

Corporate Information

Board of Directors

Mr. Vimal Kumar Patni *Chairman*
Mr. Vikash Patni *Managing Director*
Mr. Akash Patni
Mr. Chhatar Singh Dugar
Mr. Kailash Chand Jain
Mr. Vijay Kumar Jain

Company Secretary

Ms. Anita Baid

Auditors

S. Jaykishan
Chartered Accountants

Bankers

Bank of India
United Bank of India
UCO Bank
IDBI Bank

Registered Office

35, Chittaranjan Avenue
6th Floor, Kolkata - 700 012

Corporate Office

'Centre Point'
21, Hemanta Basu Sarani
3rd Floor, Room No. 312
Kolkata - 700 001
Phone : (033) 2231 8305-09
Fax : (033) 2231 8303
E-mail : info@vikashmetalpower.com

Plant Location

Vill : Poradiha, P.S. - Santuri
Dist : Purulia, West Bengal - 722 153

Registrar and Transfer Agent

Maheshwari Datamatics Pvt Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone : (033) 2243 5029/5809

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Notice

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held at Purbashree, EZCC, Bharatiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake City, Kolkata - 700 106 on Tuesday, the 15th day of September, 2009 at 10.30 A.M. to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Akash Patni, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“**RESOLVED THAT** M/s. S. Jaykishan, Chartered Accountants, be and are hereby appointed 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 of the Company, on such remuneration as may be fixed by the Board of Directors.”

Place: Kolkata
Date : 30th June, 2009

By Order of the Board
Anita Baid
Company Secretary

Registered Office :
35, C. R. Avenue
6th Floor, Kol-700 012

Corporate Office :
“Centre Point”
21, Hemanta Basu Sarani
3rd Floor Room No. 312
Kolkata 700 001

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of proxy, in order to be effective, must be completed, stamped, signed and deposited at the Company's Registered Office not less than forty-eight hours before the meeting.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the company at least 7 days in advance, so as to enable the Company to keep the information ready.
4. The Register of Members and Share Transfer Books will remain closed from 5th September, 2009 to 15th September, 2009 (both days inclusive) for the purpose of Annual General Meeting and for payment of Dividend.

5. The Dividend on shares for the financial year ended on 31st March, 2009, as recommended by the Board, if declared at the meeting will be payable on or after 15th September, 2009 to those members/deemed members whose name appears in the Register of Members/Statement of beneficial ownership furnished by depositories at the close of business hours on 4th September, 2009.
6. Members/Proxies are requested to bring their attendance slip sent herewith, duly filled in, for attending the meeting.
7. As required under clause 49 of the Listing Agreement executed with the Stock Exchange(s), a brief profile of the Director seeking re-appointment at the Annual General Meeting is annexed with the Notice.

**Details of the Director seeking re-appointment at the forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mr. Akash Patni
Date of Birth	29/12/1978
Date of Appointment	06/05/2002
Qualification	B. Com (Hons), A.C.A.
Expertise	Wide experience in Accounts, Finance and Taxation
Directorship in other Companies as on March 31, 2009	<ol style="list-style-type: none"> 1) Vikash Smelters Limited 2) Patni Infotech Limited 3) Chiragsala Sales Private Limited 4) Impex Infotech Limited 5) Vikash Urja Limited 6) Brahmand Udyog Limited 7) Vikash Ores Limited
Chairmanship/Membership of the Committee of Directors of other Public Companies as on 31st March, 2009	–
Number of shares held	12,59,200

Directors' Report



Dear Shareholders,

Your Directors take pleasure in presenting the 13th Annual Report together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2008-09	2007-08
Turnover	61,678.11	34,380.18
Other Income	269.71	237.37
Profit before Depreciation and Tax	1,735.04	2,313.54
Less : Depreciation	716.74	384.31
Profit before Tax	1,018.30	1,929.23
Less : Provision for Tax		
- Current	(120.22)	(320.00)
- Deferred	(354.97)	(344.92)
Fringe Benefit Tax	(7.22)	(5.20)
Deferred MAT Credit Entitlement	115.37	-
Profit after Tax	651.26	1,259.11
Less : Income Tax for earlier years	30.00	8.95
Add : Balance brought forward from previous year	2,241.81	1,196.32
Add : Excess provision for gratuity as on 01.04.07	-	0.77
Balance available for appropriation	2,863.07	2,447.25
Proposed Dividend on Equity shares	87.80	(175.60)
Corporate Tax on Dividend	14.92	(29.84)
Balance carried over to Balance Sheet	2,760.35	2,241.81

OVERVIEW

During the year under review, the Company achieved a turnover of Rs. 61,678.11 Lacs representing an increase of approximately 80% over the previous year. The Company's Profit before Tax (PBT) and Profit after Tax (PAT) for the financial year 2008-09 was Rs. 1,018.30 Lacs and Rs. 651.26 Lacs respectively.

During the year under review, the Company has commenced commercial production of Captive Power Plant and Ferro Alloys Plant. The commissioning of these units shall result in considerable growth in sales revenue and will subsequently lead to enhancement in margins.

DIVIDEND

The Company's dividend policy is based on twin objective to appropriately reward the shareholders and at the same time to keep enough capital to fuel growth needs. Accordingly, your directors recommend a final dividend of Re. 0.25 per share on 3,51,20,100 fully paid equity shares of Rs. 10/- each for the year ended 2008-09. The proposed Dividend, if approved, at the ensuing Annual General Meeting would result in appropriation of Rs. 87.80 Lacs (in addition to the Corporate Dividend Tax of Rs. 14.92 Lacs) out of the profits.

The Register of Members and share transfer books shall remain closed from 5th September, 2009 to 15th September, 2009 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company Mr. Akash Patni, Director of your Company, will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director of your Company.

STATUTORY DISCLOSURE

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. All the Directors have made the necessary disclosures as required by the various provisions of the Act and Clause 49 of the Listing Agreement.

AUDITORS

M/s. S. Jaykishan, Chartered Accountants, the Statutory Auditors of the Company are retiring at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Certificate from the auditors has been obtained to the effect that their re-appointment, if made would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT

There are no qualifications or adverse remark in the Auditors' Report except for income tax payment which requires further clarification/explanation. The Board has initiated necessary steps in this respect and ensures proper compliance.

FIXED DEPOSIT

The Company did not invite/accept any fixed deposit from the public during the year and as such there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in preparation of the annual accounts containing financial statements for the year ended March 31, 2009, the applicable accounting standards have been followed along with the proper explanation relating to the material departures;

- b) the stated accounting policies have been consistently followed to give a true and fair view of the state of affairs of the Company and profit for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under Clause 49 of the listing Agreement with the stock exchanges. A report on Corporate Governance together with the Auditor's certificate is annexed as part of the Annual Report.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of your company was in receipt of remuneration in excess of the limits specified under the provision of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Details of conservation of energy, technology absorption and foreign

exchange earning and outgo along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, are given in the annexure forming part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the progress and future outlook of the Industry and the

Company and its business, as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section forming part of the Annual Report.

ACKNOWLEDGEMENT

Your directors record their sincere appreciation for the assistance, support and guidance provided by banks, financial institutions, customers, suppliers, regulatory and government authorities, project and other business

associates and stakeholders. Your Directors also thank the employees of the company for their contribution and commitments towards the company's performance and growth during the period under review.

Your Directors value your involvements as shareholders and look forward to your continuing support.

For & on behalf of the Board of Directors

Place : Kolkata **Vimal Kumar Patni**
Date : 30th June, 2009 *Chairman*

Annexure to the Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March, 2009.

A. CONSERVATION OF ENERGYS

Energy Conservation continues to be the focus area for the Company and the measures taken are as follows :

- (i) Commissioning of Waste Heat Recovery based 10 MW Captive Power Plant.
- (ii) Regular monitoring of leakages of compressed air and fuel oil to save fuel.
- (iii) Controlling of idle running of equipment during stoppages to save energy.

Particulars with respect to conservation of energy are given in the enclosed Form - A.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

This is being done on a continuous basis.

(b) Details of foreign Exchange used and earned :

(i) Expenditure in Foreign currency

Particulars	Amount (Rs. in '000)
Travelling	337
	(252)

(ii) Earnings in Foreign Currency

Particulars	Amount (Rs. in '000)
Export of goods on FOB Basis	91,821
	(303,231)

Note : Figures in brackets relate to previous year.

