

Growing the number game



FORWARD LOOKING STATEMENT

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

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

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

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Corporate Information

BOARD OF DIRECTORS

Mr. Suresh Kumar Patni

Non-Executive Chairman

Mr. Ankit Patni

Managing Director

Mr. Rohit Patni

Joint Managing Director

Mr. Kailash Chand Jain

Director

Mr. Jatindra Nath Rudra

Director

Mr. Vijay Kumar Jain

Director

COMPANY SECRETARY

Mr. Chandra Kumar Jain

AUDITORS

R. Kothari & Company

Chartered Accountants

16A, Shakespeare Sarani

Kolkata - 700 071

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

Unit : Ankit Metal & Power Limited

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

Phone : +91 33 2289 0540, Telefax : + 91 33 2289 0539

Email : kolkata@linkintime.co.in

BANKERS

State Bank of India

Andhra Bank

Syndicate Bank

IDBI Bank Limited

State Bank of Travancore

Indian Overseas Bank

State Bank of Mysore

State Bank of Bikaner & Jaipur

State Bank of Indore

United Bank of India

REGISTERED OFFICE

35, Chittaranjan Avenue

Kolkata - 700 012

Phone : +91 33 2211 9805/9806

Fax : +91 33 2211 4134

E-mail : cs@ankitmetal.com

Website : www.ankitmetal.com

CORPORATE OFFICE

33, Chittaranjan Avenue

Kolkata - 700 012

Phone : +91 33 2211 0523/0524

Fax : +91 33 2211 0522

PLANT INFORMATION

Jorehira

Mouza : Burat & Jorehira

P.S. Chhatna

Dist. : Bankura, West Bengal

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Shareholders of **M/s. Ankit Metal & Power Limited** will be held on Wednesday, 8th September, 2010 at 10:00 A.M. at 'Rotary Sadan', 94/2 Chowringhee Road, Kolkata - 700 020 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Audited Annual Accounts of the Company for the financial year ended 31st March, 2010 and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Kumar Patni, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. Kothari & Company, Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. **Increase of Authorized Share Capital and consequent amendment to Memorandum of Association of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and rules and regulations enacted under the Act, including any amendment thereto or re-enactment thereof for the time being in force, consent of the members be and are hereby given that the Authorized Capital of the Company be and is hereby increased from Rs. 600,000,000 (Rupees Sixty Crores Only) divided into 60,000,000 (Six Crores) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 800,000,000 (Rupees Eighty Crores Only) divided into 80,000,000 (Eight Crores) equity shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following:

- V. The Authorized Share Capital of the Company is Rs. 800,000,000 (Rupees Eighty Crores) divided into 80,000,000 (Eight Crores) Equity Shares of Rs. 10/-(Rupees Ten) each with power to increase and reduce the capital of the Company and to divide or sub-divide the shares in capital of the Company and to divide or sub-divide the shares in capital for the time being into several classes and to attach thereto such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being.'

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, and file such forms as it may in its absolute discretion deem necessary and think fit to give effect to the aforesaid resolution."

5. **Issue of equity shares to the existing shareholders of the Company on right basis.**

To consider and if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT in terms of Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to consent of the Securities and Exchange Board of India (hereinafter referred to as "SEBI") and all other concerned authorities, if and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary and subject to such condition(s) and modification(s) as may be prescribed in granting such approval(s), permission(s) and sanction(s) which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include committee(s) of the Board), at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot Equity Shares of the Company of the face value of Rs. 10/- each, on fully paid-up basis or partly paid-up basis at par or at such premium or at such discount and in such proportion as may be decided by the Board, to the members on rights basis on a date to be fixed by the Board as the record date, aggregating not more than Rs. 175 Crores.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board or Committee thereof be and is hereby authorized on behalf of the Company to agree and accept such condition(s), modification(s) and alteration(s) as stipulated by the relevant authorities while according approval, consent or permission to the issue, as may be considered necessary and expedient, and to prescribe form of Application, to issue letter of offer, to appoint Advisor(s), Consultant(s), Manager(s), Registrar(s) to the issue and other Agency(ies) as may be deemed expedient, for the purpose of proposed Rights Issue and pay, if it so thinks fit, the Underwriting commission and/or Brokerage as may be lawful and reasonable and to take all such action(s) and to give all such direction(s) as may be necessary or desirable

and also to settle any question or difficulty that may arise in regard to the Offer, Issue and Allotment of the securities and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary desirable or expedient in connection with such Offer/Issue/Allotment.

RESOLVED FURTHER THAT the equity shares to be issued as aforesaid shall be subject to the provision of Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects with the existing fully paid equity shares of the Company.

RESOLVED FURTHER THAT the equity shares shall be issued on such term(s) and condition(s) as may determined by the Board and the Board be and is hereby authorized to finalize the same as per its absolute discretion or in consultation with any authority, in the best interest of the shareholders, on behalf of the Company.

RESOLVED FURTHER THAT in case any fractional shares arise from the aforesaid issue of equity shares, the Board may in consultation with the Lead Manager and the Designated Stock Exchange decide the manner in which such shares shall be allotted and distributed.

RESOLVED FURTHER THAT the Board, including any Committee be and is hereby authorized to make any alteration, addition or vary any of the above said clauses, in consultation with the Lead Manager or SEBI or such authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Issue structure and on the exact component of fresh issue of shares in the Issue."

By Order of the Board
For **ANKIT METAL & POWER LIMITED**

Chandra Kumar Jain
Company Secretary

Place : Kolkata
Date : 10th August, 2010

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND STAMPED MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING OF THE AFORESAID MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Item No. 4 & 5 is annexed herewith.
3. The relevant details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of person seeking appointment/re-appointment as Director under Item No. 2 is annexed thereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 1st September, 2010 to Wednesday, 8th September, 2010 (both days inclusive).
5. The Company or its Registrar cannot act on any request received directly from the Shareholders holding shares in electronic form for any change in Bank particulars or bank mandates. Such changes are advised only to the Depository Participants by the Shareholders.
6. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, M/s Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020.
7. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. Members are requested to bring their Attendance Slip for attending the Meeting.
9. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Company is coming up with a new project at Jorehira, West Bengal by installing a 350 TPD Sponge Iron Plant, 15 MT Induction Furnace, 1 Lac TPA Wire Rod and a 33 MW Captive Power Plant. The total project cost envisaged is Rs. 311 Crores of which debt for Rs. 201 Crores has already been tied up with State Bank of Indore, State Bank of Bikaner & Jaipur, United Bank of India, State Bank of Travancore, State Bank of Mysore, Indian Overseas Bank. The remaining portion is to be funded through infusion of further equity into the Company and internal cash accruals generated.

It is proposed to increase the authorized share capital of the Company from the existing Rupees Sixty Crores to Rupees Eighty Crores. This increase necessitates an alteration in the Memorandum of Association of the Company.

The increase in authorized capital and amendments to the Memorandum of Association require approval of the shareholders. The Board recommends the resolution set out at Item No. 4 for approval of the members.

None of the Directors of the Company is, in any way, concerned or is interested in the said resolution.

Item No. 5

The Company requires long term funds to part finance its new project at Jorehira consisting of a 350 TPD Sponge Iron Plant, 15 MT Induction Furnace, 1Lac TPA Wire Rod and a 33 MW Captive Power Plant. The equity portion requirement in the project is to be met out of by fresh issue of equity shares which is permitted by the Articles of Association of the Company.

For the purpose, the Board of Directors of the Company have proposed to issue right shares to the Members of the Company within the limits as set out in the resolution itself.

As required under Section 81/81(1A) of the Companies Act, 1956 the approval of Members is required for issue of further share capital.

The Board recommends the resolution set out at Item No. 5 for approval of the Members.

None of the Directors are deemed to be concerned or interested in the said resolution except in the capacity of shareholders of the Company to the extent of the shares offered and accepted as well as additional shares, if any, applied by them.

ADDITIONAL INFORMATION

Disclosures pursuant to Clause 49 of the Listing Agreement with regard to the Director seeking appointment/re-appointment at the ensuing Annual General Meeting (Refer Item No. 2 of the notice).

Name of the Director	Age	Date of Appointment	Brief resume and nature of expertise in functional area	Other Directorships*/ Committee Memberships
Mr. Suresh Kumar Patni	51 years	7th August, 2002	He is a B. Com Graduate from Calcutta University. He has a wide experience of more than two decades in Iron & Steel and Ferro Alloys Industry. He is also the Co-promoter of Impex Ferro-Tech Limited and Rohit Ferro-Tech Limited for manufacturing and dealing in Ferro Alloys Industries.	<p>Directorships : Rohit Ferro-Tech Limited. Impex Ferro-Tech Limited. Impex Industries Limited. Impex Metal & Ferro Alloys Limited VSN Agro Products Limited SKP Power Ventures Limited</p> <p>Committee Memberships : Rohit Ferro-Tech Limited - Investor Grievance cum Share Transfer Committee Impex Ferro-Tech Limited: - Investors' Grievance Committee</p>

Mr. Suresh Kumar Patni holds 505,000 equity shares in the Company.

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

Number of Directorship/Membership held in other Companies excludes Directorships/Memberships in Private Limited Companies, Foreign Companies, Memberships of Managing Committees of various Committees of various chambers/bodies and alternate Directorships.

Committee positions in other Companies relate to Chairmanships/Memberships of Audit Committee and Shareholders Grievance Committee/Share Transfer Committee only.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the Eighth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial results of the Company for the year under review are summarized below for your perusal and consideration.

(Rs. in Lacs)

	2009-10	2008-09
Net Sales	62887.79	49195.05
Profit before Depreciation	2915.31	1927.24
Less : Depreciation	1086.40	1043.99
Profit before Tax	1828.91	883.25
Less : Provision for Income Tax including FBT	52.87	339.92
Add : MAT credit entitlement	311.23	100.38
Net Profit	2087.27	643.71
Add : Balance brought forward	4135.35	3491.64
Balance available for Appropriation	6222.62	4135.35
Balance carried forward to Balance Sheet	6222.62	4135.35

DIVIDEND

Your Directors have not recommended any dividend on equity shares for the year under review.

FINANCIAL & OPERATIONAL REVIEW

Net Sales for the year has increased from Rs. 492 Crores to Rs. 629 Crores by 28%. In line with the trend Profit before Tax increased by 107%, Profit after Tax increased by 224% and EPS increased by 224% respectively over the previous year. Production during the year increased from 156,170 MT to 252,438 MT.

The all round improved performance was due to increase in volume and improved realizations. The Net Worth of your Company increased from Rs. 120 Crores to Rs. 141 Crores and Fixed Assets Gross Block increased from Rs. 190 Crores to Rs. 196 Crores.

The Company has been awarded Star Export House Certificate by Ministry of Commerce & Industry.

During the year, the Company has started commercial production from its Continuous Casting Machine from the month of January, 2010.

NEW PROJECT & EXPANSION

The Company has commenced the implementation and installation of a 350 TPD Sponge Iron Plant, 15 MT Induction Furnace, 1 Lac TPA Wire Rod and a 33 MW Captive Power Plant with a total capital outlay of Rs. 311 Crores for which financial closure has been achieved.

The above projects are expected to be completed in the next financial year. The Board of Directors in their meeting held on 6th July, 2010 have considered and approved the Rights Issue of equity shares subject to statutory approvals.

PUBLIC DEPOSIT

The Company has not accepted any fixed deposits during the year.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

Reports relating to Management Discussion and Analysis, Corporate Governance alongwith Auditors Certificate regarding compliance of Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Directors' Report.

SOCIAL OBLIGATION

Your Company is aware of its obligation to the society and as such it has been proactive in improving the working conditions of the employees and their dependents throughout the organization both at the factory and corporate office.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed :

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements 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;
- c) That 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;

- d) That the accounts have been prepared on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars 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 (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the annexure attached hereto and forms part of the report.

