



## Rohit Ferro-Tech Limited

Annual Report 2012-13



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# Notice

NOTICE is hereby given that the 13th Annual General Meeting of the members of the Company will be held on Saturday, 28th September, 2013 at 10.00 A.M. at 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following business :

## **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the report of the Auditors & Directors' thereon.
2. To appoint a Director in place of Mr. Asoke Kumar Basu, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. S. Jaykishan, Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

## **SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** Mr. Jay Shanker Shukla who was appointed as an Additional Director of the Company by the Board of Directors on 9th October, 2012 to hold office upto the date of the next Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** Mr. Dinesh Biyanee who was appointed as an Additional Director of the Company by the Board of Directors on 1st April, 2013 to hold office upto the date of the next Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** subject to the provisions of Section 198, 269 and 309, read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded to the appointment of Mr. Dinesh Biyanee as an Executive Director (Works) of the Company for a period of 1 (One) year w.e.f. 1st April, 2013 on the terms and conditions including remuneration as set out in the agreement submitted to the meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said appointment during the continuance of the tenure and grant such further increases in remuneration from time to time as they may deem fit and agreed by Mr. Dinesh Biyanee, within the limits specified in Schedule XIII of the Companies Act, 1956, as may be amended from time to time.”

By Order of the Board  
For **Rohit Ferro-Tech Limited**

**Pradip Kumar Agarwal**  
Company Secretary

Kolkata, 29th August, 2013

# 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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business in Item No. 4, 5 and 6 to be transacted is annexed hereto.
- 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, 4 and 5 is annexed hereto as additional information.
- Register of Members and Share Transfer Books shall remain closed from Monday, 23rd September, 2013 to Saturday, 28th September, 2013 (both days inclusive).
- Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred unclaimed refund amount of ₹ 10,410/- pertaining to Initial Public Offer of Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, which was remained unclaimed/unpaid for a period of seven years from the date it became due for payment.
- Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956, the dividend remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (fund) set up by the Central Government. Following table gives information relating to outstanding unclaimed/unpaid dividend and due date for transfer of the same to Investor Education and Protection fund :

Financial Year	Date of Declaration	Due date of transfer to IEPF
2005-06	21.09.2006	25.10.2013
2006-07	28.09.2007	31.10.2014
2007-08	25.09.2008	26.10.2015
2008-09	22.09.2009	22.10.2016
2009-10	27.09.2010	28.10.2017
2010-11	15.09.2011	19.10.2018
2011-12	25.09.2012	26.10.2019

Members who have so far not claimed the dividend declared as aforesaid, are requested to forward their claims to the Company's Registrar and Share Transfer Agents immediately as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.

- Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 and to their respective DPs in respect of Equity Shares held in dematerialised form.
- 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/Proxies 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. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

# Notice

11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting so that the same could be complied in advance.
12. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialised at the earliest.

## **Important Announcement to Members**

Pursuant to Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the Companies are allowed to send notices, documents and other communication to the shareholders in electronic mode.

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

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

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

The Annual Report of 2013 (including notice of Annual General Meeting) will also be available on the Company's website [www.rohitferrotech.com](http://www.rohitferrotech.com) for download by the members. Format for request letter for registration/changes of email id is also available in the Investor's Corner of the Company's website.

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

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

### **Item No. 4**

Mr. Jay Shanker Shukla was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 9th October, 2012 to hold office upto the date of next Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 along with the deposit from a member proposing the candidature of Mr. Jay Shanker Shukla as a Director of the Company.

None of the Directors except Mr. Jay Shanker Shukla himself are concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution set out in item no. 4 for your consideration and approval.

### **Item No. 5 & 6**

Mr. Dinesh Biyanee was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors at their meeting held on 1st April, 2013 to hold office upto the date of next Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 along with the deposit from a member proposing the candidature of Mr. Dinesh Biyanee as a Director of the Company.

Subject to approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company at its meeting held on 1st April, 2013, based on the recommendation of the Remuneration Committee has appointed Mr. Dinesh Biyanee as an Executive Director (Works) of the Company for a period of 1(One) year w.e.f. 1st April, 2013 on the terms and conditions mentioned in the Agreement dated 1st April, 2013.

# Notice

Mr. Dinesh Biyanee is a B.Com from Calcutta University. He has been associated with the Company since May, 2008. He is looking after the overall management of the Haldia unit. The Board recommends his induction to the Board.

An abstract pursuant to provision of Section 302 of the Companies Act, 1956 setting out the material terms of Mr. Dinesh Biyanee as provided in the agreement dated 1st April, 2013 with respect to his appointment and remuneration payable was sent to all members on 12th April, 2013.

## **The material terms and remuneration payable in terms of Agreement dated 1st April, 2013 are as follows :**

**Tenure :** 1(one) year with effect from 1st April, 2013.

### **Remuneration :**

(a) **Salary :** ₹ 75,250/- (Rupees Seventy Five Thousand Two Hundred and Fifty Only) per month.

(b) **Perquisites/Allowances :** He shall be entitled to the following Perquisites/Allowances :

i. House Rent Allowance : ₹ 37,625/- per month.

ii. Transport Allowance : ₹ 7,500/- per month.

iii. Medical Allowance : ₹ 1,500/- per month.

iv. Special Allowance : ₹ 66,250/- per month.

v. Bonus : As may be decided by the Board.

vi. Leave Encashment : As per applicable rules of the Company.

vii. Gratuity : As may be decided by the Board, provided that it shall not exceed the ceiling limit as envisaged under the Payment of Gratuity Act, 1972.

Leave encashment and Gratuity shall not be included in the computation of ceiling on remuneration.

(c) **Leave :** Executive Director (Works) will be entitled to leave as per applicable Rule of the Company.

(d) **Power of the Board to increase Remuneration :**

The Board of Directors shall have an authority to grant such further increases from time to time as they may deem fit, within the limits specified in Part II of Schedule XIII of the Act, as may be amended from time to time.

(e) **Remuneration in the event of inadequacy or absence of profits :**

In case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Dinesh Biyanee shall be restricted to the ceiling provided in Section II of Part II of Schedule XIII of the Act.

### **Memorandum of Concern or Interest of the Directors**

None of the Directors of the Company, except Mr. Dinesh Biyanee, are in any way concerned or interested in the aforesaid appointment.

### **Inspection**

The relevant Agreement entered into by the Board with Mr. Dinesh Biyanee is available for inspection by members at the Corporate Office of the Company on any working day during business hours.

The Board of Directors recommends the resolution set out in item no. 5 & 6 for your consideration and approval.

# Notice

## 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, 4 and 5 of the Notice) :

Name of the Director	Age	Date of Appointment	Brief resume and nature of expertise in functional area	Other Directorship*/Committee Memberships**
Mr. Asoke Kumar Basu	63 Years	11th August, 2008	He is a Bachelor in Engineering (Mechanical) and has 35 years of experience in Ferro Alloys Industry. He has worked with SAIL for 5 years under Alloy Steel Plant in Durgapur, for the expansion project. He also has an experience of 14 years in the field of design, operation and maintenance including commissioning of Cement Industries both in India and abroad.	<b>Directorship :</b> Nil <b>Committee Memberships :</b> Nil
Mr. Jay Shanker Shukla	53 Years	9th October, 2012	He holds a graduate degree in commerce from Calcutta University and Diploma in International Trade. He has wide experience in the field of finance, marketing, production and procurement.	<b>Directorships :</b> Impex Ferro Tech Limited Ankit Metal & Power Limited <b>Committee Memberships :</b> <b>Impex Ferro Tech Limited</b> - Audit Committee - Remuneration Committee - Investors Grievance cum Share Transfer Committee <b>Ankit Metal &amp; Power Limited</b> - Audit Committee - Remuneration Committee - Investors Grievance and Share Transfer Committee
Mr. Dinesh Biyanee	49 Years	1st April, 2013	He is a B.Com from Calcutta University. He is associated with the Company since May, 2008 and was instrumental in setting up of Haldia unit of the Company. He is looking after the overall management of the Haldia Unit since its inception.	<b>Directorships :</b> Nil <b>Committee Memberships :</b> Nil

Mr. Asoke Kumar Basu, Mr. Jay Shanker Shukla and Mr. Dinesh Biyanee do not hold any Equity Shares in the Company.

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

\*\* Committee herein refers Audit Committee/Investor's Grievance cum Share Transfer Committee and Remuneration Committee.

# Director's Report

## Dear Shareholders

Your Directors are pleased to present the 13th Annual Report of the Company together with Audited Accounts for the financial year ended 31st March, 2013.

### Financial Highlights

(₹ in Crores)

Particulars	Standalone	
	Current Year 31-03-2013	Previous Year 31-03-2012
Revenue from Operation (net)	2,258.54	1,677.30
Other Income	11.68	7.61
Total Revenue	2,270.22	1,684.91
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>242.81</b>	<b>188.15</b>
Less : Depreciation & Amortisation	29.53	21.69
Less : Finance Cost	143.84	106.21
Less : Tax Expenses	13.91	19.94
<b>Net Profit after Tax</b>	<b>55.53</b>	<b>40.31</b>
Less : Exceptional Item	26.61	-
<b>Profit for the year</b>	<b>28.92</b>	<b>-</b>
Add : Balance brought forward from previous year	233.63	197.98
<b>Profit available for appropriation</b>	<b>262.55</b>	<b>238.29</b>
<b>Appropriation of Profits</b>		
Proposed Dividend	-	4.01
Corporate Dividend Tax	-	0.65
Balance carried over to Balance Sheet	262.55	233.63
	<b>262.55</b>	<b>238.29</b>

### Financial and Operational Review

During the year under review the net sales/income from operation increased from ₹ 1,677.30 Crores in FY 2011-12 to ₹ 2,258.54 Crores in FY 2012-13 representing an increase of 34.65%. Profit after tax for the year stood to ₹ 55.53 Crores as compared to ₹ 40.31 Crores in previous year registering a growth of 37.75%.

### Dividend

Considering the financial requirements towards the refurbishment and modernisation of Sub-merged Arc furnaces at Bishnupur and Jajpur and increased Working Capital Requirement, which we believe will enhance shareholders value in long term, the Director of your Company do not recommend any Dividend for the financial year 2012-13.

### Subsidiaries

The Company carries a part of its business activity through a Wholly Owned Subsidiary Company M/s. SKP Overseas Pte. Ltd. incorporated at Singapore. During the year under review the Wholly Owned Subsidiary Company has acquired 60% equity stake in a Company M/s. PT Bara Prima Mandiri of Indonesia, a Company in which M/s. SKP Overseas Pte. Ltd. already had 60% economic interest. By virtue of the acquisition of equity stake M/s. PT Bara Prima Mandiri of Indonesia has become a subsidiary of M/s. SKP Overseas Pte. Ltd.

### Consolidated Financial Statement

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 (Act), the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption subject to certain conditions to Holding Companies from complying with the provisions of Section 212 of the Act, which requires attaching of the Balance Sheet,



# Director's Report

Profit & Loss Account and other documents of its Subsidiary Companies to its Balance Sheet. Accordingly, the said documents are not being included in this Annual Report. The financial data of the Subsidiaries forms part of the Annual Report. The Company will make available the said annual accounts and related detailed information of the Subsidiary Companies upon the request by any member of the Company or its Subsidiary Companies. These accounts will also be kept open for inspection by any member at the Corporate Office of the Company and the Registered Office of the Subsidiary Companies.

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

## **Changes in Share Capital**

During the year under review, the Company has allotted 3,35,00,000 equity shares of ₹ 10/- each on preferential basis at a premium of ₹ 50/- per share aggregating to ₹ 201.00 Crores to the entities belonging to promoter group and strategic investors belonging to non promoters group.

Consequent to said allotment, the paid up Share Capital of the Company stood increased to ₹ 1,13,77,61,230. 00. The entire proceeds received from the preferential allotment has been utilised towards the object of the issue.

## **New Projects and Expansions**

### **Jajpur Unit- Odisha**

#### **Captive Power Plant of 67.5 MW**

The Directors of your Company are pleased to inform that the installation of the 67.5 MW Captive Power Plant at its Jajpur unit is in progress. The basic engineering, civil work and structural fabrication has progressed significantly. All major equipments having long lead time has been received at the site and erection work is under process.

#### **33 MVA Furnace**

The basic engineering, civil and fabrication work of 33 MVA Arc Furnace at Jajpur unit is under progress. The Company has placed order for all major Plant & Machineries and the delivery of the Plant & Machineries are as per Schedule.

#### **Coal Mines**

The Company has acquired 60% equity stake in a coking coal mine in Indonesia owned by M/s. PT Bara Prima Mandiri through its Subsidiary M/s. SKP Overseas Pte. Ltd., Singapore. The mine located in Central Kalimantan province of Indonesia has a estimated coking coal reserve of 10 MN Tonnes.

The Company is also having 60% economic interest in thermal coal mine in Indonesia owned by M/s. PT Palopo Indah Raya through its aforesaid Subsidiary. The mine located in Central Kalimantan Province of Indonesia has an estimated thermal coal reserves of 20 MN Tonnes.

#### **Credit Rating**

The Company has retained CARE BBB (Triple B) credit rating for its long term and medium term debts/facilities and CARE A3 (A Three) credit rating for its short term debts/facilities accorded by the credit rating agency Credit Analysis & Research Ltd. (CARE).

#### **Public Deposits**

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

#### **Insurance**

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

#### **Awards & Achievements**

During the year under review the Company was awarded for Export Excellence by EEPC INDIA for star performance in 2010-2011 in Ferro Alloy Segment (Eastern Region).

# Director's Report

## Directors

Mr. Asoke Kumar Basu retire by rotation and being eligible, offer himself for re-appointment.

Mr. Kailash Chand Jain has resigned from the Directorship of the Company with effect from 9th October, 2012. The Board of the Directors recorded its appreciation for the valuable services rendered by Mr. Kailash Chand Jain.

Mr. Jay Shanker Shukla has been appointed as an Additional Director w.e.f. 9th October, 2012 to hold office upto the date of the next Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Jay Shanker Shukla as Director of the Company.

Mr. Binit Jain has resigned from the position of Executive Director as well as from the Directorship of the Company with effect from 1st April, 2013. The Board of Directors recorded its appreciation for the valuable services rendered by Mr. Binit Jain to the Company.

Mr. Dinesh Biyanee has been appointed as an Additional Director w.e.f. 1st April, 2013 to hold office upto the date of the next Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Dinesh Biyanee as Director of the Company. Based on the recommendation of the Remuneration Committee and subject to the approval of the members in the ensuing Annual General Meeting, Mr. Dinesh Biyanee has been appointed as an Executive Director (Works) of the Company for a period of 1 (one) year w.e.f. 1st April, 2013.

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

## Management Discussion & Analysis and Corporate Governance Report

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

## Directors' Responsibility Statement

The Directors confirm :

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

## Auditors

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

## Auditors Observation

Based on the Audit Report issued by the Auditors of the Company's Subsidiary M/s. SKP Overseas Pte Ltd., the Auditors of the Company qualified their report on the Consolidated Accounts of the Company. The observation of the Auditors in case of the Company's subsidiary M/s. SKP Overseas Pte. Ltd. and the comment of the Board of Directors thereon are as here under :

- a) The Auditors of the Company qualified their report with remarks that due to non receipt of the financial statement of

# Director's Report

M/s. PT Pacific Samudra Perkasa the Auditors are not able to satisfy themselves on the carrying value of the investment at the end of the year.

The Board of Directors state that due to non availability of the financial statement of M/s PT Pacific Samudra Perkasa in desired time, the management of the subsidiary company were unable to provide the financial statement of the investee company for the purpose of ascertaining the carrying value of the investment. The Company's investment is however secured by way of pledge of the bond of the said investee company for acquiring economic interest in a coal mine to the extent of investment made by the Company.

- b) The Auditors of the Company qualified their report with remarks that they are unable to satisfy themselves in the recoverability of the trade receivables amounted to USD 0.91 million due from a Debtors.

The Board of Directors state that due to unfavourable market conditions, the payment could not be received within the agreed time as mentioned in the joint minutes with the debtor. The Company has persuaded for the same and is expected to be received very soon.

## Cost Audit

As per the requirement of the Central Government and pursuant to the provision of Section 233B of the Companies Act, 1956, the Company has re-appointed Mr. S. Banerjee, Cost Auditors to audit the cost accounts of the Company for the year 2012-13 from 1st April, 2012 to 31st March, 2013 for which necessary approval from Central Government has been received. The Cost Audit Report in respect of the financial year 2012-13 will be filed within the due date. The Company has reappointed Mr. S. Banerjee as Cost Auditors for the financial year 2013-2014.

## Particulars of Employees

Details of employee drawing remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011 is given below:

Name	Age (Years)	Qualification	Date of Commencement of employment	Designation	Remuneration received (gross)	Experience (Year)	Last employment
Mr. Rohit Patni	29	Engineering (BE) and MBA	27th August, 2007	Managing Director	₹ 50.00 lacs*	6	-

\* re-appointed as Managing Director w.e.f. 27th August, 2012 at an increased remuneration of ₹ 5 lacs p.m.

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

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

## Acknowledgement

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

For and on behalf of the Board

**Suresh Kumar Patni**  
Chairman

Kolkata, 29th August, 2013

# Annexure to the Director's Report

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

## A. Conservation of Energy

- a) Energy Conservation Measure :
- Close monitoring of high energy consuming equipment in plants.
  - Using power factor controller/capacitors to maintain power factor.
  - Keeping maximum demand under control by scheduling other load during equipment testing, among others.
  - Installation of HT & LT Capacitor bank.
  - Installation of VVVF driver with ID fans.
  - Installed energy efficient light fittings in the shop floor, office and other areas.
  - Effective maintenance and daily monitoring of Capacitor bank for improvement of power factor.
  - Replacement of old motors with energy efficient motor.
  - Right sizing of motors.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
- To install LED lamps, energy efficient equipments, resizing of motors etc. The Company also proposes to install solar power equipments like night lighting systems and solar power pump sets to further conserve carbon emitting thermal power.
- c) Impact of the measures at (a) and (b) above, for reduction of energy consumption and consequent impact on cost of production of goods.
- The power requirements in certain products /process has come down and emission level has also come down.
- d) Total energy consumption and energy consumption per unit of production as per **Form A** attached.

## B. Technology Absorption

Particulars with respect to technology absorption as per **Form B** attached

## 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 :

Sizeable income of the company comes in foreign exchange as a result of export of ferro alloys. The export revenue during the year under review was ₹ 990.08 Crores against ₹ 725.96 Crores during the previous year. The Export team regularly visit the international market, customer and end users. The Export team participates in all major trade fairs and events to improve the Company's visibility amongst the global market and geographies.

- b) Total Foreign Exchange used and earned : (₹ in Crores)

Sl. No.	Particulars	31-03-2013	31-03-2012
1	Foreign exchange earned	960.26	707.61
2	Foreign exchange used	535.47	392.54

# Annexure to the Director's Report

## FORM - A

(Disclosure of Particulars with respect to Conservation of Energy)

Particulars		31-03-2013	31-03-2012
<b>A.</b>	<b>Power and fuel consumption</b>		
	1. Electricity		
	Total unit Purchased/Consumed	95,60,49,614	86,25,43,800
	Total Cost (₹)	4,81,80,74,549	3,82,36,29,936
	Average rate per unit (₹)	5.04	4.43
	2. Coal and Coke		
	Quantity (MT)	1,18,784	1,11,997
	Total Cost (₹)	1,41,94,46,718	1,36,91,15,393
	Average rate per MT (₹)	11,950	12,225
<b>B.</b>	<b>Consumption Per Unit of Production Ferro Alloys</b>		
	1. Electricity (Unit/MT)	3,999.56	4,027
	2. Coal and Coke (Kg/MT)	528.20	543
<b>C.</b>	<b>Consumption Per Unit of Production Stainless Steel</b>		
	1. Electricity (Unit/MT)	597.57	569

## FORM - B

(Disclosure of Particulars with respect to Technology Absorption)

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

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

- i. Quality Control Management and Technology
- ii. Cost & Productivity

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

- i. High Chromium recovery in finished goods.
- ii. Better Metal recovery from Slag.
- iii. Reduction in per unit power consumption.
- iv. Increased acceptability of products in local and global market.

c) Future plan of Action :

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

d) Expenditure on R & D :

- |   |              |
|---|--------------|
| a) Capital  | Nil          |
| b) Recurring  | ₹ 30.19 lacs |
| c) Total  | ₹ 30.19 lacs |
| d) Total R& D expenditure as a percentage of total Turnover | 0.014%       |

# Annexure to the Director's Report

## **B. Technology Absorption, Adaptation and Innovation**

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

The Company has adopted and is continually updating the latest available technology. The technical team visit global market periodically to adopt and update the latest available technology.

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

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

3. Particulars of imported technology during last 5 years : Nil

For and on behalf of the Board

**Suresh Kumar Patni**

*Chairman*

Kolkata, 29th August, 2013

# Management Discussion & Analysis Report

## **Economic Overview**

The world economy witnessed a major slowdown in 2012 due to the uncertainties of fiscal imbalance in many economies coupled with reduced trade and investments. The report of the International Monetary Fund (IMF) shows that the global GDP expanded at 3.2% in 2012, with average growth rates of 1.2% and 5.1% in advanced and developing economies, respectively.

Indian economy growth rate declined from 6.2% in 2011-2012 to 5% in 2012-2013, the slowest growth of the economy in a decade which was mainly due to decline in service and industrial sectors. The subdued performance of service sector was mainly due to slowdown in global economy and the decline in industrial output was due to slow down in mining, manufacturing and capital goods sector.

The reforms measures announced by the Government of India in the form of reducing fuel subsidies, implementation of big-ticket infrastructure projects, direct cash transfers of subsidies, recent changes in FDI and several regulatory reforms including the new Companies Bill, Land Acquisition Bill and the Direct Tax Code augurs well for a pick-up in growth in 2013-14.

## **Ferro Alloys Industry**

Ferro alloys are used in the production of steel as de-oxidant and alloying agents and act as an intermediate industry to the iron & steel industry. The demand and prices of ferro alloys depend on the production and consumption of steel which in turn depends upon its user industries. The product mix of ferro alloys consists of bulk ferro alloys-HC ferro manganese, silico manganese, ferro silicon, HC ferro chrome, charge chrome etc and noble ferro alloys-ferromolybdenum, ferro-vanadium, ferrotungsten, ferro-silicon magnesium, ferro-boron and ferro-titanium.

The average global consumption of manganese alloys is about 10-12 (kgs) per ton of steel, according to the International Manganese Institute. Over 80% of the world's ferrochrome is utilised in the production of stainless steel. Stainless steel depends on chromium for its appearance and its resistance to corrosion. The average chrome content in stainless steel is approximately 18%.

Having abundant availability of key resources comprising chrome ore and manganese ore, trained and cost-effective manpower and access to key consumption markets both within the country and outside, India has emerged as a significant ferro alloys manufacturing nation.

Going forward, the demand for Ferro alloys is expected to improve due to increase in investment plan in road sector, expansion in railway, increase in volume by automobile sector, uses of special steel in power sectors and refocus on manufacturing sector.