Form - A

Form for disclosure of particulars with respect to conservation of energy

Particulars	2008-09	2007-08
A) Power & Fuel Consumption		
1. Electricity		
a) Purchased		
Unit in KWH	4,44,64,655	3,91,02,535
Amount (Rs. in Lacs)	1,586.76	1252.60
Rate per Unit (Rs.)	3.57	3.20
b) Generation through captive power facilities		
Through steam turbine/generator		
Units	1,03,19,489	–
Total Cost (Rs. in Lacs)	666.39	–
Cost per Unit (Rs.)	6.46	–
2. Diesel Oil		
Units (Litre)	4,24,650	1,87,219.73
Total Cost (Rs. in Lacs)	151.60	67.09
Cost per Unit (Rs.)	35.70	35.84
3. Coal (Specify quality and where used)		
MCL Coal - F Grade (Used in Sponge Iron)		
Quantity (MT)	77,093.495	71,611.735
Total Cost (Rs. in Lacs)	913.37	751.90
Average Rate (Rs.)	1,184.76	1,050
E-Grade (Used in Sponge Iron)		
Quantity (MT)	46,671.095	50,670.305
Total Cost (Rs. in Lacs)	1,160.01	883.44
Average Rate (Rs.)	2,485.51	1743.51
4. Furnace Oil		
Quantity (Litre)	336,489	231,377
Total Cost (Rs. in Lacs)	66.12	67.10
Average Rate (Rs.)	19.65	29
5. Others/Internal Generation	–	–

Particulars	2008-09	2007-08
B. Consumption per unit of production		
1. Electricity (Unit/MT) Annualised	451.56	370.49
2. Diesel (Ltr./MT)	17.95	1.77
3. Coal (Kg./MT)	2,080.22	1,880.00
4. Furnace Oil (Ltr./MT)	9.42	114.40

Form - B

Form for disclosure of particulars with respect to technology absorption for the year ended 2008-09

A. Research And Development (R&D)

The R&D is assimilated to the production process of the Company and hence cannot be segregated. Though no specific expenditure was incurred under this head, constant efforts were made to increase efficiency.

(a) Specific areas in which R & D carried out by the Company	NIL
(b) Benefits derived as a result of the above R & D	NIL
(c) Future plan of Action	NIL
(d) Expenditure on R& D	NIL

B. Technology Absorption, Adaptation and Innovation

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

(a) Continuous improvement in the Product Design with the view to provide a competitive advantage.

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

Efforts have led to improved efficiencies and cost competitiveness. Furthermore, with the introduction of several products, significant benefits have been derived by way of enhanced market penetration and new business.

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

(a) Technology imported	None
(b) Year of import	N.A.
(c) Has technology been fully absorbed	N.A.
(d) If not fully absorbed, areas where this has not taken place reasons thereof and future plans of action	N.A.

Place : Kolkata
Date : 30th June, 2009

For and on behalf of the Board of Directors
Vimal Kumar Patni
Chairman

Management Discussion and Analysis Report



OVERVIEW

After successful completion of the first half of financial year 2008-09, your Company braving through the world over recession followed by financial crisis, registered an appreciable Turnover of Rs. 61678.11 Lacs and a Profit after Tax of Rs. 651.26 Lacs for the year ended 2008-09. Your Company being one of the low cost Integrated Steel Plant situated in a rural area and catering to the needs of domestic consumers on a pan India basis is now earning export revenue by exporting its products to the neighbouring countries. The financial statements of the Company are in compliance with the requirements of Generally Accepted Accounting Principles (GAAP) in India. The management of your Company accepts the responsibility for the integrity and objectivity of financial statements.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy witnessed moderate GDP growth of 6.7% in FY 08-09 as compared to an average of over 9% growth achieved in the previous three fiscal years. The Indian

Steel Industry in the financial year 2008-09 oscillated between boom and gloom. The steel market around the world has seen a dramatic movement in the last year. The prices moved up ceaselessly and unexpectedly. Then the global recession along with the inflation reaching all time highs came into action massacring the entire scenario. The steel story in 2008-09 has rather been unique. Prices saw both ends of the spectrum, record highs as well as record lows. While the first half of 2008 saw prices surging due to steep raw material prices, the second half saw prices bottoming out due to credit squeeze and falling demand.

OPPORTUNITIES AND THREATS

Though in the present world scenario, numerous steel projects that have been planned look to be in doldrums yet domestic demand for steel appears to be in safe hands firstly because various modernisation and infrastructural upgrades have been planned by the government whereby in the next few years, the country would witness more than 5,00,000 crores investment for improving infrastructural set-up like roads, ports and the railways. Secondly due to anticipatory budgetary allocations in several key infrastructural areas, the coming days may see all major steel producing plants expanding their capacities with huge investment.

The National Steel Policy (NSP) 2005 visualised a production level of 110 million tonnes by 2019-20 and going by the present trends India has already surpassed the goal by a handsome margin and is most likely to achieve nearly 124 million tonnes steel production capacity by 2011-12. India is expected to emerge as the

second largest producer of Steel in the world by 2015 next only to China. With the continuance of the Government and its vision to make steel available in the remotest corners of the country the disparity in the per capita consumption of steel in rural and urban areas will be bridged which will lead to extensive build-up of rural infrastructure and the growth of iron and steel industry will be bright in the years to come.

“Power for all” by 2012 is likely to generate opportunity for power generation, transmission and distribution which in turn would create demand for steel. It will be the anchor material for construction, infrastructure, automobiles and consumer durables. China, India and Brazil will be the countries where their domestic demand to meet infrastructure and construction needs will continue to grow substantially in the years ahead. India is uniquely positioned to become a major self-sufficient, low-cost steel manufacturing nation.

In view of low operational costs in China, the imports have become cheaper, resulting in domestic consumers too preferring to avail of the cheap imports. Though the Government has taken corrective measures by removing export duty on steel and raising the duty on imports on fears that cheap Chinese products may flood the market, yet hike in fuel cost has led to increase in the cost of movement of raw materials and other related products.

RISK AND CONCERN

As the Indian steel industry is gearing up to occupy a prominent position in the global map, it will have to tackle

some key issues for retaining its competitive edge and increasing its international presence. Some of the prominent risks faced by the Company are

- a) Government Regulations
- b) Human Resource
- c) Natural Calamities
- d) Market Conditions and
- e) Competitive Environment.

Your Company reviews the “List of Risk Areas” to identify potential business threats and ensures that sufficient risk mitigation measures are taken on a continuous basis to overcome/reduce the impact of risks.

INTERNAL CONTROL SYSTEM

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. The Board takes responsibility for the total process of risk management in the organisation. The Audit Committee review report covers operational, financial and other business risk areas. This is also facilitated by internal audit which provides for utilization of resources to the optimum level, safeguarding of assets, recording and reporting of transactions correctly, protection against loss of unauthorized use and disposition of assets.

FUTURE OUTLOOK

With the automobiles and infrastructure segments facing the burnt

of the international economic onslaught, the forecast seems cloudy for the steel sector. The industry is now holding its breath, in the hope that steel regains its strength. Though the short term outlook seems to hold no silver lining for companies the world over, but in the long term, given the pace of urbanization, the consequent need for infrastructure and the lag between India and the world average of per capita steel consumption, the case for revival and expansion of the Indian Steel Industry is strong. The domestic steel policy too envisages growth in steel demand, based on economic and industrial growth projections. With the Government keen to take corrective measures to curb the impact of cheap steel imports your Company will leave no stone unturned to achieve the targets and meet the demands of national and overseas customers.

HUMAN RESOURCES

Cordial industrial relationship prevailed at all the manufacturing units of the Company during the year. The Company continued its focus on development of human capital. Your Company’s philosophy is to create an open and transparent organisation, focused on people and their capability of delivering superior performance. The Company firmly believes in the immense potential of its human resources to bring about innovation and initiatives in developing the organization and ensuring its success.