PARTICULARS OF EMPLOYEES

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

Name	Age (Years)	Qualification	Date of Employment	Designation	Remuneration received (gross)	Experience (years)	Nature of Employment	Last Employment
Ankit Patni	25	CFA, MBA	03.07.2006	Managing Director	Rs. 36,00,000/-	5	Contractual	Continuing as Jt. MD in Rohit Ferro-Tech Ltd.
Rohit Patni	26	BE, MBA	27.08.2007	Jt. Managing Director	Rs. 24,00,000/-	4	Contractual	Continuing as MD in Rohit Ferro-Tech Ltd.

Nature of duties and other terms and conditions are as per agreements entered with the respective employees.

AUDITORS AND AUDITORS' REPORT

M/s. R. Kothari & Company, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS

Mr. Suresh Kumar Patni, Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

ACKNOWLEDGMENT

Your Directors take this opportunity to express their appreciation for the assistance and co-operation received from the Central

Government, State Governments, Financial Institutions, Corporate Authorities, Banks, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of executives, staffs and workers of the Company.

For and on behalf of the Board
Suresh Kumar Patni
Chairman

Kolkata, 10th August, 2010

ANNEXURE TO THE DIRECTORS' REPORT

Statement containing particulars pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure :

Conservation of Energy is always an ongoing process and the Company has undertaken a number of initiatives to ensure that technologies adopted and equipments installed results in reduction of energy consumption.

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

The Company is taking action to commission a 33 MW power plant for captive consumption of power.

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

The above actions will result in lower cost of production of goods. Cost of Power Generation is Rs. 1.39 per unit in the current year instead of Rs. 1.75 per unit in the previous year.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure is annexed hereto.

B. TECHNOLOGY ABSORPTION

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

FORM A

(Disclosure of Particulars with respect to conservation of energy)

	2009-10	2008-09
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (Lacs - KWH)	571.25	470.11
Total Amount (Rs. in Lacs)	1797.49	1296.31
Cost/Unit (Rs./KWH)	3.15	2.76
b) Own generation		
i) Through diesel generation :		
Units (Lacs - KWH)	0.84	1.98
Unit per liters of high speed diesel (KWH)	4.67	4.03
Cost/Unit (Rs./KWH)	7.49	9.30
ii) Through steam turbine/generator :		
Units (Lacs - KWH)	780.82	623.06
Total Amount (Rs. in Lacs)	1087.87	1086.88
Cost/Unit (Rs./KWH)	1.39	1.75
2. Coal *		
Quantity (Tonnes)	59445.50	45904.81
Total Cost (Rs. in Lacs)	1452.51	1105.29
Average Rate	2443.43	2408.00

* used in production of Sponge Iron & Power Plant.

	2009-10	2008-09
3. Furnace Oil		
Quantity (KL)	2108.08	684.00
Total Cost (Rs. in Lacs)	523.83	146.74
Average Rate	24849	21453
B. CONSUMPTION (IN UNITS) PER TONNE OF PRODUCTION		
Electricity (KWH)	536	700
Coal (Tonne)	0.74	0.73
Furnace Oil (Lt.)	26.65	18.93

FORM - B

(Form for disclosure of particulars with respect to technology absorption for the year ended 2009-10)

A. RESEARCH AND DEVELOPMENT (R&D)

a) Specific Areas in which R & D carried out by the Company	Nil
b) Benefits derived as a result of the above R & D	Nil
c) Future plan of action	Nil
d) Expenditure on R & D	Nil

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**1. Efforts, in brief, made towards technology absorption, adoption and innovation :**

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

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

The overall productivity and efficiency will increase resulting in lower cost of production.

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

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

C. FOREIGN EXCHANGE EARNING AND OUTGO**a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans :**

The Company is actively exploring the export market with the overall improvement in the global economy, to market its value-added products for improved capacity utilization.

b) Details of Foreign Exchange used and earned : (Rs. in Lacs)

	2009-10	2008-09
1 Foreign exchange earned	1256.67	1319.84
2 Foreign exchange used	68.15	114.18

For and on behalf of the Board
Suresh Kumar Patni
 Chairman

Kolkata, 10th August, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

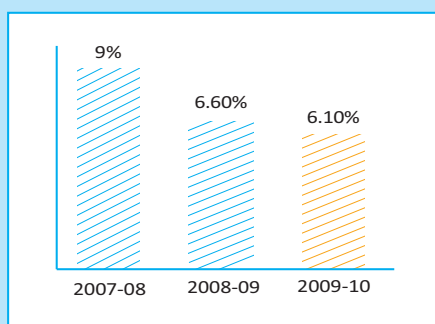
World Economy

It was the year when there was a global economic resurgence. After kneeling down to the global recession during the year 2008-09, every economy across the globe showed signs of improvement which was mainly led by the stimulus packages doled out by the governments of leading economies across the globe. BRIC countries mainly led by China and India were the front runners on account of huge domestic demand and provided the thrust on infrastructure creation within the core sector.



AN ECONOMY BETTER KNOWN AS A CONSUMPTION-LED ECONOMY

Indian GDP estimate



Source : economywatch.com

India, the fourth largest global economy in the world and second among the BRIC Nations, has slowly graduated to the elite list of 10 economic power houses in the world. It recently passed itself as a trillion dollar economy with its current GDP hovering around 7% supported by the Industrial Sector which is growing at a pace of 8% with its ever increasing foreign reserves.

Number of reasons supporting India's optimism story is led mainly by the population growth of the country which itself indicates a bright future for the consumers demand in the years to come. The population of the country which is estimated now to be around 1.1 billion is expected to touch 1.35 billion around 2020-21.

The increasing income levels of the people are fuelling the growth thus creating huge prospects for increased consumption in the years to come which would also increase the market for infrastructure and real estate development in the country driven mainly by factors like urbanization, favorable demographics, etc.

INDUSTRY STRUCTURES & DEVELOPMENTS

The sub-prime crisis resulted in a global meltdown and its direct impact was seen on the steel industry whose products are mainly consumed for infrastructure development purposes.

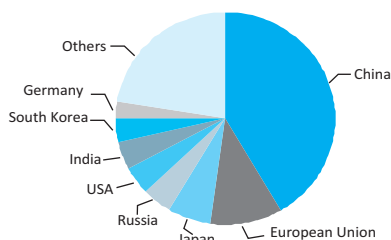
The major consuming nations of steel at one time were US, European Nations, Japan, etc but is now mainly controlled and consumed by the growing economies of the world including the BRIC countries.

World crude steel production has been estimated to be around 1220 MT in 2009-10 as compared to 1326.50 MT in 2008-09, a decrease of almost 8% [Source : World Steel Association]. But this decrease is mainly attributable due to the recessionary effects during first half of the year.

Production has risen in the last half of 2009 compared to the first half, but is not yet at the levels of the first half of 2008. Non-Chinese crude steel production rose from an average of about 45 MT in the first few months of 2009 to about 60 MT by the end of 2009 which is a clear sign of the green shoots of recovery. Chinese production showed a more gradual increase during 2009.

Crude Steel production for European Union decreased by 30% to 139.1 MT. CIS countries showed a decrease of 15% in crude steel production with the overall total down to 97 MT. Production in the USA dropped by 36% in the year to date to 58.1 MT. South America total production was down by 20% to 37.8 MT. Steel production in Africa and the Middle East fell by 4% to 31.4 MT in 2009. Crude Steel production in five Asian countries increased by 4% during the year to 776.3 MT.

Market Share in Global Production :



Source : World Steel Association

The Optimism Story of India

"Population growth, increased income levels, various urbanization plans by the government alongwith huge investments in infrastructure development is thus resulting in propelling India among the top 10 economies of the World".

Indian Steel industry scenario :

The steel industry in India is concentrated in the east, south and west of the country. The integrated foundries are located in the east, while electric steel is produced predominantly in the south and west. In future east will see rapid expansion as more integrated capacities are being built in Orissa and other eastern states due to its raw material advantage. Although India is now one of the worlds top ten steel producers, its domestic output is insufficient to meet the demand in all segments.

According to the Ministry of Steel, Government of India, the country has emerged as the fifth largest producer of steel in the world and is likely to become the second largest producer of crude steel by 2015-16 more than doubling its capacity to 124 MT as part of the push being given to assist overall infrastructure development.

Production

Steel production rose 4% to reach 60 MT in 2009-10 [Source : Ministry of Steel]. The

National Steel Policy 2005 had projected an annual steel consumption growth of 7% based on GDP growth rate of 7-7.5 % and production of 110 MT of crude steel by 2019-20.

Looking at the current growth trends it is believed that in the next five years demand will grow at a rate greater than 10% as compared to around 7% growth achieved between 1991-92 and 2005-06 and the crude steel production capacity in the country is expected to be around 150 MT by 2011-12.

Consumption

India's steel consumption grew by 8% for the year ended March 2010, over the same period a year ago on account of improved demand from sectors like automobile, infrastructure and housing. The country's steel consumption increased to 56.3 MT in the 12 months to March 2010 from 52.3 MT in the previous year [Source : Ministry of Steel].

World Carbon Steel Transaction Prices (\$ per tonne)

Month	HRC	HRP	CRC	Rod	Sections
Feb-09	505	643	594	526	714
Apr-09	487	638	576	500	678
May-09	474	605	556	490	692
Jun-09	495	604	579	508	701
Jul-09	513	604	598	515	682
Aug-09	544	622	636	527	697
Sep-09	590	641	680	547	706
Oct-09	592	655	692	551	699
Nov-09	575	643	674	538	677
Dec-09	579	639	681	555	691
Jan-10	607	642	700	569	700
Feb-10	631	676	724	583	694

Source : World Steel Association



GROWTH DRIVERS

The strength of any economy is viewed by the robustness of its infrastructure sector which includes Railways, Roads & Bridges, Airports, Ports, Power (including the most awaited Nuclear Power Projects) and Real Estate.

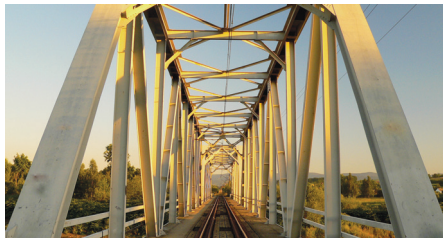
The total infrastructure investments in the 11th Five Year Plan (2008-12) in sectors like power, roads, railways, irrigation & water supply and sanitation have been estimated at Rs. 16.80 Lakh Crores. The total spending during 2010-20 in the same sectors is anticipated to be over Rs. 54 Lakh Crores, which would boost the overall demand for steel and related products.

Airports



Aviation industry saw a phenomenal growth in the past few years and is again trying to regain its momentum after the global economic meltdown. With increase in passenger traffic and air freight that is constantly on the upscale, the Government of India has embarked on an estimated investment of about US\$ 9 billion for the development, upgradation and addition of new airports between 2006-13. The vision 2020 document prepared by the Ministry of Civil Aviation envisages an India with 500 operational airports, thus posing new and bigger opportunities for the steel sector and its products in the days to come.

Railways



The Indian Railway covers 63,140 km route, runs about 10,000 trains and carries more than half a million tonne of freight traffic. The Indian Railway has planned a mammoth investment of Rs. 2168 billion in the Eleventh Five Year Plan and the Southern Railway is planning a US\$ 137.44 million investment for port connectivity projects at Chennai, Mangalore, Ennore and Cochin over the next decade.

The railway plans to construct special tracks connecting the four major metropolitan cities i.e. Delhi, Kolkata, Mumbai and Chennai, doubling of its tracks capacity, new freight corridors for easy handling of freight traffic and addition of new routes to the existing metro railway facilities at Delhi and Kolkata. Besides it has also started new metro services at Hyderabad and Bangalore.

Roads



India is expected to have a road network of approximately 3.34 million km, which is also regarded as the 2nd largest in the world. The highways of the country forms 2% of the total road network while handling 40% of the total traffic.

Government of India launched an ambitious project better known as National Highway Development Programme, involving a total investment of US\$ 54.1 billion upto 2012 with the aim of upgrading, rehabilitating and broadening of 50,000 km of the total national highways.



