd.  
Whitestone Suppliers Pvt. Ltd.

Transactions with related parties referred to above, in ordinary course of the business, are as under :

(₹ in Lacs)

Particulars	31.03.2012	31.03.2011
<b>Managerial Remuneration</b>		
Suresh Kumar Patni	12.00	12.00
Virendra Kumar Jain	-	8.66
<b>Purchase of Goods</b>		
Impex Metal & Ferro Alloys Ltd.	2,462.31	1,124.35
Ankit Metal & Power Ltd.	1,055.22	89.95
Impex Steel Ltd.	-	64.84
Mahabali Ispat Pvt. Ltd.	1.55	-
Rohit Ferro-Tech Ltd.	1,892.21	102.40
<b>Purchases of Capital Goods</b>		
Ankit Metal & Power Ltd.	6.03	3.97
<b>Sales of Finished Goods</b>		
Brahmand Udyog Ltd.	-	3,886.99
Hira Concast Ltd.	301.90	-
Impex Metal & Ferro Alloys Ltd.	6,658.76	5,243.40
Impex Steel Ltd.	180.96	-
Vikash Metal & Power Ltd.	-	68.25
Sahyogi Distributors Ltd.	-	3,196.91
Ankit Metal & Power Ltd.	408.91	277.53
Arin Minerals Pvt. Ltd.	-	72.80
Rohit Ferro-Tech Ltd.	3,099.98	8.15
<b>Commission on Sales</b>		
Rohit Ferro-Tech Ltd.	0.05	-
Impex Metal & Ferro Alloys Ltd.	1.14	-
<b>Rent</b>		
Impex Metal & Ferro Alloys Ltd.	0.50	-
<b>Purchase of DEPB Licence</b>		
Rohit Ferro-Tech Ltd.	23.15	-
Impex Metal & Ferro Alloys Ltd.	81.75	-
<b>DEPB Licence Sold</b>		
Ankit Metal & Power Ltd.	-	20.14
Impex Metal & Ferro Alloys Ltd.	24.27	-
<b>Loans Taken*</b>		
Arthodock Vinimay Pvt.Ltd	35.00	-
Whitestone Suppliers Pvt. Ltd.	165.00	500.00
Vasupujya Enterprises Pvt. Ltd.	305.00	1,660.00
Unilever Enterprises Pvt. Ltd.	-	100.00
(*Excludes subsequent transfers to Share Application Money)		
<b>Loans Repaid</b>		
Arthodock Vinimay Pvt.Ltd	35.00	-
Impex Cements Ltd.	205.47	0.39
Vasupujya Enterprises Pvt. Ltd.	1,981.17	-
Whitestone Suppliers Pvt. Ltd.	665.00	-
Dhodwala Enterprises Ltd.	426.94	0.36

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

Particulars	31.03.2012	31.03.2011
<b>Note 34 RELATED PARTY DISCLOSURE (Contd.)</b>		
Gold Mohar Steel Ltd.	632.66	0.34
Impex Industries Ltd.	544.20	0.30
VSN Agro Products Ltd.	189.05	0.36
Patni Metal & Ferro Alloys Ltd.	328.49	0.35
Brahmand Udyog Ltd.	109.37	-
Unilever Enterprises Pvt. Ltd.	-	100.00
<b>Share Application Money received and Shares allotted*</b>		
Invesco Finance Pvt. Ltd.	805.00	-
Poddar Mech Tech Services Pvt. Ltd.	1,000.00	-
Suanvi Trading & Investment Co. Pvt. Ltd.	540.00	-
Vasupujya Enterprises Pvt. Ltd.	455.00	-
(* Includes conversion of Loans)		
<b>Advances Given</b>		
Brahmand Udyog Ltd.	-	739.79
Sahyogi Distributors Ltd.	24.46	1,627.08
Vikash Smelters & Alloys Ltd.	100.00	-
Shreyansh Leafin Pvt. Ltd.	10.00	-
Mahabali Ispat Pvt. Ltd.	1,343.91	-
<b>Advances Given, Refunded Back</b>		
Vikash Smelters & Alloys Ltd.	100.00	300.00
Patni Metal & Ferro Alloys Ltd.	-	10.00
Brahmand Udyog Ltd.	316.79	-
Shreyansh Leafin Pvt. Ltd.	10.00	-
Mahabali Ispat Pvt. Ltd.	450.45	-
<b>Advances Taken, Repaid Back</b>		
Dhodwala Enterprises Ltd.	-	30.00
Gold Mohar Steel Ltd.	-	30.00
Impex Cements Ltd.	-	30.00
Impex Industries Ltd.	-	30.00
Impex Steel Ltd.	-	548.00
Patni Metal & Ferro Alloys Ltd.	-	30.00
VSN Agro Products Ltd.	-	30.00
Vikash Smelters Ltd.	-	130.00
Unilever Enterprises Pvt. Ltd.	-	30.00
Impex Metal & Ferro Alloys Ltd.	-	855.85
Vikash Metal & Power Ltd.	-	1,201.82
Hira Concast Ltd.	-	150.00
Brahmand Udyog Ltd.	-	47.48
Arin Minerals Pvt. Ltd.	-	1.43
<b>Outstanding Balances as at 31st March, 2012</b>		
<b>Sundry Debtors</b>		
Hira Concast Ltd.	4.44	-
Vikash Metal & Power Ltd.	-	15.79
Ankit Metal & Power Ltd.	100.65	29.57
Rohit Ferro-Tech Ltd.	9.81	8.15
Sahyogi Distributors Ltd.	-	443.23
<b>Sundry Creditors</b>		
Ankit Metal & Power Ltd.	537.01	-
Rohit Ferro-Tech Ltd.	0.05	-
Impex Metal & Ferro Alloys Ltd.	410.65	853.44