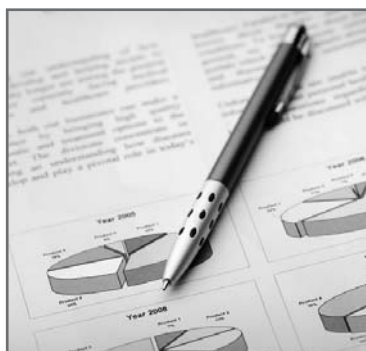
SEGMENT WISE/PRODUCT WISE PERFORMANCE

The Company hitherto has been manufacturing Iron & Steel products and it is proud to inform that it has also stepped into the manufacturing of Manganese Alloys in the same premises, commencing the commercial production from October, 2008. The Manganese Alloys is an additive to steel making and with captive consumption your Company is exploring all possibility to reduce Cost of Production of steel. Expansion is on the anvil to cater the domestic needs of Manganese Alloys consumers besides captive consumption.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company’s activities, projections about the future, estimates, assumptions with regard to global economic conditions and Government policies, etc. have been made in good faith and may be “forward looking statements” within the meaning of applicable securities laws and regulations. Many unforeseen factors may come into play and affect the actual results which might differ from those either expressed or implied. Market data was based on information gathered from various published and unpublished sources and their accuracy, reliability and completeness cannot be assured.

Corporate Governance Report



I. COMPANY'S PHILOSOPHY

Your Company is committed to the highest level of corporate governance as it believes that good governance is an essential ingredient in corporate success and sustainable economic growth. It is an integral part of the company's core values which include fairness, transparency, integrity, equity, honesty and accountability. The company believes that all actions

and strategic plans should deliver fair value to all its stakeholders. Your Company complies with Corporate Governance Code as has been enshrined in the clause 49 of the Listing Agreement.

II. BOARD OF DIRECTORS

The Composition of the Board of directors is in conformity with Clause 49 of the Listing Agreement with the stock exchange(s). The Company's Board consists of six members which comprise of :

- ▶ One Non Executive Chairman
- ▶ One Non-Executive Director
- ▶ One Executive Director
- ▶ Three Independent Non-Executive Directors

None of the Director on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director.

III. BOARD MEETINGS

Board holds periodic meetings to review and discuss performance of the Company, its future plans, strategies and other pertinent items relating to the Company. During the year ended March 31, 2009, 11 (Eleven) Board Meetings were held on April 24, May 29, June 7, June 30, July 31, September 3, October 22, October 31, December 3 in 2008 and on January 29 and March 25 in 2009. The last AGM was held on September 27, 2008.

The composition of Board of Directors, their attendance at the Board Meeting held during the year and at last Annual General Meeting as also number of directorships and Chairmanships/ memberships of Committees of each director held in various companies as at March 31, 2009 is :

Name of Director	Status	Board Meetings attended during 2008-09	Attendance in last AGM	No. of Directorships held in other Companies #	No. of Committee positions held in Companies as ##	
					Chairman	Member
Mr. Vimal Kumar Patni *	Non-Executive Chairman	11	Yes	8	-	-
Mr. Vikash Patni	Managing Director	11	Yes	7	-	-
Mr. Akash Patni	Non-Executive Director	11	Yes	6	-	-
Mr. Chhatar Singh Dugar	Independent and Non-Executive Director	7	Yes	1	1	1
Mr. Vijay Kumar Jain	Independent and Non-Executive Director	4	Yes	1	-	1
Mr. Kailash Chand Jain	Independent and Non-Executive Director	6	Yes	2	2	-

Other Directorship does not include alternate directorship, directorship of private companies, Section 25 companies and of other companies incorporated outside India.

Includes the Membership/Chairmanship of Audit committee and Share Transfer cum Investor Grievance Committee only.

* Mr. Vimal Kumar Patni is the father of Mr. Vikash Patni and Mr. Akash Patni. Other than this, none of the other Directors are in any way related to any other Director.

IV. CODE OF CONDUCT

The Board of Directors of the Company has laid down a code of conduct for all Board Members and Senior Management of the Company. Board Members and Senior Management of the Company have affirmed compliance to the Code for the financial year ended 31st March, 2009.

This is to confirm that the Company has adopted a Code of Conduct for all the Board members and senior managerial Personnel of the Company. It is also confirmed that the Board members and Senior Management Personnel have affirmed compliance with the same.

Vikash Patni
Managing Director

V. AUDIT COMMITTEE

The Audit Committee of the company comprises of three Directors, all of whom are Non-Executive. All these Directors possess knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an Independent Non-Executive Director nominated by the Board. The Company Secretary acts as the secretary to the Committee. The role and terms of reference of the Audit Committee cover the following :

1. The Committee provides guidance to the management in preparation of annual as well as periodical financial statements before they are submitted to the Board.
2. Recommends the appointment and the remuneration of Statutory Auditor.
3. Ensures that the disclosure of the financial information presented to the Board is sufficient and correct.
4. Reviews with the management, the Statutory Auditors and the Internal Auditor, the adequacy of internal control system.
5. Reviewing the Company's financial and risk management policies.
6. Ensuring compliance under various laws, rules and regulations.

During the year under review 5 (Five) Audit Committee Meetings were held on 28th April, 2008, 30th June, 2008, 31st July, 2008, 31st October, 2008 and 29th January, 2009.

The composition of Audit Committee and the attendance of members during these meetings are as follows :

Name	Designation	Status of Members	No. of meetings attended
Mr. Kailash Chand Jain	Chairman	Independent/Non-Executive	5
Mr. Chhatar Singh Dugar	Member	Independent/Non-Executive	5
Mr. Akash Patni	Member	Non-Executive	5

All the above meetings were also attended by the Auditors and the Company Secretary of the Company.

VI. SHARE TRANSFER CUM INVESTORS GRIEVANCE COMMITTEE

The Company constituted the committee to oversee the redressal of investors' grievances in relation to transfer of shares, non-receipt of annual report, dividend and other grievances. The Board has designated Ms. Anita Baid, Company Secretary, as the Compliance Officer of the Company. The shareholders may mail to the Company at investors@vikashmetalpower.com for early response to their queries.

The composition of the Committee is as follows :

Name	Designation	Status of Members
Mr. Vijay Kumar Jain	Chairman	Independent/Non-Executive
Mr. Vimal Kumar Patni	Member	Non-Executive
Mr. Vikash Patni	Member	Executive

During the financial year ended 31st March 2009, one meeting of the Committee was held on 10th March, 2009, which was attended by all the members of the committee and also by the Company Secretary.

The detail of the complaints, excluding correspondences which are not in the nature of complaints are given below:

Particulars	Types of Grievances	
	Dividend	Share Certificate/ Demat Credit of Shares
Complaints received during the year	5	–
Complaints redressed during the year	5	–
Complaints pending at the end of the year	–	–

VII. REMUNERATION COMMITTEE

The Company constituted the remuneration committee on 20th March, 2008. The Committee is constituted to approve the remuneration and commission/incentive payable to the Managerial Personnel viz. Managing Director, Whole Time Directors, Executive Directors etc. and recommend revision in the same.

During the year under review no meeting of the Remuneration Committee was held, as no revision in remuneration was considered.

The composition of Remuneration Committee is as follows :

Name	Designation	Status of Members
Mr. Vijay Kumar Jain	Chairman	Independent/Non-Executive
Mr. Chhatar Singh Dugar	Member	Independent/Non-Executive
Mr. Kailash Chand Jain	Member	Independent/Non-Executive

Remuneration/Sitting Fees paid to Executive/Non-Executive Directors of the Company during the financial year ended 31st March, 2009 are detailed as under :

Name of Directors	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)		No. of Shares held
		Board Meeting	Committee Meeting	
Mr. Vimal Kumar Patni	NIL	27,500/-	2,500/-	23,24,600
Mr. Vikash Patni	18,00,000/-	-	-	15,20,900
Mr. Akash Patni	NIL	27,500/-	12,500/-	12,59,200
Mr. Chhatar Singh Dugar	NIL	17,500/-	12,500/-	NIL
Mr. Vijay Kumar Jain	NIL	10,000/-	2,500/-	NIL
Mr. Kailash Chand Jain	NIL	15,000/-	12,500/-	NIL

VIII. CEO & CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement the certificate by Managing Director and Finance Head, on the financial statements of the Company is provided in this Annual Report.

IX. DETAILS OF DIRECTORS APPOINTED/RE-APPOINTED

Details of directors being appointed/re-appointed have been disclosed in the notice of the Annual General Meeting, i.e. brief resume, nature of expertise in specific functional areas, numbers of directorships and committee memberships and their shareholding in the company.