Power



India, the world's 6th largest power consumer with an installed capacity of almost 150 GW. India expects to add to its capacity around

315 GW - 335 GW by 2017 (Source: McKinsey & Company) with a total investment of US\$ 75 billion. An investment of US\$ 17.36 billion is expected in power transmission across the Eleventh Five year plan. An estimate of around 1,20,000 villages with a total investment of US\$ 2.745 billion is planned by the Government of India through the Rural Electrification scheme.

Ports



There are 12 major and 187 minor ports, where approximately 95% of merchandise trade by volume is handled. The National Maritime Development Policy (NMDP) aims to improve connectivity and facilitate private investment, etc and thus a total of approximately US\$ 11.50 billion has been allocated.

OUTLOOK

India's construction industry is expected to grow fivefold which in turn will shoot up the demand for the steel industry. In the Union Budget 2010-11, the government has allocated US\$ 37.4 billion to the infrastructure sector and has increased the allocation for road transport by 13% to US\$ 4.3 billion which will further promote the steel industry. Up to 10 million new homes are required to be built each year till 2030. Strong population growth, rising incomes and decreasing household sizes are forcing comprehensive measures to be taken in the housing sector. The pent-up demand for housing is estimated at around 20 million units by the Indian Construction Association. The Ministry for Urban Development and Poverty Alleviation claims that no less than 31 million dwellings are needed. The hosting of the Commonwealth Games in New Delhi in 2010 should generate additional stimulus for the construction industry and thus boost demand for steel.

The automotive industry may consume a relatively small proportion of steel output, but its growth rate is the highest and is one of the most important clients for the steel industry.

National Steel Policy projects an export ratio (i.e., percentage of production exported) in the range of 25-26% by 2019-20. Currently, India exports about 10% of its total finished steel production.



OPPORTUNITIES & THREATS

Strengths

- Availability of iron ore and processed inputs like Sponge Iron.
 - Low wage rates.
- Skilled manpower and managerial capability.
- Ongoing modernization of existing/older plants and cutting edge technology in the new plants.
- Regionally dispersed secondary steel makers to cater to local demand.

Weaknesses

- High cost of energy.
- Poor infrastructure and high transaction costs.
- Poor quality of domestic coking coal.
- Rigid Labour Laws and their impact on productivity, costs and investments.
- Slow statutory clearance for development of mines.
- Low R&D investments.

Opportunities

- Potentially huge domestic demand for steel-intensive social and economic infrastructure resulting from all round economic development and particularly because of anticipated growth in urbanization.
 - Demographic conditions that favour increasing demand for consumer durables.
 - Untapped rural market.
- Increasing interest of domestic and overseas producers in capacity creation to serve the domestic and overseas markets.

Threats

- Slow growth in infrastructure development.
- Possibilities of export growth from China.
- Sluggish recovery of the global economic slowdown.
- Unrestricted export of iron ore and other exhaustible mineral resources.

Your Company has identified the major thrust areas to concentrate on, which it believes to be critical for the achievement of its organizational goals. Your Company annually reviews the 'List of Risk Area' to identify potential business threats and suitable corrective actions are initiated. Confirmation of compliance with appropriate statutory requirements are obtained from the respective units/divisions. Corporate Governance Policy has clearly laid down roles, duties and responsibilities of various entities in relation to risk management.

RISK AND CONCERNS

Business Drivers & Risk Management

Business Driver ▶



Supply Chain Management

Overview

All raw materials (Iron Ore, Coal, Scrap) used by the Company are procured within close proximity of the plant resulting in the reduction of its logistics cost. Vendors are selected based on their ability to sustain quality standards as laid down for its growing needs and for delivering to the customer a superior price-value. As a matter of prudence and de-risking, the Company works with a clutch of suppliers to ensure competitive pricing and product consistency.

Salient Features

- Continuous emphasis by the production department on quality and best standards of raw-materials alongwith in-house quality check has resulted in lowest ever rejection rates.
- Build-up of adequate storage space to facilitate anytime material availability.
- Water requirement is met through a pipeline from the nearby river to the plant.
- Initiatives are underway to acquire Coal Mines /Captive Coal Block.
- Long Term contract entered into with Coal India Ltd.
- Awareness and training of workers with a stress to enhance quality standards of the finished products to meet ever demanding customer needs.

Forward Path

- Procurement of the raw materials during lean periods resulting in cost effective purchases.

Business Driver ▶



Operations Management

Overview

Production Facility : Bankura in West Bengal

Mainstream Products : Sponge Iron, M.S. Ingots/Billets, Ferro Alloys (Ferro Manganese, Ferro Silicon, Silico Manganese, Pig Iron), TMT Bar.

Quality Standards : ISO 9001-2000 Certification alongwith ISI-IS 1786:2008 (for TMT Bars) and ISI-IS 2830:1992 (for Billets) quality norms for its products.

Salient Features

- Captive Power Plant has been installed.
- There has been an increase in capacity utilization over previous year.
- Waste Heat recovered from DRI is utilized for power generation.
- Waste Char/Coal used for power generation.
- Proper safety equipments are provided to the workers to ensure risk free environment.
- Proper emissions are monitored to protect the environment.

Forward Path

- The Company has commenced the implementation and installation of 350 TPD Sponge Iron Plant, 15MT Induction Furnace, 1 Lac TPA Wire Rod and 33 MW Captive Power Plant, to increase the manufacturing capacity.
- Enhanced focus on air pollution control by installation of modern devices.

Business Driver ▶

Sales and Marketing Management**Overview**

The Company manufactures Sponge Iron, Billets and TMT Bars in various forms and sizes. In line with customer requirements in terms of quality products, timely delivery and prompt customer service.

Salient Features

- The products of the Company are widely accepted in the market place.
- Exports have been undertaken to various countries including Philippines, Thailand, Sri Lanka, Italy, Greece and Korea.
- Revenues from repeat businesses were derived from long standing customers.

The Company markets its end product through institutional and dealer routes. During 2009-10, the Company strengthened its marketing, distribution and sales network through the following initiatives :

- Continuation of Mithun Chakraborty as the Brand Ambassador accelerated the acceptance of the product among the masses.
- Substantial expansion of its distributors and dealers network.

Forward Path

The Company plans to widen its distribution network on a pan India basis, to mitigate business risk and improve shareholders return.

Business Driver ▶

Human Resource Development and Industrial Relation**Overview**

The corporate objectives are closely aligned with people empowerment, since manpower represents our most vital assets.

The human resource initiatives of the Company intails the following :

- A rewarding compensation structure comprising of performance linked plans and performance appraisal.
- Periodic employee feedback surveys.
- Defined HR manuals and policies are being prepared and upgraded.

The retention programme comprises of the following :

- Nurturing talent for the overall growth of the organisation.
- Infusing leadership activities in them.
- Enhancing employee engagement.

Forward Path

Going ahead, the Company will strengthen its HR system resulting in attracting, developing and retaining talent through attractive remuneration and perks linked with performance thus creating a self-motivated-high performing team and meeting their career aspirations.

FINANCIAL REVIEW

Revenue

Revenue (Net Sales) increased appreciably from Rs. 491.95 Crores in 2008-09 to Rs. 628.88 Crores in 2009-10, an increase of 28% which eventually outperformed the GDP of India.

Reserves and Surplus

In line with the Company's strategy to plough back operational profits, Reserves and Surplus increased by 24% from Rs. 86.90 Crores in 2008-09 to Rs. 107.77 Crores in 2009-10. Free Reserves are for the expansion plans of the Company and is 77% of the Networth.

Expenses

The total cost (excluding depreciation and interest) increased from Rs. 468.10 Crores in 2008-09 to Rs. 604.81 in 2009-10 Crores.

Loan Funds

The Total Debt increased from Rs. 152.06 Crores to Rs. 178.61 Crores as on 31st March, 2010. About 22% of the Loans comprised rupee-denominated long-term loans taken from commercial banks. Working Capital Loans increased by 14% over the previous year, attributable to increased production.

Sundry Debtors

Debtors in absolute terms increased by Rs. 11.91 Crores as on 31st March, 2010 compared with 31st March, 2009. The DSO decreased from 63 days in 2008-09 to 56 days in 2009-10.

Inventory

The Company's inventory increased from Rs. 77.17 Crores at the close of 2008-09 to Rs. 91.15 Crores in 2009-10.

Cash and Bank balances

The Company's bank balance rose by 47% from Rs. 7.30 Crores in 2008-09 to Rs. 10.75 Crores in 2009-10. It increased its current account balances and fixed deposit accounts with various banks.

Segment or Product wise performance of 2009-10 vs 2008-09

The Company's business activity primarily falls within a single business segment i.e. Iron & Steel business. However, the Company also generate power from its captive power plant, which is entirely consumed in Iron & Steel manufacturing unit without any sale to third party.

	2009-10	2008-09
Sponge Iron (MT)	80827.00	62812.00
MS Ingots/Billets (MT)	88865.00	56486.00
TMT Bar (MT)	79143.00	36133.00
Ferro Alloys (MT)	3603.00	739.00
Captive Power Plant (KWH)	78081736	62306448

TOTAL QUALITY MANAGEMENT

The very foundation of AMPL's activities is effective Quality Management. AMPL is an organisation constantly seeking better ways of doing things to improve quality, efficiency and to reduce cost and thereby ultimately to provide greater customer satisfaction. Quality Management will be part of every activity and every process that the Company operates, an integral part of the way that every employee works. The Company is accredited to the international **ISO 9001:2000** standards.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure accuracy of accounting records, reliability of financial information and compliance with all laws and regulations.

An independent firm of Chartered Accountants carries out an extensive internal audit. The Audit Committee reviews the Audit Reports submitted by the Internal Auditors, suggestions for improvements and the Audit Committee follows up on the implementation of the corrective actions.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance policy, all statutory and other significant and material informations are placed before the Board.

COMPOSITION OF BOARD OF DIRECTORS

The Company has an optimum combination of the Board headed by Mr. Suresh Kumar Patni, Non-Executive Chairman. There are 2 Executive Directors and 4 Non-Executive Directors, of which, 3 are Independent. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors regularly.

The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other Companies are given below :

Name of Director	Category (Executive/ Non-Executive)	Directorship in other Companies	Committee positions in other Companies as		No. of Board Meetings attended	Attendance in last AGM
			Chairman	Member		
Mr. Suresh Kumar Patni	Promoter - Non-Executive	6	-	2	13	Yes
Mr. Ankit Patni	Promoter - Executive	2	-	-	04	No
Mr. Rohit Patni	Promoter - Executive	3	-	-	13	Yes
Mr. Kailash Chand Jain	Independent - Non-Executive	3	3	-	09	Yes
Mr. Vijay Kumar Jain	Independent - Non-Executive	1	1	-	11	No
Mr. Jatindra Nath Rudra	Independent - Non-Executive	1	-	2	10	Yes

Notes :

- (I) Number of Directorship/Membership held in other Companies excludes Directorships/Memberships in Private Limited Companies, Foreign Companies, Membership of Managing Committees of various Committees of various chambers/bodies and alternate Directorships.
- (II) Committee positions in other Companies relate to Chairmanships/Memberships of Audit Committee and Shareholders Grievance Committees/Share Transfer Committee only.
- (III) None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company other than for holding Directorship except Mr. Suresh Kumar Patni, who is also Promoter/Director in the Company(ies), which has a business relation with this Company.
- (IV) Mr. Ankit Patni, Managing Director and Mr. Rohit Patni, Jt. Managing Director are sons of Mr. Suresh Kumar Patni, Chairman of the Company. No other directors are related to any other director in the Board.

Meetings

Thirteen Board meetings were held during the financial year 2009-10 and the gap between two Board meetings did not exceed four months. The dates on which Board meetings were held are as follows :

12th June, 2009; 29th June, 2009; 23rd July, 2009; 29th July, 2009; 25th August, 2009; 12th October, 2009; 30th October, 2009; 30th December, 2009; 12th January, 2010; 31st January, 2010; 8th February, 2010; 22nd February, 2010; 29th March, 2010.