# Notes to and forming part of the Financial Statements as at 31st March, 2012

(₹ in Lacs)

Particulars	31.03.2012	31.03.2011
<b>Note 34 RELATED PARTY DISCLOSURE (Contd.)</b>		
<b>Loans Taken</b>		
Brahmand Udyog Ltd.	-	109.37
Dhodwala Enterprises Ltd.	-	426.94
Gold Mohar Steel Ltd.	-	632.66
Impex Cements Ltd.	-	205.47
Impex Industries Ltd.	-	544.20
Patni Metal & Ferro Alloys Ltd.	-	328.49
Vasupujya Enterprises Pvt. Ltd.	-	1,676.17
VSN Agro Products Ltd.	-	189.05
Whitestone Suppliers Pvt. Ltd.	-	500.00
<b>Advances Given</b>		
Brahmand Udyog Ltd.	22.61	339.40
Rohit Ferro-Tech Ltd.	42.17	-
Mahabali Ispat Pvt. Ltd.	893.46	-
Sahyogi Distributors Ltd.	24.46	-
<b>Advances Taken</b>		
Ankit Metal & Power Ltd.	12.77	-
Impex Metal & Ferro Alloys Ltd.	502.79	-

## **Note 35 EARNINGS PER SHARE**

Weighted average number of Equity Shares outstanding during the year	5,18,84,172	4,99,71,604
Number of Shares Considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	5,18,84,172	4,99,71,604
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	358.55	679.80
Nominal Value of Ordinary Shares (₹)	10	10
Earnings Per Share (Basic) (₹)	0.69	1.36
Earnings Per Share (Diluted) (₹)	0.69	1.36

## **Note 36 CHANGE IN ACCOUNTING POLICY**

- (a) During the year, the Company has changed its accounting policy relating to the 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 accounting policy, the profit for the year would have been lower by ₹ 25.61 Lacs.
- (b) The Company has accounted for Interest Subsidy Receivable from the Government of West Bengal under West Bengal Incentive Scheme aggregating to ₹ 342.00 Lacs as the Company has complied with the conditions attached thereto and there is reasonable assurance that the grants will be received. Subsidies were hitherto recognised on receipt basis in earlier years. Had there been no change in the accounting policy, the profit for the year would have been lower by ₹ 342.00 Lacs.

## **Note 37**

The Financial Statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. The Financial Statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of Financial Statements.

As per our report of even date attached

For S. Jaykishan

Chartered Accountants

FRN : 309005E

For and on behalf of the Board

CA Vivek Newatia

Partner

Membership No: 062636

Place : Kolkata

Date : The 21st day of May, 2012

S.K. Patni  
Managing Director

Ankit Patni  
Director

Ritesh Kumar Singh  
Company Secretary

# Impex 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 Annual General Meeting of the Company to be held at "Rotary Sadan", 94/2, Chowringhee Road,  
Kolkata - 700 020 on Wednesday, the 26th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this .....day of .....2012

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.

# Impex 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

## ATTENDANCE SLIP

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

I/We hereby record my/our presence at the Annual General Meeting of the above named Company held at "Rotary Sadan", 94/2,  
Chowringhee Road, Kolkata - 700 020 on Wednesday, the 26th September, 2012 at 10.00 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

Mr. Ankit Patni

Mr. Rohit Patni

(Resigned w.e.f. 21st May, 2012)

Mr. Satish Kumar Singh

(Appointed w.e.f. 24th August, 2012)

Mr. Prem Narayan Khandelwal

Mr. Ashok Kumar Jain

Mr. Krishna Kumar Chanani

(Resigned w.e.f. 12th December, 2011)

Mr. Vijay Kumar Jain

(Appointed w.e.f. 12th December, 2011)

*Chairman cum Managing Director*

*Non-Executive Director*

*Non-Executive Director*

*Executive Director*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

## Company Secretary

Mr. Ritesh Kumar Singh

(Appointed w.e.f. 14th February, 2012)

## Auditors

M/s. S. Jaykishan

*Chartered Accountants*

12, Ho-Chi Minh Sarani, Kolkata - 700 071

## Bankers

State Bank of India

Bank of Baroda

Punjab National Bank

United Bank of India

HDFC Bank

State Bank of Travancore

State Bank of Bikaner & Jaipur

Indian Overseas Bank

Allahabad Bank

## Registered Office

35, Chittaranjan Avenue, Kolkata - 700 012

Phone : +91 33 2211 0225/0226, 4064 0021/22

## Corporate Office

SKP House,

132A, S. P. Mukherjee Road, Kolkata - 700 026

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189

E-mail : [info@impexferrotech.com](mailto:info@impexferrotech.com)

Website : [www.impexferrotech.com](http://www.impexferrotech.com)

## Plant Information

Kadavita Dendua Road,

P.O. Kalyaneshwari, P.S - Kulti

Dist. Burdwan,

West Bengal - 713 369

## 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



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Impex Ferro Tech Ltd.  
SKP House, 132 A, S.P. Mukherjee Road, Kolkata - 700 026