



Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

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AMPL's upcoming projects and expansions

SPONGE IRON – 350 TPD
105,000 TPA

INDUCTION FURNACE 15 MT
59,400 TPA

WHRB POWER PLANT
8 MW

AFBC POWER PLANT
25 MW

WIRE ROD MILL (MS/SS)
100,000 TPA

PELLETISATION PLANT
600,000 TPA

STAINLESS STEEL BILLETS
18,240 TPA

SPONGE IRON – 30 TPD
12,000 TPA

VISION

To continuously challenge past achievements and set new benchmarks as a producer of high quality steel while operating the business efficiently and effectively to deliver customer satisfaction and stakeholders returns.



Location

- We have registered and corporate offices in Kolkata, West Bengal.
- Our manufacturing units are located at Jorehira, West Bengal.

Products

Our existing product range :

- Sponge iron (105,000 TPA)
- Billets (121,890 TPA)
- Rolled products (100,000 TPA)
- Ferro Alloys (12,325 TPA)
- 8.5 MW WHRB Captive Power Plant
- 4.0 MW AFBC Captive Power Plant

Enlistments and

Certifications :

- An ISO 9001 : 2008 certified company
- IS 1786 : 2008 for Ankit TMT Bars
- IS 2830 : 1992 For Billets
- Established Ankit Brand of Finished TMT Steels



OUR PERFORMANCE

(₹ in crores)

	2008-09	2009-10	2010-11
Annual Turnover	491.95	628.88	674.75
EBIDTA	36.91	42.44	58.48
PAT	6.44	20.87	24.25
EPS (₹)	1.96	6.35	7.38

FROM THE CHAIRMAN'S DESK



"I expect power and infrastructure sectors in India to achieve a healthy growth in the upcoming years, I am optimistic that AMPL will emerge as one of the dominant representatives of that growth story."

Mr. Suresh Kumar Patni, Chairman, Ankit Metal and Power Ltd. outlines the reasons for optimism of the company.

India is currently the fifth largest steel-producing nation in the world. However, its per capita consumption of steel is still much less compared to the developed countries. This wide gap in relative steel consumption indicates that the potential ahead for India to raise its steel consumption is high and projects an optimistic scenario for the industry.

AMPL is on its path to maximize on its inherent synergies within the current value chain and operates as an end-to-end manufacturer of steel. A comprehensive strategy has been adopted to meet competition from market players in the same domain by using backward and forward integration from the manufacturing of sponge iron to rolled products to lower cost of production as the major power requirement will be met from the captive power plant.

I must emphasise that AMPL is an integral part of the attractive growth coming out of the infrastructure sector through the manufacture of downstream products like TMT bars. Over the years, we have increasingly leveraged our rich industry knowledge and service capability, evolving from manufacturers to solution providers.

We have embarked on an expansion plan to meet the growing demand of our existing product lines and introduce new product lines in the maturing market for high end value added products in stainless steel. In terms of cost reduction, we have embarked on pelletization project to use low cost iron ore fines in place of expensive iron ore lumps to help us meet price pressures from existing operators and new entrants in the industry. The company has also established captive power plant to reduce its energy cost.

The synergy in current expansions with existing operations and cost reduction measures introduced by the company will add scale to our operations and substantially improve the recovery of overheads, de-risking the company's bottom line in the medium term. Our existing customer base will translate into a ready market for some of the new products leveraging the brand more effectively.

Management Discussion and Analysis

Global economic review

Strong demand growth in developing countries (46% of global growth in 2010) enabled the global economy to expand 3.9% in 2010 against a negative growth of 2.2% in 2009. GDP in low and middle-income countries expanded 7% during 2010 (5.2% excluding India and China).

While developing countries regained growth rates close to those observed in the pre-crisis period, high-income countries (Europe and Central Asia) did not make major inroads on account of high unemployment and spare capacity.

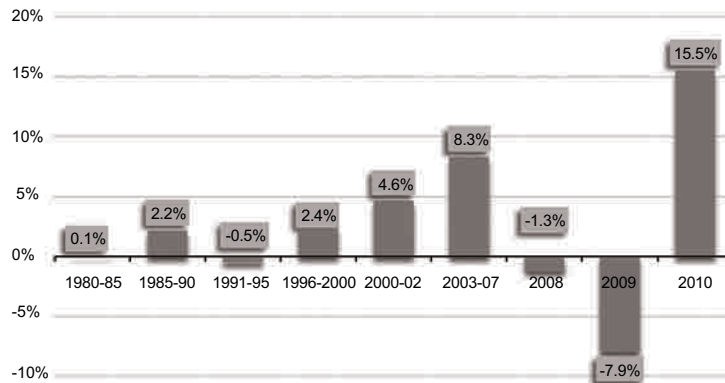
Indian economic review

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

Steel industry

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

World Crude Steel Annual Production Growth



Compiled by IMAcS

India : India maintained its position as the world's fifth largest steel producer in 2010, recording a 11.3% growth. India presents high-growth potential with per capita finished steel consumption of a mere 54 kg compared with 430 kg in China and 200 kg globally. Urban steel consumption is expected to touch 165 kg per capita by 2019-20, reflecting growth potential, while India's rural per capita steel consumption is only 2 kg. The Government has set a target for raising per capita rural steel consumption to 4 kg by 2019-20, implying an increasing demand. According to Ministry of Steel estimates, India is expected to add around 200 mmt capacity in this decade, increasing overall crude steel capacity from 78 mmt in 2010-11 to around 280-290 mmt by 2020. India is expected to emerge as the world's second-largest steel producer by 2015-16.

Outlook

The present finished steel consumption in India is still at a very low level compared to developed countries. The estimated urban consumption per capita per annum was around 95 kg in India during 2007, and is expected to reach approximately 165 kg in 2019-20. The growth is expected to be driven by anticipated growth in construction, automobile, oil and gas transportation and infrastructure sectors of the economy.

The Government also proposes to undertake measures to promote usage of steel in bridges, crash barriers, flyovers and building construction. The rural consumption of steel in India remains at around 2 kg per capita per annum, primarily because steel is perceived to be expensive. The Government has set a target for raising the per capita rural consumption of steel to 4 kg per annum by 2019-20, implying a CAGR of 4.4%.



OUR STRENGTHS

We are about to start manufacturing stainless steel, a material which has found extensive application in infrastructure, automobiles, utensils, consumer durables, piping, pollution control equipments, food processing, architectural and structural, roofing material, public transport, decorative applications, nuclear industry etc.

This diversification is going to add value to our bottom line as well as leverage our brand identity since the expansion plans are synergic with the existing businesses.

BARCODE FOR SUCCESS

VALUE ADDITION



BARCODE FOR SUCCESS

COST REDUCTION



At AMPL, we have invested in the following strategic initiatives for higher returns and greater strengthening of our bottomline.

Power Projects

WHRB:

Existing – 8.5 MW

Upcoming – 8 MW

AFBC:

Existing – 4 MW

Upcoming – 25 MW

- WHRB power plant uses waste heat gases from the DRI unit (at zero cost) to manufacture power.
- AFBC power plant uses char generated during the production of sponge iron, which is otherwise a waste, along with coal to manufacture power. This process of power generation not only reduces the cost of production but also leads to low emission of nitric oxides resulting in less air pollution.
- By fully commissioning the above captive power generating units, the grid dependence for power will reduce significantly as well as further improve the overall profitability of the company. These initiatives will add to the Company's abilities to withstand competition during downturn by lowering the cost of production

BARCODE FOR SUCCESS

PELLETISATION

We are among the very few in West Bengal to set up pelletisation plant to manufacture iron ore pellets, which are used as raw material for manufacturing sponge iron. Though India has adequate reserves of iron ore, it is not fully exploited due to factors like lack of technological competence, mines being situated in tribal areas, etc. There is still an overwhelming need to cater to the excessive iron ore demands of all the DRI / steel plants in the country. This stems from the fact that the excessive fines generated from iron ore mining are mostly exported at a meager price to countries that have the technologies to use it.

With the commissioning of our new pelletisation plant, the company will stand to gain on quite a few counts. Not only will this result in gainful utilization of the iron ore fines but also yield a cost effective production route for sponge iron production and ultimately TMT bars.





BARCODE FOR SUCCESS

QUALITY

Our company is committed to quality and believes that it is the cornerstone for sustained business links.

Being an integrated steel plant the entire manufacturing chain is owned and hence closely monitored by trained engineers, under supervision of top management itself. This ensures the quality of the finished products as per specified parameters.

Certifications :

- ISO 9001:2008
- IS 2830 : 1992 For Billets
- IS 1786-2008 for Ankit TMT Bars

OPPORTUNITIES & THREATS



BARCODE FOR SUCCESS

COMPETITIVE

- The company has 12.5-MW captive power plant in order to reduce per unit power cost to give a bent to its competitive edge. The commissioning of the additional 8 MW WHRB and 25 MW AFBC power plants will further reduce our energy cost.
- The establishment of the pellet plant will effectively replace the use of relatively costlier iron ore lumps with cheaper iron ore fines, resulting in significant savings in raw material cost.
- Proposed railway siding will improve the raw material logistics which will help in reducing ground loss at the time of material handling.

The upcoming expansion projects will enable us to evolve and to build competitiveness across industry cycles.

Opportunity

- Upcoming WHRB and AFBC power plants to support manufacturing facilities and reduce cost by utilizing waste products from the DRI Unit.
- Per capita steel consumption in India is still at a very low level. This provides ample opportunity to the Iron & Steel industry to grow.
- Setting up of pelletisation plant for manufacturing pellets from iron ore fines, resulting in lower cost of production for Sponge Iron.
- Addressable opportunity and potential markets in the wire-rod segment, an upcoming diversification of the company, riding on existing distribution network
- Our strategic foray into the manufacture of stainless steel will open new markets.
- Assured supply of thermal coal from Group Company having economic interest in coal mines in Indonesia.

Threats

- Scarcity of raw material
- Volatility in prices of major input costs i.e. ores, coal and power, holds the threat of an increase in production costs.
- The volatility in finished product prices is also a major cause of concern.
- Rising competition within industry as it matures

RISKS AND CONCERNS

Supply Chain Management

- The Company procures iron ore from established mining companies such as Essel Mining, Rungta Mines, etc.
- Linkages with Coal India Ltd. to feed coal requirements of our captive power plant as well as the sponge iron unit.
- Assured supply of thermal coal from group company having economic interest in coal mines in Indonesia.
- Availability of Ferro alloys from group companies
- Water requirement is met through a 16-km pipeline, constructed by the company, from the nearby river to the plant.

Operations Management

- Commissioned 8.5 MW (WHRB) and 4 MW (AFBC) Captive Power Plant
- Increase in capacity utilization over previous year.
- Waste Heat recovered from DRI is utilised for power generation through WHRB route.
- Waste Char used for power generation through AFBC route.
- Proper emissions are monitored to protect the environment.

Sales and Marketing Management

- Well established brand in Industry.
- Repeat businesses from long standing buyers.
- Exploring new markets for its products by leveraging the existing international distribution network of Group Company.
- Selling the end product through institutional and dealer routes.
- Continuation of Mithun Chakraborty as the Brand Ambassador accelerated the acceptance of its TMT bars among the masses.
- Exploring distribution network on a pan India basis

SEGMENT-WISE REPORTING

The Company's business activity primarily falls within a single business segment, i.e. iron and steel. However, the company also generates power from its captive power plant, which is entirely consumed in the manufacture of iron and steel without any sale to third parties.

INTERNAL CONTROL

We have an adequate internal control system commensurate with the size and nature of our business. Some significant features of the system are :

- Ensuring reliability of all financial and operational information
- Protection of the Assets/resources of our company.
- Deployment of ERP System covering most of the operations.
- Ensuring appropriate compliances with the related regulations, standards and internal procedures and systems.