## **Stainless Steel Industry**

The Indian iron and steel industry is nearly a century old with the first integrated plant set up in 1907. It was the first core sector to be completely freed from the licensing regime (in 1990-91) and the pricing and distribution controls. The New Industrial policy adopted by the Government of India has opened up the iron and steel sector for private investment by removing it from the list of industries reserved for public sector and exempting it from compulsory licensing.

Soaring demand by sectors like infrastructure, real estate, automobiles, railways, airports and other transport system at home and abroad, has put India's steel industry on the world map. As per ISSF, the per capita consumption of stainless steel in India is a little more than 2 kgs. This low per capita consumption of stainless steel in India presents immense opportunities for growth in domestic stainless steel market.

# Management Discussion & Analysis Report

## Opportunities and Threats

The demand for ferro alloys is driven by steel production, which in turn depends on growth from the infrastructure, housing, automobile and consumer durable industries. India, at a per capita steel consumption of 60 kgs, is just above the average across most of Africa and much below the global average of 215 kgs, thereby reflecting massive under-penetration and immense opportunities for growth, which will in turn, drive ferro alloys demand as these are key input resources for iron and steel manufacture.

Electrical energy is one of the major input in production of ferro alloys and high power tariff is a threat for the ferro alloys industry. The element of cross subsidisation to agriculture, low power load factor and transmission and distribution losses lead to an increase in power costs. Apart from electrical energy, the industry also faces challenges of acquiring good quality raw materials like high grade ores and coke. The unavailability of rakes for transportation of raw materials from mines and poor infrastructure at ports result in pile-ups and increase in logistic and inventory cost.

To mitigate the increasing power cost risk the ferro alloys producers are now focusing on setting up their captive power units. This will help reduce the input cost and ensures continuous supply of power to the downstream project. In the long run this effort of backward integration shall eventually help the domestic ferro alloys producers to compete in the international market. Moreover with India remaining as one of the largest producers of manganese ore, there is adequate availability of the resource for the production of manganese based ferro alloys.

Further, it is hoped that the government would recognise the challenges arising out of periodic administered price increases of power and input materials which hamper the competitiveness of this industry and take steps to address them urgently to enable the ferro alloys producers to compete in the domestic as well as international markets.

The usage and application of Stainless Steel is fast expanding in various fields like house ware, hardware, furniture, machinery, railways, building, construction and automotive industry. The per capita consumption of stainless steel in India is around 2 kgs. The low per capita consumption of stainless steel, provides ample opportunity for the growth at domestic level. However, the un remunerative prices, high capital cost, high cost of basic input and services, sluggish economic growth, high inflation, tightening of monetary policy, amongst others may effect the growth of industry in the medium term.

## Risks and Concerns

The cost-effective availability and quality of essential raw material resources is a global challenge. India has rich mineral resources. It has abundance of mineral resources including iron ore, coal, chromite and manganese ore and many other raw materials. The Company is maintaining a healthy position in terms of raw material supply having arrangements with domestic and international manganese ore suppliers. The Company has access to coking and thermal coal mine owned through its wholly owned Subsidiary Company.

Electricity comprises a key cost component in the total operating cost structure and the high administered prices of this essential input impacts the competitiveness of ferro alloys and iron and steel Industry. The ferro alloys producers are now focusing on making their units self reliant by setting up their own power units. This not only reduces the input cost but ensures continuous supply of power. The 67.5 MW captive power plant under implementation shall enables the Company to emerge self-reliant in its power needs and reduce dependence on the expensive grid electricity.

The steel industry is subject to cyclical swing and the industry has experienced only a marginal increase in 2012 due to unfavorable economic condition globally. It is estimated that the world steel consumption will double in next 25 years and the quality improvement of Indian steel combined with low cost advantages will definitely help in export market. There is a enormous scope for increasing the consumption of iron and steel in India in almost all sector. The untapped potential of increasing the consumption, even to reach at the comparable position of developing economy, a quantum jump in the iron and steel will be required. The Company's sales are well-spread to key consumption centers at the domestic and international level. The Company is developing new market segment and enhancing value added services to its customers.



# Management Discussion & Analysis Report

The Company deals in several currencies and the volatility in the currencies may adversely affect the commercial transaction outcome. The Company is having an adequate exchange hedging policy to safeguard the trading margin against the foreign exchange movement.

## Segment-wise Performance

### Ferro Alloys

During the year under review the Company has produced 2,24,886 MT of ferro alloys against 2,06,227 MT of ferro alloys in previous year registering a growth of 9.05% over previous year. The gross revenue from the ferro alloys segment was ₹ 1,590.94 Crores. The ferro alloys export during the year under review has increased by 26.87% to 1,62,005 MT.

### Stainless Steel

During the year under review, the Company has produced 94,722 MT of stainless steel against 54,000 MT in previous year registering a growth of 75.41% over previous year. The gross revenue from the stainless steel segment was ₹ 808.05 crores.

The secondary segment details identified as the geographical segment based on the location of customers within India and outside India is given in Notes no. 35 to the Annual Accounts.

## Internal Controls and Systems

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

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

## Industrial Relations and Human Resources

Human Resource is a critical asset for a Company's growth. Human Resource Management is important, owing to a dearth in skilled and experienced manpower. The Company's human capital comprises a prudent mix of youth and experience. It employs contract labourers in its manufacturing facilities.

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

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

As on date of this report, the Company has 927 employees on its payroll.

# Corporate Governance Report

## Corporate Governance Philosophy

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

## Board of Directors

As on 31st March, 2013 the Board consisted of 7 (Seven) Directors headed by Mr. Suresh Kumar Patni, Non-Executive Chairman with 2 (Two) Executive Directors and 5 (Five) Non-Executive Directors, of which, 4 (Four) are Independent. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

Post 31st March, 2013 the following changes took place in the Board of the Company :

- Mr. Binit Jain has resigned from the position of Executive Director as well as from the Directorship of the Company w.e.f. 1st April, 2013.
- Mr. Dinesh Biyanee has been appointed as an Additional Director w.e.f. 1st April, 2013 to hold office upto the date of the next Annual General Meeting. Based on the recommendation of the remuneration committee and subject to the approval of the member in the ensuing Annual General Meeting, Mr. Dinesh Biyanee has been appointed as an Executive Director (Works) of the Company for a period of 1 year w.e.f. 1st April, 2013.

The composition of the Board post such change remains the same.

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

The composition and category of the Board of Directors of the Company as on 31st March, 2013 along with the number of Board meetings attended by the Directors during the year 2012-13 are given below :

Name of the Director	Category	No. of Board Meetings Attended	No. of Directorship in other Public Limited Companies incorporated in India	No. of Committee positions held in other Public Limited Companies \$		Whether attended the Last AGM
				As Member	As Chairman	
Mr. Suresh Kumar Patni	Promoter/ Non-Executive Chairman	12	12	2	-	No
Mr. Rohit Patni	Promoter/ Executive	13	10	-	-	Yes
Mr. Jatindra Nath Rudra	Independent/ Non-Executive	12	1	1	1	Yes
Mr. Jayanta Kumar Chatterjee	Independent/ Non-Executive	11	1	-	-	Yes
Mr. Asoke Kumar Basu	Independent/ Non-Executive	10	-	-	-	Yes
Mr. Ankit Patni %	Promoter/ Executive	2	-	-	-	N.A.
Mr. Kailash Chand Jain *	Independent/ Non-Executive	4	-	-	-	Yes
Mr. Jay Shanker Shukla **	Independent/ Non-Executive	4	2	2	2	N.A.
Mr. Binit Jain #	Executive	5	1	-	-	No
Mr. Dinesh Biyanee ##	Executive	N.A.	Nil	Nil	Nil	N.A.

# Corporate Governance Report

## Notes :

- § Only the two committees viz. Audit Committee and Investors/Grievance Committee are considered for this purpose.
- % Mr. Ankit Patni has resigned from the post of Joint Managing Director as well as Directorship of the Company w.e.f. 24th August, 2012.
- \* Mr. Kailash Chand Jain has resigned from the Directorship of the Company w.e.f. 9th October, 2012.
- \*\* Mr. Jay Shanker Shukla has been appointed as an Additional Director (Independent/Non-Executive) w.e.f. 9th October, 2012 to hold office upto the date of the next Annual General Meeting.
- # Mr. Binit Jain has resigned from the position of Executive Director as well as from the Directorship of the Company w.e.f. 1st April, 2013.
- ## Mr. Dinesh Biyanee has been appointed as an Additional Director w.e.f. 1st April, 2013 to hold office upto the date of the next Annual General Meeting. Based on the recommendation of the Remuneration Committee and subject to the approval of the members in the ensuing Annual General Meeting, Mr. Dinesh Biyanee has been appointed as an Executive Director (Works) of the Company for a period of 1 year w.e.f. 1st April, 2013.
- 1. None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company except for holding Directorship & receiving sitting fee, save and except Mr. Suresh Kumar Patni who is also the promoter of the Companies, which has a business relation with this Company.
- 2. Mr. Rohit Patni, Managing Director is son of Mr. Suresh Kumar Patni. No other Directors in the Board are related to each other.

## Meeting

Thirteen (13) Board Meetings were held during the year 2012-13 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

16th April, 2012; 8th May, 2012; 30th May, 2012; 14th August, 2012; 24th August, 2012; 28th August, 2012; 9th October, 2012; 14th November, 2012; 29th November, 2012; 5th February, 2013; 13th February, 2013; 15th March, 2013 and 28th March, 2013.

## Notes

1. Board meeting are held at the Corporate Office of the Company. The Agenda along with explanatory notes are sent in advance to the Directors to get their input in the discussion. The information as specified in Annexure-IA to Clause 49 of the Listing Agreement entered into with the Stock Exchange is regularly made available to the Board whenever applicable.
2. 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.rohitferrotech.com](http://www.rohitferrotech.com). All the Members of the Board and Senior Management Personnel have affirmed the compliances of the Code of Conduct.

### Declaration

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2013.

For **Rohit Ferro-Tech Limited**

**Rohit Patni**

*Managing Director*

Kolkata, 29th August, 2013

# Corporate Governance Report

## Committees of Directors

### 1. Audit Committee

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

The terms of reference of the Audit Committee includes the powers as laid down in Clause 49(II)(C) and the role as stipulated in Clause 49(II)(D) of the Listing Agreement and review of information as laid down in Clause 49(II)(E).

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

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Kailash Chand Jain#	Chairman	Independent/Non-Executive	2
Mr. Jay Shanker Shukla#	Chairman	Independent/Non-Executive	2
Mr. Jatindra Nath Rudra	Member	Independent/Non-Executive	4
Mr. Jayanta Kumar Chatterjee	Member	Independent/Non-Executive	3

# w.e.f. 9th October, 2012, Mr. Jay Shanker Shukla has been appointed as a member and Mr. Kailash Chand Jain ceases to be member of the Committee. Mr. Jay Shanker Shukla has been appointed as Chairman of the Committee in place of Mr. Kailash Chand Jain.

The Managing Director and Chief Financial Officer are permanent invitees to the Committee. The Company Secretary acts as Secretary of the Audit Committee. The representative of internal auditors also attends the meeting. The Audit Committee invites, as and when consider appropriate, the representatives from the Statutory Auditors and Cost Auditors to be present at the meeting of the Committee.

The Audit Committee comprises of 3 (three) Directors all of whom are financially literate. All the members of the Committee are Independent/Non-Executive. Mr. Kailash Chand Jain, Independent Director having expertise in finance, chaired the meeting of the Audit Committee till 9th October, 2012 as the Chairman of the Audit Committee and after that Mr. Jay Shanker Shukla, Independent Director having expertise in finance appointed as Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 25th September, 2012.

During the financial year ended 31st March, 2013 four Audit Committee Meetings were held on 30th May, 2012; 14th August, 2012; 14th November, 2012 and 13th February, 2013 .

The Annual Accounts (Standalone) for the year ended 31st March, 2013 were duly reviewed by the Audit Committee at its meeting held on 30th May, 2013 prior to adoption by the Board. The financial statement of the Company's wholly owned Subsidiary M/s. SKP Overseas Pte. Ltd. and PT Bara Prima Mandiri, Subsidiary of M/s. SKP Overseas Pte. Ltd. together with consolidated Annual Accounts of the Company for the year ended 31st March, 2013 has been placed before the Audit Committee Meeting dated 7th August, 2013 for review.

### 2. Remuneration Committee

The Company has a Remuneration Committee consisting of 3 (three) Non-Executive/Independent Directors. The Committee met once during the year i.e, on 24th August, 2012. The present composition of the Remuneration Committee and details of the meeting attended by the member are given below :

Name of the Member	Designation	Category	No. of Meeting Attended
Mr. Jatindra Nath Rudra	Chairman	Independent/Non-Executive	1
Mr. Jayanta Kumar Chatterjee	Member	Independent/Non-Executive	1
Mr. Kailash Chand Jain #	Member	Independent/Non-Executive	1
Mr. Jay Shanker Shukla #	Member	Independent/Non-Executive	-

# Corporate Governance Report

# w.e.f. 9th October, 2012, Mr. Jay Shanker Shukla has been appointed as a member and Mr. Kailash Chand Jain ceases to be member of the committee.

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

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

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

## Remuneration Policy

### A. For Executive Directors :

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

### B. For Non-Executive Directors :

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

## Remuneration of Executive Directors

The Company has paid remuneration only by way of salary to its Executive Directors and the same is within the limits specified under Schedule XIII of the Companies Act, 1956 and duly approved by the Board as well as by the shareholders of the Company. Details of remuneration paid during 2012-13 are as follows :

Name of the Director and Designation	Salary paid (₹)	Period of Contract		Notice Period
		From	To	
Mr. Rohit Patni (Managing Director)*	50,00,000/-	27.08.2012	26.08.2017	2 months
Mr. Ankit Patni (Jt. Managing Director)**	10,00,000/-	27.08.2007	26.08.2012	2 months
Mr. Binit Jain (Executive Director)%	9,50,000/-	01.09.2012	31.08.2013	2 months

\* Mr. Rohit Patni has been re-appointed as Managing Director w.e.f. 27th August, 2012 for a period of 5 years.

\*\* resigned from the position of Joint Managing Director as well as from the Directorship of the Company w.e.f. 24th August, 2012.

% resigned from the position of Executive Director as well as from the Directorship of the Company w.e.f. 1st April, 2013.

# Corporate Governance Report

## Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors consists of only sitting fees @ ₹ 2,500/- for attending each meeting of the Board of Directors or a Committee thereof. The details of fees paid during the year and the equity shares held by them as on 31st March, 2013 are as follows :

Name of the Director	Sitting Fee paid (₹)	No. of Shares held as on 31st March, 2013
Mr. Asoke Kumar Basu	25,000	Nil
Mr. Jatindra Nath Rudra	45,000	Nil
Mr. Jayanta Kumar Chatterjee	40,000	Nil
Mr. Kailash Chand Jain*	17,500	Nil
Mr. Suresh Kumar Patni	32,500	21,86,403
Mr. Jay Shanker Shukla#	15,000	Nil

\* resigned from the Directorship w.e.f. 9th October, 2012.

# appointed as an Additional Director w.e.f. 9th October, 2012.

### 3. Investor Grievance cum Share Transfer Committee

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

The Investor Grievance cum Share Transfer Committee consist of three Non-Executive Directors, out of which two are Independent Directors. 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 30th March, 2013.

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

Name of the Member	Designation	Category	No. of Meeting Attended
Mr. Jayanta Kumar Chatterjee	Chairman	Independent/Non-Executive	1
Mr. Jatindra Nath Rudra	Member	Independent/Non-Executive	1
Mr. Suresh Kumar Patni	Member	Promoter/Non-Executive	1

Mr. Pradip Kumar Agarwal, 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.

The Company has received 1 (one) Investor's grievances/complaint during the year ended 31st March, 2013 which was replied/resolved to the satisfaction of the shareholder. No complaints were pending at the end of the year.

### Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. Significant issues pertaining to Subsidiary Companies are discussed at Audit Committee meetings of the Company.

# Corporate Governance Report

The minutes of the Subsidiary Companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the Subsidiary Companies.

## General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date	Place	Time
2011-2012	25th September, 2012	'ROTARY SADAN' 94/2, Chowringhee Road, Kolkata- 700 020	10.00 AM
2010-2011	15th September, 2011	'ROTARY SADAN' 94/2, Chowringhee Road, Kolkata- 700 020	10.30 AM
2009-2010	27th September, 2010	'ROTARY SADAN' 94/2, Chowringhee Road, Kolkata- 700 020	3:00 PM

Special Resolutions Passed at the last three AGMs :

Financial Year	Items
2011-2012	Issue of Equity Shares to the Promoter and Non-Promoter Group on Preferential Basis.
2010-2011	None
2009-2010	Re-appointment of Executive Director (Mr. Binit Jain)

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

- There are no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis. A disclosure of related party relationship and transactions as per AS-18 is given in the Note No : 36 to the Annual Accounts (Standalone) of the Company.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No strictures or penalty were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- The risk assessment and minimisation procedures are in place and the Board is regularly informed by the Senior Executives about the business risks, if any occurs, and the steps taken to mitigate the same.
- Though the Company does not have a whistle blower policy, the Company promotes ethical behavior in its all business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest.
- In terms of clause 49(IV)(F)(ii) of the Listing Agreement, the senior management has disclosed to the Board that they have no personal interest in the material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.

# Corporate Governance Report

## • **Proceeds from the Preferential Issue :**

During the year under review, the Company has raised ₹ 201 Crores by issuing 3,35,00,000 equity shares of ₹ 10 each at a premium of ₹ 50 on preferential basis to the entities belonging to Promoter and Strategic Investors belonging to Non-promoter group. The entire proceeds received from the preferential issue were fully utilised towards the object of the issue. Besides this, the Company did not raise any amount through public or right or preferential issues.

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

## **CEO/CFO Certification**

The requisite certificate from the Managing Director and the Chief Financial Officer of the Company for the financial year ended 31st March, 2013 required to be given under Clause 49 (V) of the Listing Agreement has been placed before the Board meeting held on 30th May, 2013.

## **Means of Communication**

### **1. Financial Results**

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

### **2. Other Information**

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

## **Profile of Directors Seeking Appointment/Re-appointment**

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

## **Management Discussion & Analysis Report**

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

## **General Shareholder Information**

### **1. Annual General Meeting (AGM)**

Day, Date & Time : Saturday, 28th September, 2013 at 10.00 A.M.

Venue : 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata - 700 020

2. **Date of Book Closure** : 23rd September, 2013 to 28th September, 2013  
(both days inclusive)

3. **Dividend payment date** : N.A.

### **4. Financial Calendar**

Indicative calendar of events for the financial year 2013-2014 is as under :

Financial Year : 1st April to 31st March



# Corporate Governance Report

## Financial Reporting for the quarters :

First Quarter	Disclosed on 13th August, 2013
Second Quarter and Half Yearly	Within 45 days from the end of the quarter
Third Quarter and Nine Months	Within 45 days from the end of the quarter
Fourth Quarter and Annual (Audited)	Within 60 days from the end of the quarter/financial year
Annual General Meeting	On or before 30th September, 2014

## 5. Listing of the Equity Shares on Stock Exchange

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

The Company has paid the listing fee for the year 2013-14 to both the Stock Exchanges where the shares of the Company are listed as well as custodial fees to the depository.

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

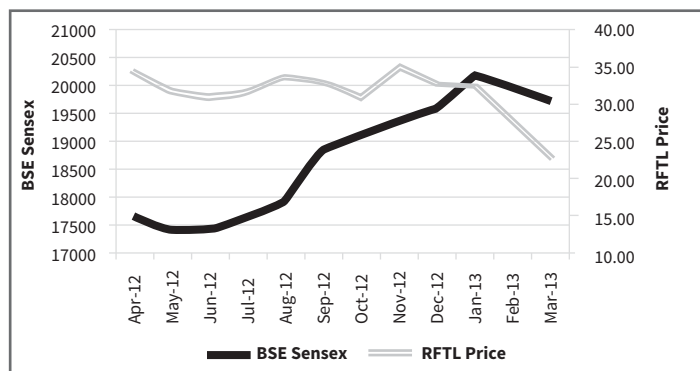
## 7. Market Price Data

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

Month	National Stock Exchange of India Limited		BSE Limited	
	High	Low	High	Low
April, 2012	34.40	30.05	34.35	30.30
May, 2012	31.50	25.25	31.75	25.35
June, 2012	31.50	25.55	30.95	25.60
July, 2012	31.90	26.50	31.80	26.50
August, 2012	33.40	25.35	33.80	26.10
September, 2012	34.80	27.05	33.00	27.10
October, 2012	30.80	24.30	30.95	26.60
November, 2012	35.00	25.55	35.00	25.70
December, 2012	32.70	28.20	32.80	28.00
January, 2013	32.40	27.00	32.30	27.05
February, 2013	27.90	21.90	28.00	21.90
March, 2013	22.95	17.30	22.95	17.40

# Corporate Governance Report

## 8. Performance of the Company in comparison with BSE Sensex



## 9. Shareholding Pattern as on 31st March, 2013

Category	No. of Shares	% of holding
Promoter & Promoter Group	8,19,17,842	72.00
Bodies Corporate	1,36,99,365	12.04
Individuals	1,76,15,282	15.48
Non-Resident Individuals	5,13,569	0.45
Clearing Member	30,065	0.03
<b>Total</b>	<b>11,37,76,123</b>	<b>100.00</b>

## 10. Distribution of Shareholding as on 31st March, 2013

Range	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total
Upto 500	14,422	77.50	24,21,389	2.13
501 to 1000	1,969	10.58	16,70,195	1.47
1001 to 2000	992	5.33	15,38,189	1.35
2001 to 3000	370	1.99	9,62,072	0.85
3001 to 4000	174	0.94	6,26,425	0.55
4001 to 5000	169	0.91	8,02,241	0.70
5001 to 10000	260	1.40	19,85,905	1.75
10001 and above	252	1.35	10,37,69,707	91.20
<b>Total</b>	<b>18,608</b>	<b>100.00</b>	<b>11,37,76,123</b>	<b>100.00</b>

## 11. Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form which is available for trading on both NSDL and CDSL. As on 31st March, 2013; 11,37,61,481 equity shares representing 99.99 % of the share capital are held in dematerialised form viz., CDSL- 2,77,45,113 equity shares and NSDL - 8,60,16,368 equity shares.

## 12. Registrar and Share Transfer Agent

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

# Corporate Governance Report

## 13. Share Transfer System

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

## 14. Outstanding ADR's & GDR's, Warrants or any other convertible instruments, conversion date and likely impact on equity shares

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

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

### Mr. Pradip Kumar Agarwal

Company Secretary & Compliance Officer

Rohit Ferro-Tech Limited

SKP House,

132A, S.P. Mukherjee Road,

Kolkata - 700 026

Ph : +91 33 4016 8000/8100

Fax : +91 33 4016 8189/8107

Email Id: cs@rohitferrotech.com

### Address for Correspondence

#### Registered Office :

Rohit Ferro-Tech Limited

35, C. R. Avenue,

Kolkata - 700 012

Phone : +91 33 2211 0225/0226, 4064 0021/0022

Email Id : grievance@rohitferrotech.com

#### Corporate Office :

Rohit Ferro-Tech Limited

SKP House,

132A, S. P. Mukherjee Road,

Kolkata - 700 026

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189/8107

## 16. Plant Locations

Bishnupur	WBIIDC Road, P.O. Dwarika Bishnupur - 722 122, Dist: Bankura (West Bengal)
Jajpur	Kalinganagar Industrial Complex Duburi - 755 026, Dist: Jajpur (Odisha)
Haldia	Jaynagar, P.O.: Buniaraichak, PS: Durgachak Dist : Purba Medinipur (West Bengal)

# Corporate Governance Report

## Non-Mandatory Requirements

### 1. The Board :

The Non-Executive Chairman has an office at the Company's premises. None of the Independent Directors of the Company has tenures exceeding a period of 9 (nine) years on the Board.