X. GENERAL BODY MEETINGS

a) The last three Annual General Meetings were held as under :

Financial Year ended	Day & Date	Time	Venue	Particulars of Special Resolution, if any
31st March, 2006	Tuesday, 5th September, 2006		Purbashree, EZCC	NIL
31st March, 2007	Friday, 28th September, 2007	10.30 A.M.	Bharatiyam Cultural Multiplex IB-201, Sector - III Salt Lake City	NIL
31st March, 2008	Saturday, 27th September, 2008		Kolkata-700 106	NIL

No Special Resolution is proposed to be passed by Postal Ballot in the ensuing Annual General Meeting.

b) Postal Ballots

During the year under review two Ordinary Resolutions under Section 293(1)(d) and 293 (1)(a) were passed through postal ballot vide Notice dated 3rd September, 2008 in accordance with the provision of Section 192A of the Companies Act, 1956 read with Companies (Passing of resolution by Postal ballot) Rules, 2001. The Results of the Postal ballot for the Ordinary Resolutions are given hereunder:

Sl. No.	Subject matter of resolution	No of valid votes polled	No. and % of votes in Favour	No. and % of votes in against
1.	Resolution under Section 293 (1)(d) of the Companies Act, 1956 for enhancement of borrowing limits.	2,08,03,038	2,07,96,674 99.97%	6364 0.03%
2.	Resolution under Section 293 (1)(a) of the Companies Act, 1956 for creation of charge/mortgage on moveable /immoveable assets of the Company.	2,07,90,738	2,07,79,274 99.94%	11,464 0.06%

The Postal Ballot results were declared on 10th November, 2008 at the Corporate Office of the Company and the resolutions were approved by requisite majority.

Shri Abhijeet Jain, Partner of A J & Associates, Company Secretaries in Wholetime Practice, was appointed as Scrutinizer for conducting the Postal Ballot process which was conducted in terms of the procedure laid down in the (Passing of resolution by Postal Ballot) Rules, 2001, read with relevant provisions of the Companies Act, 1956.

XI. DISCLOSURES

a) The particulars of transactions between the Company and its related parties as per the Accounting Standard (AS-18) are set out in Notes on Accounts (Note No. 18) - Schedule -18 forming part of the Annual Report.

- b) The Company has duly complied with the requirements of the regulatory authorities on capital market. No penalties have been imposed on the Company by the Stock Exchanges/SEBI on any matter related to capital markets during the last three years.
- c) 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.
- d) A Management Discussion and Analysis Report, given in a separate section forms part of this Annual Report and is attached herewith.
- e) There was no pecuniary relationship or transactions between the Company and the Non-Executive Directors.
- f) The Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- g) The Company has fully complied with the mandatory requirements of the Listing Agreement and with regard to non-mandatory requirements; the company has set up a remuneration committee.

XII. MEANS OF COMMUNICATION

Financial Results :

The results of the Company are furnished to the Stock Exchanges on a periodical basis after approval of the Board of Directors.

The results are normally published in prominent newspapers i.e. Business Standard (English Daily), Financial Express (English daily), Dainik Statesman (Bengali Daily) within 48 hours after approval by the Board.

As required under the Listing Agreement, the quarterly results and shareholding patterns are posted on the SEBI EDIFAR website www.sebidifar.nic.in. Currently all disclosures and correspondence are also available on CFDS portal www.corpfiling.co.in (Corporate Filing & Dissemination System), the common filing & dissemination portal for all companies listed on the BSE & NSE.

XIII. GENERAL SHAREHOLDER INFORMATION

▶ Annual General Meeting (Financial Year 2008-09)

- | | |
|---------------------|--|
| 1) Day, Date & Time | Tuesday, the 15th day of September, 2009
from 10.30 A.M onwards |
| 2) Venue | Purbashree, Bharatiyam Cultural Multiplex
EZCC, IB-201, Sector – III, Saltlake
Kolkata - 700 106 |

▶ Financial Calendar (Tentative and subject to change)

- | | |
|---|----------------------------|
| 1) Financial Reporting for the quarter ended June 30, 2009 | Last week of July, 2009 |
| 2) Financial Reporting for the quarter ended September 30, 2009 | Last week of October, 2009 |
| 3) Financial Reporting for the quarter ended December 31, 2009 | Last week of January, 2010 |
| 4) Financial Reporting for the year ended March 31, 2010 | Last week of June, 2010 |
| 5) Annual General Meeting for the year ended March 31, 2010 | September, 2010 |

▶ **Dividend**

The Board of Directors has recommended a final dividend of Re. 0.25 per share on the paid-up Equity Capital of the Company. The proposed dividend, if approved at the ensuing Annual General Meeting, will be paid on or after 15th September, 2009 to those shareholders whose names appear in the Register of Members as on the close of business hours on 4th September, 2009.

▶ **Book Closure Period**

5th September, 2009 to 15th September, 2009 (both days inclusive) for Annual General Meeting.

▶ **Unclaimed Shares**

By a recent amendment in the Listing Agreement, dated April 24, 2009, a listed company needs to transfer shares, which have remained unclaimed pursuant to a public issue or any other issue, to a demat suspense account to be opened with a Depository Participant. Pursuant to this amendment the Company has opened a demat suspense account with Microsec Capital Limited, Depository Participant (DP) of NSDL and the shares which remained unclaimed during the Initial Public Offer of the Company has been credited to the said account for the purpose of distribution to the rightful shareholder and until then voting right of such shares shall remain frozen. The Registrar has sent reminders to all such shareholders, at the addresses available in its database.

The details of the unclaimed shares are given hereunder :

i) Aggregate number of shareholders as on 01.04.2008	15
ii) Number of outstanding shares as on 01.04.2008	4,753
iii) Number of shareholders who approached issuer for transfer of shares	NIL
iv) Number of shareholders to whom shares were transferred during the year	NIL
v) Aggregate number of shareholders as on 31.03.2009	15
vi) Number of outstanding shares as on 31.03.2009	4,753

▶ **Listing on Stock Exchanges :**

(a) Bombay Stock Exchange Limited (BSE)

P. J. Towers, Dalal Street, Mumbai - 400 001

(b) National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051

Payment of Listing Fees :

Annual Listing Fees for the financial year 2009-10 has been duly paid by the Company to the above stock exchanges.

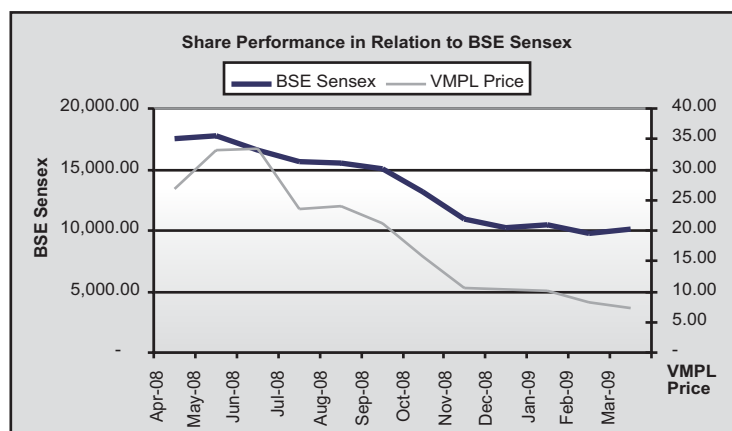
Stock Code :

(a) Stock Code - Bombay Stock Exchange	-	532677
(b) Stock Code - National Stock Exchange	-	VIKASHMET
(c) ISIN No in NSDL & CDSL	-	INE 158H01013
(d) Corporate Identification Number	-	L27109WB1996PLC080353

► **Market Price Data**

High, Low (based on the closing prices) and number of shares traded during each month in the financial year 2008-09 on the National Stock Exchange and the Bombay Stock Exchange :

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High	Low	Volume	High	Low	Volume
April, 08	27.25	18.50	360539	26.85	18.95	419963
May, 08	33.45	21.50	1090377	33.10	21.50	1110064
June, 08	33.60	19.00	699031	33.40	19.05	779473
July, 08	23.90	16.85	279094	23.60	17.00	313080
August, 08	24.90	18.00	171033	24.00	18.10	287290
September, 08	20.95	13.05	158049	21.10	13.10	424884
October, 08	15.45	8.10	168665	15.80	8.09	208448
November, 08	10.70	6.70	141529	10.57	6.85	186515
December, 08	10.25	6.80	207609	10.25	6.70	265262
January, 09	10.15	7.15	104871	10.01	7.20	168789
February, 09	8.20	6.65	99819	8.24	6.51	105693
March, 09	7.05	4.80	268678	7.18	4.63	234928



► **Dematerialisation of Shares as on 31st March, 2009**

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of Total
Dematerialised Form		
a) NSDL	28993896	82.55
b) CDSL	3525462	10.04
Sub-total	32519358	92.59
Physical Form	2600742	7.41
Total	35120100	100

► **Registrar and Share Transfer Agent**

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
Phone : (033) 2243 5029/5809, Fax : (033) 2248 4787
E-mail : mdpl@cal.vsnl.net.in

► **Share Transfer System**

92.59% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. The share transfers which are received in physical form are processed and the share certificates returned within a period of 15-20 days from the date of receipt of the transfer, subject to documents being valid and complete in all respects. The Company also obtains from a Practicing Company Secretary, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the certificate with the Stock Exchange.