INDUSTRIAL RELATION & HUMAN RESOURCES

The human resource philosophy and strategy of our Company has been designed to attract and retain the best talent on offer. A strong industrial relation and human resource team plays a pivotal role in a company's progress. With our strong human resource team, we have been able to move forward and achieve our goals within a short span of time. Whether through recruiting, upgrading performance management or designing and implementing leadership development programs, our HR continues to shape the Company's high performing teams and culture. The company employs 278 employees as on 31st March, 2011.

Notice

NOTICE is hereby given that the 9th Annual General Meeting of the members of the Company will be held on Thursday, 15th September, 2011 at 3.00 PM at 'Rotary Sadan', 94/2 Chowringhee Road, Kolkata - 700 020 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the financial year ended 31st March, 2011, and the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Kailash Chand Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Jatindra Nath Rudra, who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, consent of the members be and is hereby accorded for the re-appointment of Mr. Ankit Patni as a Managing Director for a further period of five years w.e.f 3rd July, 2011, to continue to hold office as a Managing Director of the Company upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the agreement submitted to this meeting and mentioned in the explanatory statement annexed to this notice, with an authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment during the continuance of the tenure on the recommendation of the remuneration committee and grant such further increases in remuneration from time to time as they may deem fit and agreed by Mr. Ankit Patni, within the limits specified in Schedule XIII of the Act, as may be amended from time to time."

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

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a)

of the Companies Act, 1956, and other applicable provisions if any, the authorised share capital of the Company be and is hereby increased from ₹ 800,000,000 (Rupees Eighty Crores only) divided into 80,000,000 Equity Shares of ₹ 10 each to ₹ 1,000,000,000 (Rupees One Hundred Crores only) divided into 100,000,000 Equity Shares of ₹ 10 each by creation of 20,000,000 Equity Shares of ₹ 10 each ranking pari-passu in all respect with the existing Equity Shares.

RESOLVED FURTHER THAT consequent upon increase in share capital as aforesaid, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following :

- V. Authorised Share Capital of the Company is ₹ 1,000,000,000/- (Rupees One Hundred Crores) divided into 100,000,000 (Ten Crores) Equity Shares of ₹ 10/- each with the power to the Board to increase or reduce the capital of the Company and to divide or sub divide the shares in capital of the Company 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 Company Secretary of the Company be and is hereby authorised to make necessary amendments in the Memorandum of Association of the Company and do all such acts, deeds and things as may be necessary to give effect to the above resolution."

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

"RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the Listing Agreement entered into by the Company with the Bombay Stock Exchange Ltd. where the Equity Shares of the Company are listed and the Regulations for preferential issues issued by the Securities and Exchange Board of India ("SEBI") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("Regulations") and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject

Notice

to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any duly authorised committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorised to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorised committee thereof) to create, issue, offer and allot on preferential basis, at its sole and absolute discretion, 62,500,000 (Six Crores Twenty Five Lacs) Equity Shares of ₹ 10 each at a price of ₹ 40 per Equity Share (including a premium of ₹ 30 per share) calculated as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 with 16th August, 2011, as the reference date, of an amount aggregate ₹ 250 crores (Rupees Two Hundred Fifty Crores only) calculated as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the following persons :

Sr. No.	Name of the Proposed Allottees	Equity Shares Proposed to be allotted	Category
1	Arthodock Vinimay Pvt. Ltd.	5,353,750	Promoter Group
2	Invesco Finance Pvt. Ltd.	8,250,000	Promoter Group
3	Nucore Exports Pvt. Ltd.	7,568,275	Promoter Group
4	VNG Mercantiles Pvt. Ltd.	8,722,975	Promoter Group
5	Shreyansh Leafin Pvt. Ltd.	5,500,000	Promoter Group
6	Whitestone Suppliers Pvt. Ltd.	5,387,500	Promoter Group
7	Mayank Securities Pvt. Ltd.	2,500,000	Non- Promoter
8	Cube Fintex Pvt. Ltd.	2,500,000	Non- Promoter
9	Axiom Commodore Pvt. Ltd.	750,000	Non- Promoter
10	Contra Vanijya Pvt. Ltd.	750,000	Non- Promoter
11	Rupa Tracom Pvt. Ltd.	750,000	Non- Promoter
12	Deep Commosales Pvt. Ltd.	750,000	Non- Promoter
13	Chakra Dealtrade Pvt. Ltd.	750,000	Non- Promoter
14	Target Advisory Pvt. Ltd.	3,750,000	Non- Promoter
15	Concast Exim Ltd.	2,500,000	Non- Promoter
16	Concast Ispat Ltd.	2,500,000	Non- Promoter
17	View Point Advisory Pvt. Ltd.	4,217,500	Non- Promoter
	Total	62,500,000	

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals

for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari-passu in all respects with the existing Equity Shares of the Company. The Equity Shares allotted on preferential basis shall be locked-in from the date of their allotment for such period as prescribed in Regulation 78 for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT the entire pre-preferential allotment shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of preferential allotment or such other period as may be applicable under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the Equity Shares of the Company as aforesaid, the Board of Directors of the Company (which terms shall include any Committee or Managing Director or Officer authorised by the Board) be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and for matters connected therewith or incidental thereto, including in particular, to settle any questions, difficulties or doubts that may arise with regard to creating, issuing, offering and allotting the Equity Shares and utilising the issue proceeds of the Equity Shares, as it may, in its absolute discretion, deem fit and proper.

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares being issued on Preferential Allotment Basis with the Bombay Stock Exchange Ltd.

RESOLVED FURTHER THAT the Company do make application to the National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL) for admission of the new Equity Shares to be issued on preferential basis."

By Order of the Board

For **Ankit Metal & Power Ltd.**

Date : 16th August, 2011
Place : Kolkata

Chandra Kumar Jain
Company Secretary

Notice

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND STAMPED MUST REACH AT THE CORPORATE OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING OF THE AFORESAID MEETING.**
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Item No. 5, 6 & 7 is annexed herewith.
- 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, 3 & 5 is annexed thereto.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 8th September, 2011 to Thursday, 15th September, 2011 (both days inclusive).
- 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.
- 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.
- Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- Members are requested to bring their Attendance Slip for attending the Meeting.
- Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.

11. IMPORTANT ANNOUNCEMENT TO MEMBERS :

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars allowing service of notices/documents including Annual Report by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to do the same immediately.

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

Item No. 5

The terms of appointment of Mr. Ankit Patni as Managing Director expired on 2nd July, 2011. Subject to approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company at its meeting held on 30th June, 2011 has re-appointed Mr. Ankit Patni as a Managing Director of the Company for a further period of 5 (Five) years w.e.f 3rd July, 2011 on the terms and conditions mentioned in the Agreement dated 30th June, 2011, based on the recommendation made by Remuneration Committee.

An abstract pursuant to provision of Section 302 of the Companies Act, 1956 setting out the material terms of Mr. Ankit Patni as provided in the agreement dated 30th June, 2011 with respect to his re-appointment and remuneration payable was sent to all members on 9th July, 2011.

The material terms and remuneration payable in terms of agreement dated 30th June, 2011 are as follows :

TERMS OF APPOINTMENT

- Tenure - 3rd July, 2011 to 2nd July, 2016
- Remuneration : Salary of ₹ 500,000 (Rupees Five lacs only) per month with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits specified in Schedule XIII Part II of the Act, as may be amended from time to time.
- Perquisites : Perquisites applicable to the Managing Director are as follows :
 - Leave : Mr. Ankit Patni will be entitled to leave as per applicable rule of the Company.
 - Leave Encashment : As per applicable rule of the Company.
 - Company's contribution to Provident Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.

Notice

However, in case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Ankit Patni shall be restricted to Part II Section II (1A) of Schedule XIII of the Act.

(d) General

- i) He shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
- ii) Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon him by the Board.
- iii) The appointment is terminable by either party giving the other 2 (two) months notice in writing without assigning any reason and without liability to pay any compensation.
- iv) No claim for damages if the office of the Managing Director is determined by reason of reconstruction or amalgamation whether by the winding up of the Company or otherwise.

Apart from Mr. Ankit Patni himself, as the aforesaid terms and conditions relates to his own appointment, Mr. Suresh Kumar Patni and Mr. Rohit Patni being relatives of Mr. Ankit Patni, be also considered as concerned or interested in the said appointment.

Relevant agreement entered by the Board is available for inspection by members at the Corporate Office of the Company between 11.00 AM and 1.00 PM on any working day.

The Board of Directors recommend passing of the Ordinary Resolution at Item No. 5 of the Notice.

Item No. 6

The Authorised Share Capital of your Company is presently ₹ 800,000,000 (Rupees Eighty Crores only) divided into 80,000,000 Equity Shares of ₹ 10 each. In order to accommodate the issue of Equity Shares as mentioned in Item No. 7 above, it is necessary to increase the Authorised Share Capital of the Company in the manner mentioned in the resolution.

Any such increase in Authorised Share Capital of the Company would require the approval of the shareholders in the general meeting under Section 94 of the Companies Act, 1956. The Board, therefore, recommends the resolution as set out above for your approval by an Ordinary Resolution.

None of the directors of the Company are concerned or interested in the above resolution.

Item No.7

As part of its expansion program, the Company proposes to increase its manufacturing capacity in two phases. Under the 1st phase, the Company proposes to install a 350 TPD Sponge Iron

Plant, 15 MT Induction Furnace, 100,000 TPA Wire Rod Mill and a 33 MW Captive Power Plant with a total capital outlay of ₹ 311 crores. In the 2nd phase, the Company proposes to install a 0.6 MTPA Iron ore Pellet Plant, 30 TPD DRI Kiln, RM Pre-Heater, AOD Converter and Railway Siding with a total capital outlay of ₹ 316 crores. The said expansion shall be funded through a combination of bank borrowings and equity infusion. Further, the Company also requires ₹ 35 crores for its long term working capital requirements. In order to raise equity, the Company had proposed a Rights Issue of Equity Shares of an amount not exceeding ₹ 175 crores. The Company has received the SEBI approval for the rights issue. However, in view of the enhanced fund requirements, the Board of Directors in their meeting held on 12th August, 2011 has decided to withdraw the proposed rights issue and instead issue Equity Shares on a preferential basis to certain entities belonging to the promoter and non-promoter group. In view of the confirmations received from the proposed allottees, the Board of Directors proposes to issue and allot 62,500,000 Equity Shares of ₹ 10 each at a price of ₹ 40 per Equity Share (including premium of ₹ 30 per Equity Share) aggregating to ₹ 250 crores on a preferential basis in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto from time to time ("SEBI (ICDR) Regulations").

The promoters and promoter group have brought in ₹ 110.76 Crores as share application money towards their entitlement in the rights issue. Out of this amount, the promoter group entities participating in this preferential allotment have brought in ₹ 57.44 Crores. These entities have provided their consent to the Company to treat the said funds as share application money for the proposed preferential allotment of Equity Shares. The balance consideration shall be brought in before the allotment of shares. The share application money amounting to ₹ 53.32 Crores brought in by other entities of the promoter group towards the rights issue shall be refunded by the Company.

As stipulated by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Board submits the following for the information of the members :

The Company has received inclination from the prospective persons to acquire shares in the Company and the respective allottees are as under :

Sr. No.	Name of the Proposed Allottees	Equity Shares Proposed to be allotted	Category
1	Arthodock Vinimay Pvt. Ltd.	5,353,750	Promoter Group
2	Invesco Finance Pvt. Ltd.	8,250,000	Promoter Group
3	Nucore Exports Pvt. Ltd.	7,568,275	Promoter Group

Notice

Sr. No.	Name of the Proposed Allottees	Equity Shares Proposed to be allotted	Category
4	VNG Mercantiles Pvt. Ltd.	8,722,975	Promoter Group
5	Shreyansh Leafin Pvt. Ltd.	5,500,000	Promoter Group
6	Whitestone Suppliers Pvt. Ltd.	5,387,500	Promoter Group
7	Mayank Securities Pvt. Ltd.	2,500,000	Non- Promoter
8	Cube Fintex Pvt. Ltd.	2,500,000	Non- Promoter
9	Axiom Commodore Pvt. Ltd.	750,000	Non- Promoter
10	Contra Vanijya Pvt. Ltd.	750,000	Non- Promoter
11	Rupa Tracom Pvt. Ltd.	750,000	Non- Promoter
12	Deep Commosales Pvt. Ltd.	750,000	Non- Promoter
13	Chakra Dealtrade Pvt. Ltd.	750,000	Non- Promoter
14	Target Advisory Pvt. Ltd.	3,750,000	Non- Promoter
15	Concast Exim Ltd.	2,500,000	Non- Promoter
16	Concast Ispat Ltd.	2,500,000	Non- Promoter
17	View Point Advisory Pvt. Ltd.	4,217,500	Non- Promoter
	Total	62,500,000	

Hereinafter the aforesaid persons shall be collectively and individually called as "proposed allottee/(s)".

Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under :

a) Objects of the Issue

As part of its expansion program, the Company proposes to increase its manufacturing capacity in two phases. Under the 1st phase, the Company proposes to install a 350 TPD Sponge Iron Plant, 15 MT Induction Furnace, 100,000 TPA Wire Rod Mill and a 33 MW Captive Power Plant with a total capital outlay of ₹ 311 crores. In the 2nd phase, the Company proposes to install a 0.6 MTPA Iron ore Pellet Plant, 30 TPD DRI Kiln, RM Pre-Heater, AOD Converter and Railway Siding with a total capital outlay of ₹ 316 crores. The said expansion shall be funded through a combination of bank borrowings and equity infusion. Further, the Company also requires ₹ 35 crores for its long term working capital requirements. In order to raise equity, the Board of Directors proposes to issue and allot 62,500,000 Equity Shares of ₹ 10 each

d) Shareholding Pattern before and after the issue :

Category	Pre-Issue		Post-Issue	
	No. of shares held	% of shares held	No. of shares held	% of shares held
A. Promoters' Holding				
I. Indian Promoters				
Individuals	2,510,500	7.64	2,510,500	2.63
Bodies Corporate	18,943,000	57.62	59,725,500	62.62
Sub-total A (1)	21,453,500	65.26	62,236,000	65.25

at a price of ₹ 40 per Equity Share (including premium of ₹ 30 per Equity Share) aggregating to ₹ 250 crores on a preferential basis.

b) Relevant Date & Price :

As per Chapter VII of the SEBI (ICDR) Regulations, issue of Equity Shares on a preferential basis to an investor, shall be made at a price not less than higher of the following :

The average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the twenty six weeks preceding the relevant date or

The average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the relevant date.

The "Relevant Date" for determining the issue price of the preferential issue of Equity Shares shall be 16th August, 2011 being the date which is 30 days prior to the date on which the Annual General Meeting is to be held to consider the proposed issue under Section 81(1A) of the Companies Act, 1956. As the date of Annual General Meeting of shareholders is on 15th September, 2011 the "Relevant Date" is 16th August, 2011.

The Stock Exchange means Bombay Stock Exchange Ltd. being the exchange where the shares of the Company traded during the preceding six months prior to the Relevant Date.

The average price as computed on the above basis during the six months preceding the Relevant Date is ₹ 21.73 per Equity Share where as during the two weeks preceding the Relevant Date is ₹ 16.51 per Equity Share. Hence the floor price is ₹ 21.73 per Equity Share.

The price at which the preferential issue is being made i.e. ₹ 40 per Equity Share is higher than the floor price computed on the basis of the SEBI (ICDR) Regulations.

c) Intention of Promoters/Directors/Key Management Persons to subscribe to the Offer :

The Promoter group intends to subscribe to the extent of 40,782,500 Equity Shares being 42.76% of the post issue capital of the Company.

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Category	Pre-Issue		Post-Issue	
	No. of shares held	% of shares held	No. of shares held	% of shares held
2. Foreign Promoters'				
Foreign Company	-	-	-	-
Sub-total A (2)	-	-	-	-
Total A (1+2)	21,453,500	65.26	62,236,000	65.25
B. Public Shareholding				
1. Institutional Investors				
Mutual Fund/UTI	-	-	-	-
Financial Institutions/Banks	-	-	-	-
Foreign Institutional Investors	2,734,947	8.32	2,734,947	2.87
Sub-total B (1)	2,734,947	8.32	2,734,947	2.87
2. Non- Institutions				
Bodies Corporate	4,663,258	14.18	26,380,758	27.66
Individuals				
Individual shareholders holding nominal share capital up to ₹ 1 lac	1,632,634	4.97	1,632,634	1.71
Individual shareholders holding nominal share capital in excess of Rs. 1 lac	2,298,887	6.99	2,298,887	2.41
Any Others				
Clearing Members	57,757	0.18	57,757	0.06
NRIs/OCBs	27,842	0.08	27,842	0.03
NRN	6,675	0.02	6,675	0.01
Sub-total B (2)	8,687,053	26.42	30,404,553	31.88
Total B (1+2)	11,422,000	34.74	33,139,500	34.75
Total (A+B)	32,875,500	100.00	95,375,500	100.00
C. Shares held by custodians and against which Depository Receipts have been issued	-	-	-	-
Total C	-	-	-	-
Grand Total (A+B+C)	32,875,500	100.00	95,375,500	100.00

e) Proposed time within which allotment shall be completed :

The allotment of Shares pursuant to this resolution will be completed within 15 days from the passing of this resolution. Provided that if the approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission, as the case may be.

f) Identity and details of the proposed allottees :

Sl No.	Name	Address	Pre-Issue Holding	No. of Shares (Proposed for Allotment)	Post Issue Holding	(%) Holding of Post Issue Capital
1	Arthodock Vinimay Pvt. Ltd.	35, C. R. Avenue, Kolkata - 700 012	1,000	5,353,750	5,354,750	5.61%
2	Invesco Finance Pvt. Ltd.	35, C. R. Avenue, Kolkata - 700 012	2,301,500	8,250,000	10,551,500	11.06%
3	Nucore Exports Pvt. Ltd.	35, C. R. Avenue, Kolkata - 700 012	1,000	7,568,275	7,569,275	7.94%
4	VNG Mercantiles Pvt. Ltd.	35, C. R. Avenue, Kolkata - 700 012	1,000	8,722,975	8,723,975	9.15%

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Sl No.	Name	Address	Pre-Issue Holding	No. of Shares (Proposed for Allotment)	Post Issue Holding	(%) Holding of Post Issue Capital
5	Shreyansh Leafin Pvt. Ltd.	SKP House, 132A, S.P. Mukherjee Road, Kolkata - 700 026	-	5,500,000	5,500,000	5.77%
6	Whitestone Suppliers Pvt. Ltd.	SKP House, 132A, S.P. Mukherjee Road, Kolkata - 700 026	-	5,387,500	5,387,500	5.65%
7	Mayank Securities Pvt. Ltd.	229, A.J.C. Bose Road, Crescent Tower, 5th Floor, Suit No.5B, Kolkata -700 020	-	2,500,000	2,500,000	2.62%
8	Cube Fintex Pvt. Ltd.	229, A.J.C. Bose Road, Crescent Tower, 5th Floor, Suit No.5B, Kolkata -700 020	-	2,500,000	2,500,000	2.62%
9	Axiom Commodore Pvt. Ltd.	63, Radha Bazar Street, Kolkata - 700 001	-	750,000	750,000	0.79%
10	Contra Vanijya Pvt. Ltd.	63, Radha Bazar Street, Kolkata - 700 001	-	750,000	750,000	0.79%
11	Rupa Tracom Pvt. Ltd.	105, Cotton Street, Kolkata - 700 007	-	750,000	750,000	0.79%
12	Deep Commosales Pvt. Ltd.	52/3B, Strand Road, Kolkata - 700 006	-	750,000	750,000	0.79%
13	Chakra Dealtrade Pvt. Ltd.	105, Cotton Street, Kolkata - 700 007	-	750,000	750,000	0.79%
14	Target Advisory Pvt. Ltd.	8, Camac Street, Shantiniketan Building, 4th Floor, Room No. 409, Kolkata - 700 017	-	3,750,000	3,750,000	3.93%
15	Concast Exim Ltd.	21, Hemant Basu Sarani, 5th Floor, Room No. 511/512, Kolkata - 700 001	-	2,500,000	2,500,000	2.62%
16	Concast Ispat Ltd.	21, Hemant Basu Sarani, Mezzanine Floor, Kolkata - 700 001	-	2,500,000	2,500,000	2.62%
17	View Point Advisory Pvt. Ltd.	8, Camac Street, Shantiniketan Building, 4th Floor, Room No. 409, Kolkata - 700 017	-	4,217,500	4,217,500	4.42%

g) Change in control or composition of the Board :

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

h) Auditors' Certificate :

R. Kothari & Company, Chartered Accountants, Statutory Auditors of the Company have certified that the proposed preferential issue is being made in accordance with the requirements contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issue. A copy of the said certificate is available for inspection by the shareholders at the Corporate Office of the Company on all working days except Saturdays, Sundays and

public holidays between 3.00 PM and 5.00 PM prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

i) Lock-in of proposed issue of shares :

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of allotment in terms of Regulation 78 of SEBI Regulations for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment of shares.

Notice

j) Undertaking :

The Company hereby undertakes that :

The Company shall re-compute the price of the specified securities in term of the provisions of these Regulations where it is required to do so.

If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the Regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the Bombay Stock Exchange Ltd. on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless

the shareholders in general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI (ICDR) Regulations require matters to be stated in the resolution which is required to be passed under Section 81 (IA) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis.

The Board recommends the resolution for your approval.

Except Mr. Suresh Kumar Patni, Mr. Ankit Patni & Mr. Rohit Patni being a Promoter Director of Arthodock Vinimay Pvt. Ltd., Invesco Finance Pvt. Ltd., Nucore Exports Pvt. Ltd., VNG Mercantiles Pvt. Ltd., Shreyansh Leafin Pvt. Ltd. and Whitestone Suppliers Pvt. Ltd., none of the Directors of your Company shall be concerned or deemed to be interested in the said resolution.

ADDITIONAL INFORMATION

Disclosure pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (Refer Item No. 2, 3 & 5 of the Notice) :

Name of the Director	Age	Date of Appointment	Brief resume and nature of expertise in functional area	Other Directorships*/Committee Memberships
Mr. Kailash Chand Jain	62 years	28th July, 2006	Mr. Kailash Chand Jain is a Commerce Graduate from Guwahati University, Chartered Accountant from the Institute of Chartered Accountants of India, Company Secretary from Institute of Company Secretaries of India, Cost and Works Accountant from the Institute of Cost and Works Accountant of India along with LLB from Calcutta University. He has an overall experience of 36 years in the field of finance and accounting.	Directorships : Rohit Ferro-Tech Ltd., Vikash Metal & Power Ltd., Shyam Metals & Energy Ltd. Committee Memberships : In Rohit Ferro-Tech Ltd.: - Audit Committee - Remuneration Committee In Vikash Metal & Power Ltd. - Audit Committee - Remuneration Committee In Shyam Metals & Energy Ltd. - Audit Committee
Mr. Jatindra Nath Rudra	74 years	28th July, 2006	Mr. Jatindra Nath Rudra is a Bachelor of Civil Engineering from Jadavpur University and has done his Master of Engineering from Calcutta University. He is also a life member of Institute of Surveyors. He was the CEO of WBIIDC, Government of West Bengal. He was deputed by Government of India for 6 years as Town Engineer, Kabwe, Republic of Zamabia, Africa.	Directorships : Rohit Ferro-Tech Ltd. Committee Memberships : In Rohit Ferro-Tech Ltd. : - Audit Committee - Remuneration Committee - Investor Grievance cum Share Transfer Committee
Mr. Ankit Patni	26 years	8th August, 2003	Mr. Ankit Patni is an MBA from University of Technology, Sydney and CFA from ICFAI University, Bangalore.	Directorships : Rohit Ferro-Tech Ltd., Impex Ferro Tech Ltd., SKP Aviation Services Ltd., Sarita Steel & Power Ltd., Impex Metal & Ferro Alloys Ltd. Committee Memberships : In Impex Ferro Tech Ltd. - Audit Committee

Mr. Ankit Patni holds 900,100 Equity Shares in the Company.