### 2. Remuneration Committee :

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

### 3. Audit Qualifications :

The Auditors' Report on Annual Accounts (consolidated) of the Company includes certain observations which are based on the Auditors' observations on the financial statement of the Company's Subsidiary in Singapore. The necessary explanations by the Board of Directors on the said observation is given in their report attached with the Annual Report.

### 4. Other Items :

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

For **Rohit Ferro-Tech Limited**

**Suresh Kumar Patni**

*Chairman*

Kolkata, 29th August, 2013

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

To

The members of

**Rohit Ferro-Tech Limited**

We have examined the compliance of conditions of Corporate Governance by Rohit Ferro-Tech Limited, for the year ended 31st March, 2013 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*

**Abhijeet Jain**

*Proprietor*

C.P. No. 3426

Kolkata, 29th August, 2013

# Independent Auditors' Report

To  
The Members of  
**Rohit Ferro-Tech Limited**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Rohit Ferro-Tech Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with the Notes thereon and attached thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Emphasis of Matter**

Without qualifying our opinion, attention is invited to Note 39 to the financial statements whereby the Company has presented profits after tax before the Exceptional item instead of making disclosure as per the current format in Part-II of Schedule VI (Revised) of the Companies Act, 1956 and the Current tax figure is net of ₹ 863.33 Lacs, being the tax effect on the Exceptional Item.

# Independent Auditors' Report

## Report on Other Legal & Other Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable to the Company.
2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

**CA B. K. Newatia**  
Partner  
**Membership No : 050251**

Kolkata, 30th May, 2013

# Annexure to the Independent Auditors' Report

(Annexure referred to in our report of even date to the shareholders of Rohit Ferro -Tech Limited on the financial statements for the year ended 31st March, 2013)

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
  - (b) We are informed that fixed assets of significant value have been physically verified by the management at reasonable intervals, in a phased programme and no material discrepancies were noticed in respect of the assets verified.
  - (c) The Company has not disposed off any substantial/major part of Fixed Assets during the year.
- (ii) (a) As explained to us, inventories have been physically verified by the management during the year at reasonable intervals.
  - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion, the Company has maintained proper records of inventories and the discrepancies noticed on physical verification as compared to book records were not material.
- (iii) (a) Except loan to subsidiary, the Company has not granted any loans, secured or unsecured, to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year and the year-end balance of the loan to the subsidiary amounted to ₹ 9.82 Crores.
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which the loan has been granted as aforesaid are prima facie not prejudicial to the interest of the Company.
  - (c) In case of loan granted, the terms do not stipulate repayment schedule. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company.
  - (d) There is no overdue amount of more than ₹ 1 Lac in respect of the above loan.
  - (e) The Company has taken interest free Unsecured Loans from six companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of the said loans were ₹ 60.18 Crores and NIL respectively.
  - (f) In our opinion and according to the information and explanations given to us, the terms and conditions of loans taken as aforesaid are prima facie not prejudicial to the interest of the Company.
  - (g) In respect of the above loans, there are no stipulations as to repayment thereof.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
  - (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

## Annexure to the Independent Auditors' Report

- (vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Order made by the Central Government for maintenance of cost records u/s 209(1)(d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (ix) (a) According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, VAT, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues. According to the information and explanations given to us, there are no undisputed outstanding statutory dues as at 31st March, 2013 for a period exceeding six months from the date they became payable except for Welfare Cess - ₹ 49,907 and VAT - ₹ 53,544.
- (b) On the basis of our examination of records and according to explanations given to us, there are no dues as on 31st March, 2013, of Sales Tax, VAT, Income tax, Custom Duty, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for the following :

Name of Statute	Nature of Dues	Amount in ₹	Forum where dispute is pending
Odisha VAT Act, 2004	Odisha VAT	5,27,442	Division Bench, Appellate Tribunal
Odisha VAT Act, 2004	Odisha VAT	3,23,48,781	Additional Commissioner (Revision)
Odisha VAT Act, 2004	Odisha CST	7,10,121	Commissioner (Appeal)
Odisha VAT Act, 2004	Odisha VAT	11,95,403	Commissioner (Appeal)
Odisha Entry Tax Act, 1999	Entry Tax	70,357	Joint Commissioner of Commercial Taxes (Jajpur, Odisha)
Odisha Entry Tax Act, 1999	Entry Tax	12,32,156	Additional Commissioner (Revision)
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	1,77,97,564	Hon'ble High Court of Calcutta
The Central Sales Tax Act, 1956 and West Bengal VAT Act, 2005	CST and VAT	4,48,94,908	Member of West Bengal Taxes Appellate Board, Kolkata
Central Excise Act, 1944	Excise Duty	84,85,850	CESTAT, Kolkata
Central Excise Act, 1944	Excise Duty	48,11,809	Commissioner of Central Excise (Appeals)- IV
Central Excise Act, 1944	Excise Duty	10,000	Sr. Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	4,09,58,756	Appellate Tribunal, Bhubaneswar
Service Tax Act, 1994	CENVAT	3,40,996	Commissioner of Central Excise (Appeals)- IV

- (x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses in the financial year under report or in the immediately preceding financial year.



## Annexure to the Independent Auditors' Report

- (xi) According to information and explanation given to us, the Company has not defaulted in repayment of dues to any bank or financial institution.
- (xii) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Order is not applicable, as the Company is not a chit fund Company or Nidhi/Mutual Benefit Fund/Society.
- (xiv) In respect of shares, securities, debentures and mutual fund units dealt or traded by the Company and held as investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given Corporate Guarantee to secure financial assistance to SKP Overseas Pte. Ltd, a wholly owned subsidiary, which is not prima facie considered prejudicial to the interest of the Company.
- (xvi) On the basis of review of utilisation of funds pertaining to term loans on an overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.
- (xvii) In our opinion, and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has made fresh Preferential Allotment of shares during the year to Companies covered in the register maintained u/s 301 of the Companies Act, 1956 and such allotment is not prima facie prejudicial to the interest of the Company.
- (xix) No debentures have been issued by the Company and hence the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has raised funds by way of Preferential Allotment and according to the information and explanations given to us, the proceeds of the same have been utilised for the objects of the issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year

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

**CA B. K. Newatia**  
Partner  
**Membership No : 050251**

Kolkata, 30th May, 2013

# Balance Sheet as at 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	31-03-2013	31-03-2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	11,377.61	8,027.61
(b) Reserves & Surplus	3	69,365.71	49,834.08
		80,743.32	57,861.69
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	60,685.38	43,407.66
(b) Other Non-current Liabilities	5	3,921.41	226.04
(c) Deferred Tax Liabilities (Net)	6	5,541.14	4,619.40
		70,147.93	48,253.10
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	67,398.92	59,732.40
(b) Trade Payables	8	38,986.06	23,063.35
(c) Other Current Liabilities	9	20,924.12	15,070.63
(d) Short Term Provisions	10	857.00	1,727.82
		1,28,166.10	99,594.21
<b>Total</b>		<b>2,79,057.35</b>	<b>2,05,709.00</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	55,995.00	58,747.97
(ii) Capital Work-in-Progress	12	38,883.27	7,977.74
		94,878.27	66,725.71
(b) Non-Current Investments	13	7,063.40	5,869.16
(c) Long-Term Loans and Advances	14	14,194.37	13,222.93
		1,16,136.04	85,817.81
<b>(2) Current Assets</b>			
(a) Current Investments	15	-	500.00
(b) Inventories	16	89,290.70	64,914.97
(c) Trade Receivables	17	38,729.02	19,675.52
(d) Cash and Bank Balances	18	5,196.23	8,667.66
(e) Short-Term Loans and Advances	19	20,910.46	23,221.79
(f) Other Current Assets	20	8,794.90	2,911.25
		1,62,921.31	1,19,891.19
<b>Total</b>		<b>2,79,057.35</b>	<b>2,05,709.00</b>
Significant Accounting Policies	1		

Accompanying Notes form integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

**CA B. K. Newatia**

Partner

Membership No : 050251

Kolkata, 30th May, 2013

For and on behalf of the Board

**S. K. Patni**

Chairman

**Rohit Patni**

Managing Director

**Pradip Kumar Agarwal**

Company Secretary

# Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	31-03-2013	31-03-2012
<b>I INCOME :</b>			
Revenue From Operations (Gross)	21	2,36,326.30	1,75,262.62
Less : Excise Duty		10,471.84	7,532.10
Revenue From Operations (Net)		2,25,854.46	1,67,730.52
II Other Income	22	1,168.20	761.33
III Total Revenue (I + II)		<b>2,27,022.66</b>	<b>1,68,491.85</b>
<b>IV EXPENSES :</b>			
Cost of Materials Consumed	23	1,08,446.62	76,310.40
Purchase of Stock-in-Trade	24	21,388.28	16,016.17
Changes in Inventories of Finished Goods & Work-in-Progress	25	(2,140.54)	(234.25)
Employee Benefits Expense	26	2,311.35	1,944.20
Finance Costs	27	14,384.47	10,620.52
Depreciation and Amortisation Expense		2,953.48	2,169.45
Other Expenses	28	72,734.79	55,640.93
<b>Total Expenses (IV)</b>		<b>2,20,078.45</b>	<b>1,62,467.42</b>
<b>PROFIT BEFORE TAX (III-IV)</b>		6,944.21	6,024.43
Less : Tax Expense			
Current Tax		857.00	1,203.38
MAT Credit Entitlement		(389.00)	(1,203.38)
Earlier Years' Tax		1.46	19.18
Deferred Tax		921.74	1,974.32
<b>PROFIT AFTER TAX</b>		<b>5,553.01</b>	<b>4,030.92</b>
Less : Exceptional Items (Refer Note No. 39)		2,660.91	-
<b>PROFIT FOR THE YEAR</b>		<b>2,892.10</b>	<b>4,030.92</b>
Earnings Per Equity Share			
[Nominal Value of Share - ₹ 10/-]			
Basic & Diluted	29	3.16	6.94
Significant Accounting Policies	1		

Accompanying Notes form integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

**CA B. K. Newatia**

Partner

Membership No : 050251

Kolkata, 30th May, 2013

For and on behalf of the Board

**S. K. Patni**

Chairman

**Rohit Patni**

Managing Director

**Pradip Kumar Agarwal**

Company Secretary

# Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax &amp; Extra-Ordinary Items</b>		<b>4,283.30</b>		<b>6,024.43</b>
Adjustments for :				
Depreciation	2,953.48		2,169.45	
Finance Costs	14,384.47		10,620.52	
Interest Received	(889.06)		(636.47)	
Loss/(Profit) on Redemption of Mutual Funds	(51.81)		0.16	
Loss on sale of Fixed Assets	2.99		15.95	
Investment & Advance written off	-		66.91	
Liabilities no longer required written back	-		(11.34)	
Sundry Balances written off / (back)	4.74		(6.47)	
		<b>16,404.81</b>		<b>12,218.70</b>
<b>Operating Profit before Working Capital Changes</b>		<b>20,688.11</b>		<b>18,243.13</b>
Adjustments for :				
(Increase)/Decrease in Inventories	(24,375.72)		(19,207.12)	
(Increase)/Decrease in Trade Receivables	(19,058.23)		(13,698.40)	
(Increase)/Decrease in Loans and Advances	4,086.49		(9,472.91)	
(Increase)/Decrease in Other Assets	(5,883.65)		(312.39)	
Increase/(Decrease) in Trade Payables	15,922.71		6,824.45	
Increase/(Decrease) in Other Liabilities	8,186.03		4,797.10	
		<b>(21,122.38)</b>		<b>(31,069.26)</b>
<b>Cash generated from operations</b>		<b>(434.27)</b>		<b>(12,826.14)</b>
Direct Tax Paid		(1,298.64)		(1,143.72)
<b>Net Cash from Operating Activities</b>		<b>(1,732.91)</b>		<b>(13,969.85)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (including Capital Work-in-Progress and Capital Advances)	(31,383.25)		(20,003.95)	
Sale of Fixed Assets	3.50		24.25	
Interest Income	640.95		738.01	
Purchase of Investment	(1,194.24)		(1,891.05)	
Redemption of Mutual Funds	551.81		9.84	
Loan to Subsidiary	(35.65)		(946.40)	
(Increase) / Decrease in Fixed Deposits with Banks	1,617.95		(3,009.77)	
<b>Net Cash used in Investing Activities</b>		<b>(29,798.93)</b>		<b>(25,079.07)</b>

# Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

(₹ in Lacs)

	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	20,100.00		15,000.00	
Increase/ (Decrease) in Long Term Borrowings	16,908.87		13,690.68	
Increase/ (Decrease) in Short Term Borrowings	7,666.52		22,597.94	
Share Issue Expenses	-		(35.00)	
Finance Costs	(14,531.47)		(10,505.71)	
Dividend Paid	(401.38)		(276.38)	
Corporate Dividend Tax	(65.11)		(44.84)	
<b>Net Cash from Financing Activities</b>		<b>29,677.43</b>		<b>40,426.70</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		(1,854.41)		1,377.78
Cash & Cash Equivalents at the beginning of the year (Refer Note No.18 to the Accounts)		2,215.58		837.80
Cash & Cash Equivalents at the end of the year (Refer Note No.18 to the Accounts)		361.17		2,215.58

## Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash in hand and bank balances on current accounts [Refer Note No.18 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

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

For and on behalf of the Board

**CA B. K. Newatia**  
Partner  
Membership No : 050251  
Kolkata, 30th May, 2013

**S. K. Patni**  
Chairman

**Rohit Patni**  
Managing Director

**Pradip Kumar Agarwal**  
Company Secretary

# Notes to and forming part of Financial Statements as at 31st March, 2013

## **NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Basis of preparation of financial statements**

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (c) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI (Revised) to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current- non current classification of assets and liabilities.
- (d) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

### **1.2 Revenue Recognition**

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

### **1.3 Fixed Assets**

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

### **1.4 Investments**

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

### **1.5 Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO

# Notes to and forming part of Financial Statements as at 31st March, 2013

## **NOTE 1 SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

### **1.6 Foreign Currency Transactions**

#### **(a) Initial Recognition :**

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

#### **(b) Conversion :**

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

#### **(c) Exchange Differences :**

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

#### **(d) Forward Exchange Contracts :**

Forward Exchange Contracts (other than those entered into to hedge foreign currency risk of future transactions in respect of which firm commitments are made or are highly probable forecast transactions) are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss.

### **1.7 Derivative Instruments and Hedging**

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions. All derivative contracts outstanding at the period end are marked to market. The Company has applied the hedge accounting principles set out in AS-30 "Financial Instruments : Recognition and Measurement". The method of recognising the resultant gain or loss depends on whether the derivative is designated as hedging instrument. The gains or losses on designated hedging instruments that qualify as effective hedges are recorded in the Hedging Reserve Account and are recognised in the Statement of Profit and Loss in the period during which the underlying forecasted transactions occur. Gains or losses on the ineffective transactions are immediately recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the Hedging Reserve are transferred to the Statement of Profit and Loss immediately.

### **1.8 Government Grants**

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

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

### **1.9 Employee Benefits**

#### **(a) Defined Contribution Plan :**

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

#### **(b) Defined Benefit Plan :**

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

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

# Notes to and forming part of Financial Statements as at 31st March, 2013

## **NOTE 1 SIGNIFICANT ACCOUNTING POLICIES** (Contd.)

### **1.10 Research & Development Expenses**

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

### **1.11 Borrowing Costs**

- (a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs and are shown as "Applicable Net Gain/Loss in Foreign Currency Transactions and Translations" (under "Finance Costs").
- (b) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- (c) Other Borrowing costs are recognised as expense in the period in which they are incurred.

### **1.12 Expenditure on new projects & substantial expansion**

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

### **1.13 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred Tax Asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

### **1.14 Earnings per Share (EPS)**

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

### **1.15 Prior Period Items**

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

### **1.16 Provisions / Contingencies**

- (a) Provision involving substantial degree of estimation in measurements is recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- (c) A Contingent Asset is not recognised in the Accounts.

### **1.17 Preliminary & Share Issue Expenses**

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



# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 2 SHARE CAPITAL

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Authorised</b>		
15,00,00,000 (P.Y. 15,00,00,000) Equity Shares of ₹ 10/- each	15,000.00	15,000.00
<b>Issued, Subscribed and Paid-up</b>		
11,37,76,123 (P.Y. 8,02,76,123) Equity Shares of ₹ 10/- each fully paid up	11,377.61	8,027.61

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

Equity Shares	31-03-2013		31-03-2012	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the Beginning of the Period	8,02,76,123	8,027.61	5,52,76,123	5,527.61
Issued During the Period	3,35,00,000	3,350.00	2,50,00,000	2,500.00
At the End of the Period	<b>11,37,76,123</b>	<b>11,377.61</b>	<b>8,02,76,123</b>	<b>8,027.61</b>

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

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

	31-03-2013		31-03-2012	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Suanvi Trading and Investment Co. Pvt. Ltd.	1,12,37,501	9.88	82,37,501	10.26
Vasupujya Enterprises Pvt. Ltd.	1,13,59,538	9.98	83,59,538	10.41
Invesco Finance Pvt. Ltd.	1,10,39,317	9.70	80,39,317	10.01
Poddar Mech Tech Services Pvt. Ltd.	1,29,79,933	11.41	1,04,79,933	13.05
Shreyansh Leafin Pvt. Ltd.	1,09,93,150	9.66	79,93,150	9.96
Whitestone Suppliers Pvt. Ltd.	1,09,07,765	9.59	79,07,765	9.85

d) During the year, the Company has made preferential allotment of 3,35,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- per share, aggregating to ₹ 20,100 Lacs to part finance the setting up of a 33MVA Sub-merged Arc Furnace at Jajpur, to meet long-term working capital requirement of the Company and to invest in the Company's Wholly Owned Subsidiary SKP Overseas Pte Ltd. The proceeds of the issue have been utilised towards the objects of the said issue.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 3 RESERVES AND SURPLUS

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Capital Reserve</b>		
As per last account		
- Capital Investment Subsidy	240.00	240.00
- Forfeiture of Deposit against Share Warrants	128.14	128.14
	<b>368.14</b>	<b>368.14</b>
<b>Securities Premium Account</b>		
At the beginning of the accounting period	25,653.10	13,188.10
Additions during the year	16,750.00	12,500.00
	42,403.10	25,688.10
Share Issue Expenses written off	-	(35.00)
At the end of the accounting period	<b>42,403.10</b>	<b>25,653.10</b>
<b>Hedge Reserve [Refer Note 40]</b>		
At the beginning of the accounting period	-	-
Additions during the year	(110.48)	-
	<b>(110.48)</b>	-
<b>General Reserve</b>		
As per last account	450.00	450.00
<b>Surplus (Balance in the Statement of Profit &amp; Loss)</b>		
Balance as per last Financial Statement	23,362.85	19,798.42
Profit for the year	2,892.10	4,030.92
Less: Appropriations		
- Proposed equity dividend (Amount per share Nil (P.Y. ₹ 0.50))	-	401.38
- Tax on proposed equity dividend	-	65.11
Closing Balance	26,254.95	23,362.85
	<b>69,365.71</b>	<b>49,834.08</b>

## NOTE 4 LONG-TERM BORROWINGS

	Non-current portion		Current Maturities	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
<b>Term Loans (Secured)</b>				
Rupee Loans from Banks	51,056.87	33,365.93	3,908.82	4,256.99
	<b>51,056.87</b>	<b>33,365.93</b>	<b>3,908.82</b>	<b>4,256.99</b>
<b>Loans from Related Party</b>				
Loan from Body Corporates (Unsecured)	-	2,309.00	-	-
	-	<b>2,309.00</b>	-	-
<b>Other Loans and Advances</b>				
Loan from Body Corporates (Unsecured)	9,534.50	7,509.50	-	-
Loans against Vehicles & Equipments (Secured)	94.01	223.23	159.09	179.76
	<b>9,628.51</b>	<b>7,732.73</b>	<b>159.09</b>	<b>179.76</b>
	<b>60,685.38</b>	<b>43,407.66</b>	<b>4,067.91</b>	<b>4,436.75</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

(₹ in Lacs)

	Non-current portion		Current Maturities	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
The above amount includes				
Secured Borrowings	51,150.88	33,589.16	4,067.91	4,436.75
Unsecured Borrowings	9,534.50	9,818.50	-	-
Amount disclosed under the head -				
"Other Current Liabilities" (Refer Note 9)	-	-	(4,067.91)	(4,436.75)
	<b>60,685.38</b>	<b>43,407.66</b>	-	-

### (A) Details of security

(i) Term Loans from banks are secured by way of :

- 1st charge on pari passu basis on the entire Fixed Assets of the Company, both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and second charge on pari passu basis on entire Current Assets of the Company, both present and future.
- Collateral security by equitable mortgage of Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd. and Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C. R. Avenue, Kolkata - 12, held in the name of Mr. S. K. Patni.
- Personal Guarantee of the Promoter/Directors - Mr. S. K. Patni, Mr. Rohit Patni and Mr. Ankit Patni.
- Corporate Guarantee of the Group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.

(ii) Loans against Vehicles & Equipment are secured by way of hypothecation of the underlying asset financed.

### (B) Terms of Repayment

(i) Term Loans from Banks

Bank's Name	Amount outstanding (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	Repayment Terms with reference to Balance Sheet date
Allahabad Bank	2,357.10	5 yrs 6 m	22 Quarterly Installments of ₹ 107.15 Lacs each.
Allahabad Bank*	4,575.61	13 yrs 6 m	44 Quarterly Installments of ₹ 114 Lacs each from Dec, 2015.
Canara Bank	2,402.04	5 yrs 6 m	22 Quarterly Installments of ₹ 109.19 Lacs each.
Exim Bank*	6,500.00	7 yrs 6 m	24 Quarterly Installments from Dec, 2014 - 20 of ₹ 329 Lacs each and 4 of ₹ 330 Lacs each.
State Bank of India*	9,204.69	12 yrs	44 Quarterly Installments of ₹ 227 Lacs each from June, 2014.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

Bank's Name	Amount outstanding (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	Repayment Terms with reference to Balance Sheet date
State Bank of India*	6,499.99	7 yrs 6 m	24 Quarterly Installments from Dec, 2014 - 20 of ₹ 417 Lacs each and 4 of ₹ 416 Lacs each.
State Bank of India	5,000.00	4 yrs	16 Quarterly Installments of ₹ 312.50 Lacs each.
State Bank of Hyderabad*	4,644.18	12 yrs	44 Quarterly Installments of ₹ 114 Lacs each from June, 2014.
State Bank of Travancore*	4,639.64	12 yrs	44 Quarterly Installments of ₹ 114 Lacs each from June, 2014.
United Bank of India	549.00	5 yrs 6 m	22 Quarterly Installments of ₹ 25 Lacs each.
United Bank of India	26.82	2 m	2 Monthly Installments of ₹ 14.13 Lacs each.
United Bank of India*	1,900.00	13 yrs 3 m	44 Quarterly Installments from Sept, 2015 - 43 of ₹ 47.88 Lacs each and 1 of ₹ 41.16 Lacs.
United Bank of India	6,666.61	4 yrs	16 Quarterly Installments of ₹ 416.67 Lacs each.