► **Distribution of Shareholding as on 31st March, 2009**

Slab of Shareholding	No of Shareholders	%	No of Shares	%
Upto 500	11,168	76.7403	2462643	7.0121
501-1000	2,021	13.8872	1625106	4.6273
1001- 2000	706	4.8512	1104521	3.1450
2001-3000	200	1.3743	526002	1.4977
3001-4000	86	0.5909	312838	0.8908
4001-5000	108	0.7421	522422	1.4875
5001-10000	143	0.9826	1107003	3.1520
10001 and above	121	0.8314	27459565	78.1876
Total	14,553	100.00	35120100	100.00

► **Category of Shareholders as on 31st March, 2009**

Category	No of Shares held	% of Shareholding
Promoters & Promoter Group	20704600	58.95
Institutional Investors	Nil	Nil
Body Corporate	6061363	17.26
Indian Public	8217746	23.40
NRIs/OCBs	136391	0.39
Total	35120100	100

- ▶ **Registered Office** : 35, Chittaranjan Avenue
6th Floor, Kolkata - 700 012
- ▶ **Corporate Office** : "Centre Point"
21, Hemanta Basu Sarani, 3rd Floor
Room No. 312, Kolkata - 700 001
E-mail : investors@vikashmetalpower.com
- ▶ **Plant Location** : Vill. - Poradiha, P.S. - Santuri, Dist. - Purulia
West Bengal, Pin No - 722 153
- ▶ **Address for Correspondence** : The Company Secretary
Vikash Metal & Power Limited
"Centre Point"
21, Hemanta Basu Sarani, 3rd Floor
Room No. 312, Kolkata - 700 001
E-mail : investors@vikashmetalpower.com

For and on behalf of the Board of Directors

Vimal Kumar Patni

Chairman

Kolkata, June 30, 2009

COMPLIANCE CERTIFICATE OF THE AUDITOR

To
The Members
Vikash Metal & Power Limited

We have examined the compliance of conditions of Corporate Governance by **Vikash Metal & Power Limited** for the year ended on **31st March, 2009**, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation there of, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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 its affairs.

For **S. JAYKISHAN**
Chartered Accountants

B. K. Newatia
Partner

Membership No. 050251

Place : Kolkata
Date : 30th June, 2009

CEO/CFO CERTIFICATION

The Board of Directors

Vikash Metal & Power Limited

Kolkata

Pursuant to the provisions of Clause 49 (V) of the Listing Agreement, we Vikash Patni, Managing Director and Akash Patni, Director, hereby certify that :

- a) We have received the financial statements and the cash flow statement for the year ended 31st March, 2009 and confirm that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of Company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there are no deficiencies in the design or operation of such internal controls.
- d. We do further certify that there has been :
 - (i) no significant changes in internal controls during the year.
 - (ii) no significant changes in accounting policies during the year.
 - (iii) no instances of significant fraud of which we are aware during the period.

For and on behalf of the Board of Directors

Kolkata, June 30, 2009

Vikash Patni
Managing Director

Akash Patni
Director

Auditors' Report

To the Members of
VIKASH METAL & POWER LIMITED

1. We have audited the attached Balance Sheet of **VIKASH METAL & POWER LIMITED** as at 31st March 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts, read with the Accounting Policies & Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date, and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **S. JAYKISHAN**
Chartered Accountants

B. K. Newatia
Partner

Place : Kolkata

Dated : The 30th day of June, 2009. Membership No. 050251

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
- (b) We are informed that fixed assets of significant value have been physically verified by the management at reasonable intervals, in a phased programme and no material discrepancies were noticed in respect of the assets verified.
- (c) The Company has not made any disposal of Fixed Assets during the year.
- (ii) (a) As explained to us, inventories have been physically verified by the management during the year at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company has maintained proper records of inventories and the discrepancies noticed on physical verification as compared to book records were not material.
- (iii) (a) The Company has not granted any loan during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii)(b), (c) and (d) of Para 4 of the Order are not applicable to the Company.
- (b) The Company has taken interest-free unsecured loans from six parties 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 such loans are Rs. 5848.97 Lacs and Rs. 4235.51 Lacs respectively.
- (c) The terms and conditions of loans taken as aforesaid are prima facie not prejudicial to the interest of the Company.
- (d) In respect of the loans taken by the Company, there are no stipulations as to repayment thereof.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, has not been prescribed by the Central Government in respect of the products of the Company.
- (ix) (a) According to the books and records examined by us, except for *income tax* payments, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues. According to the information and explanations given to us, *except income tax payment* of Rs. 263.30 lacs, there are no undisputed outstanding statutory dues as at 31st March, 2009 for a period exceeding six months from the date they became payable.
- (b) On the basis of our examination of records and according

to explanations given to us, there are no dues as on 31st March, 2009 of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

- (x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses in the financial year under report or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and in view of subsequent reschedulement of term loans as stated in Note No. 12 of Schedule 18, the Company has not defaulted in repayment of instalment dues to financial institutions or banks. Interest outstanding as on 31st March 2009 amounting to Rs. 134.57 lacs has since been paid.
- (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) Clause (xiv) of the Order is not applicable, as the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans

taken by others from banks or financial institutions.

- (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 not made fresh allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) No debentures have been issued by the Company and hence the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not raised any money by way of public issue during the year.
- (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
B. K. Newatia

Partner

Place : Kolkata

Dated : The 30th day of June, 2009. Membership No. 050251

Balance Sheet

as at 31st March, 2009

(Amount in Rupees)

Schedule	As at 31.03.2009	As at 31.03.2008	
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	351,201,000	351,201,000
b) Reserves and Surplus	2	547,643,900	495,790,338
2. Loan Funds			
a) Secured Loans	3	1,103,649,101	851,648,048
b) Unsecured Loans	4	927,344,160	808,966,215
3. Deferred Tax Liability [Refer Note no. 20 of Schedule 18]		129,682,937	94,185,581
TOTAL		3,059,521,098	2,601,791,182
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	1,768,860,625	901,230,542
b) Less : Depreciation		161,374,288	89,700,043
c) Net Block		1,607,486,336	811,530,499
d) Capital Work-in-Progress [Refer Note no. 10 & 11 of Schedule 18]		20,769,075	766,096,523
2. Current Assets, Loans & Advances			
a) Inventories	6	686,253,554	574,424,758
b) Sundry Debtors	7	1,789,061,904	909,096,845
c) Cash & Bank Balances	8	122,777,971	67,404,563
d) Loans & Advances	9	830,281,667	669,987,874
		3,428,375,096	2,220,914,040
Less : Current Liabilities & Provisions			
a) Current Liabilities	10	1,942,356,523	1,152,066,004
b) Provisions	11	58,862,753	53,313,334
		2,001,219,277	1,205,379,338
Net Current Assets		1,427,155,819	1,015,534,702
3. Miscellaneous Expenditure (To the extent not written off or adjusted)			
Preliminary Expenses		-	409,722
Share Issue Expenses		4,109,868	8,219,736
TOTAL		3,059,521,098	2,601,791,182