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2011.

Financial Results

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

(₹ in lacs)

	2010-11	2009-10
Net Sales	67,474.58	62,887.79
Profit before Depreciation	4,046.87	2,915.31
Less : Depreciation	1,243.40	1,086.40
Profit Before Tax	2,803.47	1,828.91
Less : Provision for Income Tax including FBT	(909.28)	(52.87)
Add : MAT credit entitlement	530.82	311.23
Net Profit	2,425.01	2,087.27
Add : Balance brought forward	6,222.62	4,135.35
Balance available for Appropriation	8,647.63	6,222.62
Balance carried forward to Balance Sheet	8,647.63	6,222.62

Dividend

Your Directors have not recommended any dividend on Equity Shares for the year under review.

Financial & Operational Review

Net Sales for the year stood to ₹ 674.74 crores registering a growth of 7.29% over previous year. The Profit after Tax (PAT) grew by 16.18% to ₹ 24.25 crores in 2010-11. The Cash Profit before Tax for the year stood at ₹ 40.47 crores compared with ₹ 29.15 crores in the year 2009-10 and Earning Per Share (EPS) grew from ₹ 6.35 in 2009-10 to ₹ 7.38 in 2010-11. The net worth of the Company increased from ₹ 140.65 crores to ₹ 275.40 crores and the Gross Fixed Assets increased from ₹ 196.04 crores to ₹ 208.24 crores. Further, the Capital work-in-progress

during the year ended 31st March, 2011 was ₹ 225.65 crores (P.Y.-₹ 18.92 crores).

New Project and Expansion

The Company has commenced the implementation and installation of 350 TPD Sponge Iron Plant, 15 MT Induction Furnace, 1 lac TPA Wire Rod Mill and a 33 MW Captive Power Plant with a total capital outlay of ₹ 311 crores. The project is expected to be completed in phases within April, 2012.

The Company is also setting up of 0.6 MTPA Iron Ore Pellet Plant, 30 TPD DRI Kiln, RM Pre-Heater, AOD Converter and Railway Siding with a total capital outlay of ₹ 316 crores. The Company has since achieved financial closure with the sanction of ₹ 212 crores as term loan assistance from consortium of bankers for implementation of the project. The implementation of the plant is progressing satisfactorily and the Pellet plant when completed shall provide substantial savings in raw material cost as the Company will be able to deploy iron ore fines in place of iron ore lumps at substantially lower cost for manufacturing iron and steel at its production facility.

Status of Right Issue and Issue of Equity Shares on Preferential Basis

The Company has received statutory approval from SEBI for its proposed right issue to raise a sum aggregating to not more than ₹ 175 crores to part finance its expansion project. The Board of Directors in their meeting held on 12.08.2011 has decided that in view of the enhanced capital requirements and confirmations received from proposed allottees for the preferential allotment the rights issue is being withdrawn. The Board recommends member's approval for the issue of Equity Shares on preferential basis aggregating to ₹ 250 crores to the entities belonging to promoter group and strategic investors belonging to non-promoter group to meet the long term capital needs of the Company including its various expansion schemes under implementation and its long term net working capital requirements.

Changes in Share Capital

During the year under review, the Company has increased its authorised capital from ₹ 60 crores to ₹ 80 crores. The Board has recommended to further increase the authorised share capital from ₹ 80 crores to ₹ 100 crores to accommodate the allotment of shares on a preferential basis.

Directors' Report

Public Deposit

The Company has not accepted any deposits during the year.

Directors

Mr. Kailash Chand Jain & Mr. Jatindra Nath Rudra, Directors of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

Mr. Ankit Patni, Managing Director of the Company, whose terms of appointment expires on 2nd July, 2011 has been re-appointed by the Board of Directors for a further period of five years w.e.f 03.07.2011, subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Management Discussion and Analysis and Corporate Governance

Reports relating to Management Discussion and Analysis, Corporate Governance along with the certificate from the Company Secretary in Practice regarding compliance of Clause 49 of the Listing Agreement with the Stock Exchange forms part of this report.

Directors' Responsibility Statement

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure have been made from the same;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- 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.

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. The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956 and they are not otherwise disqualified within the meaning of sub-section (3) of Section 226 of the Companies Act, 1956 for such appointment.

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

Particulars of Employees

None of the employees of the Company has drawn remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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.

Acknowledgment

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

Date : 12th August, 2011
Place : Kolkata

Suresh Kumar Patni
Chairman

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 :
Effective use of by product gases for Power Generation.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
Installation and commissioning of 25 MW power plant utilizing the waste char & coal fines generated from sponge iron plant. Installation and commissioning of 8 MW power plant by effective use of by product gases. ABC fan at DRI to produce additional heat for utilization in the waste heat boiler in DRI Plant.
- c) Impact of the measures at (a) and (b) above, for

reduction of energy consumption, and consequent impact on cost of production of goods :

Saving in Energy. Effective utilization of waste heat. Effective utilization of coal fines and char.

- 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)

Particulars	2010-11	2009-10
A. Power and fuel consumption		
I. Electricity		
a) Purchased		
Units (lacs-KWH)	597.51	571.25
Total amount (₹ in lacs)	2,410.67	1,797.49
Cost/Unit (₹/KWH)	4.03	3.15
b) Own Generation		
i) Through diesel generation		
Units (lacs-KWH)	0.97	0.84
Unit per litres of high speed diesel (KWH)	4.47	4.67
Cost/Unit (₹/KWH)	8.76	7.49
ii) Through steam turbine/generator		
Units (lacs-KWH)	764.14	780.82
Total amount (₹ in lacs)	1,272.74	1,087.87
Cost/Unit (₹/KWH)	1.67	1.39
2. Coal *		
Quantity (Tonnes)	47,546.61	59,445.50
Total Cost (₹ in lacs)	1,515.45	1,452.51
Average Rate	3,187.28	2,443.43

* used in production of Sponge Iron & Power Plant

Annexure to the Directors' Report

Particulars	2010-11	2009-10
3. Furnace Oil		
Quantity (KL)	1,517.36	2,108.08
Total Cost (₹ in lacs)	432.47	523.83
Average Rate	28,501	24,849
B. Consumption (In Units) Per Tonne of Production		
Electricity (KWH)	544	536
Coal (Tonne)	0.61	0.74
Furnace Oil (Lt.)	21.86	26.65

FORM B

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

A. Research And Development (R&D)

a) Specific Areas in which R&D carried out by the Company	Nil
b) Benefits derived as a result of the above R&D	Nil
c) Future plan of Action	Nil
d) Expenditure on R&D	
Capital	Nil
Recurring	Nil
Total	Nil
Total R&D expenditure as a percentage of total turnover	Nil

B. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :
The Company continues its efforts to improvise and innovate its existing production and manufacturing processes with the objective of conservation of energy and waste utilisation.
2. Benefits derived as a result of the above efforts :
The overall productivity and efficiency has increased.
3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished :
 - a) Technology Imported Nil

- b) Year of Import N.A.
- c) Has technology been fully absorbed N.A.
- d) If not fully absorbed, areas where this has not taken place reasons thereof and future 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 and has taken initiative to increase its exports.
- b) Details of Foreign Exchange used and earned :

	(₹ in lacs)	
	2010-11	2009-10
1. Foreign exchange earned	1,066.39	1,256.67
2. Foreign exchange used	1,425.45	68.15

For and on behalf of the Board

Dated : 12th August, 2011
Place : Kolkata

Suresh Kumar Patni
Chairman

Corporate Governance Report

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 are members of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which they are the Directors. The necessary disclosures regarding changes in their positions have been made by the Directors regularly.

The name and category 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	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	8	-	2	17	Yes
Mr. Ankit Patni	Promoter/ Executive	5	-	1	17	Yes
Mr. Rohit Patni	Promoter/ Executive	6	-	1	16	Yes
Mr. Kailash Chand Jain	Independent/ Non-Executive	3	3	-	14	Yes
Mr. Vijay Kumar Jain	Independent/ Non-Executive	1	1	-	8	No
Mr. Jatindra Nath Rudra	Independent/ Non-Executive	1	-	2	14	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 Investors Grievance 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.

Corporate Governance Report

Meetings

Seventeen (17) Board Meetings were held during the financial year 2010-11 and the gap between two Board Meetings did not exceed four months. The dates on which Board Meetings were held are as follows :

16th April, 2010; 12th May, 2010; 5th June, 2010; 6th July, 2010; 10th August, 2010; 23rd August, 2010; 9th September, 2010; 18th September, 2010, 12th November, 2010; 2nd December, 2010; 28th December, 2010; 8th January, 2011; 10th January, 2011; 24th January, 2011; 7th February, 2011; 10th February, 2011; 23rd February, 2011.

Notes :

Board Meetings are held at the Registered and Corporate Office of the Company. The agenda along with explanatory notes are sent in advance to the Directors to get their input in the discussion.

The information as required under Annexure IA 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

The 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, 2011.

For **Ankit Metal & Power Limited**

Date : 12th August, 2011
Place : Kolkata

Ankit Patni
Managing Director

Committees of Directors

I. 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 and scopes and review of information in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges.
- c) The Audit Committee consisting of three Non-Executive Directors, of whom 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 8th September, 2010.
- d) The Annual Accounts for the year ended 31st March, 2011 were duly reviewed by the Audit Committee at its meeting held on 30th May, 2011 prior to adoption by the Board.
- e) The Audit Committee met four times during the year i.e. on 12th May, 2010; 10th August, 2010; 12th November, 2010 and 10th February, 2011 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 and 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 Independent Directors. The composition of the Remuneration Committee is :

Name	Position held
Mr. Jatindra Nath Rudra	Chairman
Mr. Vijay Kumar Jain	Member
Mr. Kailash Chand Jain	Member

Corporate Governance Report

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 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.

During the year under review, no meeting of the Remuneration Committee was held.

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, 2011 is :

Name	Salary paid (₹)	Period of Contract	
		From	To
Mr. Ankit Patni*	36,00,000	3rd July, 2006	2nd July, 2011
Mr. Rohit Patni	24,00,000	27th August, 2007	26th August, 2012

* Mr. Ankit Patni has been re-appointed as Managing Director of

the Company by the Board, on the recommendation of the Remuneration Committee, in its meeting held on 30th June, 2011 w.e.f. 3rd July, 2011 for a further period of 5 (five) years, subject to the approval of the members at the ensuing Annual General Meeting.

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 AGM to answer the shareholders' queries.

Shareholding and sitting fees of Non-Executive Directors :

Name	Sitting Fee paid (₹)	No. of Shares
Mr. Suresh Kumar Patni	49,500	505,000
Mr. Kailash Chand Jain	42,000	Nil
Mr. Jatindra Nath Rudra	44,500	Nil
Mr. Vijay Kumar Jain	22,500	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 has met once on 31st March, 2011.

Corporate Governance Report

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

Status of Investors' Complaints :

Number of complaints received during the year	1
Number of complaints resolved upto 31st March, 2011	1
Number of complaints not solved to the satisfaction of shareholders	N.A.
Number of complaints pending as on 31st March, 2011	Nil

There were no pending requests for transfer of shares of the Company as on 31st March, 2011.

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

General Body Meetings

AGM :

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

Financial Year	Date	Time	Place
2007-08	25th September, 2008	3.30 PM	'Rotary Sadan' 94/2, Chowringhee Road Kolkata-700 020.
2008-09	22nd September, 2009	10 AM	'Rotary Sadan' 94/2, Chowringhee Road Kolkata-700 020.

Financial Year	Date	Time	Place
2009-10	8th September, 2010	10 AM	'Rotary Sadan' 94/2, Chowringhee Road Kolkata-700 020.