\* Part of the Term Loans are yet to be disbursed.

Term Loans carry an average interest rate of 14.05% (Previous year - 13.71%)

- (ii) Unsecured Loan from Bodies Corporate aggregating to ₹ 9,184.50 Lacs (P.Y. ₹ 9,818.50 Lacs) are interest free. Other Loans carry interest @ 12% p.a. Such loans are repayable at the option of the Company and are stated by the management to be in the nature of Long Term Borrowings.
- (iii) Loans against Vehicles & Equipments are repayable by way of Equated Monthly Installments subsequent to taking of such loan. The original period of such loans is 3 years.

## NOTE 5 OTHER NON-CURRENT LIABILITIES

(₹ in Lacs)

	31-03-2013	31-03-2012
Derivative Contracts Payable	511.72	226.04
Other Payables - For Accrued Expenses	3,409.69	-
	<b>3,921.41</b>	<b>226.04</b>

## NOTE 6 DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability		
- Related to Fixed Assets	5,541.14	4,755.27
Deferred Tax Asset		
- Unabsorbed Depreciation	-	135.87
<b>Net Deferred Tax Liability</b>	<b>5,541.14</b>	<b>4,619.40</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 7 SHORT-TERM BORROWINGS

(₹ in Lacs)

	31-03-2013	31-03-2012
Working Capital Loans from Banks (Secured)		
- Rupee Loans	65,446.96	49,859.27
- Foreign Currency Loans - Buyer's Credit	1,930.59	9,766.28
Other Loans and Advances (Unsecured)		
- Bridge Loan from WBIDC Ltd. (against interest subsidy receivable)	21.37	106.85
	<b>67,398.92</b>	<b>59,732.40</b>

### (A) Details of Security

(i) Working Capital Loans are secured by way of :

- a) 1st charge on pari passu basis on the entire Current Assets of the Company, both present and future and second charge on pari passu basis on entire fixed assets of the Company including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) both present and future.
- b) Collateral security and Guarantees as stated against Long Term Borrowings in Note No. 4 (A) (i) b), c) and d).

## NOTE 8 TRADE PAYABLES

Due to Micro, Small & Medium Enterprises [Refer Note below]	-	-
Due to others	38,986.06	23,063.35
	<b>38,986.06</b>	<b>23,063.35</b>

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables include ₹ 4,171.64 Lacs (P.Y. ₹ 5,102.55 Lacs) against pledge of stock of raw materials.

## NOTE 9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Refer Note 4)	4,067.91	4,436.75
Interest Accrued and due on Borrowings	653.96	251.36
Income Received in Advance	11.32	-
Interest Accrued but not due on Borrowings	43.42	190.42
Advance from Parties	3,113.80	1,111.52
Unclaimed Dividend *	10.68	9.75
Share Application Money Refundable*	0.10	0.10
Derivative Contracts Payable	13.97	205.99
Other Payables		
- For Statutory Dues	1,431.73	326.61
- For Capital Goods	2,827.11	1,071.17
- For Accrued Expenses	8,750.12	7,466.96
	<b>20,924.12</b>	<b>15,070.63</b>

\* Includes uncashed warrants/ECS rejected. There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 10 SHORT-TERM PROVISIONS

(₹ in Lacs)

	31-03-2013	31-03-2012
For Taxation	857.00	1,261.33
For Proposed Dividend	-	401.38
For Corporate Tax on Dividend	-	65.11
	<b>857.00</b>	<b>1,727.82</b>

## NOTE 11 TANGIBLE ASSETS

	Land		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total
	Freehold	Leasehold							
<b>Gross Block</b>									
<b>As at 31st March, 2011</b>	<b>404.56</b>	<b>4,059.42</b>	<b>7,484.97</b>	<b>24,029.60</b>	<b>422.93</b>	<b>324.33</b>	<b>236.15</b>	<b>0.30</b>	<b>36,962.27</b>
Additions	676.17	-	5,495.97	18,909.62	11.03	166.23	119.51	-	25,378.52
Disposals	-	-	-	-	-	73.66	-	-	73.66
Other Adjustments									
- Borrowing Costs	-	-	347.74	2,916.17	-	-	-	-	3,263.92
<b>As at 31st March, 2012</b>	<b>1,080.73</b>	<b>4,059.42</b>	<b>13,328.68</b>	<b>45,855.39</b>	<b>433.96</b>	<b>416.90</b>	<b>355.66</b>	<b>0.30</b>	<b>65,531.05</b>
Additions	0.77	-	67.63	47.89	2.70	62.06	30.93	-	211.98
Disposals	-	-	-	-	-	13.19	-	-	13.19
Other Adjustments									
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2013</b>	<b>1,081.50</b>	<b>4,059.42</b>	<b>13,396.31</b>	<b>45,903.28</b>	<b>436.66</b>	<b>465.77</b>	<b>386.59</b>	<b>0.30</b>	<b>65,729.84</b>
<b>Depreciation &amp; Amortisation</b>									
<b>As at 31st March, 2011</b>	<b>-</b>	<b>-</b>	<b>774.10</b>	<b>3,702.06</b>	<b>41.29</b>	<b>75.51</b>	<b>50.26</b>	<b>0.11</b>	<b>4,643.32</b>
For the year*	-	-	413.36	1,666.57	27.26	35.03	30.98	0.01	2,173.22
Deductions	-	-	-	-	-	33.46	-	-	33.46
<b>As at 31st March, 2012</b>	<b>-</b>	<b>-</b>	<b>1,187.45</b>	<b>5,368.63</b>	<b>68.54</b>	<b>77.08</b>	<b>81.24</b>	<b>0.12</b>	<b>6,783.07</b>
For the year*	-	-	439.52	2,405.17	27.57	41.86	44.35	0.01	2,958.48
Deductions	-	-	-	-	-	6.70	-	-	6.70
<b>As at 31st March, 2013</b>	<b>-</b>	<b>-</b>	<b>1,626.97</b>	<b>7,773.80</b>	<b>96.11</b>	<b>112.24</b>	<b>125.59</b>	<b>0.13</b>	<b>9,734.85</b>
<b>Net Block</b>									
<b>As on 31st March, 2012</b>	<b>1,080.73</b>	<b>4,059.42</b>	<b>12,141.23</b>	<b>40,486.76</b>	<b>365.41</b>	<b>339.82</b>	<b>274.42</b>	<b>0.18</b>	<b>58,747.97</b>
<b>As on 31st March, 2013</b>	<b>1,081.50</b>	<b>4,059.42</b>	<b>11,769.35</b>	<b>38,129.49</b>	<b>340.55</b>	<b>353.53</b>	<b>261.01</b>	<b>0.17</b>	<b>55,995.00</b>

**Note :** The original cost of vehicles & equipments includes ₹ 607.34 Lacs (P.Y. ₹ 587.38 Lacs) acquired from loans taken from banks & financial institutions, of which ₹ 253.09 Lacs (P.Y. ₹ 402.98 Lacs) were outstanding as at 31st March, 2013.

\* Includes ₹ 4.99 Lacs (P.Y. ₹ 3.77 Lacs) debited to Capital Work-in-Progress.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 12 CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

	31-03-2013	31-03-2012
At the beginning of the year	7,977.74	24,742.80
Add : Incurred during the year	30,905.53	9,619.57
Less : Capitalised during the year	-	26,384.63
<b>At the end of the year</b>	<b>38,883.27</b>	<b>7,977.74</b>

Capital work-in-progress includes Pre Operative Expenses as below relating to project under implementation, pending allocation to Fixed Assets :

	1,889.38	2,865.85
<b>Opening Balance</b>		
<b>Add : Expenditure incurred during the year</b>		
Salaries	118.76	82.36
Rent	10.38	2.16
Rates & Taxes	0.31	-
Insurance	25.90	28.39
Electricity Charges	0.89	-
Printing & Stationary	0.07	-
Telephone Expenses	0.70	-
Travelling & Conveyance	15.19	2.08
Repairs & Maintainance	2.35	0.30
Labour Charges	46.12	5.65
Security Service Charges	38.21	7.46
Hiring Charges - Equipment	30.01	11.53
License and Application Fees	-	0.50
Legal, Professional & Consultancy Charges	147.48	189.32
General Expenses	2.30	-
Bank Charges	135.75	6.78
Interest on Term Loan from Banks	3,781.54	2,458.55
Depreciation	4.99	3.77
<b>Total</b>	<b>6,250.33</b>	<b>5,664.69</b>
Amount allocated to Fixed Assets	-	(3,775.31)
<b>Closing Balance</b>	<b>6,250.33</b>	<b>1,889.38</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 13 NON-CURRENT INVESTMENTS

	Number of Shares/Units 31-03-2013	Number of Shares/Units 31-03-2012	(₹ in Lacs) 31-03-2013	(₹ in Lacs) 31-03-2012
<b>Trade Investments (at cost)</b>				
<b>Equity Shares - Unquoted (Fully Paid Up)</b>				
<b>In Subsidiaries</b>				
SKP Overseas Pte Ltd.				
(Shares of S\$ 1 each fully paid up)	1,97,00,000	1,69,50,000	7,062.40	5,868.16
<b>Others</b>				
SKP Power Ventures Ltd. ( F.V. ₹ 10 /- )	10,000	10,000	1.00	1.00
<b>Total of Non-Current Investments</b>			<b>7,063.40</b>	<b>5,869.16</b>

## NOTE 14 LONG-TERM LOANS & ADVANCES

(₹ in Lacs)

	31-03-2013	31-03-2012
(Unsecured, Considered good)		
Capital Advances (Refer Note No. 30 (ii))	12,323.46	10,296.79
Security Deposits	1,870.91	2,926.14
	<b>14,194.37</b>	<b>13,222.93</b>

## NOTE 15 CURRENT INVESTMENTS

	Number of Shares/Units 31-03-2013	Number of Shares/Units 31-03-2012	(₹ in Lacs) 31-03-2013	(₹ in Lacs) 31-03-2012
<b>Unquoted - Mutual Funds</b>				
SBI Mutual Fund	-	50,00,000	-	500.00
[NAV ₹ Nil (P.Y. ₹ 550.84 Lacs)]				
<b>Total of Current Investments</b>			<b>-</b>	<b>500.00</b>

## NOTE 16 INVENTORIES

(₹ in Lacs)

	31-03-2013	31-03-2012
(As taken, valued and certified by the management)		
Raw Materials	66,917.52	48,938.77
Intermediates	4,869.75	951.74
Work-in-Process	10,153.94	8,329.99
Finished Goods*	5,135.00	4,923.09
Traded Goods	104.67	-
Stores & Spares	1,982.46	1,644.20
Packing Materials	127.36	127.18
	<b>89,290.70</b>	<b>64,914.97</b>

\* Includes in transit ₹ 1,642.83 Lacs (P.Y. ₹ 1,061.18 Lacs)



# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 17 TRADE RECEIVABLES

(₹ in Lacs)

	31-03-2013	31-03-2012
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	824.73	810.03
Other Debts	37,904.29	18,865.49
	<b>38,729.02</b>	<b>19,675.52</b>

Trade Receivables include ₹ 123.78 Lacs (P.Y. ₹ 258.24 Lacs) from Related Parties and ₹ 145.04 Lacs (P.Y. ₹ Nil) from the Subsidiary.

## NOTE 18 CASH AND BANK BALANCES

<b>i) Cash &amp; Cash Equivalents</b>		
(A) Cash in Hand (as certified)	181.04	79.94
(B) Balances with Banks		
- In Current Accounts	180.13	2,135.64
<b>Cash &amp; Cash Equivalents</b>	<b>361.17</b>	<b>2,215.58</b>
<b>ii) Other Bank Balances</b>		
(A) Term Deposits with Banks *	4,824.27	6,442.22
(Includes ₹ 3,790.04 Lacs (P.Y. ₹ 3,253.72 Lacs) having maturity greater than 12 months)		
(B) Earmarked Balances with Banks	10.79	9.86
<b>Other Bank Balances</b>	<b>4,835.06</b>	<b>6,452.08</b>
<b>Total</b>	<b>5,196.23</b>	<b>8,667.66</b>

\* Held as Margin against Bank guarantee and letter of credit.

## NOTE 19 SHORT-TERM LOANS & ADVANCES

(Unsecured, Considered Good)		
Loan to Subsidiary	982.04	946.40
Advances recoverable in cash or in kind or for value to be received		
- To Related Parties	220.50	930.42
- To Subsidiary	245.44	2.55
- To Others	5,827.88	12,665.81
Balance with Central Excise and Cenvat Receivable	5,373.22	3,144.60
Sales Tax / VAT Receivable / Refundable	5,498.23	3,613.77
Income Tax Payments (Including TDS)	103.34	67.48
Income Tax Refundable	22.86	22.86
MAT Credit Entitlement [Refer Note below]	1,896.53	1,507.53
Prepaid Expenses	166.76	81.58
Derivative Contracts Receivable	75.43	-
Accrued Interest on Deposits	498.22	238.79
	<b>20,910.46</b>	<b>23,221.79</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 19 SHORT-TERM LOANS & ADVANCES (Contd.)

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

## NOTE 20 OTHER CURRENT ASSETS

(₹ in Lacs)

	31-03-2013	31-03-2012
(Unsecured, Considered Good)		
Export Incentive Receivable	4,330.08	2,110.32
Subsidy/Power Incentive Receivable	4,464.82	800.94
	<b>8,794.90</b>	<b>2,911.25</b>

## NOTE 21 REVENUE FROM OPERATIONS

<b>Sale of Products</b>		
Sale of Manufactured Goods		
- Export Sales	99,007.63	72,596.23
- Domestic Sales	95,212.32	79,610.40
Sale of Raw Materials	10,902.35	1,598.31
Sale of Traded Goods	24,537.51	18,251.94
	<b>2,29,659.81</b>	<b>1,72,056.88</b>
<b>Other Operating Revenues</b>		
- Export Incentives [includes ₹ 698.14 Lacs (P.Y. Nil) for earlier years]	6,666.50	3,205.74
	<b>2,36,326.30</b>	<b>1,75,262.62</b>
<b>Details of Sale of Products</b>		
<b>Sale of Manufactured Goods</b>		
- Ferro Alloys	1,31,084.02	1,18,185.52
- Iron and Steel Products	63,135.93	34,021.11
<b>Sale of Raw Materials</b>		
- Manganese Ore	7,783.64	1,425.11
- Coal & Coke	1,794.02	93.41
- Others	1,324.69	79.79
<b>Sale of Traded Goods</b>		
- Ferro Alloys	76.36	257.65
- Manganese Ore	423.43	8,186.28
- Coal & Coke	-	994.63
- Iron and Steel Products	24,037.72	8,813.37
	<b>2,29,659.81</b>	<b>1,72,056.88</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 22 OTHER INCOME

(₹ in Lacs)

	31-03-2013	31-03-2012
Interest Income		
- On Credit Sales	121.62	100.31
- On Fixed Deposits	442.62	351.14
- Other Deposits	260.61	185.02
- On Loan given	25.27	-
- On Loan to subsidiary	38.93	-
Commission Income	152.00	-
Premium on Forward Contracts	-	76.23
Profit on redemption of Mutual Fund	51.81	-
Sundry Balances Written Back	-	6.47
Liabilities no longer required written back	-	11.34
Prior Period Income [Refer Note (a) Below]	34.17	(0.62)
Lease Rent Received	3.60	3.60
Insurance Claim Received	37.44	26.31
Miscellaneous Income	0.13	1.53
	<b>1,168.20</b>	<b>761.33</b>
<b>a) Prior period items for the year comprise of the following :</b>		
Commission on Sales	-	(0.62)
Purchases	150.61	-
Insurance	2.00	-
Power & Fuel	(118.44)	-
<b>Total</b>	<b>34.17</b>	<b>(0.62)</b>

## NOTE 23 COST OF MATERIALS CONSUMED

(including cost of Raw Materials sold)		
Opening Stock of Raw Materials & Intermediates	49,890.51	31,944.67
Purchases during the year (including freight)	1,30,343.38	94,256.24
	<b>1,80,233.89</b>	<b>1,26,200.91</b>
Less : Closing Stock of Raw Materials	66,917.52	48,938.77
<b>Cost of Raw Materials consumed</b>	<b>1,13,316.37</b>	<b>77,262.14</b>
Less : Closing Stock of Intermediates	4,869.75	951.74
<b>Cost of Materials consumed</b>	<b>1,08,446.62</b>	<b>76,310.40</b>
<b>Details of Raw Materials Consumed</b>		
Chrome Ore	26,839.94	23,782.92
Manganese Ore	32,491.68	22,731.02
Coal & Coke	16,183.21	13,691.15
Sponge Iron, Scrap & Billets	20,990.40	8,514.20
Others	16,811.14	8,542.85
	<b>1,13,316.37</b>	<b>77,262.14</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 23 COST OF MATERIALS CONSUMED (Contd.)

	31-03-2013		31-03-2012	
	%	(₹ in Lacs)	%	(₹ in Lacs)
Break up into Imported & Indigenous				
Imported	47.37%	53,672.98	44.07%	34,046.63
Indigenous	52.63%	59,643.39	55.93%	43,215.51
	<b>100.00%</b>	<b>1,13,316.37</b>	<b>100.00%</b>	<b>77,262.14</b>

## NOTE 24 PURCHASES OF STOCK IN TRADE

(₹ in Lacs)

	31-03-2013	31-03-2012
Ferro Alloys	175.11	120.90
Manganese Ore	349.10	6,722.05
Coal & Coke	-	992.88
Iron and Steel Products	20,864.07	8,180.34
	<b>21,388.28</b>	<b>16,016.17</b>

## NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

<b>Opening Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	3,432.17	6,781.61
Iron & Steel Products	1,488.03	-
<b>Work-in-Progress</b>		
Ferro Alloys	7,231.92	5,697.02
Iron & Steel Products	1,098.07	-
<b>Traded Goods</b>		
Ferro Alloys	2.89	123.00
Iron & Steel Products	-	417.19
	<b>13,253.08</b>	<b>13,018.82</b>
<b>Closing Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	3,636.79	3,432.17
Iron & Steel Products	1,498.22	1,488.03
<b>Work-in-Progress</b>		
Ferro Alloys	8,011.63	7,231.92
Iron & Steel Products	2,142.31	1,098.07
<b>Traded Goods</b>		
Ferro Alloys	104.67	2.89
	<b>15,393.62</b>	<b>13,253.08</b>
	<b>(2,140.54)</b>	<b>(234.25)</b>

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 26 EMPLOYEE BENEFIT EXPENSE

(₹ in Lacs)

	31-03-2013	31-03-2012
Salaries, Wages, Bonus & Allowances	2,067.70	1,689.34
Contribution to Provident & Other Funds	86.96	80.33
Gratuity [Refer Note 34]	21.06	34.79
Directors' Remuneration	69.50	66.00
Welfare Expenses	66.13	73.74
	<b>2,311.35</b>	<b>1,944.20</b>

## NOTE 27 FINANCE COSTS

Interest Expense		
To Banks		
- On Fixed Loans	2,842.89	2,474.86
- On Others [Refer Note (a) below]	8,843.76	5,662.68
To Others	707.48	833.45
Other Borrowing Costs	1,451.99	1,364.73
Vehicles and Equipment Finance Charges	36.51	26.64
Applicable Net Gain/Loss on Foreign Currency Transactions and translations	501.84	258.16
	<b>14,384.47</b>	<b>10,620.52</b>

a) Interest to Banks is net of ₹ 600 lacs receivable as Interest Subsidy recognised on receipt of Eligibility Certificate under the West Bengal Incentive Scheme, 2000.

## NOTE 28 OTHER EXPENSES

Labour Charges	2,505.87	1,704.14
Power & Fuel	48,180.75	38,236.30
Water Supply Charges	86.15	65.86
Stores, Spares and Consumables [Refer Note (a) below]	7,414.39	4,696.88
Packing Materials	509.27	481.96
Material Handling Expenses	1,535.96	1,395.76
Excise Duty on Variation in Stock [Refer Note (b) below]	(33.06)	171.73
Repairs		
- To Factory Shed & Building	56.07	29.71
- To Plant & Machinery	450.23	358.18
Rent	104.19	99.20
Rates & Taxes	17.42	76.17
Electricity Expenses	28.83	23.15
Insurance	176.78	183.61
Printing and Stationery	49.05	54.13
Postage and Courier	12.02	12.17
Telephone Charges	58.53	48.83
Travelling & Conveyance	132.44	186.18

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 28 OTHER EXPENSES (Contd.)

(₹ in Lacs)

	31-03-2013	31-03-2012
Car Running and Maintenance	130.87	128.63
Other Repairs and Maintenance	110.34	33.49
Security Service Charges	331.80	343.53
Membership and Subscription	41.91	32.39
Internal Audit Fees	8.50	10.58
Legal and Professional Charges	256.60	118.70
Auditors' Remuneration [Refer Note Below (c)]	14.83	10.78
Directors' Sitting Fees	1.75	2.05
Miscellaneous Expenses	243.94	238.95
Processing Fees to WBIDC Ltd	3.92	11.63
Testing & Inspection Charges	172.79	113.04
Donations	8.14	2.01
Advertisement & Sales Promotion	71.67	131.92
Freight & Forwarding on Export	4,453.20	2,752.57
Transportation & Delivery Charges	3,152.79	2,156.53
Commission on Sales	233.20	211.18
Discounts & Rebates	-	0.20
Excise Duty / Sales Tax for earlier years	10.93	13.30
Corporate Social Responsibility	12.38	6.00
Investment & Advance Written off	-	66.91
Loss on Sale of Fixed Assets	2.99	15.95
Loss on Redemption of Mutual Funds	-	0.16
Short Recovery & Damages	222.51	42.75
Sundry Balances Written Off	4.74	-
Foreign Exchange Fluctuation Loss	1,909.50	1,373.74
Irrecoverable Claims Written Off	50.60	-
	<b>72,734.79</b>	<b>55,640.93</b>

### a) Stores, Spares & Consumables

	31-03-2013		31-03-2012	
	%	₹ in Lacs	%	₹ in Lacs
<b>Break up into Imported &amp; Indigenous</b>				
Imported	4.48%	332.18	0.55%	25.67
Indigenous	95.52%	7,082.21	99.45%	4,671.21
	<b>100.00%</b>	<b>7,414.39</b>	<b>100.00%</b>	<b>4,696.88</b>

b) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 28 OTHER EXPENSES (Contd.)