Significant Accounting Policies & Notes on Accounts 18

Schedules 1 to 11 & 18 referred to above form an integral part of the Balance Sheet

In terms of our report of even date attached

 For **S. JAYKISHAN**

Chartered Accountants

B. K. Newatia

Partner

Membership No. 050251

Dated : The 30th day of June, 2009

Place : Kolkata

For and on behalf of the Board

Anita Baid
 Company Secretary

V. K. Patni
 Director

Vikash Patni
 Managing Director

Profit and Loss Account

for the year ended 31st March, 2009

(Amount in Rupees)

	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME			
Sales		6,167,811,090	3,438,017,831
Less : Excise Duty		232,043,328	121,425,336
Net Sales		5,935,767,762	3,316,592,495
Other Income	12	26,970,689	23,736,762
Increase/(Decrease) in Stock	13	111,219,699	(37,801,720)
		6,073,958,150	3,302,527,537
EXPENDITURE			
Raw Materials Consumed	14	1,753,195,679	706,432,106
Purchase of Traded Goods		3,610,361,060	2,034,087,988
Manufacturing Expenses	15	289,728,798	187,927,505
Administrative, Selling & Other Expenses	16	113,428,417	66,312,486
Interest	17	133,740,245	76,414,076
Depreciation		71,674,246	38,430,687
		5,972,128,446	3,109,604,849
PROFIT BEFORE TAX			
		101,829,705	192,922,689
Provision for Taxation :			
- Current		12,021,621	32,000,000
- Deferred		35,497,356	34,491,626
- Fringe Benefit Tax		721,898	520,000
- Deferred MAT Credit Entitlement		(11,537,306)	—
PROFIT AFTER TAX			
		65,126,137	125,911,063
Less : Income tax for earlier years		3,000,385	894,821
Add : Surplus from last Year		224,181,338	119,632,430
Add : Excess provision for Gratuity as on 1.04.07		—	77,046
Balance available for Appropriations			
		286,307,090	244,725,718
Appropriations			
Proposed Dividend		8,780,025	17,560,050
Corporate Tax on Dividend		1,492,165	2,984,330
Balance carried to Balance Sheet			
		276,034,900	224,181,338
Earning Per Share of face value of Rs. 10/- each (Refer Note No. 19 in Schedule 18)			
- Basic		1.77	3.59
- Diluted		1.77	3.59

Significant Accounting Policies & Notes on Accounts 18

Schedules 12 to 18 referred to above form an integral part of the Profit & Loss Account.

In terms of our report of even date attached

For **S. JAYKISHAN**

Chartered Accountants

B. K. Newatia

Partner

Membership No. 050251

Dated : The 30th day of June, 2009

Place : Kolkata

For and on behalf of the Board

Anita Baid
 Company Secretary

V. K. Patni
 Director

Vikash Patni
 Managing Director

Cash Flow Statement

 for the year ended 31st March, 2009 (Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	101,829,705	192,922,689
Adjustments for :		
– Depreciation	71,674,246	38,430,687
– Interest Income	(8,356,075)	(6,795,502)
– Interest Expenses	133,740,245	76,414,076
– Interest Subsidy received	(15,950,816)	(13,174,292)
– Excess Gratuity written back	–	77,046
– Sundry Balances written back	(201,164)	–
– Share Issue Expenses Written Off	4,109,868	4,109,868
– Preliminary Expenses Written Off	409,722	512,712
Operating Profit before Working Capital Changes	185,426,026	99,574,595
Adjustments for :		
– Trade & Other Receivables	(1,071,211,543)	(892,368,762)
– Inventories	(111,828,796)	(149,698,072)
– Trade Payables & Other Liabilities	821,399,017	596,467,804
Cash Generated from Operations	(74,385,591)	(153,101,747)
Income Taxes Paid	(2,484,194)	(13,744,103)
Net Cash from/(used in) Operating Activities	(76,869,785)	(166,845,850)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital W.I.P.	(153,184,860)	(371,950,092)
Advances for Capital Goods	46,654,140	48,649,638
Share Application money given	(450,000)	–
Interest Received	7,088,741	5,123,930
Increase in Fixed Deposits	(50,879,852)	(40,027,071)
Net Cash from/(used in) Investing Activities	(150,771,831)	(358,203,595)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Short Term borrowings	30,581,466	153,675,088
Increase in Long Term borrowings	221,419,587	(211,017,011)
Increase in Inter Corporate Deposits & Other Loans	118,377,945	666,160,181
Interest Subsidy received	15,950,816	13,174,292
Interest Paid	(133,740,245)	(76,414,076)
Dividend Paid	(17,560,050)	(17,560,050)
Dividend Distribution Tax Paid	(2,984,330)	(2,984,330)
Net Cash from/(used in) Financing Activities	232,045,189	525,034,094
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	4,403,573	(15,351)
Cash and Cash Equivalents at the beginning of period	2,645,328	2,660,679
Cash and Cash Equivalents at the end of period	7,048,901	2,645,328

Notes : i) The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 on "Cash Flow Statement" notified in the Companies (Accounting Standards) Rules, 2006.

ii) Cash and Cash Equivalents include cash-in-hand and bank balances on current account (Refer Schedule 8).

iii) Figures in brackets indicate Cash outflow.

In terms of our report of even date attached

For **S. JAYKISHAN**

Chartered Accountants

B. K. Newatia

Partner

Membership No. 050251

Dated : The 30th day of June, 2009

Place : Kolkata

For and on behalf of the Board

Anita Baid
Company Secretary

V. K. Patni
Director

Vikash Patni
Managing Director

Schedules

annexed to & forming part of the Balance Sheet as at 31st March, 2009

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
1 SHARE CAPITAL		
Authorised :		
40,000,000 Equity Shares of Rs. 10/- each	400,000,000	400,000,000
Issued, Subscribed & Paid-up :		
35,120,100 Equity Shares of Rs. 10/- each fully paid-up in cash	351,201,000	351,201,000
	351,201,000	351,201,000
2 RESERVES AND SURPLUS		
Securities Premium - As per last account	247,609,000	247,609,000
Capital Reserve -		
Capital Investment Subsidy - As per last account	24,000,000	24,000,000
Surplus as per Profit and Loss Account annexed	276,034,900	224,181,338
	547,643,900	495,790,338
3 SECURED LOANS		
A) Term Loans		
From Banks		
Bank of India Term Loan - I	–	11,872,818
Bank of India Term Loan - II	–	4,465,913
Bank of India Term Loan - III	19,671,885	23,407,330
Bank of India Term Loan - IV	109,123,671	129,886,595
Bank of India Term Loan - V	131,962,154	–
UCO Bank Term Loan - I	120,679,125	145,300,354
UCO Bank Term Loan - II	104,871,365	–
United Bank of India Term Loan - I	–	11,468,708
United Bank of India Term Loan - II	–	3,058,322
United Bank of India Term Loan - III	92,572,968	111,369,606
United Bank of India Term Loan - IV	86,412,993	–
	(A) 665,294,161	440,829,646
B) Demand Loan		
Bank of India	–	101,055,096
	(B) –	101,055,096
C) Short Term Loan		
IDBI Ltd.	100,877,666	–
	(C) 100,877,666	–

Schedules

annexed to & forming part of the Balance Sheet as at 31st March, 2009

(Amount in Rupees)

		As at 31.03.2009	As at 31.03.2008
3	SECURED LOANS (Contd.)		
D) Cash Credit			
	Bank of India	146,527,108	114,661,169
	United Bank of India	94,044,204	98,850,008
	UCO Bank	92,771,668	89,072,907
	(D)	333,342,980	302,584,084
E) Loans against Vehicles & Equipments			
	ICICI Bank Ltd.	175,140	948,484
	Magma Shrachi Finance Ltd.	3,959,154	6,230,738
	(E)	4,134,294	7,179,222
	(A)+(B)+(C)+(D)+(E)	1,103,649,101	851,648,048

Notes:
A. Securities for Loans

1. Term Loans/Cash Credits are secured by way of :

- first pari-passu charge by equitable mortgage of land and building and hypothecation of plant & machineries & other fixed assets, both present & future, of the Company.
- first pari-passu charge by hypothecation of stock of raw materials, finished goods, semi finished goods, book debts & other current assets, both present & future, of the Company.