Special resolutions passed at last three AGMs :

Financial Year	Number
2007-08	None
2008-09	None
2009-10	One

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-16 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.

Corporate Governance Report

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 part of this 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, 2011 has been

placed before the Board in the meeting held on 30th May, 2011.

Means of Communication with Shareholders

- The Company regularly publishes its quarterly and annual results in the English newspaper - "The Economics Times/The Financial Express/The Times of India" and in a local vernacular newspaper - "Dainik Statesman/Aaj Kal" widely circulated in West Bengal. Hence, the quarterly results are not sent to all the households of shareholders.
- The quarterly and annual results of the Company and shareholding pattern are also posted on the Company's website at www.ankitmetal.com. All important announcements and official news releases made by the Company from time to time are posted on the Company's website for the interest of the investors and public at large.
- The presentation as and when made to analysts will be simultaneously displayed on the website of the Company.

General Shareholders Information

9th Annual General Meeting (AGM)

- Day, Date, Time and Venue** : Thursday, 15th September 2011 at 3:00 PM 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata-700020
- Financial Year** : 1st April to 31st March
- Date of Book Closure** : 8th September, 2011 to 15th September, 2011 (Both days inclusive)
- Financial Calendar** : 1st April, 2011 to 31st March, 2012

Unaudited financial results for :

First quarter	Already disclosed on 12th August, 2011
Second quarter	Within 45 days from the end of the quarter
Third quarter	Within 45 days from the end of the quarter
Fourth quarter /Financial Year	Within 60 days from the end of the quarter /Financial Year

Annual General Meeting : On or before 30th September, 2012

- Dividend Payment Date** : N.A.

Corporate Governance Report

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 fees for the year 2011-12 has been paid to the Stock Exchange 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

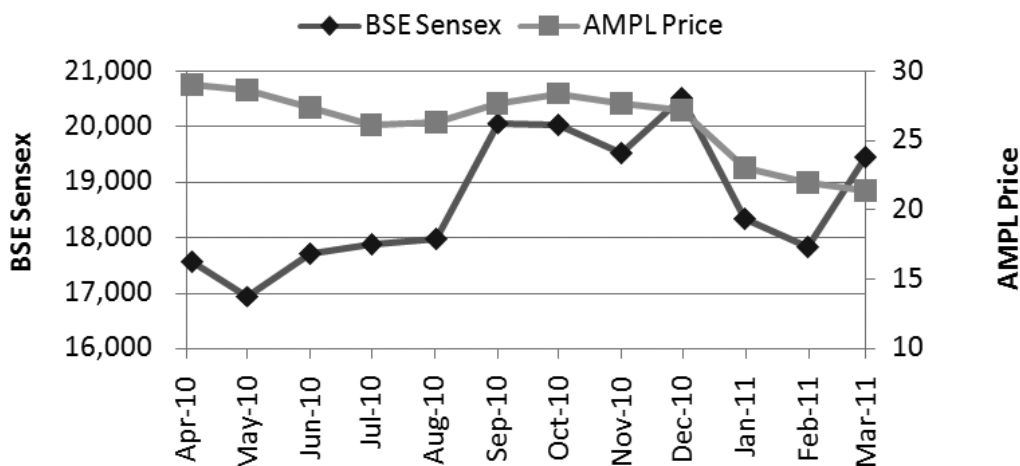
9. Market Price Data

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

Month	Bombay Stock Exchange Ltd.		
	High Price(₹)	Low Price(₹)	Volume
April, 2010	31.90	26.55	6,309,940
May, 2010	31.95	26.10	21,860,485
June, 2010	29.00	25.50	5,526,800
July, 2010	33.75	26.00	74,261,041
August, 2010	29.00	23.55	14,017,599
September, 2010	29.90	25.85	12,462,557
October, 2010	31.60	25.05	13,665,911
November, 2010	34.00	27.00	17,515,652
December, 2010	29.45	20.00	6,928,427
January, 2011	27.50	22.80	2,795,958
February, 2011	24.60	18.65	2,429,291
March, 2011	23.50	19.10	1,527,723

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

Share Performance in Relation to BSE Sensex



Corporate Governance Report

11. Shareholding Pattern as on 31st March, 2011 :

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	7	18,943,000	57.62
Total (A)	11	21,453,500	65.26
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	2,734,947	8.32
Sub-total (B1)	4	2,734,947	8.32
2. Non-Institutional Investors			
a. Resident Individuals	3,337	3,801,963	11.56
b. Bodies Corporates	147	4,822,761	14.67
Sub-total (B2)	3,484	8,624,724	26.23
3. Others			
a. Non-Resident Individuals	22	27,127	0.08
b. Clearing Member	26	28,777	0.09
c. NRN	4	6,425	0.02
Sub-total (B3)	52	62,329	0.19
Total (B = B1 + B2 + B3)	3,540	11,422,000	34.74
Grand Total (A+B)	3,551	32,875,500	100.00

12. Distribution of Shareholding as on 31st March, 2011 :

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 to 5,000	3,419	96.28	1,378,370	4.19
5,001 to 10,000	54	1.52	402,101	1.22
10,001 to 20,000	26	0.73	395,241	1.20
20,001 to 30,000	13	0.37	339,639	1.03
30,001 to 40,000	4	0.11	144,189	0.44
40,001 to 50,000	6	0.17	275,069	0.84
50,001 to 100,000	9	0.25	655,560	1.99
100,001 and above	20	0.56	29,285,331	89.08
Total	3,551	100.00	32,875,500	100.00

Corporate Governance Report

13. Dematerialisation of Shares and Liquidity as on 31st March, 2011 :

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in dematerialised form in NSDL	23,750,275	72.25
Shares held in dematerialised form in CDSL	3,065,104	9.32
Shares held in physical form	6,060,121	18.43
Total	32,875,500	100.00

14. Registrar and Share Transfer Agent :

Link Intime India Pvt. Ltd.

Unit : Ankit Metal & Power Ltd.

59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020

Phone : +91 33 2289 0540, Fax : + 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, M/s 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 Ltd.

'SKP HOUSE'

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

Phone : + 91 33 4016 8000/8100, Fax : + 91 33 40168107/8189

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 :

Corporate Office : 'SKP HOUSE'

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

Phone : +91 33 4016 8000/8100

Fax : + 91 33 4016 8107/8189

Registered Office : 35, Chittaranjan Avenue, Kolkata - 700 012

Phone : +91 33 2211 9805/06

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.

Corporate Governance Report

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.

For and on behalf of the Board

Date : 12th August, 2011

Place : Kolkata

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

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

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

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

For **A J & ASSOCIATES**

Company Secretaries

Date : 12th August, 2011

Place : Kolkata

Abhijeet Jain

Proprietor

C.P. No. 3426

AUDITORS' REPORT

To
The Members of
Ankit Metal & Power Limited

1. We have audited the attached Balance Sheet of ANKIT METAL & POWER LIMITED as at 31st March, 2011, the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibilities of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011, 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 read together with the notes appearing thereon as per Schedule-19¹ annexed 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, 2011;
 - (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.

For **R. KOTHARI & COMPANY**
Chartered Accountants
FRN : 307069E

K.C. Soni
Partner

Membership No. 057620

Dated : 30th day of May, 2011
Place : Kolkata

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 regard 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, which would affect the going concern of the Company.
- (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 nine (9) parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 6,634 lacs and the year-end balance of loans taken from such companies was ₹ 201 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 prima facie not 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 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, fixed assets and the sale of goods. During the course of our audit, we have not observed any major weaknesses 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.

ANNEXURE TO THE AUDITORS' REPORT

- (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 there under are not applicable.
- (vii) In our opinion, there is Internal Audit System of the Company commensurate with the size of the Company and the nature of its business. However, the scope of 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.
- (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, 2011 with the appropriate authorities on account of any dispute except the following cases which are as follows:

Name of the Statute	Nature of Dues	₹ in lacs	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	21.11 (Already paid under protest ₹ 11.11 lacs)	A.Y. 2006-07	Commissioner of Income Tax (Appeals)-I, Kolkata.
Income Tax Act, 1961	Income Tax	3.54	A.Y. 2007-08	Additional Commissioner of Income Tax (Appeals)-I, Kolkata.
Income Tax Act, 1961	Income Tax	217.90 (Already paid under protest ₹ 50 lacs)	A.Y. 2008-09	Additional Commissioner of Income Tax (Appeals)-III, Kolkata.
Income Tax Act, 1961	Income Tax	10.32	A.Y. 2009-10	Deputy Commissioner of Income Tax Circle-III, Kolkata.
W.B.VAT Act, 2003	Sales Tax	215.65	F.Y. 2005-06	Sr. Joint Commissioner of Commercial taxes, Dharmtala Circle.
W.B.VAT Act, 2003	Sales Tax	815.00	F.Y. 2006-07	Sr. Joint Commissioner of Commercial taxes, Dharmtala Circle.
W.B.VAT Act, 2003	Sales Tax	539.04	F.Y. 2007-08	Sr. Joint Commissioner of Commercial taxes, Durgapur Circle.
Central Excise Act, 1944	Central Excise	4.46 (Already paid under protest ₹ 5.05 lacs)	F.Y. 2010-11	Assistant Commissioner of Central Excise
W.B.VAT Act, 2003	Sales Tax (Non Submission of Sales Tax Declaration in Form "C")	136.82	F.Y. 2010-11	Hon'able Court, Calcutta

ANNEXURE TO THE AUDITORS' REPORT

- (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) The Company had not raised any money by way of Public issue during the year under report.
- (xxi) 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

FRN : 307069E

K.C. Soni

Partner

Membership No. 057620

Dated : 30th day of May, 2011

Place : Kolkata

Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	31.03.2011	31.03.2010
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	328,755,000	328,755,000
b) Reserves and Surplus	2	1,320,206,600	1,077,705,572
2. Share Application Money Pending Allotment		1,107,561,951	-
(Refer Note No. B-2 in Schedule 19)			
3. Loan Funds			
a) Secured	3	2,632,232,555	1,245,753,515
b) Unsecured	4	694,498,936	540,377,753
4. Deferred Tax Liability		122,801,232	85,872,623
(Refer Note No. B-12 in Schedule 19)			
Total		6,206,056,274	3,278,464,463
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	2,082,445,694	1,960,402,390
Less : Depreciation		422,201,673	297,861,994
Net Block		1,660,244,021	1,662,540,396
b) Capital Work-in-Progress		2,256,548,118	189,227,762
2. Investments	6	300,000	150,000
3. Current Assets, Loans & Advances			
a) Inventories	7	1,521,598,573	911,531,782
b) Sundry Debtors	8	1,128,607,460	963,454,160
c) Cash & Bank Balances	9	161,660,262	107,509,366
d) Loans & Advances	10	1,060,365,945	476,427,576
		3,872,232,240	2,458,922,884
e) Less : Current Liabilities & Provisions	11	1,585,852,808	1,032,376,579
Net Current Assets		2,286,379,432	1,426,546,305
4. Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Right Issue Expenses		2,584,703	-
Total		6,206,056,274	3,278,464,463
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

For & on behalf of the Board

K.C.Soni

Partner

Membership No. 057620

Suresh Kumar Patni

(Chairman)

Ankit Patni

(Managing Director)

Dated : 30th day of May, 2011

Place : Kolkata

Chandra Kr. Jain

(Company Secretary)