### c) Auditors' Remuneration :

(₹ in Lacs)

	31-03-2013	31-03-2012
i) As Auditor [includes tax audit fees of ₹ 2.00 Lacs (P.Y. ₹ 1.50 Lacs)]	10.00	7.50
ii) For Taxation matters	0.80	0.70
iii) For Other services	4.03	2.58
<b>Total</b>	<b>14.83</b>	<b>10.78</b>

## NOTE 29 EARNINGS PER SHARE

Weighted average number of Equity Shares outstanding during the year	9,15,65,164	5,80,76,669
Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	9,15,65,164	5,80,76,669
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	2,892.10	4,030.92
Nominal Value of Ordinary Shares (₹)	10	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>3.16</b>	<b>6.94</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>3.16</b>	<b>6.94</b>

## NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS

(i) Contingent Liabilities not provided for in the books of accounts in respect of :

(a) Bills discounted, outstanding as on 31st March, 2013 - ₹ 5,446.15 Lacs (P.Y. - ₹ 6,097.24 Lacs).

(b) Corporate Guarantee to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte Ltd, a Wholly Owned Subsidiary. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March 2013 is USD. 5.35 Million (P.Y. USD 8.35 Million).

(c) Claims against the Company not acknowledged as debt :

	31-03-2013	31-03-2012
Disputed Excise Duty/Service Tax under appeal	546.07	576.91
Disputed Sales Tax/ VAT under appeal	836.77	533.95
Disputed Entry Tax under appeal	16.03	0.70
Disputed Income Tax Demands under appeal	-	21.68
Excise Duty demand for which show cause notice issued	20.78	4.31
Excise Demand, pending showcause	20.00	-
Disputed ESI under Settlement Commission	-	10.25
Irregular Claim of Export Incentives, pending show cause from DRI	150.00	150.00

(d) The Company has challenged the constitutional validity of Entry Tax levied by the Government of West Bengal w.e.f. 1st April, 2012. In view of the stay granted by the Hon'ble High Court of Calcutta, the Company has not provided amount of ₹ 177.98 Lacs for the same in the accounts.

(ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 9,551.28 Lacs (Previous Year ₹ 15,155.45 Lacs).

(iii) Estimated amount of export obligations to be fulfilled in respect of goods imported under Duty Free Import Authorisation Scheme - ₹ Nil (Previous Year ₹ 988.22 Lacs) and under Export Promotion Capital Goods Scheme (EPCG) - ₹ 1,849.09 Lacs (Previous Year ₹ 4,885.35 Lacs).

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 31

In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

## NOTE 32

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

## NOTE 33 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses aggregating to ₹ 30.19 Lacs ( P.Y. ₹ 17.84 Lacs) in the nature of revenue expenditure have been included under the appropriate account heads.

## NOTE 34 EMPLOYEE BENEFITS

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

Contribution to Defined Contribution Plan, recognised as expense for the year is as under : (₹ in Lacs)

	31-03-2013	31-03-2012
Employer's Contribution to Provident and Other Funds	86.96	80.33

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2013 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Gratuity (Funded) 31-03-2013	Gratuity (Funded) 31-03-2012
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation :</b>		
Defined Benefit obligation at beginning of the year	58.00	27.80
Interest Cost	4.64	2.22
Current Service Cost	17.54	10.16
Actuarial (Gain)/Loss	(0.20)	17.82
Benefits paid	-	-
Defined Benefit obligation at the year end	<b>79.99</b>	<b>58.00</b>
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets :</b>		
Fair value of plan assets at beginning of the year	79.38	40.73
Expected return on plan assets	7.27	3.86
Actuarial Gain/(Loss)	-	-
Employers' contribution	21.06	34.79
Benefits paid	-	-
Fair value of plan assets at the year end	<b>107.70</b>	<b>79.38</b>
Actual return on plan assets	<b>7.27</b>	<b>3.86</b>



# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 34 EMPLOYEE BENEFITS (Contd.)

(₹ in Lacs)

	Gratuity (Funded) 31-03-2013	Gratuity (Funded) 31-03-2012
<b>(iii) Reconciliation of fair value of assets and obligation :</b>		
Fair value of plan assets	107.70	79.38
Present value of obligation	79.99	58.00
Amount recognised as liability/ (asset) in Balance Sheet*	-	-
(*Excess of assets not recognised as the same is lying in an irrevocable trust fund)		
<b>(iv) Expenses recognised during the year in the Statement of Profit &amp; Loss :</b>		
(shown in Note - 26 under the head 'Gratuity')		
Current Service Cost	17.54	10.16
Interest Cost	4.64	2.22
Expected return on plan assets	(7.27)	(3.86)
Actuarial (Gain)/Loss	(0.20)	17.82
Net asset (surplus) not recognised as above	6.34	8.45
Recognised in the Statement of Profit and Loss	<b>21.06</b>	<b>34.79</b>
<b>(v) Break-up of Plan Assets as a percentage of total plan assets :</b>		
Insurer Managed Funds	100%	100%
<b>(vi) Actuarial Assumptions :</b>		
Mortality Table	<b>LIC 1994-96 Ultimate</b>	
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	4%	4%

### (vii) Other Disclosures

	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Defined Benefit Obligation	79.99	58.00	27.80	23.46	17.43
Plan Assets	107.70	79.38	40.73	30.34	21.16
Surplus/(Deficit)	27.72	21.37	12.93	6.88	3.73
Experience Adjustment on Plan Liabilities	(0.20)	17.82	(4.39)	(1.98)	(0.24)

- (viii) (a) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- (b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.
- (c) Expected rate of return assumed by the insurance company is generally based on their investment pattern as stipulated by the Government of India.
- (ix) The above information is certified by the actuary.
- (x) The Company expects to contribute ₹ 23.13 Lacs to the Gratuity Fund managed by the Life Insurance Corporation of India during the Financial Year 2013 - 2014.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 35 SEGMENT REPORTING

- (i) **Business segments** : Based on the synergies and in terms of Accounting Standard - 17, the Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys and Iron & Steel Products. The risks and returns of Captive Power Plant is directly associated with the manufacturing operations of Ferro Alloys and hence treated as a part of Ferro Alloys segment.

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Segment Revenue (Net)</b>		
Ferro Alloys	1,59,093.62	1,39,852.13
Iron and Steel	80,805.20	39,626.44
Inter Segment Revenue	(14,044.36)	(11,748.05)
<b>Total</b>	<b>2,25,854.46</b>	<b>1,67,730.52</b>

<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
Ferro Alloys	13,861.52	12,234.93
Iron and Steel	7,411.62	4,395.11
Unallocated	55.54	14.92
<b>Total</b>	<b>21,328.68</b>	<b>16,644.95</b>
Less : Finance Cost	14,384.47	10,620.52
Less : Exceptional Items	2,660.91	-
<b>Profit before tax</b>	<b>4,283.30</b>	<b>6,024.43</b>
Less : Tax Expense	1,391.20	1,993.51
<b>Profit after tax</b>	<b>2,892.10</b>	<b>4,030.92</b>

### Other Information

	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Exps (other than Depreciation)
Ferro Alloys	2,15,004.35	43,909.88	31,058.30	2,450.38	-
	<i>1,59,273.67</i>	<i>23,694.94</i>	<i>864.31</i>	<i>1,751.66</i>	-
Iron and Steel	54,966.87	15,199.84	59.21	503.10	-
	<i>38,458.29</i>	<i>9,976.97</i>	<i>11,013.06</i>	<i>417.79</i>	-
Unallocated	9,086.13	6,398.14	-	-	-
	<i>7,977.04</i>	<i>6,347.23</i>	-	-	<i>66.91</i>
<b>Total (31-03-2013)</b>	<b>2,79,057.35</b>	<b>65,507.86</b>	<b>31,117.51</b>	<b>2,953.48</b>	<b>66.91</b>
<b>Total (31-03-2012)</b>	<b>2,05,709.00</b>	<b>40,019.14</b>	<b>11,877.37</b>	<b>2,169.45</b>	<b>66.91</b>

# figures in italics represent data for Previous Year.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 35 SEGMENT REPORTING (Contd.)

- (ii) **Geographical segments** : The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets are based on the location of such asset. (₹ in Lacs)

Segment	Period		Segment Revenue (Gross)	Segment Assets	Capital Expenditure
Within India	Year ended	31-03-2013	1,37,318.67	2,65,125.16	31,117.51
	Year ended	31-03-2012	1,02,666.39	1,93,513.09	11,877.37
Outside India	Year ended	31-03-2013	99,007.63	13,932.19	-
	Year ended	31-03-2012	72,596.23	12,195.91	-
Total	Year ended	31-03-2013	2,36,326.30	2,79,057.35	31,117.51
	Year ended	31-03-2012	1,75,262.62	2,05,709.00	11,877.37

## NOTE 36 RELATED PARTY DISCLOSURE

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

#### (a) Enterprise on which the Company has control

SKP Overseas PTE Ltd.	Wholly Owned Subsidiary
PT Bara Prima Mandiri	Subsidiary of SKP Overseas PTE Ltd.

#### (b) Entities / Individuals owning directly or indirectly an interest in the voting power that gives them control

None

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

#### (a) Key Managerial Personnel (KMP)

Mr. Suresh Kumar Patni  
Mr. Rohit Patni  
Mr. Ankit Patni (upto 24.08.2012)  
Mr. Binit Jain

#### (b) Relatives of KMP

Mrs. Sarita Patni  
Mr. Ankit Patni (from 25.08.2012)

#### (c) Enterprises owned or significantly influenced by KMP or their relatives

Arin Minerals Pvt. Ltd.  
Impex Metal & Ferro Alloys Ltd.  
Impex Ferro Tech Ltd.  
Ankit Metal & Power Ltd.  
Nucore Exports Pvt. Ltd.  
Arthodock Vinimay Pvt. Ltd.  
Whitestone Suppliers Pvt. Ltd.  
Vasupujya Enterprises Pvt. Ltd.  
Marble Arch Properties Pvt. Ltd.  
SKP Power Ventures Ltd.  
VNG Mercantiles Pvt. Ltd.  
Invesco Finance Pvt. Ltd.  
Poddar Mech Tech Services Pvt. Ltd.  
Suanvi Trading & Investment Co. Pvt. Ltd.  
Hira Concast Ltd.  
Impex Steel Ltd.  
Shreyansh Leafin Pvt. Ltd.  
Mahabali Ispat Pvt. Ltd.  
SKP Stock Broking Pvt. Ltd.  
Sarita Steel & Power Ltd.  
Shubham Complex Pvt. Ltd.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 36 RELATED PARTY DISCLOSURE (Contd.)

(₹ in Lacs)

iii. Nature of Transactions	31-03-2013	31-03-2012
<b>Investment in Equity Shares</b>		
SKP Overseas PTE Ltd.	1,194.24	1,881.05
<b>Loans Given</b>		
SKP Overseas PTE Ltd.	582.24	1,483.86
<b>Loans Refunded</b>		
SKP Overseas PTE Ltd.	613.88	582.11
<b>Advances Given</b>		
SKP Overseas PTE Ltd.	242.89	2.55
Sarita Steel & Power Ltd.	50.00	-
SKP Stock Broking Pvt. Ltd.	2.50	-
<b>Advance Refunded</b>		
Suanvi Trading & Investment Co. Pvt. Ltd.	73.53	-
<b>Loans Taken*</b>		
Invesco Finance Pvt. Ltd.	0.19	100.00
Nucore Exports Pvt. Ltd.	-	200.00
Poddar Mech Tech Services Pvt. Ltd.	-	1,340.00
Suanvi Trading & Investment Co. Pvt. Ltd.	-	709.00
(*Excludes subsequent transfers to Share Application Money)		
<b>Loans Repaid</b>		
Invesco Finance Pvt. Ltd.	100.19	-
Suanvi Trading & Investment Co. Pvt. Ltd.	-	40.00
<b>Share Application money received &amp; Shares allotted*</b>		
Ankit Patni	210.00	-
Rohit Patni	210.00	-
Sarita Patni	270.00	-
Suresh Kumar Patni	390.00	-
Arthodock Vinimay Pvt. Ltd.	2,400.00	750.00
Invesco Finance Pvt. Ltd.	1,800.00	-
Nucore Exports Pvt. Ltd.	660.00	-
Poddar Mech Tech Services Pvt. Ltd.	1,500.00	1,477.49
Vasupujya Enterprises Pvt. Ltd.	1,800.00	156.96
VNG Mercantiles Pvt. Ltd.	306.00	285.00
Shreyansh Leafin Pvt. Ltd.	1,800.00	4,795.89
Suanvi Trading & Investment Co. Pvt. Ltd.	1,800.00	-
Whitestone Suppliers Pvt. Ltd.	1,800.00	4,744.66
(*Includes conversion of loans)		
<b>Interest Received on Sales</b>		
Impex Steel Ltd.	-	1.82
<b>Interest Received on Loan</b>		
SKP Overseas PTE Ltd.	38.93	-

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 36 RELATED PARTY DISCLOSURE (Contd.)

(₹ in Lacs)

iii. Nature of Transactions	31-03-2013	31-03-2012
<b>Interest Paid on Purchases</b>		
Ankit Metal & Power Ltd.	-	55.04
Impex Metal & Ferro Alloys Ltd.	-	2.93
<b>Purchases</b>		
Ankit Metal & Power Ltd.	2,094.06	5,770.63
Arin Minerals Pvt. Ltd.	1.41	-
Impex Ferro Tech Ltd.	3,754.11	3,097.10
Impex Metal & Ferro Alloys Ltd.	6,842.89	6,966.50
Impex Steel Ltd.	-	4.29
Mahabali Ispat Pvt. Ltd.	-	8.22
SKP Overseas PTE Ltd.	92.18	-
<b>Purchases of Capital Goods</b>		
Ankit Metal & Power Ltd.	575.48	441.15
<b>Sales of Goods</b>		
Ankit Metal & Power Ltd.	1,487.49	1,529.99
Hira Concast Ltd.	876.61	25.00
Impex Ferro Tech Ltd.	6,015.11	1,892.20
Impex Metal & Ferro Alloys Ltd.	3,096.75	2,673.43
Impex Steel Ltd.	474.50	325.08
SKP Overseas PTE Ltd.	145.04	1,002.39
<b>DEPB Licence Purchased</b>		
Ankit Metal & Power Ltd.	5.23	-
Impex Ferro Tech Ltd.	39.58	-
Impex Metal & Ferro Alloys Ltd.	111.18	78.08
<b>DEPB Licence Sold</b>		
Impex Ferro Tech Ltd.	-	23.15
Impex Metal & Ferro Alloys Ltd.	14.25	127.23
<b>Lease Rent Received</b>		
Impex Metal & Ferro Alloys Ltd.	3.60	3.60
<b>Commission Paid</b>		
Impex Ferro Tech Ltd.	-	0.05
<b>Rent Paid</b>		
Marble Arch Properties Pvt. Ltd.	6.00	6.00
<b>Managerial Remuneration</b>		
Rohit Patni	50.00	36.00
Ankit Patni	10.00	24.00
Binit Jain	9.50	6.00
<b>Sitting Fees</b>		
Suresh Kumar Patni	0.33	0.40

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 36 RELATED PARTY DISCLOSURE (Contd.)

### (iv) Outstanding Balances

(₹ in Lacs)

Nature of Transactions	31-03-2013	31-03-2012
<b>Sundry Creditors</b>		
Ankit Metal & Power Ltd.	-	566.50
Impex Ferro Tech Ltd.	-	45.22
Impex Metal & Ferro Alloys Ltd.	8.17	262.49
Marble Arch Properties Pvt. Ltd.	1.46	1.46
<b>Sundry Debtors</b>		
Ankit Metal & Power Ltd.	13.62	-
Impex Steel Ltd.	-	258.24
Impex Ferro Tech Ltd.	39.34	-
Hira Concast Ltd.	70.81	-
SKP Overseas PTE Ltd.	145.04	-
<b>Loan Given *</b>		
SKP Overseas PTE Ltd.	982.04	946.40
* Including accrued interest		
<b>Loan Taken</b>		
Nucore Exports Pvt. Ltd.	-	200.00
Poddar Mech Tech Services Pvt. Ltd.	-	1,340.00
Invesco Finance Pvt. Ltd.	-	100.00
Suanvi Trading & Investment Co. Pvt. Ltd.	-	669.00
<b>Advances / Deposits Given</b>		
Ankit Metal & Power Ltd.	-	0.65
Impex Metal & Ferro Alloys Ltd.	-	688.25
Marble Arch Properties Pvt. Ltd.	168.00	168.00
Suanvi Trading & Investment Co. Pvt. Ltd.	-	73.53
SKP Overseas PTE Ltd.	245.44	2.55
Sarita Steel & Power Ltd.	50.00	-
SKP Stock Broking Pvt. Ltd.	2.50	-
<b>Advances Received</b>		
Impex Metal & Ferro Alloys Ltd.	-	313.25
Impex Ferro Tech Ltd.	-	3.84
Ankit Metal & Power Ltd.	-	6.69
<b>Investment in Equity Shares</b>		
SKP Overseas PTE Ltd.	7,062.40	5,868.16
SKP Power Ventures Ltd.	1.00	1.00

Term Loans and Working Capital Loans from banks are secured by way of Corporate Guarantee of the Related Parties - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd. and Personal Guarantee of the Directors/Promoters - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.

# Notes to and forming part of Financial Statements as at 31st March, 2013

## NOTE 36 RELATED PARTY DISCLOSURE (Contd.)

Corporate Guarantee is given to Indian Overseas Bank, Hongkong to secure the financial assistance to SKP Overseas Pte Ltd. Amount payable by SKP Overseas Pte Ltd. to Indian Overseas Bank, Hongkong as on 31st March, 2013 is USD. 5.35 Million (P.Y. USD 8.35 Million).

## NOTE 37 FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Earnings in Foreign Currency :</b>		
F.O.B. Value of Exports	96,026.11	70,761.75
<b>Expenditure in Foreign Currency :</b>		
Travelling & Conveyance	23.98	5.73
Membership & Subscription	22.40	22.49
Commission on Purchase	1.11	3.28
Salaries	-	2.69
Interest on Buyer's Credit	168.72	404.36
Interest on Purchase	222.05	118.52
Analysis Charges	11.15	-
Commission on Sales	105.58	68.24
Advertisement & Sales Promotion	0.98	0.65
<b>CIF Value of Imports :</b>		
Raw Materials	52,662.52	38,582.86
Stores & Spares	328.72	24.18
Capital Goods	-	21.22

## NOTE 38 AMOUNTS RECEIVABLE / PAYABLE IN FOREIGN CURRENCY

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

Nature (Nos.) of Contract	Foreign Currency	Buy/ Sell	Amount in Foreign Currency (in Lacs)	Purpose
Forward Contracts (1, P.Y. 1)	EURO	Sell	13.24 (P.Y.- 20)	Hedging Purpose
Forward Contracts (12, P.Y. 10)	USD	Sell	158.78 (P.Y.- 156.20)	Hedging Purpose

Particulars of unhedged foreign currency exposure as at 31st March, 2013 are as follows :

	Currency	31-03-2013	31-03-2012
a) Amount payable in foreign currency	EURO	0.92	-
b) Amount payable in foreign currency	USD	2,258.82	516.28

## Notes to and forming part of Financial Statements as at 31st March, 2013

### NOTE 39

Exceptional Item represents provision for additional power charges for the period upto 31st March, 2012 on retrospective revision of power tariff, net of waiver of Electricity Duty and Power Incentive recognised, on receipt during the current year of Eligibility Certificate, under the West Bengal Incentive Scheme 2000 and other approvals. Since the exceptional item relates to the previous periods, the management treated the same as a rare circumstance and, to reflect the true and fair representation of the performance of the Company for the year, considered it appropriate that the profits after tax be presented before the exceptional item, and then give effect to the exceptional item instead of making disclosure as per the current format in Part-II of Schedule VI (Revised) to the Companies Act, 1956. The Current tax figure is net of ₹ 863.33 Lacs, being the tax effect on the Exceptional item.

### NOTE 40

Effective 1st April 2012, the Company has adopted the principles of Hedge Accounting as set out in Accounting Standard (AS) 30 on Financial Instruments: Recognition and Measurement, in respect of foreign exchange forward contracts which have been taken against forecasted transactions and which are not covered by the requirements of Accounting Standard (AS) 11- 'The Effects of changes in Foreign Exchange Rates'. Accordingly, net loss of ₹ 110.48 lacs arising on fair valuation of outstanding derivatives as on 31st March 2013 that are designated as effective cash flow hedges has been adjusted against Hedging Reserve.

### NOTE 41

The Company has not made any remittance in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made on behalf of non – resident shareholders.

### NOTE 42

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached

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

For and on behalf of the Board

**CA B. K. Newatia**  
*Partner*  
**Membership No : 050251**  
Kolkata, 30th May, 2013

**S. K. Patni**  
*Chairman*

**Rohit Patni**  
*Managing Director*

**Pradip Kumar Agarwal**  
*Company Secretary*



# Independent Auditors' Report

To  
The Board of Directors of  
**Rohit Ferro-Tech Limited**

We have audited the accompanying consolidated financial statements of Rohit Ferro-Tech Limited ("the Company"), and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## **Basis for Qualified Opinion**

In the case of the Company's subsidiary, SKP Overseas Pte Ltd., the audit report issued by their auditor includes the following observation:

- a) Due to non receipt of audited financial statements relating to the investment in PT Pacific Samudra Perkasa amounting to USD 6 million (INR 3,263.36 lacs), they are not able to satisfy themselves on the carrying value of the investment as at year end.
- b) Trade Receivable includes USD 0.91 million (INR 494.94 lacs) due from supplier for claim for breaching contract terms. They are unable to satisfy themselves on the recoverability of the amount at the date of the report.

## **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph*, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

# Independent Auditors' Report

## Emphasis of Matter

Attention is invited to Note 42 to the consolidated financial statements whereby the Company has presented profits after tax before the exceptional item instead of making disclosure as per the current format in Part-II of Schedule VI (Revised) of the Companies Act, 1956 and the Current tax figure is net of ₹ 863.33 Lacs, being the tax effect on the exceptional item.

Our opinion is not qualified in respect of this matter.

## Other Matters

We did not audit the financial statements and other financial information of subsidiaries incorporated outside India. These subsidiaries account for 2.18% of total assets and 0.56% of total revenues and other income as shown in these consolidated financial statements. The financial statements and other financial information of these subsidiaries, as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. For the purposes of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India. Our opinion on the consolidated financial statements, in so far as it relates to these subsidiaries, is based solely on the reports of these other auditors.