Short-term Loan from IDBI Ltd. is secured by way of first pari-passu charge over stock of raw materials, finished goods, semi finished goods, book debts & other current assets, both present & future, of the Company.

The above facilities are personally guaranteed by the promoter directors and collaterally secured by way of equitable mortgage of three immovable properties owned by promoter directors.

2. Loans against vehicles & equipments are secured by way of hypothecation of specific machinery, equipments and vehicles.

B. Term Loans repayable within one year- Rs. 1168.19 Lacs (Previous year - Rs. 2737.67 Lacs)

[Refer Note No. 12 in Schedule 18]

4	UNSECURED LOANS		
	From IDBI Ltd. (Personally guaranteed by the Promoter Directors & Companies)	-	110,000,000
	From a Director	-	2,700,000
	From Other Bodies Corporate	927,344,160	696,266,215
		927,344,160	808,966,215

Schedules

annexed to & forming part of the Balance Sheet as at 31st March, 2009

(Amount in Rupees)

5 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.08	Additions during the year	Deductions/ Adjustment during the year	As on 31.03.09	As on 01.04.08	For the year	Adjustments	As on 31.03.09	As on 31.03.09	As on 31.03.08
TANGIBLES										
A. Land & Site Development										
- Leasehold Land	3,417,195	-	-	3,417,195	138,068	34,517	-	172,585	3,244,610	3,279,127
- Freehold Land	2,873,176	540,839	-	3,414,015	-	-	-	-	3,414,015	2,873,176
B. Factory Shed & Building	144,173,824	161,707,855	-	305,881,679	8,874,808	7,987,424	-	16,862,232	289,019,447	135,299,016
C. Plant & Machinery	606,442,851	614,664,111	-	1,221,106,962	62,938,546	52,453,883	-	115,392,429	1,105,714,533	543,504,304
D. Electrical Installations	93,347,950	60,913,787	-	154,261,737	7,603,290	6,047,083	-	13,650,373	140,611,364	85,744,660
E. Air Conditioners	2,188,406	285,033	-	2,473,439	211,400	115,972	-	327,372	2,146,067	1,977,006
F. Office Equipments	903,936	-	-	903,936	100,677	42,937	-	143,614	760,322	803,259
G. Computers	2,090,519	-	-	2,090,519	578,052	338,873	-	916,925	1,173,594	1,512,467
H. Furniture & Fixtures	2,747,396	-	-	2,747,396	358,872	173,910	-	532,782	2,214,615	2,388,525
I. Motor Car	3,893,686	-	-	3,893,686	872,907	369,900	-	1,242,807	2,650,879	3,020,779
J. Pollution Control Equipments	28,853,383	29,518,458	-	58,371,841	5,803,053	2,719,077	-	8,522,130	49,849,711	23,050,331
K. Moulds	7,698,218	-	-	7,698,218	1,180,370	870,668	-	2,051,038	5,647,180	6,517,848
INTANGIBLES										
L. Software	2,600,000	-	-	2,600,000	1,040,000	520,000	-	1,560,000	1,040,000	1,560,000
Grand Total	901,230,542	867,630,083	-	1,768,860,625	89,700,043	71,674,246	-	161,374,288	1,607,486,336	811,530,499
Previous year	603,092,925	298,137,617	-	901,230,542	51,269,356	38,430,687	-	89,700,043	811,530,499	

		As at 31.03.2009	As at 31.03.2008
6 INVENTORIES (As taken, valued and certified by the management)			
Raw Materials		391,144,207	403,246,791
Finished Goods		75,977,233	17,889,473
Steel Scrap		85,494,786	9,742,828
Work-in-Progress		93,654,118	73,828,786
Stores & Spares		34,691,228	21,934,748
Power and Fuel		1,126,650	1,171,450
Traded Goods		4,165,331	46,610,682
		686,253,554	574,424,758

7 SUNDRY DEBTORS (Unsecured, considered good)			
Due for more than six months		371,996,800	121,957,793
Other Debts		1,417,065,103	787,139,052
		1,789,061,904	909,096,845

8 CASH & BANK BALANCES			
Cash-in-Hand (As certified by the management)		4,096,174	1,614,250
Balances with Scheduled Banks			
In Current Accounts		2,952,727	1,031,078
HDFC Bank Ltd. (IPO Refund Account)		40,000	40,000
Axis Bank Unpaid Dividend A/c.		178,987	89,004
In Fixed Deposit Accounts (Pledged with Banks as margin for Bank Guarantees and Letter of Credit facility)		115,510,082	64,630,230
		122,777,971	67,404,563

Schedules

annexed to & forming part of the Balance Sheet as at 31st March, 2009

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
9 LOANS & ADVANCES		
(Unsecured, considered good)		
Loans to other companies	–	12,502,370
Advances recoverable in cash or in kind or for value to be received		
For Capital Goods	9,077,717	55,731,857
For Expenses	6,647,494	19,496,746
To Suppliers	710,176,190	472,225,222
To Others	44,456,004	36,353,737
Security & Other Deposits	12,152,840	9,682,440
Interest Accrued on Fixed Deposits	2,955,147	1,687,813
Balances with Excise Department	670,495	6,374,412
CENVAT/VAT Credit Receivable	19,090,291	40,817,302
Prepaid Expenses	2,062,664	6,557,265
Income Tax Payments (including TDS)	10,065,312	8,257,009
FBT Payments	940,208	301,702
Share Application Money	450,000	–
MAT Credit Entitlement [Refer Note No. 15 in Schedule 18]	11,537,306	–
	830,281,667	669,987,874

10 CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances	745,951,309	402,500,000
Sundry Creditors		
Due to Micro, Medium and Small Enterprises	–	–
Due to others		
For Goods	726,731,366	379,985,470
For Capital Goods	53,508,320	84,390,545
For Expenses	164,981,176	110,566,442
For Pending Disbursements	15,646,545	5,734,822
IPO Share Application Money Refundable*	40,000	40,000
Unclaimed Dividend*	178,987	89,004
Cheques Overdrawn	12,694	21,146,773
Advances from Parties	233,531,727	145,396,220
Security Deposit Received	1,774,400	2,216,727
	1,942,356,523	1,152,066,004

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

11 PROVISIONS		
For Gratuity	115,091	–
For Taxation	47,233,575	32,248,954
For Fringe Benefit Tax	1,241,898	520,000
For Proposed Dividend	8,780,025	17,560,050
For Corporate Tax on Dividend	1,492,165	2,984,330
	58,862,753	53,313,334

Schedules annexed to & forming part of the Profit and Loss Account for the year ended 31st March, 2009

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
12 OTHER INCOME		
Interest on Fixed Deposits (TDS - Rs. 15,48,390/-, Previous year - Rs. 356,130/-)	7,094,363	2,486,831
Interest on Loans (TDS - Rs. 259,913/-, Previous year - Rs. 911,497/-)	1,261,712	4,308,671
Interest Subsidy	15,950,816	13,174,292
Foreign Exchange Fluctuation Gain	-	144,622
Export Incentives	2,462,634	1,570,670
Insurance Claims Received	-	2,051,676
Sundry Balances written back	201,164	-
	26,970,689	23,736,762

13 INCREASE/(DECREASE) IN STOCKS		
Closing Stock - Finished Goods	75,977,233	17,889,473
- Steel Scrap	85,494,786	9,742,828
- Work-in-Progress	93,654,118	73,828,786
- Traded Goods	4,165,331	46,610,682
	259,291,468	148,071,768
Less : Opening Stock - Finished Goods	17,889,473	3,214,108
- Steel Scrap	9,742,828	308,451
- Work-in-Progress	73,828,786	60,791,787
- Traded Goods	46,610,682	121,559,142
	148,071,769	185,873,488
	111,219,699	(37,801,720)

14 RAW MATERIALS CONSUMED		
Opening Stock	403,246,791	228,595,089
Purchases (Including Freight)	1,741,093,095	934,822,209
	2,144,339,886	1,163,417,298
Less : Sale of Scrap	-	16,290,076
Less : Materials transferred to trading purchases	-	37,448,325
	2,144,339,886	1,109,678,897
Less: Closing Stock	391,144,207	403,246,791
	1,753,195,679	706,432,106

Schedules

annexed to & forming part of the Profit and Loss Account for the year ended 31st March, 2009