Notes :

Board Meetings are held at the Registered 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 to Clause 49 is being made available to the Board of Directors.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

CODE OF CONDUCT

A Code of Conduct for the Board of Directors and Senior Management Personnel as adopted is available on the Company's website **www.ankitmetal.com**. All the members of the Board and the Senior Management Personnel have affirmed the compliances with the Code of Conduct.

Declaration

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

Date : 12th May, 2010
Place : Kolkata

For **Ankit Metal & Power Limited**
Ankit Patni
Managing Director

COMMITTEES OF DIRECTORS

1. Audit Committee

- (a) 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.
- (b) The terms of reference of the Audit Committee includes the powers, roles & scopes and review of information in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has also included a new term of reference in Audit Committee in line with recent amendment of Listing Agreement.
- (c) The Audit Committee consisting of three Non-Executive Directors, of which two are Independent, all persons of high standing in the industry with considerable financial experience and expertise. The Chairman of the Committee is an Independent Director having professional accounting qualification. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 22nd September, 2009.
- (d) The Annual Accounts for the year ended 31st March, 2010 were duly reviewed by the Audit Committee at its meeting held on 12th May, 2010 prior to adoption by the Board.
- (e) The Audit Committee met four times during the year i.e. on 29th June, 2009; 29th July, 2009; 30th October, 2009 and 31st January, 2010 and not more than four months have elapsed between two meetings.

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

Name	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. Kailash Chand Jain	Chairman	4	4
Mr. Suresh Kumar Patni	Member	4	4
Mr. Jatindra Nath Rudra	Member	4	4

- (f) Managing Director, Joint Managing Director are permanent invitees to the Committee. The representative of Internal Auditors also attends the meeting. The Audit Committee invites, as and when it considers appropriate, the auditors to be present at the Committee's meeting. Mr. Chandra Kumar Jain, GM (F&A) & Company Secretary acts as the Secretary to the Committee.

2. Remuneration Committee

The Company has a Remuneration Committee consisting of three Non-Executive Director of which two are Independent. The Chairman of the Committee is Non-Executive. The composition of the Remuneration Committee is :

Name	Position held	No. of Remuneration Committee Meetings	
		Held	Attended
Mr. Jatindra Nath Rudra	Chairman	1	1
Mr. Suresh Kumar Patni	Member	1	1
Mr. Kailash Chand Jain	Member	1	1

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

- Any fixation/change in remuneration of Managing Director/Wholetime Directors.
- Any fixation/change in sitting fees payable to Board/Committee members for attending the meeting.
- To approve, in the event of loss or inadequate profit in any year, the minimum remuneration payable to the Managing Director and Wholetime Directors within the limits and subject to the parameters prescribed in Schedule XIII of the Companies Act, 1956 and
- The Committee met once on 29th March, 2010.

Remuneration policy

A. For Executive/Managing Director

The Board of Directors on the recommendations of the Remuneration Committee is authorized to decide the remuneration of the Managing Director/Executive Director, subject to the approval of members. The remuneration structure comprises only of the salary. The Company does not have any scheme for Stock-option either for the Directors or the employees.

B. For Non-Executive Directors

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

Remuneration to Directors

Executive Directors

The Company has paid remuneration by way of salary to its Executive Directors within the limit specified under Schedule XIII and approved by the Board and Shareholders of the Company. The remuneration paid to Executive Directors during the year ended 31st March, 2010 is :

Name	Salary	Period of Contract	
		From	To
Mr. Ankit Patni	Rs. 3,00,000 per month	3rd July, 2006	2nd July, 2011
Mr. Rohit Patni	Rs. 2,00,000 per month	27th August, 2007	26th August, 2012

No severance fees is payable to the Executive Directors on termination of the employment. The contract may be terminated by either party giving the other party two months' notice.

Non-Executive Directors

The remuneration of Non-Executive Directors consists only of sitting fees for attending the meeting of the Board of Directors or a Committee thereof.

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company save and except those disclosed under the related party transactions under AS - 18.

Chairman of the Remuneration Committee had attended the last Annual General Meeting to answer the shareholders' queries.

Shareholding and Sitting Fees of Non-Executive Director :

Name	Sitting Fee paid	No. of shares
Mr. Jatindra Nath Rudra	Rs. 29,000/-	Nil
Mr. Kailash Chand Jain	Rs. 26,500/-	Nil
Mr. Suresh Kumar Patni	Rs. 34,000/-	505,000
Mr. Vijay Kumar Jain	Rs. 27,500/-	Nil

3. Investor Grievance and Share Transfer Committee

The Investor Grievance and 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 and Share Transfer Committee consists of three Directors, out of which two are Independent 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 met once on 29th March, 2010. The attendance of the members is noted below :

Name of the member	Chairman/member	No. of Investor Grievance and Share Transfer Committee meetings	
		Held	Attended
Mr. Jatindra Nath Rudra	Chairman	1	1
Mr. Vijay Kumar Jain	Member	1	1
Mr. Ankit Patni	Member	1	1

Mr. Chandra Kumar Jain, Company Secretary has been appointed as Secretary of the Committee and is designated 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.

Status of investors' complaints :

Number of complaints received during the year	Nil
Number of complaints resolved upto 31st March, 2010	N.A.
Number of complaints not solved to the satisfaction of shareholders	N.A.
Number of complaints pending as on 31st March, 2010	Nil

There were no pending requests for transfer of shares of the Company as on 31st March, 2010.

The Chairman of the Committee has attended the last Annual General Meeting.

GENERAL BODY MEETINGS

Annual General Meeting (AGM)

Date, Time and Venue, where last three AGMs held :

Financial Year	Date	Time	Place
2006-07	24th September, 2007	11.00 A.M.	'Rotary Sadan' 94/2, Chowringhee Road, Kolkata - 700 020
2007-08	25th September, 2008	3.30 P.M.	'Rotary Sadan' 94/2, Chowringhee Road, Kolkata - 700 020
2008-09	22nd September, 2009	10.00 A.M.	'Rotary Sadan' 94/2, Chowringhee Road, Kolkata - 700 020

Special resolutions passed at last three AGMs :

Financial year	Number
2006-07	One
2007-08	None
2008-09	None

No special resolution was passed through postal ballot in the last year. No special resolution requiring postal ballot is being proposed at the ensuing AGM.

DISCLOSURES**(a) Related Party Transactions :**

There are no materially significant related party transactions, i.e., transactions of the Company of material nature with its Promoters, Directors or their relatives or the management etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arm's length basis. A disclosure of related party relationship and transactions as per AS - 18 is given in the related party disclosures Note No. B-15 of Schedule 19 to the Annual Accounts of the Company.

(b) Accounting Treatment :

While preparation of financial statements during the period under review, no accounting treatment which is different from that prescribed in the Accounting Standards were followed.

(c) Board Disclosure-Risk Management :

The risk assessment and minimisation procedures are in place and the Board is regularly informed by the senior executives about the business risks, if any occurs, and the steps taken to mitigate the same.

(d) Capital Market Compliance :

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any statutory authority on matter related to capital markets, during the last three years.

(e) Disclosure by Senior Personnels :

In terms of Clause 49(IV)(F)(ii) of the Listing Agreement, the Senior Management have disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company, that may have a potential conflict with the interest of the Company at large.

(f) Subsidiary Companies :

The Company does not have any subsidiary.

(g) Whistleblower Policy :

Though the Company does not have a Whistleblower Policy, the Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event, which is against the Company's interest.

(h) Compliance of mandatory and non-mandatory requirements :

The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the Practicing Company Secretary to this effect has been included in this report. Besides mandatory requirements, the Company has voluntarily constituted a Remuneration Committee to consider and recommend the remuneration of the Directors. The extent of compliance relating to non-mandatory requirements is dealt under the head 'Non-mandatory Requirements'.

PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Details of Directors seeking re-appointment at the ensuing Annual General Meeting as required under Clause 49(IV)(E)(v) of Listing Agreement is given in the explanatory statement to the notice of the ensuing Annual General Meeting as 'additional information.'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CEO/CFO CERTIFICATION

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

Means of Communication with Shareholders

- (a) The Company regularly publishes its quarterly and annual results in the English newspaper - "The Economics Times/Financial Express" and in a local vernacular newspaper - "Dainik Statesman/Aajkal" widely circulated in West Bengal. Hence, the quarterly results are not sent to all the households of shareholders.
- (b) The quarterly and annual results of the Company and shareholding pattern are also posted on the Company's website at www.ankitmetal.com. The Company has incorporated a column "Public Announcements" which contain all important announcements and official news releases made by the Company from time to time for the interest of the investors and public at large.
We have already registered with newly incorporated Corporate Filing for the dissemination of corporate information to the public and investors at large, and we will be filing there from now onwards.
- (c) The presentation as and when made to analysts will be simultaneously displayed on the website of the Company.

GENERAL SHAREHOLDERS INFORMATION
1. 8th Annual General Meeting (AGM)

Day, Date, Time and Venue : Wednesday, 8th September, 2010 at 10.00 A.M.
Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020

2. Financial Year

: 1st April to 31st March

3. Date of Book Closure

: 1st September, 2010 to 8th September, 2010 (Both days inclusive)

4. Financial Calendar

(For the year 01.04.2010 to 31.03.2011)

Unaudited financial results for :

First quarter : Within 45 days from the end of the quarter

Second quarter : Within 45 days from the end of the quarter

Third quarter : Within 45 days from the end of the quarter

Fourth quarter/Financial Year : Within 60 days from the end of the quarter/financial year

Annual General Meeting : On or before 30th September, 2011

5. Dividend Payment Date

: N.A

6. Listing of the Equity Shares on Stock Exchange :

Name of the stock exchange	Address	Stock Code
Bombay Stock Exchange Ltd.	"Phiroze Jeejeebhoy Towers" Dalal Street, Mumbai - 400 001	532870

7. Listing Fees :

The Annual listing fee for the year 2010-11 has been paid to the Stock Exchange(s) where the Company's shares are listed as well as custodial fees to the depositories.

8. The International Security Identification Number (ISIN) for equity shares held in demat form with NSDL & CDSL

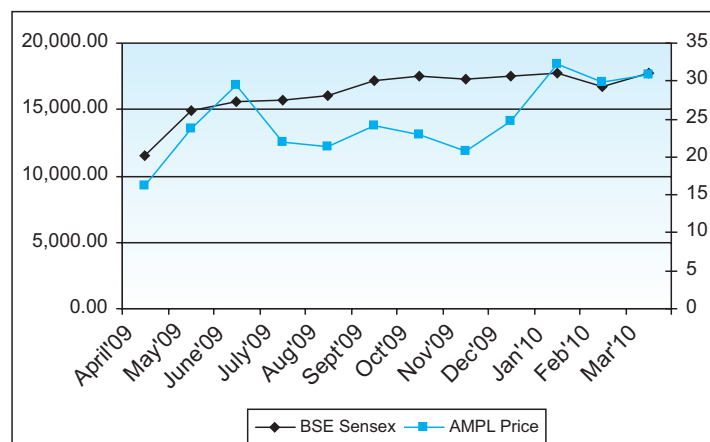
: INE106101010

9. Market Price Data :

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

Month	Bombay Stock Exchange		Volume
	High Price (Rs.)	Low Price (Rs.)	
April, 2009	16.23	9.31	5762382
May, 2009	23.69	13.50	13421351
June, 2009	29.40	18.00	24923501
July, 2009	22.00	15.25	29344410
August, 2009	21.40	17.90	4158702
September, 2009	24.15	19.80	11632302
October, 2009	23.00	17.25	9879958
November, 2009	20.80	17.00	5034845
December, 2009	24.65	17.90	9422442
January, 2010	32.15	21.80	4757557
February, 2010	29.95	22.00	1731722
March, 2010	30.90	21.30	32780693

10. Performance of the Company with the broad-based indices :



11. Shareholding Pattern as on 31st March, 2010 :

Category	Category wise total holding		
	No. of shareholders	No. of shares held	% of holding
A. Promoters Holding			
(a) Resident Individuals	4	2,510,500	7.64
(b) Bodies Corporate	8*	18,940,000	57.61
Total (A)	12	21,450,500	65.25
B. Non-Promoters Holding			
1. Institutional Investors			
(a) Mutual Funds and UTI	NIL	NIL	NIL
(b) Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions/ Non-Government Institutions)	NIL	NIL	NIL
(c) Foreign Institutional Investors	4	2,794,511	8.50
Sub-Total (B1)	4	2,794,511	8.50
2. Non-Institutional Investors			
(a) Resident Individuals	2,989	3,378,269	10.27
(b) Bodies Corporates	226	5,234,154	15.92
Sub-Total (B2)	3,215	8,612,423	26.19
3. Others			
(a) Non-Resident Individuals	27	18,066	0.05
Sub-Total (B3)	27	18,066	0.05
Total (B = B1+B2+B3)	3,246	11,425,000	34.75
Grand Total (A+B)	3,258	32,875,500	100.00

*Note : Actual Bodies Corporate in Promoter Group are 4 but since different Folio is generated for Physical Shares and Dematerialised Shares, the total Bodies Corporate in Promoter Group are counted as 8.