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

**CA B. K. Newatia**  
Partner  
**Membership No : 050251**

Kolkata, 7th August, 2013

# Consolidated Balance Sheet as at 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	31-03-2013	31-03-2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	11,377.61	8,027.61
(b) Reserves & Surplus	3	69,792.42	49,836.31
		81,170.03	57,863.92
<b>(2) Minority Interest</b>		152.18	-
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	61,881.93	46,144.53
(b) Other Non-current Liabilities	5	4,335.02	226.04
(c) Deferred Tax Liabilities (Net)	6	5,541.14	4,619.40
		71,758.10	50,989.97
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	7	68,429.90	60,743.38
(b) Trade Payables	8	39,180.43	23,469.77
(c) Other Current Liabilities	9	23,734.44	16,608.25
(d) Short Term Provisions	10	857.00	1,727.82
		1,32,201.76	1,02,549.23
<b>Total</b>		<b>2,85,282.07</b>	<b>2,11,403.12</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	56,726.01	58,747.97
(ii) Intangible Assets	12	2,962.75	-
(iii) Capital Work-in-Progress	13	38,910.99	7,977.74
(iv) Intangible Assets under Development	14	3,318.14	-
		1,01,917.89	66,725.71
(b) Non-Current Investments	15	3,264.36	5,628.21
(c) Long-Term Loans and Advances	16	14,236.58	13,222.93
(d) Other Non-Current Assets	17	1,456.71	1,370.12
		1,20,875.54	86,946.98
<b>(2) Current Assets</b>			
(a) Current Investments	18	-	500.00
(b) Inventories	19	89,290.70	64,914.97
(c) Trade Receivables	20	39,206.22	19,675.52
(d) Cash and Bank Balances	21	5,490.07	8,942.66
(e) Short-Term Loans and Advances	22	21,624.64	27,511.74
(f) Other Current Assets	23	8,794.90	2,911.25
		1,64,406.53	1,24,456.14
<b>Total</b>		<b>2,85,282.07</b>	<b>2,11,403.12</b>
Significant Accounting Policies	1		

Accompanying Notes form integral part of the Consolidated Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

**CA B. K. Newatia**

Partner

Membership No : 050251

Kolkata, 7th August, 2013

For and on behalf of the Board

**S. K. Patni**

Chairman

**Rohit Patni**

Managing Director

**Pradip Kumar Agarwal**

Company Secretary

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	31-03-2013	31-03-2012
<b>I INCOME :</b>			
Revenue from Operations (Gross)	24	2,37,587.79	1,78,102.40
Less : Excise Duty		10,471.84	7,532.10
Revenue from Operations (Net)		2,27,115.95	1,70,570.30
II Other Income	25	1,181.20	761.33
III Total Revenue (I + II)		<b>2,28,297.15</b>	<b>1,71,331.63</b>
<b>IV EXPENSES :</b>			
Cost of Materials Consumed	26	1,08,354.44	76,310.40
Purchase of Stock-in-Trade	27	22,168.59	18,622.72
Changes in Inventories of Finished Goods & Work-in-Progress	28	(2,140.56)	(234.25)
Employee Benefits Expense	29	2,386.85	1,976.93
Finance Costs	30	14,664.22	10,865.35
Depreciation and Amortisation Expense		2,953.48	2,169.45
Other Expenses	31	72,941.41	55,668.57
<b>Total Expenses (IV)</b>		<b>2,21,328.43</b>	<b>1,65,379.17</b>
<b>PROFIT BEFORE TAX (III-IV)</b>		6,968.72	5,952.45
Less : Tax Expense			
Current Tax		857.00	1,203.38
MAT Credit Entitlement		(389.00)	(1,203.38)
Earlier Years' Tax		1.46	19.18
Deferred Tax		921.74	1,974.32
<b>PROFIT AFTER TAX</b>		<b>5,577.52</b>	<b>3,958.95</b>
Less : Exceptional Items (Refer Note No. 42)		2,660.91	-
<b>PROFIT FOR THE YEAR (BEFORE ADJUSTMENT OF MINORITY INTEREST)</b>		<b>2,916.61</b>	<b>3,958.95</b>
<b>MINORITY INTEREST</b>		<b>(23.90)</b>	-
<b>PROFIT FOR THE YEAR</b>		<b>2,940.51</b>	<b>3,958.95</b>
Earnings Per Equity Share [Nominal Value of Share - ₹ 10/-]			
Basic & Diluted	32	3.21	6.82
Significant Accounting Policies	1		

Accompanying Notes form integral part of the Financial Statements

As per our report of even date attached

For **S. Jaykishan**

Chartered Accountants

FRN : 309005E

**CA B. K. Newatia**

Partner

Membership No : 050251

Kolkata, 7th August, 2013

For and on behalf of the Board

**S. K. Patni**

Chairman

**Rohit Patni**

Managing Director

**Pradip Kumar Agarwal**

Company Secretary

# Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before Tax &amp; Extra-Ordinary Items</b>		<b>4,331.72</b>		<b>5,952.46</b>
Adjustments for :				
Depreciation	2,953.48		2,169.45	
Foreign Currency Translation Reserve	376.07		569.02	
Finance Costs	14,664.22		10,865.35	
Interest Received	(852.99)		(636.47)	
Loss/(Profit) on Redemption of Mutual Funds	(51.81)		0.16	
Loss on Sale of Fixed Assets	2.99		15.95	
Investment & Advance written off	-		66.91	
Liabilities no longer required written back	-		(11.34)	
Sundry Balances written off / (back)	4.74		(6.47)	
		<b>17,096.70</b>		<b>13,032.56</b>
<b>Operating Profit before Working Capital Changes</b>		<b>21,428.41</b>		<b>18,985.02</b>
Adjustments for :				
(Increase)/Decrease in Inventories	(24,375.72)		(19,207.12)	
(Increase)/Decrease in Trade Receivables	(19,535.44)		(13,698.40)	
(Increase)/Decrease in Loans and Advances	7,627.33		(12,791.89)	
(Increase)/Decrease in Other Assets	(5,883.65)		(312.39)	
Increase/(Decrease) in Trade Payables	15,710.66		6,315.54	
Increase/(Decrease) in Other Liabilities	9,693.78		4,796.95	
Increase/(Decrease) in Minority Interest	152.18		-	
		<b>(16,610.87)</b>		<b>(34,897.31)</b>
<b>Cash generated from operations</b>		<b>4,817.55</b>		<b>(15,912.29)</b>
Direct Tax Paid		(1,299.30)		(1,143.71)
<b>Net Cash from Operating Activities</b>		<b>3,518.25</b>		<b>(17,056.00)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (including Capital Work-in-Progress and Capital Advances)	(35,499.58)		(20,003.96)	
Sale of Fixed Assets	3.50		24.25	
Interest Income	602.04		738.01	
Purchase of Investment	(598.90)		(725.70)	
Redemption of Mutual Funds	551.81		9.84	
(Increase) / Decrease in Fixed Deposits with Banks	1,346.01		(3,009.77)	
<b>Net Cash used in Investing Activities</b>		<b>(33,595.12)</b>		<b>(22,967.33)</b>

# Consolidated Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

(₹ in Lacs)

	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	20,100.00		15,000.00	
Increase/ (Decrease) in Long Term Borrowings	15,547.13		14,233.98	
Increase/ (Decrease) in Short Term Borrowings	7,686.53		23,608.91	
Deferred Expenses	(86.58)		(352.86)	
Share Issue Expenses	-		(35.00)	
Finance Costs	(14,811.22)		(10,750.54)	
Dividend Paid	(401.38)		(276.38)	
Corporate Dividend Tax	(65.11)		(44.84)	
<b>Net Cash from Financing Activities</b>		<b>27,969.35</b>		<b>41,383.27</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		(2,107.52)		1,359.94
Cash & Cash Equivalents at the beginning of the year (Refer Note No.21 to the Accounts)		2,490.58		1,130.64
Cash & Cash Equivalents at the end of the year (Refer Note No.21 to the Accounts)		383.06		2,490.58

## Notes :

1. The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents include cash in hand and bank balances on current accounts [Refer Note No.21 to the Accounts].
3. Figures in brackets indicate cash outflows.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

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

For and on behalf of the Board

**CA B. K. Newatia**  
Partner  
Membership No : 050251  
Kolkata, 7th August, 2013

**S. K. Patni**  
Chairman

**Rohit Patni**  
Managing Director

**Pradip Kumar Agarwal**  
Company Secretary

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

### 1.1. Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements relate to Rohit Ferro-Tech Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group'). The consolidated financial statements are prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" prescribed in the Companies (Accounting Standard), Rules 2006 notified by the Central Government. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Appropriate disclosure, as applicable, is made of significant deviations from the Company's accounting policies, which have not been adjusted.

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply with the applicable accounting principles in India, the mandatory Accounting Standards prescribed by the Companies (Accounting Standard), Rules 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Securities and Exchange Board of India (SEBI). The consolidated financial statements are presented in Indian rupees (in Lakhs), in the same format as that adopted by the Parent Company for its standalone financial statements.

#### Subsidiaries considered in the consolidated financial statements :

Name of the Company	Country of incorporation	Current Year Percentage Holding - Share	Previous Year Percentage Holding - Share
SKP Overseas Pte. Limited	Singapore	100%	100%
PT Bara Prima Mandiri	Indonesia	60%	NIL

### 1.2. Principles of consolidation

The consolidated financial statements have been prepared on the following basis :

- The financial statements of the Company and its subsidiaries are consolidated on a line-by-line basis after fully eliminating the intra-group transactions and intra-group balances in accordance with Accounting Standard 21 - "Consolidated Financial Statements" prescribed by the Companies (Accounting Standard), Rules 2006.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Exchange Translation Reserve.
- The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as exceptional item being the profit or loss on disposal of investment in subsidiary.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### 1.3. Investment

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

### 1.4. Intangible Asset

Intangible Asset includes Goodwill which represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary at the date of acquisition. It is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Mine Development Expenses has been recognised as intangible assets under development and includes expenses on account of prospecting, expenses for regulatory clearances, exploration and evaluation of mines etc. These expenses are carried forward and will be capitalised once the mine starts the commercial production.

### 1.5. Other Accounting Policies

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

## NOTE 2 SHARE CAPITAL

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Authorised</b>		
15,00,00,000 (P.Y. 15,00,00,000) Equity Shares of ₹ 10/- each	15,000.00	15,000.00
<b>Issued, Subscribed and Paid-up</b>		
11,37,76,123 (P.Y. 8,02,76,123) Equity Shares of ₹ 10/- each fully paid up	11,377.61	8,027.61

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

Equity Shares	31-03-2013		31-03-2012	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the Beginning of the Period	8,02,76,123	8,027.61	5,52,76,123	5,527.61
Issued During the Period	3,35,00,000	3,350.00	2,50,00,000	2,500.00
At the End of the Period	11,37,76,123	11,377.61	8,02,76,123	8,027.61

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

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of Equity Shares held by the shareholders.



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 2 SHARE CAPITAL (Contd.)

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

	31-03-2013		31-03-2012	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Suanvi Trading and Investment Co. Pvt. Ltd.	1,12,37,501	9.88	82,37,501	10.26
Vasupujya Enterprises Pvt. Ltd.	1,13,59,538	9.98	83,59,538	10.41
Invesco Finance Pvt. Ltd.	1,10,39,317	9.70	80,39,317	10.01
Poddar Mech Tech Services Pvt. Ltd.	1,29,79,933	11.41	1,04,79,933	13.05
Shreyansh Leafin Pvt. Ltd.	1,09,93,150	9.66	79,93,150	9.96
Whitestone Suppliers Pvt. Ltd.	1,09,07,765	9.59	79,07,765	9.85

d) During the year, the Company has made preferential allotment of 3,35,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- per share, aggregating to ₹ 20,100 Lacs to part finance the setting up of a 33MVA Sub-merged Arc Furnace at Jajpur, to meet long-term working capital requirement of the Company and to invest in the Company's Wholly Owned Subsidiary SKP Overseas Pte Ltd. The proceeds of the issue have been utilised towards the objects of the said issue.

## NOTE 3 RESERVES AND SURPLUS

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Capital Reserve</b>		
As per last account		
- Capital Investment Subsidy	240.00	240.00
- Forfeiture of Deposit against Share Warrants	128.14	128.14
	<b>368.14</b>	<b>368.14</b>
<b>Securities Premium Account</b>		
At the beginning of the accounting period	25,653.10	13,188.10
Additions during the year	16,750.00	12,500.00
	<b>42,403.10</b>	<b>25,688.10</b>
Share Issue Expenses written off	-	(35.00)
At the end of the accounting period	<b>42,403.10</b>	<b>25,653.10</b>
<b>Hedge Reserve [Refer Note 43]</b>		
At the beginning of the accounting period	-	-
Additions during the year	(110.48)	-
	<b>(110.48)</b>	-
<b>General Reserve</b>		
As per last account	450.00	450.00

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 3 RESERVES AND SURPLUS (Contd.)

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the accounting period	600.11	31.09
Additions during the year	376.07	569.02
Deductions during the year	-	-
At the end of the accounting period	<b>976.18</b>	<b>600.11</b>
<b>Surplus (Balance in the Consolidated Statement of Profit &amp; Loss)</b>		
Balance as per last Financial Statement	22,764.97	19,272.52
Profit for the year	2,940.51	3,958.95
Less : Appropriations		
- Proposed equity dividend (Amount per share Nil (P.Y. ₹ 0.50))	-	401.38
- Tax on proposed equity dividend	-	65.11
Closing Balance	25,705.48	22,764.97
	<b>69,792.42</b>	<b>49,836.31</b>

## NOTE 4 LONG-TERM BORROWINGS

	Non-current Portion		Current Maturities	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
<b>Term Loans (Secured)</b>				
Rupee Loans from Banks	51,056.87	33,365.93	3,908.82	4,256.99
Foreign Currency Loan	1,196.56	2,736.87	1,713.26	1,534.70
	<b>52,253.43</b>	<b>36,102.80</b>	<b>5,622.08</b>	<b>5,791.69</b>
<b>Loans from Related Party</b>				
Loan from Body Corporates (Unsecured)	-	2,309.00	-	-
	-	<b>2,309.00</b>	-	-
<b>Other Loans and Advances</b>				
Loan from Body Corporates (Unsecured)	9,534.50	7,509.50	-	-
Loans against Vehicles & Equipments (Secured)	94.00	223.23	159.09	179.76
	<b>9,628.50</b>	<b>7,732.73</b>	<b>159.09</b>	<b>179.76</b>
	<b>61,881.93</b>	<b>46,144.53</b>	<b>5,781.17</b>	<b>5,971.45</b>
The above amount includes				
Secured Borrowings	52,347.43	36,326.03	5,781.17	5,971.45
Unsecured Borrowings	9,534.50	9,818.50	-	-
Amount disclosed under the head -				
"Other Current Liabilities" (Refer Note 9)	-	-	(5,781.17)	(5,971.45)
	<b>61,881.93</b>	<b>46,144.53</b>	-	-

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

### (A) Details of security

- (i) Rupee Term Loans from banks are secured by way of :
- 1st charge on pari passu basis on the entire Fixed Assets of the Company, both present and future, including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) and second charge on pari passu basis on entire Current Assets of the Company, both present and future.
  - Collateral security by equitable mortgage of Land & Building at 1/26, Vidyadhar Nagar, Jaipur, Rajasthan held in the name of Shubham Complex Pvt. Ltd. and Office space measuring 835 sq. ft. located at Flat no. 21B, 4th Floor, Bowbazar, 35, C. R. Avenue, Kolkata - 12, held in the name of Mr. S. K. Patni.
  - Personal Guarantee of the Promoter/Directors - Mr. S. K. Patni, Mr. Rohit Patni and Mr. Ankit Patni.
  - Corporate Guarantee of the Group Companies - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd.
- (ii) Foreign Currency Loan from Indian Overseas Bank is secured by assignment of shares of mining companies, pledge of investments in exchangeable bonds of PT Pacific Samudra Perkasa, personal guarantees given by certain promoters and directors of the parent company and as well as 25% of deposit margin for working capital limits.
- (iii) Loans against Vehicles & Equipment are secured by way of hypothecation of the underlying asset financed.

### (B) Terms of Repayment

- (i) Term Loans from Banks

Bank's Name	Amount outstanding (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	Repayment Terms with reference to Balance Sheet date
<b>Rupee Loan</b>			
Allahabad Bank	2,357.10	5 yrs 6 m	22 Quarterly Installments of ₹ 107.15 Lacs each.
Allahabad Bank*	4,575.61	13 yrs 6 m	44 Quarterly Installments of ₹ 114 Lacs each from Dec, 2015.
Canara Bank	2,402.04	5 yrs 6 m	22 Quarterly Installments of ₹ 109.19 Lacs each.
Exim Bank*	6,500.00	7 yrs 6 m	24 Quarterly Installments from Dec, 2014 - 20 of ₹ 329 Lacs each and 4 of ₹ 330 Lacs each.
State Bank of India*	9,204.69	12 yrs	44 Quarterly Installments of ₹ 227 Lacs each from June, 2014.
State Bank of India*	6,499.99	7 yrs 6 m	24 Quarterly Installments from Dec, 2014 - 20 of ₹ 417 Lacs each and 4 of ₹ 416 Lacs each.
State Bank of India	5,000.00	4 yrs	16 Quarterly Installments of ₹ 312.50 Lacs each.
State Bank of Hyderabad*	4,644.18	12 yrs	44 Quarterly Installments of ₹ 114 Lacs each from June, 2014.
State Bank of Travancore*	4,639.64	12 yrs	44 Quarterly Installments of ₹ 114 Lacs each from June, 2014.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 4 LONG-TERM BORROWINGS (Contd.)

Bank's Name	Amount outstanding (₹ in Lacs)	Period of Maturity with respect to Balance Sheet date	Repayment Terms with reference to Balance Sheet date
<b>Rupee Loan</b>			
United Bank of India	549.00	5 yrs 6 m	22 Quarterly Installments of ₹ 25 Lacs each.
United Bank of India	26.82	2 m	2 Monthly Installments of ₹ 14.13 Lacs each.
United Bank of India*	1,900.00	13 yrs 3 m	44 Quarterly Installments from Sept, 2015 - 43 of ₹ 47.88 Lacs each and 1 of ₹ 41.16 Lacs.
United Bank of India	6,666.61	4 yrs	16 Quarterly Installments of ₹ 416.67 Lacs each.
<b>Foreign Currency Loan</b>			
Indian Overseas Bank*	1,278.15	1 yrs 6m	4 Quarterly Installments of ₹ 407.92 Lacs each and 2 of ₹ 543.89 Lacs
Indian Overseas Bank*	1,631.68	4 yrs 6m	5 Quarterly Installments of ₹ 108.78 Lacs each, 6 of ₹ 135.97 Lacs, 3 of ₹ 163.17 Lacs and 4 of ₹ 217.56 Lacs.

\* Part of the Term Loans are yet to be disbursed.

Term Loans carry an average interest rate of 14.05% (Previous year - 13.71%)

Foreign Currency Term Loans carries an average interest rate of 6 months LIBOR + 4.5% (Previous year - 6 months LIBOR + 4.5%)

- (ii) Unsecured Loan from Bodies Corporate aggregating to ₹ 9,184.50 Lacs (P.Y. ₹ 9,818.50 Lacs) are interest free. Other Loans carry interest @ 12% p.a. Such loans are repayable at the option of the Company and are stated by the management to be in the nature of Long Term Borrowings.
- (iii) Loans against Vehicles & Equipments are repayable by way of Equated Monthly Installments subsequent to taking of such loan. The original period of such loans is 3 years.

## NOTE 5 OTHER NON-CURRENT LIABILITIES

(₹ in Lacs)

	31-03-2013	31-03-2012
Derivative Contracts Payable	511.72	226.04
Advance from Parties	413.61	-
Other Payables - For Accrued Expenses	3,409.69	-
	<b>4,335.02</b>	<b>226.04</b>

## NOTE 6 DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability		
- Related to Fixed Assets	5,541.14	4,755.27
Deferred Tax Asset		
- Unabsorbed Depreciation	-	135.87
<b>Net Deferred Tax Liability</b>	<b>5,541.14</b>	<b>4,619.40</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 7 SHORT-TERM BORROWINGS

(₹ in Lacs)

	31-03-2013	31-03-2012
Working Capital Loans from Banks (Secured)		
- Rupee Loans	65,446.96	49,859.27
- Foreign Currency Loans - Buyer's Credit	1,930.59	9,766.28
Other Loans and Advances (Unsecured)		
- Foreign Currency Loan - Bank Overdraft	1,030.98	1,010.98
- Bridge Loan from WBIDC Ltd. (against interest subsidy receivable)	21.37	106.85
	<b>68,429.90</b>	<b>60,743.38</b>

### (A) Details of Security

(i) Working Capital Loans are secured by way of :

- a) 1st charge on pari passu basis on the entire Current Assets of the Company, both present and future and second charge on pari passu basis on entire fixed assets of the Company including equitable mortgage of factory land & building at Bishnupur (West Bengal), Jajpur (Odisha) and Haldia (West Bengal) both present and future.
- b) Collateral security and Guarantees as stated against Long Term Borrowings in Note No. 4 (A) (i) b), c) and d).

## NOTE 8 TRADE PAYABLES

Due to Micro, Small & Medium Enterprises [Refer Note below]	-	-
Due to others	39,180.43	23,469.77
	<b>39,180.43</b>	<b>23,469.77</b>

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables include ₹ 4,171.64 Lacs (P.Y. ₹ 5,102.55 Lacs) against pledge of stock of raw materials.

## NOTE 9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Refer Note 4)	5,781.17	5,971.45
Interest Accrued and due on Borrowings	653.96	251.36
Income Received in Advance	11.32	-
Interest Accrued but not due on Borrowings	43.42	190.42
Advance from Parties	4,210.02	1,111.52
Unclaimed Dividend *	10.68	9.75
Share Application Money Refundable*	0.10	0.10
Derivative Contracts Payable	13.97	205.99
Other Payables		
- For Statutory Dues	1,431.74	326.61
- For Capital Goods	2,827.11	1,071.17
- For Accrued Expenses	8,750.93	7,469.88
	<b>23,734.44</b>	<b>16,608.25</b>

\* Includes uncashed warrants/ECS rejected. There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 10 SHORT-TERM PROVISIONS

(₹ in Lacs)

	31-03-2013	31-03-2012
For Taxation	857.00	1,261.33
For Proposed Dividend	-	401.38
For Corporate Tax on Dividend	-	65.11
	<b>857.00</b>	<b>1,727.82</b>

## NOTE 11 TANGIBLE ASSETS

	Land		Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Others	Total
	Freehold	Leasehold							
<b>Gross Block</b>									
<b>As at 31st March, 2011</b>	<b>404.56</b>	<b>4,059.42</b>	<b>7,484.97</b>	<b>24,029.60</b>	<b>422.93</b>	<b>324.33</b>	<b>236.15</b>	<b>0.30</b>	<b>36,962.27</b>
Additions	676.17	-	5,495.97	18,909.62	11.03	166.23	119.51	-	25,378.52
Disposals	-	-	-	-	-	73.66	-	-	73.66
Other Adjustments									
- Borrowing Costs	-	-	347.74	2,916.17	-	-	-	-	3,263.92
<b>As at 31st March, 2012</b>	<b>1,080.73</b>	<b>4,059.42</b>	<b>13,328.68</b>	<b>45,855.39</b>	<b>433.96</b>	<b>416.90</b>	<b>355.66</b>	<b>0.30</b>	<b>65,531.05</b>
Acquisition	-	365.46	15.36	333.56	-	144.51	34.69	-	893.59
Additions	0.77	-	67.63	47.89	2.70	62.68	30.97	-	212.63
Disposals	-	-	-	-	-	13.19	-	-	13.19
Other Adjustments									
- Exchange translation adjustments	-	(6.62)	(0.28)	(6.04)	-	(2.61)	(0.63)	-	(16.18)
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2013</b>	<b>1,081.50</b>	<b>4,418.27</b>	<b>13,411.40</b>	<b>46,230.81</b>	<b>436.66</b>	<b>608.28</b>	<b>420.69</b>	<b>0.30</b>	<b>66,607.90</b>
<b>Depreciation</b>									
<b>As at 31st March, 2011</b>	<b>-</b>	<b>-</b>	<b>774.10</b>	<b>3,702.06</b>	<b>41.29</b>	<b>75.51</b>	<b>50.26</b>	<b>0.11</b>	<b>4,643.32</b>
For the year*	-	-	413.36	1,666.57	27.26	35.03	30.98	0.01	2,173.22
Deductions	-	-	-	-	-	33.46	-	-	33.46
<b>As at 31st March, 2012</b>	<b>-</b>	<b>-</b>	<b>1,187.45</b>	<b>5,368.63</b>	<b>68.54</b>	<b>77.08</b>	<b>81.24</b>	<b>0.12</b>	<b>6,783.07</b>
Acquisition	-	-	0.77	69.62	-	46.11	13.05	-	129.55
For the year*	-	-	439.70	2,415.38	27.57	49.17	46.42	0.01	2,978.25
Exchange translation adjustments	-	-	(0.01)	(1.23)	-	(0.81)	(0.23)	-	(2.28)
Deductions	-	-	-	-	-	6.70	-	-	6.70
<b>As at 31st March, 2013</b>	<b>-</b>	<b>-</b>	<b>1,627.91</b>	<b>7,852.40</b>	<b>96.11</b>	<b>164.85</b>	<b>140.48</b>	<b>0.14</b>	<b>9,881.89</b>
<b>Net Block</b>									
<b>As on 31st March, 2012</b>	<b>1,080.73</b>	<b>4,059.42</b>	<b>12,141.23</b>	<b>40,486.76</b>	<b>365.41</b>	<b>339.82</b>	<b>274.42</b>	<b>0.18</b>	<b>58,747.97</b>
<b>As on 31st March, 2013</b>	<b>1,081.50</b>	<b>4,418.27</b>	<b>11,783.49</b>	<b>38,378.41</b>	<b>340.55</b>	<b>443.43</b>	<b>280.22</b>	<b>0.16</b>	<b>56,726.01</b>

**Note :** The original cost of vehicles & equipments includes ₹ 607.34 Lacs (P.Y. ₹ 587.38 Lacs) acquired from loans taken from banks & financial institutions, of which ₹ 253.09 Lacs (P.Y. ₹ 402.98 Lacs ) were outstanding as at year end.