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

	Schedule	31.03.2011	31.03.2010
(Amount in ₹)			
INCOME			
Sales		7,423,547,482	6,873,091,734
Less : Excise Duty/Vat		676,089,338	584,312,255
Net Sales		6,747,458,144	6,288,779,479
Other Income	12	146,074,017	74,124,377
Increase/(Decrease) in Closing Stocks	13	299,941,327	109,574,178
		7,193,473,488	6,472,478,034
EXPENDITURE			
Raw Materials Consumed	14	3,991,415,085	3,922,630,295
Manufacturing & Other Expenses	15	2,459,986,107	2,015,090,956
Payments to & Provisions for Employees	16	53,004,252	37,025,370
Administrative, Selling & Other Expenses	17	104,309,704	73,318,765
Interest & Financial Charges	18	180,071,502	132,881,156
Depreciation (Net)		124,339,679	108,640,012
		6,913,126,329	6,289,586,554
Profit Before Tax		280,347,159	182,891,480
Provision For Taxation :			
- Current		(54,000,000)	(31,122,602)
- Deferred		(36,928,609)	25,835,058
- Deferred MAT Credit Entitlement		53,082,478	31,122,602
Profit After Tax		242,501,028	208,726,538
Surplus from earlier year		622,261,793	413,535,255
Balance Carried to Balance Sheet		864,762,821	622,261,793
Earning Per Shares - Basic/Diluted (Refer Note No. B-15 in Schedule 19)		7.38	6.35
Significant Accounting Policies & Notes on Accounts	19		

Schedule 12 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

For & on behalf of the Board

K.C.Soni

Partner

Membership No. 057620

Suresh Kumar Patni

(Chairman)

Ankit Patni

(Managing Director)

Dated : 30th day of May, 2011

Place : Kolkata

Chandra Kr. Jain

(Company Secretary)

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

(Amount in ₹)

	Year ended 31.03.2011		Year ended 31.03.2010	
A. Cash Flows from Operating Activities				
Net Profit before Tax & Extraordinary Items		280,347,159		182,891,480
Adjustments for :				
Depreciation	124,339,679		108,640,012	
Interest Income	(6,690,593)		(6,197,642)	
Interest Expenses	180,071,502		132,881,156	
Exchange Fluctuation	(2,743,682)	294,976,906	1,221,956	236,545,482
Operating Profit before Working Capital Changes		575,324,065		419,436,962
Adjustments for :				
Trade & Other Receivables	(705,040,430)		(169,697,714)	
Inventories	(610,066,791)		(139,861,102)	
Trade Payables & Other Liabilities	546,984,737	(768,122,484)	65,103,306	(244,455,510)
Cash Generated from Operations		(192,798,419)		174,981,452
Income Taxes Paid		(47,530,508)		(3,119,473)
Exchange Fluctuation		2,743,682		(1,221,956)
Net Cash from Operating Activities		(237,585,245)		170,640,023
B. Cash Flows from Investing Activities				
Purchase of Fixed Assets & Capital W.I.P.	(2,189,363,660)		(250,877,045)	
Capital Subsidy Received	-		25,000,000	
Interest Subsidy Received	23,000,000		-	
Right Issue Expenses	(2,584,703)		-	
Interest Received	2,721,833		2,449,621	
Investment in Shares & Others	(150,000)		-	
Fixed Deposits	(14,695,491)		(11,079,769)	
Net Cash from Investing Activities		(2,181,072,021)		(234,507,193)
C. Cash Flows from Financing Activities				
Proceeds from Borrowings	1,540,600,222		265,541,132	
Proceeds from Share Capital	1,107,561,951		-	
Interest Paid	(190,049,501)		(178,090,033)	
Net Cash used in Financing Activities		2,458,112,672		87,451,099
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		39,455,406		23,583,930
Cash and Cash Equivalents at the beginning of the period		32,431,325		8,847,395
Cash and Cash Equivalents at the end of the period		71,886,731		32,431,325

Note :

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

For **R. Kothari & Company**

Chartered Accountants

For & on behalf of the Board

K.C.Soni

Partner

Membership No. 057620

Suresh Kumar Patni

(Chairman)

Ankit Patni

(Managing Director)

Dated : 30th day of May, 2011

Place : Kolkata

Chandra Kr. Jain

(Company Secretary)

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

(Amount in ₹)

	31.03.2011	31.03.2010
SCHEDULE 1 SHARE CAPITAL		
Authorised :		
80,000,000 Equity Shares of ₹ 10 each (P.Y.- 60,000,000 Equity Shares of ₹ 10 each)	800,000,000	600,000,000
Issued, Subscribed & Paid-up :		
32,875,500 Equity Shares of ₹ 10 each fully paid up in Cash (P.Y.- 32,875,500 Equity Shares of ₹ 10 each)	328,755,000	328,755,000
	328,755,000	328,755,000
SCHEDULE 2 RESERVE & SURPLUS		
Profit & Loss Account (As Per Account Annexed)	864,762,821	622,261,793
Securities Premium Account (As Per Last Account)	455,443,779	455,443,779
	1,320,206,600	1,077,705,572
SCHEDULE 3 SECURED LOANS		
Term Loan from Banks	1,301,356,034	401,372,734
Working Capital Loan from Banks	1,328,720,201	751,041,292
Short Term Loan from Banks	-	90,000,000
Auto Loan from Bank (Against Hypothecation)	2,156,320	3,339,489
	2,632,232,555	1,245,753,515

- 1) Term Loans 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 basis & 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 shares of promoters.
- 2) Term Loan for expansion project of Sponge Iron Plant, Captive Power Plant, Wire Rod Mills & Steel Melting Shop are 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 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 shares of promoter directors.
- 4) Installment due within next year in respect of Term Loans are ₹ 1,158.37 lacs (P.Y.-₹ 1,664.43 lacs).
- 5) Installment due within next year in respect of Short Term Loans are ₹ NIL (P.Y.-₹ 900.00 lacs).
- 6) Installment due within next year in respect of Auto Loan is ₹ 13.98 lacs (P.Y.-₹ 15.43 lacs)

SCHEDULE 4 UNSECURED LOANS

From Banks (Personal Guarantee by the Promoter Directors)	240,163,798	38,046,311
Bridge Loan (Against Subsidy Receivable)	19,410,463	21,271,749
From Bodies Corporates	434,924,675	481,059,693
	694,498,936	540,377,753

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

SCHEDULE 5 | FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2010	Additions during the year	Deduction/adjustment during the year	As on 31.03.2011	Upto 31.03.2010	For the year	Deduction/adjustment during the year	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
Land	14,794,489	-	-	14,794,489	-	-	-	-	14,794,489	14,794,489
Factory Building	356,972,985	29,151,004	-	386,123,989	32,202,045	12,261,672	-	44,463,717	341,660,272	324,770,940
Other than Factory Building	6,094,398	-	-	6,094,398	442,807	99,339	-	542,146	5,552,252	5,651,591
Plant & Machinery	1,328,765,815	77,300,811	-	1,406,066,626	231,697,529	98,359,111	-	330,056,640	1,076,009,986	1,097,068,286
Electrical Installations	231,454,028	-	-	231,454,028	26,004,412	10,994,066	-	36,998,478	194,455,550	205,449,616
Air Conditioner	261,920	3,871,397	-	4,133,317	27,338	81,688	-	109,026	4,024,291	234,582
Office Equipments	788,135	667,780	-	1,455,915	167,284	80,434	-	247,718	1,208,197	620,851
Computers	2,435,081	3,643,425	-	6,078,506	1,202,017	510,735	-	1,712,752	4,365,754	1,233,064
Motor Cars	16,211,590	680,414	-	16,892,004	5,357,617	1,652,190	-	7,009,807	9,882,197	10,853,973
Furniture & Fixtures	2,623,949	6,728,473	-	9,352,422	760,945	300,444	-	1,061,389	8,291,033	1,863,004
TOTAL	1,960,402,390	122,043,304	-	2,082,445,694	297,861,995	124,339,679	-	422,201,673	1,660,244,021	1,662,540,396
Previous Year	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	-
Capital Work-in-Progress including advances	189,227,762	2,189,363,660	122,043,304	2,256,548,118	-	-	-	-	-	-

31.03.2011 31.03.2010

SCHEDULE 6 | INVESTMENTS

Long Term Investment

Trade Investment

Unquoted Shares :

SKP Power Ventures Ltd.

(10,000 Equity Shares @ ₹ 10 each at face value)

SKP Aviation Services Ltd.

(10,000 Equity Shares @ ₹ 10 each at face value)

Other than Trade Investment

6 Years National Saving Certificate (VIII Issue)

100,000 100,000

100,000 -

100,000 50,000

300,000 150,000

SCHEDULE 7 | INVENTORIES

(As taken, valued & certified by the management)

Raw Materials 879,316,000 575,235,596

Stores & Spares 56,288,363 50,243,303

Work-in-Progress 124,355,168 76,104,015

Finished Goods 461,639,042 209,948,868

1,521,598,573 911,531,782

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

(Amount in ₹)

	31.03.2011	31.03.2010
SCHEDULE 8 SUNDRY DEBTORS		
Secured, Considered Good		
Unsecured, Considered Good :		
- Due For More Than 6 Months	43,269,815	28,848,036
- Others Debts	1,085,337,645	934,606,124
	1,128,607,460	963,454,160
SCHEDULE 9 CASH & BANK BALANCES		
Cash in Hand (As Certified by the Management)	204,259	1,800,148
Balances with Scheduled Banks		
- In Current Accounts	71,682,471	29,301,254
- In Cash Credit Accounts	-	1,329,923
In Public Issue Account		
- HDFC Bank Ltd. - Refund Account (Balance Lying In Escrow Account)	24,512	24,512
In Dividend Account		
- IDBI Bank Ltd.	107,690	107,690
On Fixed Deposit Account (Pledged as margin for Letter of Credit & Bank Guarantees)	89,641,330	74,945,839
	161,660,262	107,509,366
SCHEDULE 10 LOANS & ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
- To Suppliers & Others	655,346,818	209,085,346
Balance with Excise/Sale Tax Departments	101,451,971	17,306,587
Excise Duty Paid Under Protest	-	12,000,000
Sale Tax Paid Under Protest	2,500,000	2,500,000
Security & Other Deposits	16,837,831	5,597,809
Interest Accrued but not due	9,049,439	5,080,680
Subsidy Receivable (Refer Note No. A-7 of Schedule-19)	161,454,643	175,898,772
MAT Credit Entitlement (Refer Note No. A-10(a) of Schedule-19)	99,192,706	46,110,228
Prepaid Expenses	10,943,258	583,876
Export Incentive Receivable	3,589,279	2,264,278
	1,060,365,945	476,427,576

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

(Amount in ₹)

	31.03.2011	31.03.2010
SCHEDULE 11 CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Due to Micro, Small & Medium Enterprises	-	-
- Due to Others		
For Goods	1,031,146,260	581,061,269
For Capital Goods	192,629,231	71,857,510
For Expenses & Others	108,391,778	93,766,910
Advance from Parties	207,740,921	257,412,594
Interest Accrued but not due	22,001	24,453
Liabilities for Statutory Dues	14,701,539	3,827,966
Unclaimed Dividends (There is no amount due & outstanding to be credited to Investor Education & Protection Fund)	107,690	107,690
Share Application Money Refundable	24,512	24,512
	1,554,763,932	1,008,082,904
Provisions		
For Gratuity	898,011	572,302
For Taxation (Net of Advance Tax & TDS)	30,190,865	23,721,373
	1,585,852,808	1,032,376,579

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

SCHEDULE 12 OTHER INCOME

Interest on Deposits (TDS ₹ 6.77 lacs, P.Y.- ₹ 6.38 lacs)	6,690,593	6,197,642
Discount & Rebates	15,762	-
Commission Income (TDS ₹ 136.24 lacs, P.Y.- ₹ 21.06 lacs)	132,842,238	63,648,612
Exchange Fluctuation Gain	2,743,682	-
Export Incentive	3,781,742	4,272,517
Prior Period Income	-	5,113
Sundry Balances Written Back	-	493
	146,074,017	74,124,377

SCHEDULE 13 INCREASE/(DECREASE) IN CLOSING STOCKS

Closing Stock of Finished Goods	461,639,042	209,948,868
Closing Stock of Work-in-Progress	124,355,168	76,104,015
	585,994,210	286,052,883
Less : Opening Stock of Finished Goods	(209,948,868)	(148,212,932)
Opening Stock of Work-in-Progress	(76,104,015)	(28,265,773)
	299,941,327	109,574,178