12. Distribution of Shareholding as on 31st March, 2010 :

Category	No. of Shareholders	% of Shareholders	No. of shares	% of shares
1 – 5000	3,128	96.01	1,215,121	3.70
5001-10000	44	1.35	323,805	0.98
10001-20000	21	0.64	308,515	0.94
20001-30000	10	0.31	256,253	0.78
30001-40000	9	0.28	316,462	0.96
40001-50000	8	0.25	365,252	1.11
50001-100000	12	0.37	891,776	2.71
100001 and above	26	0.80	29,198,316	88.81
Total	3,258	100.00	32,875,500	100.00

13. Dematerialisation of shares and Liquidity as on 31st March, 2010 :

Status of dematerialisation	No. of shares	% of total shares
Shares held in dematerialised from in NSDL	21,423,517	65.17
Shares held in dematerialised from in CDSL	5,391,868	16.40
Shares held in physical form	6,060,115	18.43
Total	32,875,500	100.00

14. Registrar and Share Transfer Agent :

Link Intime India Pvt. Ltd.

Unit : **Ankit Metal & Power Limited**

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

Phone : +91 33 2289 0540, Telefax : + 91 33 2289 0539

Email : kolkata@linkintime.co.in

Contact Person : **Mr. S. P. Guha**

15. Share Transfer System :

The Board has delegated the authority for approving transfer, transmission etc. of the Company's equity shares to the Investor Grievance and Share Transfer Committee.

The share transfers/transmission/splits and/or issue of duplicate share certificates are processed on behalf of the Company by the Registrar and Transfer Agents, Link Intime India Pvt. Ltd. and is then placed before the Company Secretary who has been delegated by Investor Grievance and Share Transfer Committee to approve transfers. The Company Secretary addresses all the requests fortnightly.

16. Outstanding ADR's/GDR's/Warrants :

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

17. Name, Designation and Address of Compliance Officer for Complaints & Correspondence :

Mr. Chandra Kumar Jain

G.M. (F&A) & Company Secretary

Ankit Metal & Power Limited

35 Chittaranjan Avenue, Kolkata - 700 012

Phone : + 91 33 2211 9805/9806, Fax : + 91 33 2211 0522

E-mail : cs@ankitmetal.com

18. Plant Location (Address)

Plant Location : Village : Jorehira, Mouza : Burat & Jorehira
P. S. : Chhatna
Dist : Bankura, West Bengal

19. Address for correspondence

Registered Office : 35, Chittaranjan Avenue, Kolkata - 700 012
Phone : +91 33 2211 9805/06
Fax : +91 33 2211 0522

Corporate Office : 33, Chittaranjan Avenue, Kolkata - 700 012
Phone : +91 33 2211 0523/04
Fax : + 91 33 2211 0522

E-mail ID for investor grievances : cs@ankitmetal.com

NON-MANDATORY REQUIREMENTS**1. Chairman of the Board :**

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

2. Remuneration Committee :

The Company has a Remuneration Committee, the details whereof are furnished at Serial No. 2 under the 'Committees of Directors'.

3. Audit Qualifications :

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

4. Tenure of Independent Directors :

The Board has not laid down any specific maximum tenure, qualification and experience for the Independent Directors.

5. Shareholders Rights :

The quarterly, half-yearly and annual financial results of the Company are published in the leading English and Bengali newspapers having wide circulation, and the same are uploaded on the Company's website. Hence, half-yearly declaration of financial performance is not sent to each household of shareholders.

6. Other Items :

The rest of the non-mandatory requirements such as training of Board members, mechanism for evaluation of Non-Executive Board members, and a formal Whistleblower Policy will be implemented by the Company as and when required.

Place : Kolkata
Date : 10th August, 2010

For and on behalf of the Board

Suresh Kumar Patni
Chairman

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

To
The members of
Ankit Metal & Power Limited

We have examined the compliance of conditions of Corporate Governance by **Ankit Metal & Power Limited**, for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement(s) of the said company with the stock exchange(s).

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

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

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

Date : 10th August, 2010
Place : Kolkata

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

AUDITORS' REPORT

To the Members of

Ankit Metal & Power Limited

1. We have audited the attached Balance Sheet of **ANKIT METAL & POWER LIMITED** as at 31st March, 2010 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date both 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. On the basis of written representations received from the Directors as on 31 March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March, 2010 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) In the case of Profit & Loss Account, of the profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

For **R. KOTHARI & COMPANY**
Chartered Accountants
Firm Registration No. 307069E

Sanjeeb Agarwal
Partner

Membership No. : 56400

ANNEXURE TO THE AUDITORS' REPORT

Re : Ankit Metal & Power Limited ('the Company')
(Referred to in Paragraph 4 of our Report of even date)

- (i) (a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets, however the records for the year are under updation.
- (b) According to the information and explanation furnished to us, all the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets of the Company has been disposed off during the year.
- (ii) (a) As explained to us, the stocks of finished goods and work-in-progress have been physically verified by the management as at the end of the financial year and for stocks of raw materials, for which there is a perpetual inventory system, a substantial portion of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from five companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 818.43 Lacs and the year-end balance of loans taken from such companies was Rs. 755.00 Lacs.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.
- (d) The Company is regular in repaying the principal amounts and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that for some of the items purchased suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time whenever such market prices are available.
- (vi) The Company has not accepted any deposits from the public and consequently the directives issued by Reserve Bank of India and provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.
- (vii) In our opinion, the Internal Audit System of the Company commensurate with the size of the Company and the nature of its business. However, the scope of the internal audit needs to be broadened and strengthened.
- (viii) To the best of our knowledge and according to the information given to us the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the product of the Company. We have broadly reviewed the books of account maintained by the Company in respect of manufacture of Iron & Steel product & Power Generation Unit pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie, the records have been maintained. We have not however made a detailed examination for the records with a view to determining whether they are accurate and complete.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, excise duty, cess, service tax and other material statutory dues during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, excise duty, cess and service tax were in arrears for more than six months, on Balance Sheet date, from the date they become payable.

ANNEXURE TO THE AUDITORS' REPORT

- (c) According to the information and explanations given to us, there are no dues of Sales Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2010 with the appropriate authorities on account of any dispute except the following cases which are as follows :

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 21.11 Lacs (already paid under protest Rs. 11.11 Lacs)	A.Y. 2006-07	Commissioner of Income Tax (Appeals) - I, Kolkata
Income Tax Act, 1961	Income Tax	Rs. 3.54 Lacs	A. Y. 2007-08	Additional Commissioner of Income Tax (Appeals) - I, Kolkata
W.B. VAT Act, 2003	Sales Tax	Rs. 226.06 Lacs	A.Y. 2005-06	Sr. Joint Commissioner of Commercial Taxes, Dharmtala Circle
W.B. VAT Act, 2003	Sales Tax	Rs. 915.39 Lacs	A.Y. 2006-07	Sr. Joint Commissioner of Commercial Taxes, Dharmtala Circle
W.B. VAT Act, 2003	Sales Tax	Rs. 92.94 Lacs	A.Y. 2006-07	Additional Commissioner of Commercial Taxes, Beliaghata, Kolkata
W.B. VAT Act, 2003	Sales Tax	Rs. 87.95 Lacs	A.Y. 2007-08	Sr. Joint Commissioner of Commercial Taxes, Durgapur Circle

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures during the year.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans availed by the Company are prima-facie applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have prima-facie been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **R. KOTHARI & COMPANY**
Chartered Accountants
Firm Registration No. 307069E

Sanjeeb Agarwal
Partner

Membership No. : 56400

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

BALANCE SHEET as at 31st March, 2010

(Amount in Rs.)

	Schedule	As on 31st March, 2010	As on 31st March, 2009
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	328,755,000	328,755,000
b) Reserves and Surplus	2	1,077,705,572	868,979,034
2. Loan Funds			
a) Secured	3	1,245,753,515	1,158,311,131
b) Unsecured	4	540,377,753	362,279,005
Deferred Tax Liability (Refer Note No. B-11 in Schedule 19)		85,872,623	111,707,681
Total		3,278,464,463	2,830,031,851
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	1,960,402,390	1,901,093,120
Less : Depreciation		297,861,994	189,221,982
Net Block		1,662,540,396	1,711,871,138
b) Capital Work-in-Progress		189,227,762	56,759,987
2. Investment			
	6	150,000	150,000
3. Current Assets, Loans & Advances			
a) Inventories	7	911,531,782	771,670,680
b) Sundry Debtors	8	963,454,160	844,313,810
c) Cash & Bank Balances	9	107,509,366	72,954,103
d) Loans & Advances	10	476,427,576	316,344,647
		2,458,922,884	2,005,283,240
e) Less : Current Liabilities & Provisions	11	1,032,376,579	944,032,514
Net Current Assets		1,426,546,305	1,061,250,726
Total		3,278,464,463	2,830,031,851
Significant Accounting Policies & Notes on Accounts	19		

Schedule 1 to 11 & 19 referred above form an integral part of the Balance sheet

As per our report of even date attached

For **R. KOTHARI & COMPANY**
Chartered Accountants**Sanjeeb Agarwal**
PartnerDated : 12th day of May, 2010
Place : Kolkata

For & on behalf of the Board

C. K. Jain
Company Secretary**Suresh Kumar Patni**
Chairman**Ankit Patni**
Managing Director

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
INCOME			
Sales		6,873,091,734	5,358,442,862
Less : Excise Duty/VAT		584,312,255	438,937,587
Net Sales		6,288,779,479	4,919,505,275
Other Income	12	74,124,377	141,902,957
Increase/(Decrease) in Closing Stocks	13	109,574,178	(11,351,230)
		6,472,478,034	5,050,057,002
EXPENDITURE			
Raw Materials Consumed	14	3,922,630,295	2,001,040,172
Manufacturing & Other Expenses	15	2,015,090,956	2,579,791,323
Payments to & Provisions for Employees	16	37,025,370	27,021,960
Administrative, Selling & Other Expenses	17	73,318,765	73,124,123
Interest & Financial Charges	18	132,881,156	176,355,108
Depreciation (Net) (Refer Note No. 1 of Schedule 5)		108,640,012	104,399,187
		6,289,586,554	4,961,731,873
Profit before Tax		182,891,480	88,325,129
Provision for Taxation			
- Current		(31,122,602)	(10,037,626)
- Deferred		25,835,058	(23,289,783)
- Fringe Benefit		-	(664,443)
- Deferred MAT Credit Entitlement		31,122,602	10,037,626
Profit after Tax		208,726,538	64,370,903
Surplus from Earlier Year		413,535,255	349,164,352
Balance Carried to Balance Sheet		622,261,793	413,535,255
Earning Per Share – Basic/Diluted		6.35	1.96
(Refer Note No. 14 in Schedule 19)			

Singnificant Accounting Policies & Notes on Accounts 19

Schedule 11 to 19 referred above form an integral part of the Profit & Loss Account

As per our report of even date attached

For **R. KOTHARI & COMPANY**
Chartered Accountants

Sanjeeb Agarwal

Partner

Dated : 12th day of May, 2010

Place : Kolkata

For & on behalf of the Board

C. K. Jain
Company Secretary

Suresh Kumar Patni
Chairman

Ankit Patni
Managing Director

CASH FLOW STATEMENT for the year ended 31st March, 2010

(Amount in Rs.)