\* Includes ₹ 4.99 Lacs (P.Y. ₹ 3.77 Lacs) debited to Capital Work-in-Progress and ₹ 19.78 Lacs (P.Y. ₹ Nil) debited to Intangible Assets under development.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 12 INTANGIBLE ASSETS

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Goodwill</b>		
At the beginning of the year	-	-
Add : On Acquisition	2,962.75	-
Add : Incurred during the year	-	-
<b>At the end of the year</b>	<b>2,962.75</b>	<b>-</b>

## NOTE 13 CAPITAL WORK-IN-PROGRESS

At the beginning of the year	7,977.74	24,742.80
Add : On Acquisition	28.23	-
Add : Incurred during the period	30,905.53	9,619.57
Less : Exchange translation adjustments	(0.51)	-
Less : Capitalised during the year	-	(26,384.63)
<b>At the end of the year</b>	<b>38,910.99</b>	<b>7,977.74</b>

Capital Work-in-Progress includes Pre-operative Expenses as below relating to project under implementation, pending allocation to Fixed Assets :

<b>Opening Balance</b>	<b>1,889.38</b>	<b>2,865.85</b>
<b>Add : Expenditure incurred during the year</b>		
Salaries	118.76	82.36
Rent	10.38	2.16
Rates & Taxes	0.31	-
Insurance	25.90	28.39
Electricity Charges	0.89	-
Printing & Stationary	0.07	-
Telephone Expenses	0.70	-
Travelling & Conveyance	15.19	2.08
Repairs & Maintainance	2.35	0.30
Labour Charges	46.12	5.65
Security Service Charges	38.21	7.46
Hiring Charges - Equipment	30.01	11.53
License and Application Fees	-	0.50
Legal, Professional & Consultancy Charges	147.48	189.32
General Expenses	2.30	-
Bank Charges	135.75	6.78
Interest on Term Loan from Banks	3,781.54	2,458.55
Depreciation	4.99	3.77
<b>Total</b>	<b>6,250.33</b>	<b>5,664.69</b>
Amount allocated to Fixed Assets	-	(3,775.31)
<b>Closing Balance</b>	<b>6,250.33</b>	<b>1,889.38</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 14 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lacs)

	31-03-2013	31-03-2012
Intangible Assets under development represents expenses incurred for development of mines under the following heads :		
On Acquisition	3,255.00	-
Add : Expenditure incurred during the period		
Salaries & Wages	28.00	-
Rent	0.66	-
Rates & taxes	1.03	-
Insurance	1.32	-
Travelling & Conveyance	5.54	-
Field Operations	18.76	-
License and Permit Fees	38.66	-
Environment Analysis	0.13	-
General Expenses	7.11	-
Depreciation	19.78	-
<b>Total</b>	<b>3,375.98</b>	<b>-</b>
Exchange Translation Adjustments	(57.84)	-
<b>Closing Balance</b>	<b>3,318.14</b>	<b>-</b>

## NOTE 15 NON-CURRENT INVESTMENTS

	Number of Shares/Units 31-03-2013	Number of Shares/Units 31-03-2012	(₹ in Lacs) 31-03-2013	(₹ in Lacs) 31-03-2012
<b>Trade Investments (at cost)</b>				
<b>Equity Shares - Unquoted (Fully Paid Up)</b>				
SKP Power Ventures Ltd. ( F.V. ₹ 10 /- )	10,000	10,000	1.00	1.00
<b>Exchangeable Bonds - Unquoted</b>				
PT Pacific Samudra Perkasa (F.V. 10,00,000 USD)	6	11	3,263.36	5,627.21
<b>Total of Non Current Investments</b>			<b>3,264.36</b>	<b>5,628.21</b>

\* Investments in PT Pacific Samudra Perkasa (Incorporated under the laws of Republic of Indonesia) represent investments in exchangeable bonds which can be exchanged for shares in the subsidiaries of that Company. These subsidiaries hold mining rights in coal mines in Indonesia.

## NOTE 16 LONG-TERM LOANS & ADVANCES

(₹ in Lacs)

	31-03-2013	31-03-2012
(Unsecured, Considered good)		
Capital Advances (Refer Note No. 34 (ii))	12,362.90	10,296.79
Security Deposits	1,873.68	2,926.14
	<b>14,236.58</b>	<b>13,222.93</b>



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 17 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Unamortised Expenses</b>		
Deferred Expenses	1,456.71	1,370.12
	<b>1,456.71</b>	<b>1,370.12</b>

## NOTE 18 CURRENT INVESTMENTS

	Number of Units 31-03-2013	Number of Units 31-03-2012	(₹ in Lacs) 31-03-2013	(₹ in Lacs) 31-03-2012
<b>Unquoted - Mutual Funds</b>				
SBI Mutual Fund	-	50,00,000	-	500.00
[NAV ₹ Nil (P.Y. ₹ 550.84 Lacs)]				
<b>Total of Current Investments</b>			<b>-</b>	<b>500.00</b>

## NOTE 19 INVENTORIES

(₹ in Lacs)

	31-03-2013	31-03-2012
(As taken, valued and certified by the management)		
Raw Materials	66,917.52	48,938.77
Intermediates	4,869.75	951.74
Work-in-Process	10,153.94	8,329.99
Finished Goods*	5,135.00	4,923.09
Traded Goods	104.67	-
Stores & Spares	1,982.46	1,644.20
Packing Materials	127.36	127.18
	<b>89,290.70</b>	<b>64,914.97</b>

\* Includes in transit ₹ 1,642.83 Lacs (P.Y. ₹ 1,061.18 Lacs)

## NOTE 20 TRADE RECEIVABLES

(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	693.47	810.03
Other Debts	38,512.75	18,865.49
	<b>39,206.22</b>	<b>19,675.52</b>

Trade Receivables include ₹ 123.78 Lacs (P.Y. ₹ 258.24 Lacs) from Related Parties.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 21 CASH AND BANK BALANCES

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>i) Cash &amp; Cash Equivalents</b>		
(A) Cash in Hand (as certified)	185.69	81.10
(B) Balances with Banks		
- In Current Accounts	197.37	2,409.47
<b>Cash &amp; Cash Equivalents</b>	<b>383.06</b>	<b>2,490.58</b>
<b>ii) Other Bank Balances</b>		
(A) Term Deposits with Banks *	5,096.22	6,442.22
(Includes ₹ 3,790.04 Lacs (P.Y. ₹ 3,253.72 Lacs) having maturity greater than 12 months)		
(B) Earmarked Balances with Banks	10.79	9.86
<b>Other Bank Balances</b>	<b>5,107.01</b>	<b>6,452.08</b>
<b>Total</b>	<b>5,490.07</b>	<b>8,942.66</b>

\* Held as Margin against Bank Guarantee, Letter of Credit and other credit facilities.

## NOTE 22 SHORT-TERM LOANS & ADVANCES

(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received		
- To Related Parties	220.50	930.42
- To Others	7,676.02	17,902.61
Balance with Central Excise and Cenvat Receivable	5,373.22	3,144.60
Sales Tax / VAT Receivable / Refundable	5,498.23	3,613.76
Income Tax Payments (Including TDS)	103.99	67.48
Income Tax Refundable	22.86	22.86
MAT Credit Entitlement [Refer Note below]	1,896.53	1,507.53
Prepaid Expenses	252.41	81.58
Derivative Contracts Receivable	75.43	-
Accrued Interest on Deposits	501.05	238.79
Other Deposits	4.40	2.11
	<b>21,624.64</b>	<b>27,511.74</b>

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

## NOTE 23 OTHER CURRENT ASSETS

	31-03-2013	31-03-2012
(Unsecured, Considered Good)		
Export Incentive Receivable	4,330.08	2,110.32
Subsidy/Power Incentive Receivable	4,464.82	800.94
	<b>8,794.90</b>	<b>2,911.25</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 24 REVENUE FROM OPERATIONS

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Sale of Products</b>		
Sale of Manufactured Goods	1,94,074.90	1,51,190.70
Sale of Raw Materials	10,902.35	1,598.32
Sale of Traded Goods	25,447.82	22,107.64
	<b>2,30,425.07</b>	<b>1,74,896.66</b>
<b>Other Operating Revenues</b>		
- Export Incentives [includes ₹ 698.14 Lacs (P.Y. Nil) for earlier years]	6,666.50	3,205.74
Compensation	496.22	-
	<b>2,37,587.79</b>	<b>1,78,102.40</b>
<b>Details of Sale of Products</b>		
<b>Sale of Manufactured Goods</b>		
- Ferro Alloys	1,30,938.97	1,17,169.59
- Iron and Steel Products	63,135.93	34,021.11
<b>Sale of Raw Materials</b>		
- Manganese Ore	7,783.64	1,425.11
- Coal & Coke	1,794.02	93.41
- Others	1,324.69	79.79
<b>Sale of Traded Goods</b>		
- Ferro Alloys	776.59	1,971.69
- Manganese Ore	423.43	8,186.28
- Coal & Coke	210.09	3,136.31
- Iron and Steel Products	24,037.71	8,813.37
	<b>2,30,425.07</b>	<b>1,74,896.66</b>

## NOTE 25 OTHER INCOME

Interest Income		
- On Credit Sales	121.62	100.31
- On Fixed Deposits	445.47	351.14
- Other Deposits	260.61	185.02
- On Loan given	25.27	-
Commission Income	201.08	-
Premium on Forward Contracts	-	76.23
Profit on redemption of Mutual Fund	51.81	-
Sundry Balances Written Back	-	6.47
Liabilities no longer required written back	-	11.34
Prior Period Income [Refer Note (a) Below]	34.17	(0.62)
Lease Rent Received	3.60	3.60
Insurance Claim Received	37.44	26.31
Miscellaneous Income	0.13	1.53
	<b>1,181.20</b>	<b>761.33</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 25 OTHER INCOME (Contd.)

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>a) Prior period items for the year comprise of the following :</b>		
Commission on Sales	-	(0.62)
Purchases	150.61	-
Insurance	2.00	-
Power & Fuel	(118.44)	-
<b>Total</b>	<b>34.17</b>	<b>(0.62)</b>

## NOTE 26 COST OF MATERIALS CONSUMED

(including cost of Raw Materials sold)		
Opening Stock of Raw Materials & Intermediates	49,890.51	31,944.67
Purchases during the year (including freight)	1,30,251.20	94,256.24
	<b>1,80,141.71</b>	<b>1,26,200.91</b>
Less : Closing Stock of Raw Materials	66,917.52	48,938.77
<b>Cost of Raw Materials consumed</b>	<b>1,13,224.19</b>	<b>77,262.14</b>
Less : Closing Stock of Intermediates	4,869.75	951.74
<b>Cost of Materials consumed</b>	<b>1,08,354.44</b>	<b>76,310.40</b>
<b>Details of Raw Materials Consumed</b>		
Chrome Ore	26,839.94	23,782.92
Manganese Ore	32,491.68	22,731.02
Coal & Coke	16,091.03	13,691.15
Sponge Iron, Scrap & Billets	20,990.40	8,514.20
Others	16,811.14	8,542.85
	<b>1,13,224.19</b>	<b>77,262.14</b>

	31-03-2013		31-03-2012	
	%	(₹ in Lacs)	%	(₹ in Lacs)
Break up into Imported & Indigenous				
Imported	47.32%	53,580.80	44.07%	34,046.63
Indigenous	52.68%	59,643.39	55.93%	43,215.51
	<b>100.00%</b>	<b>1,13,224.19</b>	<b>100.00%</b>	<b>77,262.14</b>

## NOTE 27 PURCHASES OF STOCK IN TRADE

(₹ in Lacs)

	31-03-2013	31-03-2012
Ferro Alloys	680.26	726.22
Manganese Ore	349.10	6,722.05
Coal & Coke	275.16	2,994.11
Iron and Steel Products	20,864.07	8,180.34
	<b>22,168.59</b>	<b>18,622.72</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 28 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Opening Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	3,432.17	6,781.61
Iron & Steel Products	1,488.03	-
<b>Work-in-Progress</b>		
Ferro Alloys	7,231.92	5,697.02
Iron & Steel Products	1,098.07	-
<b>Traded Goods</b>		
Ferro Alloys	2.89	123.00
Iron & Steel Products	-	417.19
	<b>13,253.08</b>	<b>13,018.82</b>
<b>Closing Stock</b>		
<b>Finished Goods</b>		
Ferro Alloys	3,636.79	3,432.17
Iron & Steel Products	1,498.22	1,488.03
<b>Work-in-Progress</b>		
Ferro Alloys	8,011.63	7,231.92
Iron & Steel Products	2,142.31	1,098.07
<b>Traded Goods</b>		
Ferro Alloys	104.67	2.89
	<b>15,393.62</b>	<b>13,253.08</b>
	<b>(2,140.56)</b>	<b>(234.25)</b>

## NOTE 29 EMPLOYEE BENEFIT EXPENSE

Salaries, Wages, Bonus & Allowances	2,099.77	1,696.73
Contribution to Provident & Other Funds	86.96	80.33
Gratuity [Refer Note 38]	21.06	34.79
Directors' Remuneration	99.36	86.97
Welfare Expenses	79.70	78.11
	<b>2,386.85</b>	<b>1,976.93</b>

## NOTE 30 FINANCE COSTS

Interest Expense		
To Banks		
- On Fixed Loans	3,117.06	2,657.98
- On Others [Refer Note (a) below]	8,843.76	5,664.08
To Others	707.48	833.45
Other Borrowing Costs	1,457.57	1,425.05
Vehicles and Equipment Finance Charges	36.51	26.64
Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	501.84	258.17
	<b>14,664.22</b>	<b>10,865.35</b>

a) Interest to Banks is net of ₹ 600 lacs receivable as Interest Subsidy recognised on receipt of Eligibility Certificate under the West Bengal Incentive Scheme, 2000.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 31 OTHER EXPENSES

(₹ in Lacs)

	31-03-2013	31-03-2012
Labour Charges	2,505.87	1,704.14
Power & Fuel	48,180.75	38,236.30
Water Supply Charges	86.15	65.86
Stores, Spares and Consumables [Refer Note (a) below]	7,414.39	4,696.88
Packing Materials	509.27	481.96
Material Handling Expenses	1,535.96	1,395.76
Excise Duty on Variation in Stock [Refer Note (b) below]	(33.06)	171.73
Repairs		
- To Factory Shed & Building	56.07	29.71
- To Plant & Machinery	450.23	358.18
Rent	104.19	99.20
Rates & Taxes	17.42	76.17
Electricity Expenses	28.83	23.15
Insurance	177.03	183.61
Printing and Stationery	49.06	54.16
Postage and Courier	12.27	12.19
Telephone Charges	59.47	48.95
Travelling & Conveyance	152.58	201.08
Car Running and Maintenance	130.87	128.63
Other Repairs and Maintenance	110.34	33.49
Security Service Charges	331.80	343.53
Membership and Subscription	41.91	32.39
Internal Audit Fees	8.50	10.58
Legal and Professional Charges	391.01	129.28
Auditors' Remuneration [Refer Note (c) below]	16.74	11.74
Directors' Sitting Fees	1.75	2.05
Miscellaneous Expenses	245.96	239.99
Processing Fees to WBIDC Ltd.	3.92	11.63
Testing & Inspection Charges	172.79	113.04
Donations	8.14	2.01
Advertisement & Sales Promotion	73.55	132.07
Freight & Forwarding on Export	4,453.20	2,752.57
Transportation & Delivery Charges	3,152.79	2,156.53
Commission on Sales	233.20	211.18
Discounts & Rebates	-	0.20
Excise Duty / Sales Tax for earlier years	10.93	13.30
Corporate Social Responsibility	12.38	6.00
Investment & Advance Written off	-	66.91
Loss on Sale of Fixed Assets	2.99	15.95
Loss on Redemption of Mutual Funds	-	0.16
Short Recovery & Damages	222.51	42.75
Sundry Balances Written Off	4.74	-
Foreign Exchange Fluctuation Loss	1,954.30	1,373.59
Irrecoverable Claims Written Off	50.60	-
	<b>72,941.41</b>	<b>55,668.57</b>

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 31 OTHER EXPENSES (Contd.)

### a) Stores, Spares & Consumables

	31-03-2013		31-03-2012	
	%	₹ in Lacs	%	₹ in Lacs
<b>Break up into Imported &amp; Indigenous</b>				
Imported	4.48%	332.18	0.55%	25.67
Indigenous	95.52%	7,082.21	99.45%	4,671.21
	<b>100.00%</b>	<b>7,414.39</b>	<b>100.00%</b>	<b>4,696.88</b>

b) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

c) **Auditors' Remuneration** (₹ in Lacs)

	31-03-2013	31-03-2012
i) As Auditor [includes tax audit fees of ₹ 2.00 Lacs (P.Y. ₹ 1.50 Lacs)]	11.91	8.46
ii) For Taxation matters	0.80	0.70
iii) For Other services	4.03	2.58
<b>Total</b>	<b>16.74</b>	<b>11.74</b>

## NOTE 32 EARNINGS PER SHARE

Weighted average number of Equity Shares outstanding during the year	9,15,65,164	5,80,76,669
Number of Shares considered as weighted average shares and potential shares outstanding for calculation of Diluted Earnings Per Share	9,15,65,164	5,80,76,669
Profit after Tax attributable to Equity Shareholders (₹ in Lacs)	2,940.51	3,958.95
Nominal Value of Ordinary Shares (₹)	10	10
<b>Earnings Per Share (Basic) (₹)</b>	<b>3.21</b>	<b>6.82</b>
<b>Earnings Per Share (Diluted) (₹)</b>	<b>3.21</b>	<b>6.82</b>

## NOTE 33

The Consolidated Financial Statement includes the financial statements of the Parent Company, its wholly-owned subsidiary, M/s. SKP Overseas Pte. Ltd., incorporated in Singapore and its step down subsidiary, M/s. P.T. Bara Prima Mandiri., incorporated in Indonesia. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

Further the details of the subsidiary in terms of General Circular no. 2/2011 dtd: 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.

## NOTE 34 CONTINGENT LIABILITIES AND COMMITMENTS

(i) Contingent Liabilities not provided for in the books of accounts in respect of:

(a) Bills discounted, outstanding as on 31st March, 2013 - ₹ 5,446.15 Lacs (P.Y. - ₹ 6,097.24 Lacs).

(b) Claims against the Company not acknowledged as debt:

Disputed Excise Duty under appeal	546.07	576.91
Disputed Sales Tax/ VAT under appeal	836.77	533.95
Disputed Entry Tax under appeal	16.03	0.70
Disputed Income Tax Demands under appeal	-	21.68
Excise Duty demand for which show cause notice issued	20.78	4.31
Excise Demand, pending showcause	20.00	-
Disputed ESI under Settlement Commission	-	10.25
Irregular Claim of Export Incentives, pending show cause from DRI	150.00	150.00

(c) The Company has challenged the constitutional validity of Entry Tax levied by the Government of West Bengal w.e.f. 1st April, 2012. In view of the stay granted by the Hon'ble High Court of Calcutta, the Company has not provided amount of ₹ 177.98 Lacs for the same in the accounts.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 34 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

- (ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) - ₹ 9,551.28 Lacs (Previous Year ₹ 15,155.45 Lacs).
- (iii) Estimated amount of export obligations to be fulfilled in respect of goods imported under Duty Free Import Authorisation Scheme - ₹ Nil (Previous Year ₹ 988.22 Lacs) and under Export Promotion Capital Goods Scheme (EPCG) - ₹ 1,849.09 Lacs (Previous Year ₹ 4,885.35 Lacs).

## NOTE 35

In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

## NOTE 36

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

## NOTE 37 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses aggregating to ₹ 30.19 Lacs ( P.Y. ₹ 17.84 Lacs) in the nature of revenue expenditure have been included under the appropriate account heads.

## NOTE 38 EMPLOYEE BENEFITS

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

Contribution to Defined Contribution Plan, recognised as expense for the year is as under : (₹ in Lacs)

	31-03-2013	31-03-2012
Employer's Contribution to Provident and Other Funds	86.96	80.33

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2013 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Gratuity (Funded) 31-03-2013	Gratuity (Funded) 31-03-2012
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation :</b>		
Defined Benefit obligation at beginning of the year	58.00	27.80
Interest Cost	4.64	2.22
Current Service Cost	17.54	10.16
Actuarial (Gain)/Loss	(0.20)	17.82
Benefits paid	-	-
Defined Benefit obligation at the year end	<b>79.99</b>	<b>58.00</b>
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets :</b>		
Fair value of plan assets at beginning of the year	79.38	40.73
Expected return on plan assets	7.27	3.86
Actuarial Gain/(Loss)	-	-
Employers' contribution	21.06	34.79
Benefits paid	-	-
Fair value of plan assets at the year end	<b>107.70</b>	<b>79.38</b>
Actual return on plan assets	<b>7.27</b>	<b>3.86</b>



# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 38 EMPLOYEE BENEFITS (Contd.)