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

(Amount in ₹)

	31.03.2011	31.03.2010
SCHEDULE 14 RAW MATERIALS CONSUMED		
Opening Stock	575,235,596	559,946,872
Add : Purchases (including transit)	4,295,495,489	3,937,919,019
	4,870,731,085	4,497,865,891
Less : Closing Stock	879,316,000	575,235,596
	3,991,415,085	3,922,630,295
SCHEDULE 15 MANUFACTURING & OTHER EXPENSES		
Manufacturing Cost	47,569,473	41,914,108
Power & Fuel	289,137,003	240,683,864
Store & Spares Consumable	111,212,136	88,226,528
Trading Purchases	1,969,846,861	1,629,654,309
Repair & Maintenance		
- Factory Building	536,195	172,761
- Plant & Machinery	4,849,949	4,867,445
Water Charges	373,000	371,460
Machinery & Equipments Hire Charges	-	878,126
Excise Duty (Refer Note No. B-5 of Schedule-19)	36,461,490	8,322,355
	2,459,986,107	2,015,090,956
SCHEDULE 16 PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salary, Wages & Bonus	40,888,657	28,095,576
P.F. & Other Allowance	1,672,340	819,624
Staff & Labour Welfare	4,443,255	2,110,170
Managerial Remuneration	6,000,000	6,000,000
	53,004,252	37,025,370
SCHEDULE 17 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Advertisement Charges	6,005,756	6,644,851
Selling & Other Charges	18,028,260	12,616,870
Hire Charges	2,293,206	1,828,544
Insurance Charges	2,726,003	4,310,307
Commission & Brokerage	646,721	438,443
Travelling & Conveyance	2,483,188	2,526,867
Bank Charges	39,565,282	15,863,987
Sales Promotion	8,821,702	9,380,833
Loss on Exchange Fluctuation	-	1,221,956
Security Service Charges	6,289,604	5,216,310
Rent, Rates & Taxes	1,819,931	1,076,190
Telephone Charges	1,971,001	1,351,783
Auditors Remuneration		
- For Audit	250,000	125,000
- For Tax Audit	50,000	25,000
- Others	171,000	87,000

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

(Amount in ₹)

	31.03.2011	31.03.2010
SCHEDULE 17 ADMINISTRATIVE, SELLING & OTHER EXPENSES Contd.		
Repairs & Maintenance to Others	370,355	481,773
Donation, Membership & Subscriptions	528,466	493,828
Discount & Rebate	-	1,009,525
Legal & Professional Charges	5,458,328	3,090,564
Printing & Other Charges	1,684,064	1,725,064
Car Running & Maintenance Expenses	1,595,453	1,061,220
Prior Period Expenses	60,006	236,511
Miscellaneous Expenses	2,959,578	2,369,156
Sundry Balance Written Off	531,800	137,183
	104,309,704	73,318,765
SCHEDULE 18 INTEREST & FINANCIAL CHARGES		
Interest		
- On Term Loan	30,662,007	23,508,850
- On Others	117,184,691	98,989,216
Interest on Body Corporate Loans	31,896,927	10,208,140
Motor Car Finance Charges	327,877	174,950
	180,071,502	132,881,156

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(Annexed to as forming part of accounts for the year ended 31st March, 2011)

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 capitalised 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 crystallisation in respect of fixed assets are deducted from the cost of respective assets.

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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 the 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. 19th May, 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.

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

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Sheet date. Actuarial gain/loss is recognised immediately in the statement of Profit and 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 recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

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 31st March, 2011 amounting to ₹ 1,050.00 lacs (P.Y.-₹ 1,259.02 lacs).
 - b) In respect of Letter of Credit amounting to ₹ 1,218.15 lacs (P.Y.-₹ 508.92 lacs) & Bank Guarantee amounting to ₹ 135.20 lacs (P. Y.-₹ 254.55 lacs).
 - c) Commitments against Capital Expenditure not provided in the accounts (Net of Advances) ₹ 4,650.45 lacs (P. Y.-₹ 1,238.35 lacs).
 - d) Relating to Assessment year 2006-07, 2007-08, 2008-09 & 2009-10 a demand of ₹ 21.11 lacs, ₹ 3.54 lacs, ₹ 217.90 lacs & ₹ 10.32 lacs was raised by the D.C.I.T., Circle-3, Kolkata against which the Company has filed a appeal. An amount of ₹ 11.11 lacs was paid under protest relating to year 2006-07 and ₹ 50.00 lacs relating to year 2008-09.
 - e) Relating to Financial year 2005-06, 2006-07 & 2007-08, a demand of ₹ 215.65 lacs, ₹ 815.00 lacs & ₹ 539.04 lacs respectively were raised by the Sales Tax department against which appeal has been filed by the Company.
 - f) A sum of ₹ 4.46 lacs was raised by Assistant Commissioner of Central Excise, Bolpur, as per Show Cause Notice for which ₹ 5.05 lacs has been paid by the Company.
 - g) A Civil suit has been filed before Hon'able Court, Calcutta against the Company on 4th February, 2011 for a sum of ₹ 136.82 lacs for non payment of rejected material alongwith interest and penalty for non-submission of Sales Tax Declaration in Form "C".
2. Draft Letter of Offer for issue of Equity Shares on right basis to the existing shareholders of the Company has been approved by Securities and Exchange Board of India (SEBI) subject to compliance of certain observation contained therein. Pursuant to above, the Company has received Share application money from the Promoters & Promoter's Group amounting to ₹ 1,1075.62 lacs shown under the head "Share Application Money - Pending Allotment".

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

3. 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-13 hereunder).
4. Interest of ₹ 21.30 lacs (P.Y.-₹ 61.07 lacs) capitalised during the year as identified for acquisition & construction of qualifying assets and a sum of ₹ 850.90 lacs (P.Y.-₹ 34.32 lacs) transferred to pre-operative expenses as a borrowing cost.
5. a) Excise duty payable on Closing Stock of Finished Goods valued at ₹ 421.84 lacs (P.Y.-₹ 196.05 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.
b) Excise duty includes ₹ 138.82 lacs paid as per the Directions given by the Custom & Central Excise Settlement Commission, Additional Bench, Kolkata as per Final Order no. F-247/CE/10-SC(KB) dated 26th November, 2010.
6. Sundry creditors includes ₹ NIL (P.Y.-₹ NIL) due to Micro, Small & Medium Enterprises to the extent such parties have been identified from the available documents/information.
7. a) Debtors include ₹ 6.07 lacs (₹ 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 goods and fully recoverable, hence no provision has been made in the accounts at this regards.
b) Debtors includes ₹ 22.90 lacs (₹ NIL) for which legal case has been filed for recovery under Section 138 of Negotiable Instrument Act, 1881. Since the amount is recoverable in the opinion of management, no provision has been made therefore.
8. Certain balances of the Sundry Creditors, Sundry Debtors, Unsecured Loan and Advances are subject to confirmation.
9. 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.
10. **Disclosure pursuant to Accounting Standard-15 (Revised) "Employee Benefits" :**
 - a. Defined Contribution Plan : Amount of ₹ 8.98 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 :**

	(₹ in lacs)	
	Gratuity	
	2010-11	2009-10
a. Present Value of Defined Benefit Obligation at the beginning of the year	18.50	11.44
b. Interest Cost	1.48	0.91
c. Current Service Cost	5.97	4.75
d. Actuarial Losses/(Gains)	-	1.40
e. Benefits Paid	(0.86)	-
f. Present Value of Defined Benefit Obligation at the close of the year	25.09	18.50

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

	2010-11	2009-10
a. Fair Value of Plan Assets at the beginning of the year	17.52	11.48
b. Add : Expected Return on Plan Assets	2.10	1.34
c. Add/(Less) : Actuarial Losses/(Gains)	-	-
d. Add : Contributions	6.94	4.70
e. Less : Benefits Paid	-	-
f. Fair Value of Plan Assets at the close of the year	26.56	17.52

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- 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 :

	2010-11	2009-10
a. Present Value of Defined Benefit Obligation	25.09	18.50
b. Less : Fair Value of Plan Assets	26.56	17.52
c. Present Value of funded obligation	1.47	(0.98)
d. Net (Liability)/Assets recognised in the Balance Sheet	(1.47)	0.98

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

	2010-11	2009-10
a. Current Service Cost	5.97	4.75
b. Interest Cost	1.48	0.91
c. Expected return on Plan Assets	(2.10)	(1.34)
d. Actuarial Losses/(Gains)	(0.86)	1.40
e. Past Service Costs	-	-
f. Effect of curtailment/settlement	-	-
g. Recognised in the Profit and Loss Account	4.49	5.72

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

	2010-11	2009-10
Qualifying Insurance Policy	YES	YES

- vi. Actuarial Assumptions as at the Balance Sheet date :

	2010-11	2009-10
a. Discount Rate	8.00%	8.00%
b. Salary Escalation Rate	3.15%	4.00%

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

11. Segment Reporting :

The Company's business activity primarily falls within a single business segment i.e., Iron & Steel business. However, the Company also generates 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 AS-17.

Particulars	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Unit Generated (KWH)	76,414,108	78,081,736

12. The component of deferred tax liabilities/assets as on 31st March, 2011 are as under :

	(₹ in lacs)	
	31.03.2011	31.03.2010
Components of Deferred Tax Liabilities		
Differential Depreciation	1,381.23	1,288.05
Components of Deferred Tax Assets		
Unabsorbed Depreciation	134.41	389.02
Others	18.81	40.31
Net Deferred Tax Liability	1,228.01	858.73

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

13. Capital Work-in-Progress includes pre-operative expenses pending allocation of fixed assets :

	(₹ in lacs)	
	31.03.2011	31.03.2010
Bank Charges	132.58	96.67
Commission & Brokerage	3.22	-
Foreign Tour Expenses	1.36	-
General Expenses	35.12	-
Hire Charges	56.96	-
Insurance Premium	20.92	-
Interest on Secured Loan	648.17	1.42
Interest on Unsecured Loan	202.73	32.90
Legal & Professional Fees	126.15	8.82
Material Expenses	81.10	-
Material Handling Charges	11.10	-
Misc. Expenses	1.48	-
Motor Car Maintenance	12.20	-
Pellet Expenses	12.75	-
Power Charges	256.83	-
Registration & License Fees	27.73	30.44
Repairs & Maintenance	4.64	-
Salary	53.05	6.75
Security Expenses	7.65	2.99
Telephone Expenses	2.75	-
Total	1,698.49	179.99

14. Managerial Remuneration

	31.03.2011	31.03.2010
a) Salary & Allowances	60.00	60.00
b) Perquisites (As per Income Tax Act, 1961)	-	-
Total	60.00	60.00

15. Earning Per Share

		31.03.2011	31.03.2010
a) Profit After Tax	₹	242,501,028	208,726,538
b) Number of Equity Shares :			
As at the commencement of the year	No.	32,875,500	32,875,500
Issued during the year	No.	-	-
As at the end of the year	No.	32,875,500	32,875,500
c) Basic Earning Per Share (Face value ₹ 10)	₹	7.38	6.35
Diluted Earning Per Share (Face value ₹ 10)	₹	7.38	6.35

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

16. 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
Rohit Patni	Director - KMP
Ankit Patni	Director - KMP
Suresh Kumar Patni	Director - KMP
Sarita Patni	Relative of KMP
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 Ltd.	Control of KMP
Impex Ferro Tech Ltd.	Control of KMP
Rohit Ferro Tech Ltd.	Control of KMP
Marble Arch Properties Pvt. Ltd.	Control of KMP
SKP Aviation Services Ltd.	Control of KMP
SKP Overseas Pte. Ltd.	Control of KMP
VNG Mercantiles Pvt. Ltd.	Control of KMP
Hira Concast Ltd.	Control of KMP
Arin Minerals Pvt. Ltd.	Control of KMP
Arthodock Vinimay Pvt. Ltd.	Control of KMP
Nucore Exports Pvt. Ltd.	Control of KMP
Shreyansh Leafin Pvt. Ltd.	Control of KMP
Whitestone Suppliers Pvt. Ltd.	Control of KMP

*KMP means Key Managerial Personnel

B) Transaction with Related Parties during the year :

Nature of Transactions	(₹ in lacs)	
	KMP	Control of KMP
Purchases	0.00 (0.00)	1,610.08 (732.26)
Sale	0.00 (0.00)	2,909.62 (2,744.22)
DEPB License Sale	0.00 (0.00)	7.62 (9.29)
DEPB License Purchase	0.00 (0.00)	20.70 (0.00)
Investment in Equity Shares	0.00 (0.00)	1.00 (0.00)
Loan Received	0.00 (0.00)	6,309.50 (325.00)
Loan Repaid	0.00 (0.00)	6,863.50 (25.00)
Advance Given	0.00 (0.00)	290.22 (18.00)
Interest Paid	0.00 (0.00)	0.00 (43.03)
Rent Paid	0.00 (0.00)	2.72 (1.08)
Remuneration	60.00 (60.00)	0.00 (0.00)

Figure in bracket represent previous year

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

C) Outstanding Balances as on 31st March, 2011 :

(₹ in lacs)

Nature of Transactions	Balance
Sundry Creditors	417.65 (0.00)
Sundry Debtors	17.39 (15.32)
Loan Payable	201.00 (755.00)
Advance Taken	0.00 (0.00)
Advance Given	290.22 (74.90)
Security Deposit	110.00 (0.00)
Rent Payable	2.38 (0.00)
Investment in Equity Shares	2.00 (1.00)
Share Application (Pending Allotment)	11,075.62 (0.00)

Figure in bracket represent previous year

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

A) Licensed Capacity : N.A.