	Year ended 31st March, 2010	Year ended 31st March, 2009
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	182,891,480	88,325,129
Adjustments for :		
Depreciation	108,640,012	104,399,187
Interest Income	(6,197,642)	(3,904,277)
Interest Expenses	132,881,156	176,355,108
Exchange Fluctuation Loss/(Gain)	1,221,956	(4,913,092)
Operating Profit before Working Capital Changes	419,436,962	360,262,055
Adjustments for :		
Trade & Other Receivables	(169,697,714)	(383,742,291)
Inventories	(139,861,102)	(148,233,153)
Trade Payables & Other Liabilities	65,103,306	372,456,666
Cash Generated from Operations	174,981,452	200,743,277
Income Taxes Paid	(3,119,473)	(98,734,403)
Exchange Fluctuation Loss/(Gain)	(1,221,956)	4,913,092
Net Cash from Operating Activities	170,640,023	106,921,966
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital W.I.P.	(250,877,045)	(252,522,726)
Capital Subsidy Received	25,000,000	-
Interest Received	2,449,621	3,435,477
Investment in Shares & Others	-	(150,000)
Fixed Deposits	(11,079,769)	(23,589,113)
Net Cash from Investing Activities	(234,507,193)	(272,826,362)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	265,541,132	367,970,650
Dividend Paid	-	(16,437,750)
Corporate Dividend Tax	-	(2,793,596)
Interest Paid	(178,090,033)	(176,355,108)
Net Cash used in Financing Activities	87,451,099	172,384,196
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	23,583,930	6,479,800
Cash and Cash Equivalents at the beginning of the period	8,847,395	2,367,595
Cash and Cash Equivalents at the end of the period	32,431,325	8,847,395

Note :

- The above Cash Flow has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by "The Institute of Chartered Accountants of India".
- This is the cash flow referred to, in our report of even date.

As per our report of even date attached

For & on behalf of the Board

For **R. KOTHARI & COMPANY**

Chartered Accountants

Sanjeeb Agarwal

Partner

Dated : 12th day of May, 2010

Place : Kolkata

C. K. Jain
Company Secretary**Suresh Kumar Patni**
Chairman**Ankit Patni**
Managing Director

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

(Amount in Rs.)

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 1 SHARE CAPITAL		
Authorized		
60,000,000 Equity Shares of Rs. 10/- each (Previous year - 60,000,000 Equity Shares of Rs.10/- each)	600,000,000	600,000,000
Issued, Subscribed & Paid-up		
32,875,500 Equity Shares of Rs. 10/- each fully paid-up in Cash (Previous year - 32,875,500 Equity Shares of Rs. 10/- each)	328,755,000	328,755,000
	328,755,000	328,755,000

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 2 RESERVES & SURPLUS		
Profit & Loss Account (as per account annexed)	622,261,793	413,535,255
Security Premium Account (as per last account)	455,443,779	455,443,779
	1,077,705,572	868,979,034

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 3 SECURED LOANS		
Term Loan from Banks	401,372,734	419,766,802
Working Capital Loan from Banks	751,041,292	638,074,324
Short Term Loan from Banks	90,000,000	100,000,000
Auto Loan from Banks (Against Hypothecation)	3,339,489	470,005
	1,245,753,515	1,158,311,131

Notes :

- 1) Term Loan from State Bank of India, Andhra Bank & Syndicate Bank are primary secured by 1st pari-passu charge on fixed assets by way of equitable mortgage of the land & building/shed along with all movable and immovable plant & machinery and other fixed assets thereon at Chhatna Dist. Bankura & extension of charge on the Company's current assets on pari-passu with equitable mortgage on office space at 35, C. R. Avenue, Kolkata on pari-passu basis & personal guarantee of three Promoters & corporate guarantee of three Companies & pledge of 30% shares of Promoters.
- 2) Term Loan for expansion project is taken from Indian Overseas Bank, State Bank of Bikaner and Jaipur, United Bank of India, State Bank of Travancore, State Bank of Mysore and State Bank of Indore and primary secured by 1st pari-passu charge by way of equitable mortgage/hypothecation on of all block assets of the proposed project & personal guarantee of three Promoters.
- 3) Working Capital including SLC from State Bank of India, Andhra Bank, Syndicate Bank and IDBI Bank are jointly secured by hypothecation of all the current assets on 1st pari-passu basis & 2nd pari-passu charge by way of extension of charge on the entire fixed assets of factory land, building/shed, etc. & along with equitable mortgage on office space at 35, C. R. Avenue, Kolkata on pari-passu basis & personal guarantee of three Promoters & corporate guarantee of three Companies & pledge of 30% shares of Promoter Directors.
- 4) Short Term Loan from Allahabad Bank is secured by subservient charge over fixed and current assets & personal guarantee of two Promoter Directors.
- 5) Installments due within next year in respect of Term Loans are Rs. 1664.43 Lacs (Previous year - Rs. 1683.90 Lacs).
- 6) Installments due within next year in respect of Short Term Loan are Rs. 900.00 Lacs (Previous year - Rs. 1000.00 Lacs)
- 7) Installments due within next year, in respect of Auto Loan is Rs. 15.43 Lacs (Previous year - Rs. 3.11 Lacs)

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

(Amount in Rs.)

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 4 UNSECURED LOANS		
From Banks (Personal Guarantee by the Promoter Directors)	38,046,311	–
Bridge Loan (Against Subsidy Receivable)	21,271,749	32,000,911
From Bodies Corporates	481,059,693	330,278,094
	540,377,753	362,279,005

Schedule - 5 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Additions during the year	Deduction/ Adjustment during the year	As on 31.03.2010	Upto 31.03.2009	For the year	Deduction/ Adjustment during the year	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Land	14,794,489	–	–	14,794,489	–	–	–	–	14,794,489	14,794,489
Factory Building	336,081,060	20,891,925	–	356,972,985	20,848,850	11,353,195	–	32,202,045	324,770,940	315,232,210
Other than Factory										
Building	6,094,398	–	–	6,094,398	343,468	99,339	–	442,807	5,651,591	5,750,930
Plant & Machinery	1,305,949,825	81,915,990	59,100,000	1,328,765,815	146,947,131	84,750,398	–	231,697,529	1,097,068,286	1,159,002,694
Electrical Installations	221,107,371	10,346,657	–	231,454,028	15,411,598	10,592,814	–	26,004,412	205,449,616	205,695,773
Air Conditioner	261,920	–	–	261,920	10,758	16,580	–	27,338	234,582	251,162
Office Equipments	721,496	66,639	–	788,135	119,925	47,359	–	167,284	620,851	601,571
Computers	2,125,394	309,687	–	2,435,081	839,519	362,498	–	1,202,017	1,233,064	1,285,875
Motor Cars	11,350,558	4,861,032	–	16,211,590	4,105,153	1,252,464	–	5,357,617	10,853,973	7,245,405
Furniture & Fixtures	2,606,609	17,340	–	2,623,949	595,580	165,365	–	760,945	1,863,004	2,011,029
TOTAL	1,901,093,120	118,409,270	59,100,000	1,960,402,390	189,221,982	108,640,012	–	297,861,994	1,662,540,396	1,711,871,138
Previous year	1,397,705,686	503,387,434	–	1,901,093,120	84,822,795	104,399,187	–	189,221,982	1,711,871,138	–
Capital Work-in-Process including Advances	56,759,987	242,202,520	109,734,745	189,227,762						

Note :

- Capital Investment Subsidy amounting Rs. 5,00,00,000/- and Interest Subsidy upto construction period Rs. 91,00,000/- has been recognised on the basis of sanction from WBIDC. The said subsidy received against cost of Plant & Machinery i.e. Sponge Iron Plant, M.S. Billet, Re-Rolling and Power Generation Plant which is capitalised in earlier years. Accordingly, depreciation provided in earlier years on said amount upto 31.03.2009 amounting Rs. 91,40,818/- has been reversed during the year.

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

(Amount in Rs.)

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 6 INVESTMENT		
Long Term Investment		
<i>Trade Investment</i>		
Unquoted Shares :		
SKP Power Venture Limited (10,000 Equity Shares @ Rs. 10 each at face value)	100,000	100,000
Other than Trade Investment		
6 Years National Saving Certificate (VIII Issue)	50,000	50,000
	150,000	150,000
Schedule - 7 INVENTORIES		
(As taken, valued & certified by the Management)		
Raw Materials	575,235,596	559,946,872
Stores & Spares	50,243,303	35,245,103
Work-in-Progress	76,104,015	28,265,773
Finished Goods	209,948,868	148,212,932
	911,531,782	771,670,680
Schedule - 8 SUNDRY DEBTORS		
Secured, Considered Good		
	–	–
Unsecured, Considered Good :		
Due for more than 6 months	28,848,036	58,341,041
Others Debts	934,606,124	785,972,769
	963,454,160	844,313,810
Schedule - 9 CASH & BANK BALANCES		
Cash-in-Hand (As certified by the Management)		
	1,800,148	121,216
Balances with Scheduled Banks		
In Current Accounts	29,301,254	8,726,179
In Cash Credit Accounts	1,329,923	–
In Public Issue Account		
HDFC Bank Ltd. - Refund Account (Balance lying with Escrow Account)	24,512	110,408
In Dividend Account		
IDBI Bank Ltd.	107,690	130,230
On Fixed Deposit Account		
(Pledged as margin for Letter of Credit & Bank Guarantee)	74,945,839	63,866,070
	107,509,366	72,954,103

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

(Amount in Rs.)

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 10 LOANS & ADVANCES (Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
- To Suppliers & Others	209,085,346	150,673,215
Balance with Excise/Sale Tax Departments	17,306,587	47,169,144
Excise Duty Paid under protest	12,000,000	12,000,000
Sale Tax Paid under protest	2,500,000	2,500,000
Security & Other Deposits	5,597,809	6,065,281
Interest Accrued but not due	5,080,680	1,332,659
Subsidy Receivable [Refer Note No. A-7 of Schedule – 19]	175,898,772	71,001,852
Income Tax Payments (Net of Provision)	–	4,678,386
MAT Credit Entitlement [Refer Note No. A-10(a) of Schedule – 19]	46,110,228	14,987,626
Prepaid Expenses	583,876	1,110,020
Export Incentive Receivable	2,264,278	4,826,464
	476,427,576	316,344,647

	As on 31st March, 2010	As on 31st March, 2009
Schedule - 11 CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises	–	–
- Due to Other		
For Goods	581,061,269	599,103,533
For Capital Goods	71,857,510	50,927,481
For Expenses & Others	93,766,910	48,734,751
Advance from Parties	257,412,594	232,179,635
Interest accrued but not due	24,453	–
Liabilities for Statutory Dues	3,827,966	11,926,046
Unclaimed Dividends	107,690	130,230
(There is no amount due & outstanding to be credited to Investor Education & Protection Fund)		
Share Application Money Refundable	24,512	110,408
	1,008,082,904	943,112,084
Provisions		
For Gratuity	572,302	523,800
For Taxation (Net of Advance Tax & TDS)	23,721,373	–
For Fringe Benefit Tax	–	396,630
	1,032,376,579	944,032,514

SCHEDULES

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

(Amount in Rs.)