(₹ in Lacs)

	Gratuity (Funded) 31-03-2013	Gratuity (Funded) 31-03-2012
<b>(iii) Reconciliation of fair value of assets and obligation :</b>		
Fair value of plan assets	107.70	79.38
Present value of obligation	79.99	58.00
Amount recognised as liability/ (asset) in Balance Sheet* (*Excess of assets not recognised as the same is lying in an irrevocable trust fund)	-	-
<b>(iv) Expenses recognised during the year in the Consolidated Statement of Profit &amp; Loss :</b>		
(shown in Note - 29 under the head 'Gratuity')		
Current Service Cost	17.54	10.16
Interest Cost	4.64	2.22
Expected return on plan assets	(7.27)	(3.86)
Actuarial (Gain)/Loss	(0.20)	17.82
Net asset (surplus) not recognised as above	6.34	8.45
Recognised in the Consolidated Statement of Profit and Loss	<b>21.06</b>	<b>34.79</b>
<b>(v) Break-up of Plan Assets as a percentage of total plan assets :</b>		
Insurer Managed Funds	100%	100%
<b>(vi) Actuarial Assumptions :</b>		
Mortality Table	<b>LIC 1994-96 Ultimate</b>	
Discount rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	4%	4%

## (vii) Other Disclosures

(₹ in Lacs)

	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Defined Benefit Obligation	79.99	58.00	27.80	23.46	17.43
Plan Assets	107.70	79.38	40.73	30.34	21.16
Surplus/(Deficit)	27.72	21.37	12.93	6.88	3.73
Experience Adjustment on Plan Liabilities	(0.20)	17.82	(4.39)	(1.98)	(0.24)

- (viii) (a) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- (b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency in terms of the post employment benefit obligations.
- (c) Expected rate of return assumed by the insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- (ix) The above information is certified by the actuary.
- (x) The Company expects to contribute ₹ 23.13 Lacs to the Gratuity Fund managed by the Life Insurance Corporation of India during the Financial Year 2013 - 2014.

## NOTE 39 SEGMENT REPORTING

- (i) **Business Segments :** Based on the synergies and in terms of Accounting Standard - 17, the Company is mainly engaged in the business segment of manufacture & sale of Ferro Alloys and Iron & Steel Products. The risks and returns of Captive Power Plant is directly associated with the manufacturing operations of Ferro Alloys and hence treated as a part of Ferro Alloys segment.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 39 SEGMENT REPORTING (Contd.)

(₹ in Lacs)

	31-03-2013	31-03-2012
<b>Segment Revenue (Net)</b>		
Ferro Alloys and Minerals	1,60,355.11	1,42,691.91
Iron and Steel	80,805.20	39,626.44
Inter Segment Revenue	(14,044.36)	(11,748.05)
<b>Total</b>	<b>2,27,115.95</b>	<b>1,70,570.30</b>

<b>Segment Results (Profit before Finance Cost &amp; Tax)</b>		
Ferro Alloys and Minerals	14,165.79	12,407.79
Iron and Steel	7,411.62	4,395.11
Unallocated	55.54	14.92
<b>Total</b>	<b>21,632.95</b>	<b>16,817.82</b>
Less : Finance Cost	14,664.22	10,865.35
Less : Exceptional Items	2,660.91	-
<b>Profit before tax</b>	<b>4,307.82</b>	<b>5,952.46</b>
Less : Tax Expense	1,391.20	1,993.51
<b>Profit after tax</b>	<b>2,916.62</b>	<b>3,958.95</b>
Share of profit/(loss) transferred to Minority Interest	(23.90)	-
<b>Profit after tax</b>	<b>2,940.52</b>	<b>3,958.95</b>

### Other Information

	Assets	Liabilities	Capital Expenditure	Depreciation	Non-cash Exps (other than Depreciation)
Ferro Alloys and Minerals	223,570.75	45,614.92	35,440.37	2,450.38	-
	<i>163,838.62</i>	<i>24,104.29</i>	<i>864.31</i>	<i>1,751.66</i>	-
Iron and Steel	54,966.87	15,199.84	59.21	503.10	-
	<i>38,458.29</i>	<i>9,976.97</i>	<i>11,013.06</i>	<i>417.79</i>	-
Unallocated	6,744.45	6,398.14	-	-	-
	<i>9,106.22</i>	<i>6,347.23</i>	-	-	<i>66.91</i>
<b>Total (31-03-2013)</b>	<b>2,85,282.07</b>	<b>67,212.90</b>	<b>35,499.58</b>	<b>2,953.48</b>	-
<b>Total (31-03-2012)</b>	<b>2,11,403.13</b>	<b>40,428.49</b>	<b>11,877.37</b>	<b>2,169.45</b>	<b>66.91</b>

# figures in italics represent data for Previous Year.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 39 SEGMENT REPORTING (Contd.)

- (ii) **Geographical Segments :** The Company's secondary geographical segments have been identified based on the location of customers and are disclosed based on revenues within India and revenues outside India. Secondary segment assets are based on the location of such asset. (₹ in Lacs)

Segment	Period		Segment Revenue (Gross)	Segment Assets	Capital Expenditure
Within India	Year ended	31-03-2013	1,37,318.67	2,65,125.16	31,117.51
	Year ended	31-03-2012	1,02,666.39	1,93,513.09	11,877.37
Outside India	Year ended	31-03-2013	1,00,269.12	20,156.91	4,382.07
	Year ended	31-03-2012	75,436.01	17,890.03	-
Total	Year ended	31-03-2013	2,37,587.79	2,85,282.07	35,499.58
	Year ended	31-03-2012	1,78,102.40	2,11,403.12	11,877.37

## NOTE 40 RELATED PARTY DISCLOSURE

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

- (a) **Entities / Individuals owning directly or indirectly an interest in the voting power that gives them control**  
None

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

- (a) **Key Managerial Personnel (KMP)**

Mr. Suresh Kumar Patni  
Mr. Rohit Patni  
Mr. Ankit Patni (upto 24.08.2012)  
Mr. Binit Jain  
Mr. Pramod Kumar Jain

- (b) **Relatives of KMP**

Mrs. Sarita Patni  
Mr. Ankit Patni (from 25.08.2012)

- (c) **Enterprises owned or significantly influenced by KMP or their relatives**

Arin Minerals Pvt. Ltd.  
Impex Metal & Ferro Alloys Ltd.  
Impex Ferro Tech Ltd.  
Ankit Metal & Power Ltd.  
Nucore Exports Pvt. Ltd.  
Arthodock Vinimay Pvt. Ltd.  
Whitestone Suppliers Pvt. Ltd.  
Vasupujya Enterprises Pvt. Ltd.  
Marble Arch Properties Pvt. Ltd.  
SKP Power Ventures Ltd.  
VNG Mercantiles Pvt. Ltd.  
Invesco Finance Pvt. Ltd.  
Poddar Mech Tech Services Pvt. Ltd.  
Suanvi Trading & Investment Co. Pvt. Ltd.  
Hira Concast Ltd.  
Impex Steel Ltd.  
Shreyansh Leafin Pvt. Ltd.  
Mahabali Ispat Pvt. Ltd.  
SKP Stock Broking Pvt. Ltd.  
Sarita Steel & Power Ltd.  
Shubham Complex Pvt. Ltd.  
Impex Metal (Singapore) Pte. Ltd.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 40 RELATED PARTY DISCLOSURE (Contd.)

(₹ in Lacs)

iii. Nature of Transactions	31-03-2013	31-03-2012
<b>Advances Received</b>		
Impex Ferro Tech Ltd.	135.97	-
Impex Metal & Ferro Alloys Ltd.	135.97	-
Ankit Metal & Power Ltd.	135.97	-
Impex Metal (Singapore) Pte Ltd.	13.60	-
<b>Advance Refunded</b>		
Ankit Metal & Power Ltd.	-	290.23
Impex Metal & Ferro Alloys Ltd.	-	290.23
<b>Advances Given</b>		
Sarita Steel & Power Ltd.	50.00	-
SKP Stock Broking Pvt. Ltd.	2.50	-
<b>Advance Refunded by the party</b>		
Suanvi Trading & Investment Co. Pvt. Ltd.	73.53	-
<b>Loans Taken*</b>		
Invesco Finance Pvt. Ltd.	0.19	100.00
Nucore Exports Pvt. Ltd.	-	200.00
Poddar Mech Tech Services Pvt. Ltd.	-	1,340.00
Suanvi Trading & Investment Co. Pvt. Ltd.	-	709.00
(*Excludes subsequent transfers to Share Application Money)		
<b>Loans Repaid</b>		
Invesco Finance Pvt. Ltd.	100.19	-
Suanvi Trading & Investment Co. Pvt. Ltd.	-	40.00
<b>Share Application money received &amp; Shares allotted*</b>		
Ankit Patni	210.00	-
Rohit Patni	210.00	-
Sarita Patni	270.00	-
Suresh Kumar Patni	390.00	-
Arthodock Vinimay Pvt. Ltd.	2,400.00	750.00
Invesco Finance Pvt. Ltd.	1,800.00	-
Nucore Exports Pvt. Ltd.	660.00	-
Poddar Mech Tech Services Pvt. Ltd.	1,500.00	1,477.49
Vasupujya Enterprises Pvt. Ltd.	1,800.00	156.96
VNG Mercantiles Pvt. Ltd.	306.00	285.00
Shreyansh Leafin Pvt. Ltd.	1,800.00	4,795.89
Suanvi Trading & Investment Co. Pvt. Ltd.	1,800.00	-
Whitestone Suppliers Pvt. Ltd.	1,800.00	4,744.66
(*Includes conversion of loans)		
<b>Interest Received on Sales</b>		
Impex Steel Ltd.	-	1.82

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 40 RELATED PARTY DISCLOSURE (Contd.)

(₹ in Lacs)

iii. Nature of Transactions	31-03-2013	31-03-2012
<b>Interest Paid on Purchases</b>		
Ankit Metal & Power Ltd.	-	55.04
Impex Metal & Ferro Alloys Ltd.	-	2.93
<b>Purchases</b>		
Ankit Metal & Power Ltd.	2,094.06	5,770.63
Arin Minerals Pvt. Ltd.	1.41	-
Impex Ferro Tech Ltd.	3,769.24	3,097.10
Impex Metal & Ferro Alloys Ltd.	6,979.87	7,574.99
Impex Steel Ltd.	-	4.29
Mahabali Ispat Pvt. Ltd.	-	8.22
<b>Purchases of Capital Goods</b>		
Ankit Metal & Power Ltd.	575.48	441.15
<b>Sales of Goods</b>		
Ankit Metal & Power Ltd.	1,487.49	2,808.09
Hira Concast Ltd.	876.61	25.00
Impex Ferro Tech Ltd.	6,015.11	1,892.20
Impex Metal & Ferro Alloys Ltd.	3,096.75	2,673.43
Impex Steel Ltd.	474.50	325.08
<b>DEPB Licence Purchased</b>		
Ankit Metal & Power Ltd.	5.23	-
Impex Ferro Tech Ltd.	39.58	-
Impex Metal & Ferro Alloys Ltd.	111.18	78.08
<b>DEPB Licence Sold</b>		
Impex Ferro Tech Ltd.	-	23.15
Impex Metal & Ferro Alloys Ltd.	14.25	127.23
<b>Lease Rent Received</b>		
Impex Metal & Ferro Alloys Ltd.	3.60	3.60
<b>Commission Paid</b>		
Impex Ferro Tech Ltd.	-	0.05
<b>Rent Paid</b>		
Marble Arch Properties Pvt. Ltd.	6.00	6.00
<b>Managerial Remuneration</b>		
Rohit Patni	50.00	36.00
Ankit Patni	10.00	24.00
Binit Jain	9.50	6.00
Pramod Kumar Jain	29.86	20.97
<b>Sitting Fees</b>		
Suresh Kumar Patni	0.33	0.40

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 40 RELATED PARTY DISCLOSURE (Contd.)

### (iv) Outstanding Balances

(₹ in Lacs)

Nature of Transactions	31-03-2013	31-03-2012
<b>Sundry Creditors</b>		
Ankit Metal & Power Ltd.	-	566.50
Impex Ferro Tech Ltd.	15.09	45.22
Impex Metal & Ferro Alloys Ltd	8.17	262.49
Marble Arch Properties Pvt. Ltd.	1.46	1.46
<b>Sundry Debtors</b>		
Ankit Metal & Power Ltd.	13.62	-
Impex Steel Ltd.	-	258.24
Impex Ferro Tech Ltd.	39.34	-
Hira Concast Ltd.	70.81	-
<b>Loan Taken</b>		
Nucore Exports Pvt. Ltd.	-	200.00
Poddar Mech Tech Services Pvt. Ltd.	-	1,340.00
Invesco Finance Pvt. Ltd.	-	100.00
Suanvi Trading & Investment Co. Pvt. Ltd.	-	669.00
<b>Advances / Deposits Given</b>		
Ankit Metal & Power Ltd.	-	0.65
Impex Metal & Ferro Alloys Ltd.	-	688.25
Marble Arch Properties Pvt. Ltd.	168.00	168.00
Suanvi Trading & Investment Co. Pvt. Ltd.	-	73.53
Sarita Steel & Power Ltd.	50.00	-
SKP Stock Broking Pvt. Ltd.	2.50	-
<b>Advances Received</b>		
Impex Metal & Ferro Alloys Ltd.	135.97	313.25
Impex Ferro Tech Ltd.	135.97	3.84
Ankit Metal & Power Ltd.	135.97	6.69
Impex Metal (Singapore) Pte. Ltd.	13.60	-
<b>Investment in Equity Shares</b>		
SKP Power Ventures Ltd.	1.00	1.00

Term Loans and Working Capital Loans from banks are secured by way of Corporate Guarantee of the Related Parties - Vasupujya Enterprises Pvt. Ltd., Shubham Complex Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Invesco Finance Pvt. Ltd. and Suanvi Trading and Investment Co. Pvt. Ltd. and Personal Guarantee of the Directors/Promoters - Mr. S.K.Patni, Mr. Rohit Patni and Mr. Ankit Patni.

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## NOTE 41 AMOUNTS RECEIVABLE / PAYABLE IN FOREIGN CURRENCY

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

Nature (Nos.) of Contract	Foreign Currency	Buy/ Sell	Amount in Foreign Currency (in Lacs)	Purpose
Forward Contracts (1, P.Y. 1)	EURO	Sell	13.24 (P.Y.- 20)	Hedging Purpose
Forward Contracts (12, P.Y. 10)	USD	Sell	158.78 (P.Y.- 156.20)	Hedging Purpose

Particulars of unhedged foreign currency exposure as at 31st March, 2013 are as follows :

	Currency	31-03-2013	31-03-2012
a) Amount payable in foreign currency (in Lacs)	EURO	0.92	-
b) Amount payable in foreign currency (in Lacs)	USD	2,326.85	516.28
c) Amount payable in foreign currency (in Lacs)	SGD	0.10	-
d) Amount receivable in foreign currency (in Lacs)	SGD	0.09	0.05
e) Amount receivable in foreign currency (in Lacs)	USD	0.10	-

## NOTE 42

Exceptional Item represents provision for additional power charges for the period upto 31st March, 2012 on retrospective revision of power tariff, net of waiver of Electricity Duty and Power Incentive recognised, on receipt during the current year of Eligibility Certificate, under the West Bengal Incentive Scheme, 2000 and other approvals. Since the exceptional item relates to the previous periods, the management treated the same as a rare circumstance and, to reflect the true and fair representation of the performance of the Company for the year, considered it appropriate that the profits after tax be presented before the exceptional item, and then give effect to the exceptional item instead of making disclosure as per the current format in Part-II of Schedule VI (Revised) to the Companies Act, 1956. The Current tax figure is net of ₹ 863.33 Lacs, being the tax effect on the Exceptional item.

## NOTE 43

Effective 1st April 2012, the Company has adopted the principles of Hedge Accounting as set out in Accounting Standard (AS) 30 on Financial Instruments: Recognition and Measurement, in respect of foreign exchange forward contracts which have been taken against forecasted transactions and which are not covered by the requirements of Accounting Standard (AS) 11- 'The Effects of changes in Foreign Exchange Rates'. Accordingly, net loss of ₹ 110.48 lacs arising on fair valuation of outstanding derivatives as on 31st March, 2013 that are designated as effective cash flow hedges has been adjusted against Hedging Reserve.

## NOTE 44

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached

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

For and on behalf of the Board

**CA B. K. Newatia**  
Partner  
Membership No : 050251  
Kolkata, 7th August, 2013

**S. K. Patni**  
Chairman

**Rohit Patni**  
Managing Director

**Pradip Kumar Agarwal**  
Company Secretary

# Notes to and forming part of Consolidated Financial Statements as at 31st March, 2013

## Annexure - I

The details of Subsidiary in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, is as under :

**Table - A** (₹ in Lacs)

Particulars	SKP Overseas Pte. Ltd.	PT Bara Prima Mandiri
1. Reporting Currency	USD	IDR
2. Share Capital	8,224.65	838.18
3. Reserves and Surplus	(712.07)	(457.71)
4. Total Assets	13,951.06	4,657.58
5. Total Liabilities	6,438.48	4,277.12
6. Details of Investments		
Bonds	3,263.36	-
Subsidiary	3,208.97	-
7. Turnover and Other Income	1,551.25	0.01
8. Profit before Taxation	74.84	(59.75)
9. Provision for Taxation	-	-
10. Profit after Taxation	74.84	(59.75)
11. Proposed Dividend	-	-

Note :

### Table - A

- Items Nos. 2 - 6 are translated at exchange rate as on 31st March, 2013, 1 USD = ₹ 54.3893 and 1 INR = 178.96 IDR.
- Items Nos. 7 - 11 are translated at annual average rate of 1 USD = ₹ 54.53 and at an average rate of 1 INR = 179.53 IDR.



# Rohit Ferro- Tech Limited

Registered Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012  
Corporate Office : SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026

## FORM OF PROXY

I/We .....  
of .....  
..... being a Member(s) of the above named Company,  
hereby appoint .....  
of .....  
or failing him .....  
of ..... as my/our proxy to vote for me/us on my/our  
behalf at the 13th Annual General Meeting of the Company to be held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata  
- 700 020 on Saturday, the 28th September, 2013 at 10.00 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2013

Signature .....



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.

# Rohit Ferro- Tech Limited

Registered Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012  
Corporate Office : SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026

## ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 13th Annual General Meeting of the above named Company held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020 on Saturday, the 28th September, 2013 at 10.00 A.M.

Full Name of Member/Proxy  
attending the meeting .....

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

Folio No ..... 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

Mr. Rohit Patni

Mr. Binit Jain

(Resigned w.e.f. 1st April, 2013)

Mr. Dinesh Biyanee

(Appointed w.e.f. 1st April, 2013)

Mr. Jatindra Nath Rudra

Mr. Jayanta Kumar Chatterjee

Mr. Asoke Kumar Basu

Mr. Kailash Chand Jain

(Resigned w.e.f. 9th October, 2012)

Mr. Jay Shanker Shukla

(Appointed w.e.f. 9th October, 2012)

*Non-Executive Chairman*

*Managing Director*

*Executive Director*

*Executive Director (Works)*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

*Independent/Non-Executive Director*

## Company Secretary

Mr. Pradip Kumar Agarwal

## Auditors

M/s. S. Jaykishan

*Chartered Accountants*

12, Ho-Chi Minh Sarani

Kolkata - 700 071

## Bankers

State Bank of India

State Bank of Travancore

State Bank of Hyderabad

United Bank of India

UCO Bank

Allahabad Bank

Canara Bank

Bank of Baroda

Punjab National Bank

Central Bank of India

Exim Bank

Andhra Bank

## Registered office

35, Chittaranjan Avenue, Kolkata - 700 012

Phone : +91 33 2211 0225/0226, 4064 0021/0022

## Corporate office

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

Phone : +91 33 4016 8000/8100

Fax : +91 33 4016 8189

E-mail : [grievance@rohitterrotech.com](mailto:grievance@rohitterrotech.com)

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

## Plant Information

*Bishnupur*

WBIIIDC Road, P.S.: Bishnupur

P.O. : Dwarika - 722 122

Dist: Bankura, West Bengal

*Jajpur*

Kalinganagar Industrial Complex

P.O. : Duburi - 755 026,

Dist : Jajpur, Odisha

*Haldia*

Jaynagar, PS: Durgachak

P.O.: Buniaraichak,

Dist: Purba Medinipur, West Bengal

## DISCLAIMER

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

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

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

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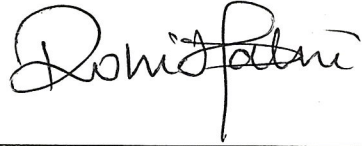
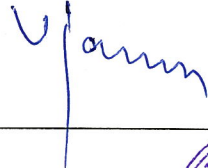



**Rohit Ferro-Tech Limited**

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

Kolkata - 700 026

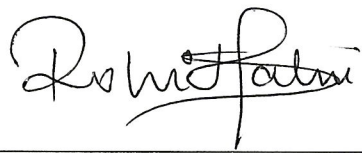
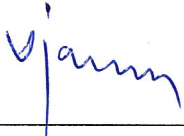


FORM A

(Pursuant to SEBI Circular No. CIR/CFD/DIL/7/2012 dt. 13.8.2012)

1	Name of the Company:	Rohit Ferro-Tech Limited (Standalone/Consolidated)
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit observation	<b>Emphasis of Matter</b> "Without qualifying our opinion, attention is invited to Note 39 (Standalone)/Note 42(Consolidated) to the financial statements whereby the Company has presented profits after tax before the Exceptional item instead of making disclosure as per the current format in Part-II of Schedule VI (Revised) of the Companies Act, 1956 and the Current tax figure is net of ₹ 863.33 Lacs, being the tax effect on the Exceptional item."
4	Frequency of observation	Appeared for the first time in the Independent Auditor's Report (Standalone)/(Consolidated) for the Financial Year 2012-13
5	<b>Signatories</b>	<b>Signatures</b>
	(i) Mr. Rohit Patni - Managing Director	
	(ii) Mr. Vikash Jain - CFO	
	(iii) Statutory Auditors - M/s. S. Jaykishan	 
	(iv) Mr. Jay Shanker Shukla Chairman-Audit Committee	

**FORM B**

**(Pursuant to SEBI Circular No. CIR/CFD/DIL/7/2012 dt. 13.8.2012)**

1	Name of the Company:	Rohit Ferro-Tech Limited (Consolidated)
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit observation	Qualified
4	Frequency of observation	Appeared for the first time in the Independent Auditor's Report(Consolidated) for the Financial Year 2012-13
	Draw Attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Refer page number 63 of the Annual Report- Auditors of the subsidiary – SKP Overseas Pte Ltd - are unable to satisfy themselves in respect of <ul style="list-style-type: none"> <li>- Carrying value of the Investment in PT Pacific Samudra Perkasa amounting to USD 6 million (INR 3263.36 lacs)</li> <li>- Recoverability of Trade Receivables amounting to USD 0.91 million (INR 494.94 lacs) due from supplier for claim for breaching contract term</li> </ul> Refer page number 8 and 9 of the Annual Report for Management Response.
	Additional comment from the board/audit committee chair	None
5	<b>Signatories</b>	<b>Signatures</b>
	(i) Mr. Rohit Patni - Managing Director	
	(ii) Mr. Vikash Jain – CFO	
	(iii) Statutory Auditors – M/s. S. Jaykishan	 
	(iv) Mr. Jay Shanker Shukla Chairman- Audit Committee	