B) Details of Capacity & Production :

Sl. No.	Items	Unit	Installed Capacity		Production	
			C. Y.	P. Y.	C. Y.	P. Y.
1	Sponge Iron	MT	105,000	105,000	77,678.00	80,826.80
2	Ingots/Billets	MT	121,890	121,890	86,541.63	88,864.98
3	Steel Items	MT	100,000	100,000	69,396.81	79,143.15
4	Captive Power Plant	KWH	109,500,000	109,500,000	76,414,108.00	78,081,736.00
5	Ferro Alloys	MT	12,325	12,325	8,381.00	3,602.99

(Installed Capacity has been certified by the management, being a technical matter it could not be verified by the auditors)

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

i) Raw Material Consumed/Sale

Particulars	Unit	2010-2011		2009-2010	
		Qty *	₹ in lacs	Qty	₹ in lacs
Iron Ore	MT	148,044.13	6,109.37	177,423.72	5,332.76
Coal	MT	47,546.61	1,515.45	59,445.50	1,452.51
Scrap	MT	47,816.56	12,203.35	54,647.62	12,164.24
Sponge Iron	MT	19,960.03	2,783.18	48,276.93	2,981.72
Ingots/Billets	MT	75,414.31	14,997.38	86,716.75	14,792.32
Others		-	2,305.42	-	2,502.75

* Includes 2,5081.885 MT (P.Y.-19,409.44 MT) sold amounting to ₹ 4,677.48 lacs (P.Y.-₹ 340.45 lacs)

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

ii) Finished Goods

Particulars	Unit	Opening Stock		Purchases/Production		Consumption/Sale *		Closing Stock	
		Qty	₹ in lacs	Qty	₹ in lacs	Qty	₹ in lacs	Qty	₹ in lacs
Sponge Iron	MT	3,351.71	517.21	97,639.87	2,783.18	94,895.74	4,050.94	6,095.84	1,031.99
P. Y.	MT	190.05	26.34	106,925.91	2,981.72	103,764.26	6,719.07	3,351.70	517.21
Ingots/Billets	MT	1,330.15	500.24	161,812.28	14,997.38	159,694.22	17,828.88	3,448.20	1,256.91
P. Y.	MT	2,950.94	766.59	158,538.92	14,792.32	160,159.71	15,291.19	1,330.15	500.24
Steel Items	MT	2,506.73	1,054.50	69,396.81	0.00	67,117.88	16,034.64	4,785.66	1,879.60
P. Y.	MT	1,839.30	651.06	79,143.15	0.00	78,475.72	18,708.17	2,506.73	1,054.50
Ferro Alloys	MT	71.56	27.54	8,381.00	0.00	7,639.56	581.28	813.00	192.08
P. Y.	MT	107.88	38.14	16,159.55	1,786.45	16,195.87	1,485.87	71.56	27.54

* Includes 51,172.49 MT (P.Y.-42,882.50 MT) for captive consumed.

iii) Traded Goods

Particulars	Unit	Opening Stock		Purchases		Sales		Closing Stock	
		Qty	₹ in lacs	Qty	₹ in lacs	Qty	₹ in lacs	Qty	₹ in lacs
Steel Items	MT	0.00	0.00	65,145.81	19,698.47	64,525.68	24,301.36	620.18	255.81
P. Y.	MT	0.00	0.00	54,627.52	14,841.84	54,627.52	18,415.05	0.00	0.00
Ferro Alloys	MT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P. Y.	MT	0.00	0.00	1,532.82	834.26	1,532.82	857.78	0.00	0.00
Others	MT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P. Y.		0.00	0.00	0.00	620.44	0.00	1,070.90	0.00	0.00

18. Value of Import - CIF

	(₹ in lacs)	
	31.03.2011	31.03.2010
a) Raw Materials	842.92	-
b) Stores & Spare Parts	22.41	37.11
c) Capital Goods	-	28.62
Total	865.33	65.73

19. Expenditure in Foreign Currency

	31.03.2011	31.03.2010
a) Registration Fee	-	1.96
b) Commission Paid	-	0.46
c) Tour & Travelling Expenses	5.49	-
d) Legal & Professional Charges	1.09	-
e) Advance for Raw Material	295.04	-
f) Advance for Capital Goods	258.50	-
Total	560.12	2.42

20. Earning in Foreign Currency

	31.03.2011	31.03.2010
FOB Value of Exports	1,066.39	1,256.67

Schedule forming part of the Accounts

SCHEDULE 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

21. Value of Imported & Indigenous Consumption

(₹ in lacs)

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Value	%	Value	%
a) Raw Material Consumed				
Imported	321.09	0.80%	7.14	0.02%
Indigenous	39,593.06	99.20%	39,219.16	99.98%
Total	39,914.15	100.00%	39,226.30	100.00%
b) Store & Spare Parts Consumed				
Imported	27.61	2.48%	33.72	3.82%
Indigenous	1,084.51	97.52%	848.56	96.18%
Total	1,112.12	100.00%	882.28	100.00%

22. 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

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

24. Previous year's figures have been regrouped/rearranged, wherever considered necessary.

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

As per our report of even date attached.

For **R. Kothari & Company**

Chartered Accountants

For & on behalf of the Board

K.C.Soni

Partner

Membership No. 057620

Suresh Kumar Patni

(Chairman)

Ankit Patni

(Managing Director)

Dated : 30th day of May, 2011

Place : Kolkata

Chandra Kr. Jain

(Company Secretary)

Balance Sheet Abstract

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

Balance Sheet and Company's general profile

a) Registration Details :

Registration No. State Code
 Balance Sheet Date

b) Capital raised during the year :

(Figures in ₹ '000)

Public Issue Rights Issue
 Bonus Issue Private Placement

c) Position of Mobilisation & Deployment of funds :

(Figures in ₹ '000)

Total Liabilities Total Assets

Sources of Funds

Paid Up Capital Secured Loans
 Share Application Money (Pending Allotment) Unsecured Loans
 Reserves & Surplus Deferred Tax Liability

Application of Funds

Net Fixed Assets Capital Work-in-Progress
 Investments Net Current Assets
 Misc. Expenditure

d) Performance of the Company :

(Figures in ₹ '000)

Total Income Total Expenditure
 Profit Before Tax Profit After Tax
 Earnings Per Share Dividend Rate %

e) Generic Names of the Principal Products/Services of the Company (As Per Money Terms) :

Item Code No. (ITC Code) Product Description

7203.10.00 Sponge Iron
 7206.10.90 Ingot/Billet
 7214.10.90 TMT Bar

As per our report of even date attached.

For **R. Kothari & Company**

Chartered Accountants

For & on behalf of the Board

K.C.Soni

Partner

Membership No. 057620

Suresh Kumar Patni

(Chairman)

Ankit Patni

(Managing Director)

Dated : 30th day of May, 2011

Place : Kolkata

Chandra Kr. Jain

(Company Secretary)

Dear Shareholder,

Sub : Green Initiative in Corporate Governance

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

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

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

Link Intime India Pvt. Ltd.
59C, Chowringhee Road,
3rd Floor, Kolkata - 700 020
Phone : +91 33 2289 0540, Fax No : +91 33 2289 0539,
E-mail : kolkata@linkintime.co.in

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

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

Thanking you,
Yours faithfully
For **Ankit Metal & Power Limited**

Chandra Kumar Jain
Company Secretary

Date : 12th August, 2011
Place : Kolkata

To
Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor,
Kolkata – 700 020

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

Dear Sir,

In view of the MCA Circulars bearing no.17/2011 dated 21st April, 2011 and No.18/2011 dated 29th April, 2011, I,,
....., Son/Daughter/Wife of,
holdingshares of Ankit Metal & Power Limited ("the Company") bearing Folio No.....
do hereby wish to receive all future communications/requisite documents of the Company at the following e-mail id :

E-mail Id :.....

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

Signature :

Sole/First holder

Second holder

Third holder

Note : The above Form duly filled in and signed by the member(s) may please be sent to the Registrar, Link Intime India Pvt. Ltd., in the following manner :

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

Ankit Metal & Power Limited

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

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

FORM OF PROXY

I/We
of
.....being a Member(s) of the above named Company,
hereby appoint
of
or failing him
ofas my/our proxy to vote for me/us
on my/our behalf at the 9th Annual General Meeting of the Company to be held on Thursday, the 15th September, 2011
at 3:00 PM and at any adjournment thereof.

Signed thisday of2011

Signature.....

Affix
Revenue
Stamp

Folio No.....

DP ID No.....

Client ID No.....

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

Ankit Metal & Power Limited

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

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

ATTENDANCE SLIP

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

I hereby record my/our presence at the 9th Annual General Meeting of the above named Company held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020 on Thursday, the 15th September, 2011 at 3:00 PM.

Full Name of Member/Proxy
attending the meeting

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

Folio No.....

Signature of the Member/Proxy

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

Client ID No.

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

Corporate Information

Board of Directors

Mr. Suresh Kumar Patni	<i>Chairman</i>
Mr. Ankit Patni	<i>Managing Director</i>
Mr. Rohit Patni	<i>Jt. Managing Director</i>
Mr. Kailash Chand Jain	<i>Director</i>
Mr. Vijay Kumar Jain	<i>Director</i>
Mr. Jatindra Nath Rudra	<i>Director</i>

Company Secretary

Mr. Chandra Kuamar Jain

Auditors

M/s. R. Kothari & Company
Chartered Accountants
16A, Shakespeare Sarani, Kolkata - 700 071

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
United Bank of India
Allahabad Bank
Corporation Bank
ICICI Bank
UCO Bank

Registered Office

35, Chittaranjan Avenue, Kolkata - 700 012
Phone : +91 33 2211 9805/9806

Corporate Office

SKP House,
132A, S. P. Mukherjee Road, Kolkata - 700 026
Phone : +91 33 4016 8000
Fax : +91 33 4016 8107
E-mail : enquiry@ankitmetal.com
Website : www.ankitmetal.com

Plant Information

Village : Jorehira
Mouza : Burat & Jorehira
P.S. : Chattna
Dist. : Bankura, West Bengal



If undelivered, please return to :

Ankit Metal & Power Limited
SKP House,
132A, S. P. Mukherjee Road
Kolkata - 700 026