	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Schedule - 12 OTHER INCOME		
Interest Received on Deposits (TDS - Rs 6.38 Lacs Previous year - Rs. 8.33 Lacs)	6,197,642	3,904,277
Insurance Claim	-	197,020
Commission Income (TDS - Rs. 21.06 Lacs Previous year - Rs. 97.96 Lacs)	63,648,612	126,133,527
Exchange Fluctuation Gain	-	4,913,092
Export Incentive	4,272,517	-
Miscellaneous Income	-	6,718,593
Prior Period Income	5,113	31,356
Sundry Balance Written Back	493	5,092
	74,124,377	141,902,957
Schedule - 13 INCREASE/(DECREASE) IN CLOSING STOCKS		
Closing Stock of Finished Goods	209,948,868	148,212,932
Closing Stock of Work-in-Progress	76,104,015	28,265,773
	286,052,883	176,478,705
Less : Opening Stock of Finished Goods	(148,212,932)	(160,010,870)
Opening Stock of Work-in-Progress	(28,265,773)	(27,819,065)
	109,574,178	(11,351,230)
Schedule - 14 RAW MATERIALS CONSUMED		
Opening Stock	559,946,872	407,164,112
Add : Purchases (Including Procurement Expenses)	3,937,919,019	2,153,822,932
	4,497,865,891	2,560,987,044
Less : Closing Stock	575,235,596	559,946,872
	3,922,630,295	2,001,040,172
Schedule - 15 MANUFACTURING & OTHER EXPENSES		
Manufacturing Cost	41,914,108	30,676,315
Power & Fuel	240,683,864	144,808,650
Store & Spares Consumable	88,226,528	62,739,982
Trading Purchase	1,629,654,309	2,345,576,375
Repair & Maintenance :		
- Factory Building	172,761	1,532,290
- Plant & Machinery	4,867,445	1,576,853
Water Charges	371,460	555,590
Machinery & Equipments Hire Charges	878,126	1,210,525
Excise Duty on Inventory	8,322,355	(8,885,257)
	2,015,090,956	2,579,791,323

SCHEDULES

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

(Amount in Rs.)

	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Schedule - 16 PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salary, Wages & Bonus	28,095,576	18,870,326
PF & Other Allowance	819,624	1,073,109
Staff & Labour Welfare	2,110,170	1,001,858
Managerial Remuneration	6,000,000	6,076,667
	37,025,370	27,021,960

	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Schedule - 17 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Advertisement Charges	6,644,851	7,339,691
Selling & Other Charges	12,616,870	20,858,295
Hire Charges	1,828,544	1,095,230
Insurance Charges	4,310,307	2,007,050
Commission & Brokerage	438,443	387,930
Travelling & Conveyance	2,526,867	1,272,492
Bank Charges	15,863,987	19,439,812
Sales Promotion	9,380,833	4,375,313
Loss on Exchange Fluctuation	1,221,956	-
Security Service Charges	5,216,310	2,567,189
Rent, Rates & Taxes	1,076,190	625,515
Telephone Charges	1,351,783	1,373,039
Auditors Remuneration		
- For Audit	125,000	75,000
- For Tax Audit	25,000	25,000
- Others	87,000	88,000
Repairs & Maintenance to Others	481,773	155,277
Donation, Membership & Subscription	493,828	1,018,026
Discount & Rebate	1,009,525	105,883
Legal & Professional Charges	3,090,564	4,813,432
Printing & Other Charges	1,725,064	1,625,363
Car Running & Maintenance Expenses	1,061,220	568,825
Prior Period Expenses	236,511	932,662
Miscellaneous Expenses	2,369,156	2,227,388
Sundry Balance W/Off	137,183	147,711
	73,318,765	73,124,123

	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Schedule - 18 INTEREST & FINANCIAL CHARGES		
Interest		
- On Term Loan	23,508,850	70,038,000
- On Others	98,989,216	103,329,835
Interest on Body Corporate Loans	10,208,140	2,958,768
Motor Car Finance Charges	174,950	28,505
	132,881,156	176,355,108

SCHEDULES

Schedule - 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(Annexed to as forming part of accounts for the year ended 31st March, 2010)

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

- a) The financial statements have been prepared under the historical cost convention, on Going Concern Concept and in accordance with the Generally Accepted Accounting Principles & the provisions of the Companies Act, 1956. The Company follows Mercantile System of accounting and is in compliance with the Accounting Standards issued by 'The Institute of Chartered Accountants of India'.
- b) Accounting policies not specifically referred to otherwise are consistent with Generally Accepted Accounting Principles in India.

2. Fixed Assets

- a) Fixed Assets are stated at cost of acquisition less accumulated depreciation.
- b) Expenditure which are of Capital nature are capitalized at a cost which comprises of purchase price and all other expenditure directly attributable to the cost of bringing the assets to its working condition for the intended use. Assets under erection/installation are shown as Capital Work-in-Progress. Capital Assets and Capital Work-in-Progress are net of CENVAT Credit availed/available thereon.
- c) Interest on borrowing costs related to Qualifying assets is worked out on the basis of actual utilisation of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying assets and are capitalized with the cost of Qualifying assets. Incidental indirect expenses relating to the project are apportioned amongst the Fixed Assets on the basis of their cost of erection/acquisition on commencement of commercial production.
- d) Subsidy received/or crystallization in respect of fixed assets are deducted from the cost of respective assets.

3. Depreciation

Depreciation on Fixed Assets is calculated on Straight Line Method at the rates and in the manner prescribed in the Schedule XIV of Companies Act, 1956.

4. Inventories

All inventories are valued at lower of Cost, computed on FIFO basis and Net Realisable Value. Finished Goods and Work-in-Progress include cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.

5. Excise Duty

Excise duty on finished goods lying at the factory is accounted for at the point of manufacturing of goods and is accordingly considered for valuation of finished goods stock lying in the factory as on the Balance Sheet date.

6. Recognition of Income & Expenditures

Revenue/Income and Cost/Expenditures are generally accounted for on accrual basis as they are earned or incurred. Insurance & other claims to the extent considered recoverable, are accounted for in the year of claims. However, claims and refunds whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

7. Subsidy

- a) The Company is registered under the West Bengal Incentive Scheme 2000 & 2004 of The Director of Industries, Government of West Bengal. Under the said scheme, the Company is entitled to receive Capital Investment Subsidy, Interest Subsidy, Employment Generation Subsidy, Remission of Stamp Duty & Registration Fee. These shall be accounted for in the year of receipt and/or crystallisation.
- b) The Company has been granted eligibility certificate under the West Bengal Incentives to Power Intensive Industries Scheme, 2005, promulgated by the Department of Commerce & Industries, Government of West Bengal, vide notification no. 276-CI/O/Incentive/052/05/i dt. 19.05.2005, effective from 1st April, 2004. Under the said scheme, the Company is entitled to receive incentive on energy charges, which has been accounted for in the books on accrual basis.

8. Sales

Sales are recognised on despatch of goods to customers. It includes Excise Duty & Sales Tax.

SCHEDULES

Schedule - 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD.)

9. Foreign Currency Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at the year end rates. All exchange differences are dealt within Profit & Loss Account.

10. Taxation

- a) Current Tax is determined at the amount of tax payable in respect of taxable income for the period, computed with relevant tax rules and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961 Deferred MAT Credit Entitlement is separately recognised as advance.
- b) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

11. Segment Reporting

The Company has identified Iron & Steel as the sole business segment and the same has been treated as primary business segment. The Company sells mostly within India and does not have operations in economic environments with different risks and returns, it is considered operating in single geographical segment. Hence, no further disclosure as required under the Accounting Standard - 17 " Segment Reporting" as issued by the The Institute of Chartered Accountants of India.

12. Retirement Benefits

- a) Liability with regards to long term employee benefits is provided for on the basis of actuarial valuation at the Balance Sheet date. Actuarial gain/loss is recognised immediately in the statement of Profit & Loss Account. The Company has an Employee Gratuity Fund managed by the Life Insurance Corporation of India.
- b) Retirement Benefit in the form of contribution to Provident Fund is a defined contribution scheme and is charged to Profit & Loss Account in the year when they become due.
- c) Short-term compensated absences are provided for based on estimates.

13. Preliminary & Public Issue Expenses

As the future economic benefit of Preliminary & Public Issue Expenses is not ascertainable & thus the same is adjusted with the Share Premium.

14. Borrowing Costs

Borrowing Costs and its related expenses that are directly attributable to the acquisition, construction or production of a Qualifying assets is capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expenses in the period in which they are incurred.

15. Impairment of Assets

At each Balance Sheet date the Company assesses whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the accounts to the extent the carrying amount exceeds the recoverable amount.

16. Provision, Contingent Liabilities and Contingent Assets

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

17. Investments

Investments are treated as long term investments and valued at cost.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in the books of Accounts :

- a) In respect of Bills Discounted, outstanding as on 31.03.2010 amounting to Rs. 1259.02 Lacs (Previous year - Rs. 1951.46 Lacs).

SCHEDULES

Schedule - 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD.)

- b) In respect of Letter of Credit amounting to Rs. 508.92 Lacs (Previous year - Rs. 2254.26 Lacs) & Bank Guarantee amounting to Rs. 254.55 Lacs (Previous year - Rs. 275.55 Lacs).
- c) Commitments against Capital Expenditure not provided in the accounts (Net of Advances) Rs. 1238.35 Lacs (Previous year - Rs. 180.00 Lacs).
- d) Relating to assessment year 2006-07 & 2007-08, a demand of Rs. 21.11 Lacs & Rs. 3.54 Lacs was raised by the D. C. I. T. Circle -3, Kolkata against which the Company has filed an appeal. An amount of Rs. 11.11 Lacs was paid under protest relating to year 2006-07.
- e) Relating to assessment year 2005-06 & 2006 -07, a demand of Rs. 318.99 Lacs & Rs. 1003.34 Lacs was raised by the department against which appeal has been filed by the Company.
- f) Excise Duty Liability arising out of search operation by the Directorate General of Central Excise Intelligence. However, the Company has paid under protest a sum of Rs. 1.20 Crore pending issuance of any show cause notice.
2. All the related expenses of expansion project which is under implementation treated as Capital Work-in-Progress. Administrative expenses relating to said project as identified by the Management, have been transferred to Pre-operative Expenses Account (Refer note no. B-12 hereunder)
3. Interest of Rs. 61.07 Lacs (Previous year - Rs. 480.40 Lacs) capitalised during the year as identified for acquisition & construction of Qualifying assets and a sum of Rs. 34.32 Lacs (Previous year - Rs. 179.87 Lacs) transferred to pre-operative expenses as a borrowing cost.
4. Excise Duty payable on closing stock on Finished Goods valued at Rs. 196.05 Lacs (Previous year - Rs. 112.83 Lacs) included in closing stock of Finished Goods and effect on Excise Duty on change in stock of Finished Goods shown under manufacturing expenses. Due to above, there is no effect on profitability of the Company for the year under review.
5. Sundry Creditors includes Rs. NIL (Previous year - Rs. NIL) due to Micro, Small & Medium Enterprises to the extent such parties have been identified from the available documents/information.
6. Debtors include Rs. 15.59 Lacs outstanding for more than 3 years in respect of which necessary steps have been initiated by the Company. The Management considers the same are good and fully recoverable, hence no provision has been made in the accounts at this regards.
7. Certain balances of the Sundry Creditors, Sundry Debtors, Unsecured Loan and Advances are subject to confirmation.
8. In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts.
9. **Disclosure pursuant to Accounting Standard - 15 (Revised) "Employee Benefits" :**
- a. *Defined Contribution Plan* : Amount of Rs. 5.72 Lacs is recognised as expense and included in "Payments to and Provision For Employees" in Schedule-16 of the Profit & Loss Account.
- b. *Defined Benefit Plan* :
- i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :

(Rs. in Lacs)

	Gratuity	
	2009-10	2008-09
a. Present Value of Defined Benefit Obligation at the beginning of the year	11.44	-
b. Interest Cost	0.91	-
c. Current Service Cost	4.75	-
d. Actuarial Losses/(Gains)	1.40	-
e. Benefits Paid	-	-
f. Present Value of Defined Benefit Obligation at the close of the year	18.50	11.43

SCHEDULES

(Rs. in Lacs)

Schedule - 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (CONTD.)

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

	2009-10	2008-09
a. Fair Value of Plan Assets at the beginning of the year	11.48	-
b. Add : Expected Return on Plan Assets	1.34	0.71
c. Add/(Less) : Actuarial Losses/(Gains)	-	-
d. Add : Contributions	4.70	10.77
e. Less : Benefits Paid	-	-
f. Fair Value of Plan Assets at the close of the year	17.52	11.48
Actual Return on Plan Assets	-	-

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

	2009-10	2008-09
a. Present Value of Defined Benefit Obligation	18.50	11.44
b. Less : Fair Value of Plan Assets	17.52	11.48
c. Present Value of funded obligation	(0.98)	0.04
d. Net Liability/(Assets) recognised in the Balance Sheet	0.98	(0.04)

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

	2009-10	2008-09
a. Current Service Cost	4.75	-
b. Interest Cost	0.91	-
c. Expected return on Plan Assets	(1.34)	(0.71)
d. Actuarial Losses/(Gains)	1.40	-
e. Past Service Costs	-	-
f. Effect of curtailment/settlement	-	-
g. Recognised in the Profit & Loss Account	5.72	(0.71)

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

	2009-10	2008-09
Qualifying Insurance Policy	YES	YES

vi) Actuarial Assumptions as at the Balance Sheet date :

	2009-10	2008-09
a. Discount Rate	8.00%	8.00%
b. Salary Escalation Rate	4.00%	4.00%

vii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

10. Segment Reporting

The Company's business activity primarily falls within a single business segment i.e. Iron & Steel business. However, the Company also generate power from its Captive Power Plant, which is entirely consumed in Iron & Steel manufacturing unit without any sale to third party. The details of such unit generated are shown below. Hence, there are no additional disclosure to be made under Accounting Standard - 17.

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Unit Generated (KWH)	78081736	62306448

SCHEDULES

(Rs. in Lacs)

11. The component of Deferred Tax Liabilities/Assets as on 31.03.2010 are as under :

	31.03.2010	31.03.2009
Components of Deferred Tax Liabilities		
Differential Depreciation	1,288.05	1,242.59
Components of Deferred Tax Assets		
Unabsorbed Depreciation	389.02	63.85
Others	40.31	61.66
	429.32	125.51
Net Deferred Tax Liability	858.73	1,117.08

12. Capital Work-in-Progress includes Pre-Operative Expenses pending allocation of Fixed Assets :

	31.03.2010	31.03.2009
Bank Charges	96.67	1.13
Hire Charges	-	3.21
Material Handling Charges	-	1.12
Interest on Unsecured Loan	32.90	7.01
Interest on Secured Loan	1.42	7.33
Legal & Professional Fees	8.82	2.74
Registration & License Fees	30.44	-
Motor Car Maintenance	-	0.34
Miscellaneous Expenses	-	0.88
Office Maintenance	-	0.26
Printing & Stationery	-	0.18
Salary	6.75	6.63
Security Expenses	2.99	5.49
Telephone Expenses	-	0.53
Total	179.99	36.85

13. Managerial Remuneration :

	31.03.2010	31.03.2009
a) Salary & Allowances	60.00	60.77
b) Perquisites (As per Income Tax Act, 1961)	-	-
Total	60.00	60.77

14. Earning Per Share :

	31.03.2010	31.03.2009
a) Profit after Tax (Rs.)	208,726,538	64,368,473
b) Number of Equity Shares :		
- As at the commencement of the year	32,875,500	32,875,500
- Issued during the year	-	-
- As at the end of the year	32,875,500	32,875,500
c) Basic Earning Per Share (Face Value Rs. 10/-)	6.35	1.96
Diluted Earning Per Share (Face Value Rs. 10/-)	6.35	1.96

SCHEDULES

(Rs. in Lacs)

15. Related Parties Disclosure as per AS - 18

A. Name of the Related Parties with whom the company had transactions during the year :

Name of the Related party	Relationship
Suresh Kumar Patni	Director
Sarita Patni	Promoter
Rohit Patni	Director
Ankit Patni	Director
Suanvi Trading & Investment Co. Pvt. Ltd.	Control of KMP
Vasupujya Enterprises Pvt. Ltd.	Control of KMP
Poddar Mech Tech Services Pvt. Ltd.	Control of KMP
Impex Metal & Ferro Alloys Ltd.	Control of KMP
Divine Trading Co. Pvt. Ltd.	Control of KMP
Invesco Finance Pvt. Ltd.	Control of KMP
Impex Steel Pvt. Ltd.	Control of KMP
Impex Ferro Tech Ltd.	Control of KMP
Rohit Ferro-Tech Limited	Control of KMP
Marble Arch Properties Pvt. Ltd.	Control of KMP
SKP Power Ventures Ltd.	Control of KMP
VNG Mercantiles Pvt. Ltd.	Control of KMP
Hira Concast Pvt. Ltd.	Control of KMP

KMP means Key Manegerial Personnel

B. Transaction with related parties during the year :

Nature of Transactions	KMP	Control of KMP
Purchases	0.00	732.26
	(0.00)	(2264.43)
Sale	0.00	2744.22
	(0.00)	(2453.29)
DEPB Licence Sale	0.00	9.29
	(0.00)	(25.59)
Investment in Equity Shares	0.00	0.00
	(0.00)	(1.00)
Loan Received	0.00	325.00
	(0.00)	(365.00)
Loan Repaid	0.00	0.00
	(0.00)	(25.00)
Advance Given	0.00	18.00
	(0.00)	(0.00)
Interest Paid	0.00	43.03
	(0.00)	(23.40)
Rent Paid	0.00	1.08
	(0.00)	(1.08)
Remuneration	60.00	0.00
	(60.77)	(0.00)

Figures in bracket represent previous year

SCHEDULES

(Rs. in Lacs)

C. Outstanding Balances as on 31.03.2010 :

Nature of Transactions	Balance
Sundry Creditors	0.00
	(85.79)
Sundry Debtors	15.32
	(58.52)
Loan Payable	755.00
	(453.58)
Advance Taken	0.00
	(11.06)
Advance Given	74.90
	(116.34)
Investment in Equity Shares	1.00
	(1.00)

16. Quantitative Information pursuant to Para 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.

- A) Licenced Capacity : N.A.
 B) Detail of Capacity & Production

Sl. No.	Items	Units	Installed Capacity		Production	
			C. Y.	P. Y.	C. Y.	P. Y.
1.	Sponge Iron	MT	105000	105000	80827	62812
2.	M.S. Ingots/Billets	MT	121890	121890	88865	56486
3.	TMT Bar	MT	100000	100000	79143	36133
4.	Captive Power Plant	KWH	109500000	109500000	78081736	62306448
5.	Ferro Alloys	MT	12325	12325	3603	739

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

C) Quantitative Information : Production, Stock, Sale of goods produced/traded during the year :

- i) Raw Material Consumed/Sale

Particulars	Unit	2009-10		2008-09	
		Qty*	Amount	Qty	Amount
Iron Ore	MT	177423.72	5332.76	138819.84	4888.69
Coal	MT	59445.50	1452.51	46342.09	1105.29
Scrap	MT	54647.62	12164.24	35135.62	6760.98
Sponge Iron	MT	48276.93	2981.72	47427.24	1113.58
M.S. Ingot/Billets	MT	86716.75	14792.32	42122.14	4800.84
Others			2502.75	0.00	514.84

* Includes 19409.44 MT (Previous year - 19575.09 MT) sold amounting to Rs. 340.45 Lacs (Previous year - Rs. 640.77 Lacs)

SCHEDULES

(Rs. in Lacs)

ii) Finished Goods

Particulars	Unit	Opening Stock		Purchases/Production		Consumption/Sale *		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Sponge Iron	MT	190.05	26.34	106925.91	2981.72	103764.26	6719.07	3351.70	517.21
Previous year	MT	3032.09	405.50	74172.69	1113.58	77014.73	3201.06	190.05	26.34
M.S. Ingots/ Billets	MT	2950.94	766.59	158538.92	14792.32	160159.71	15291.19	1330.15	500.24
Previous year	MT	2998.21	840.81	85261.96	4800.84	85309.23	10745.75	2950.94	766.59
Steels Items	MT	1839.30	651.06	79143.15	0.00	78475.72	18708.17	2506.73	1054.50
Previous year	MT	978.06	353.80	36132.67	0.00	35271.43	8021.16	1839.30	651.06
Ferro Alloys	MT	107.88	38.14	16159.55	1786.45	16195.87	1485.87	71.56	27.54
Previous year	MT	0.00	0.00	739.20	0.00	631.32	286.14	107.88	38.14

* Includes 42882.50 MT (Previous year - 50130.92 MT) for Captive Consumption.

iii) Traded Goods

Particulars	Unit	Opening Stock		Purchases		Sale		Closing Stock	
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Steels Items	MT	0.00	0.00	54627.52	14841.84	54627.52	18415.05	0.00	0.00
Previous year	MT	20.70	0.00	70864.96	23106.40	70885.66	25904.70	0.00	0.00
Ferro Alloys	MT	0.00	0.00	1532.82	834.26	1532.82	857.78	0.00	0.00
Previous year	MT	0.00	0.00	607.00	349.33	607.00	395.48	0.00	0.00
Others	MT	0.00	0.00	0.00	620.44	0.00	1070.90	0.00	0.00
Previous year	MT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

17. Value of Import - CIF :

	31.03.2010	31.03.2009
a) Raw Materials	-	88.41
b) Stores & Spare Parts	37.11	25.76
c) Capital Goods	28.62	-
Total	65.73	114.17

18. Expenditure in Foreign Currency :

	31.03.2010	31.03.2009
a) Registration Fee	1.96	-
b) Commission Paid	0.46	-
Total	2.42	-

19. Earning in Foreign Currency :

	31.03.2010	31.03.2009
FOB Value of Exports	1,256.67	1,319.84

SCHEDULES

(Rs. in Lacs)

20. Value of Imported & Indigenous Consumption :

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Value	%	Value	%
a) Raw Material Consumed				
Imported	7.14	0.02	88.41	0.33
Indigenous	39,219.16	99.98	19,921.99	99.67
Total	39,226.30	100.00	20,010.40	100.00
	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Value	%	Value	%
b) Store & Spare Parts Consumed				
Imported	33.72	3.82	27.61	4.40
Indigenous	848.56	96.18	599.79	95.60
Total	882.27	100.00	627.40	100.00

21. Particulars on remittances of Dividend in Foreign Currency :

i) Number of Non-Resident Shareholders	NIL
ii) Number of Equity Shares held by them	NIL
iii) Amount of remittance on account of Dividend	NIL

22. Additional Information pursuant to Part - IV of Schedule VI is as per Annexure - A

23. Previous year's figures have been re-grouped/re-arranged, wherever considered necessary.

24. The figures have been rounded off to nearest rupee.

As per our report of even date attached

For **R. KOTHARI & COMPANY**
Chartered Accountants**Sanjeeb Agarwal**

Partner

Dated : 12th day of May, 2010

Place : Kolkata

For & on behalf of the Board

C. K. Jain
Company Secretary**Suresh Kumar Patni**
Chairman**Ankit Patni**
Managing Director

600213

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ANKIT

www.ankitmetal.com

Ankit Metal & Power Limited

Registered Office :

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

Form of Proxy

I/We.....
of.....
.....being a Member(s) of the above named Company,
hereby appoint.....
of.....
or failing him
of.....as my/our proxy to vote for me/us on
my/our behalf at the 8th Annual General Meeting of the Company to be held on Wednesday, the 8th September, 2010
at 10.00 A.M. and at any adjournment thereof.

Signed this day of2010

Signature



Folio No.

DP ID No.....

Client ID No.....

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

Ankit Metal & Power Limited

Registered Office :

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

Attendance Slip

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

I hereby record my/our presence at the 8th Annual General Meeting of the above named Company held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 8th September, 2010 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.