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
15 MANUFACTURING EXPENSES		
Stores, Spares & Consumables	37,177,727	13,001,822
Cess Charges	167,334	175,556
Power & Fuel	180,447,248	131,970,248
Labour charges	44,164,329	20,167,204
Material Handling Charges	7,388,437	8,201,071
Variation in excise duty on Stock [Refer Note No. 9 in Schedule 18]	3,582,929	2,340,948
Factory Insurance	2,647,692	1,871,336
Pollution Control Charges	625,000	–
Supervisory Charges	364,527	399,599
Testing Charges	253,617	189,725
Repairs & Maintenance :		
– Factory shed & Building	3,401,534	2,342,451
– Plant & Machinery	9,508,424	7,267,545
	289,728,798	187,927,505

16 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salaries & Bonus	11,856,809	8,064,574
Gratuity	386,946	365,924
Staff Welfare Expenses	690,820	452,474
Contribution to Provident Fund	2,265,527	1,683,592
Rent	600,000	600,000
Land Lease Rent	112,000	112,000
Rates & Taxes	628,195	463,072
Electricity Charges	742,113	716,015
Insurance	1,719,761	130,198
Printing & Stationery	795,064	676,419
Postage & Telegrams	517,496	163,183
Telecommunication Expenses	1,801,126	1,201,094
Travelling & Conveyance	6,179,742	3,588,639
Motor Car Expenses	1,619,604	1,413,487
Other Repairs & Maintenance	1,664,588	982,479
Security Service Charges	3,070,337	2,536,441
Subscription & Membership	528,393	413,432
Legal & Professional Charges	4,412,455	8,476,239

Schedules

annexed to & forming part of the Profit and Loss Account for the year ended 31st March, 2009
(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
16 ADMINISTRATIVE, SELLING & OTHER EXPENSES (contd.)		
Auditors Remuneration :		
- Audit Fees	142,360	103,708
- Tax Audit Fees	30,000	21,000
- In any other matter	53,374	38,441
Managing Director's Remuneration	1,800,000	360,000
Director's Sitting Fees	140,000	220,000
Custodial Fee	92,360	93,607
Listing Fee	125,127	84,000
Miscellaneous Expenses	4,703,634	2,776,574
Bank Charges	41,665,411	14,663,972
Fines and Penalty	2,605,000	—
Advertisement	11,163,526	4,561,159
Carriage Outward	4,981,683	5,422,353
Packing Charges	—	524,588
Commission to other than Sole selling agent	12,788	380,983
Sales Tax on Assessment / for earlier years	1,741,344	400,259
Prior Period Expenses [Refer Note No. 7 in Schedule 18]	61,246	—
Preliminary Expenses Written Off	409,722	512,712
Share Issue Expenses Written Off	4,109,868	4,109,868
	113,428,417	66,312,486
17 INTEREST		
To Banks :		
- On Fixed Loans	69,633,305	21,859,020
- On others	46,250,579	29,870,347
To Others	17,856,361	24,684,709
	133,740,245	76,414,076

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards

notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

2. 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 working condition for its intended use.
- (b) Depreciation is provided using the Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher.

Leasehold land is amortized over the period of lease.

Software is amortized over a period of five years.

- (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 that are not yet ready for their intended use at the balance sheet date together with all related expenses are shown under capital work in progress.

3. 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 recognized on transfer of significant risks and rewards of ownership which generally coincides with the dispatch of goods. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover.
- (c) Export Incentives arising out of export sales are accounted for in the year of receipt.
- (d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (e) Purchases are inclusive of freight and net of Cenvat Credit, trade discount and claims.

- (f) Insurance Claims to the extent considered recoverable during the year are taken into account. However, claims whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/actual receipt basis.

4. Inventories

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

5. Foreign Currency Transactions:

- (a) Initial Recognition- Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of 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 a foreign currency, are reported using the exchange rate on the date of transaction.
- (c) Exchange Difference - Exchange Difference arising on the settlement or conversion of monetary current assets and liabilities are recognized as income or as expense in the year in which they arise.

6. Government Grants

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

Government Grants in the form of promoter's contribution are credited to Capital Reserve. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Government Grants related to revenue are recognized on receipt under "Other Income" in the Profit and Loss Account over the periods to match them with the related costs which they are intended to compensate.

7. Employee Benefits

(a) Defined Contribution Plan :

Contributions as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and family pension fund are charged to the Profit and Loss Account of the

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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 gains / losses are recognised in the statement of profit and loss. The Company has an Employees Gratuity Fund managed by the SBI Life Insurance Co. Ltd.

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

8. Borrowing Costs

- (a) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- (b) Other Borrowing costs are recognised as expense in the period in which they are incurred.

9. Expenditure on new projects and 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 capitalized up to the date of commissioning of project to the cost of the respective assets.

10. Research and Development

- (a) Revenue expenditure on research and development is charged as an expense through the natural heads of accounts in the year in which incurred.
- (b) Expenditure which results in creation of fixed assets is carried as fixed assets and depreciation is provided on such assets.

11. Taxes on Income

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

Current tax and fringe benefit 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, deferred MAT Credit entitlement is separately

recognized under the head "Loans and Advances". Deferred MAT credit entitlement is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax liabilities and assets are recognized at substantively enacted rates on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

12. 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.

13. Provisions / Contingencies

Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

A Contingent Asset is not recognized in the Accounts.

14. Preliminary & Share Issue Expenses

Preliminary & Share Issue expenses are being amortized over a period of 5 years under Section 35D of the Income Tax Act, 1961.

- 15. Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.
- 16. Material Events occurring after Balance Sheet date are taken into consideration.

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

B. NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of –
 - a) Bank Guarantees amounting to Rs. 377.16 Lacs (Previous Year - Rs.109.30 Lacs) [FDR for Rs.37.72 Lacs (Previous Year - Rs.10.93 Lacs) pledged with the banks as margin].
 - b) Excise duty liability arising out of search operation by the Directorate General of Central Excise Intelligence. However, the Company has deposited under protest post-dated cheques falling due after the Balance Sheet date amounting to Rs. 5,000,000, pending issuance of any show cause notice.
2. Estimated amount of commitments on Capital Account (Net of Advances) – Rs. 27.36 Lacs (Previous Year - Rs. 396.51 Lacs).
3. In the opinion of the management, Current Assets, Loans & Advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made for all known losses and liabilities.
4. Certain balances of Unsecured Loans, Advances, Sundry debtors & Sundry creditors are subject to confirmation.
5. 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, 2009. 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 and relied upon by the auditors.
6. Managerial Remuneration :-
 - a) Detail of payments and provisions on account of remuneration to managerial personnel is as under:

(Amount in Rs.)		
	31.03.2009	31.03.2008
Salary to Managing Director	1,800,000	360,000
Perquisites	-	-
Sitting fees to other Directors	140,000	220,000
	1,940,000	580,000

- b) Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole. The amount pertaining to directors is not ascertainable and, therefore, not included above.
- c) The computation of net profit for the purpose of directors' remuneration under Section 349 of the Companies Act, 1956 has not been enumerated since no commission has been paid to any director. Fixed managerial remuneration has been paid to the Managing Director as per Schedule XIII of the Companies Act, 1956.
7. Prior Period expenses include :

(Amount in Rs.)

	31.03.2009	31.03.2008
Commission	94,300	-
Electricity charges	1,370	-
Interest to Others	(-)34,424	-
	61,246	-

8. Research and Development is assimilated to the production process of the Company and hence cannot be segregated. No specific expenditure was incurred under this head.
9. Amount of excise duty on variation in stocks shown in Schedule - 15 represents differential excise duty on opening and closing stock of finished goods.
10. The Company has commenced commercial production of Captive Power Plant from 25th June, 2008 and of Ferro Alloys Plant from 18th October, 2008. Accordingly, Pre-operative Expenses relating to the said projects up to that date have been capitalized.
11. Capital Work-in-Progress includes Pre-operative Expenses relating to projects under implementation, pending allocation to Fixed Assets :

(Amount in Rs.)

	2008-09	2007-08
Opening Balance	179,011,207	105,223,671
Add: Incurred during the year		
Salaries	1,043,019	1,971,273
Staff Welfare	63,196	106,330
Labour Charges	1,360,000	-
Insurance	-	607,489
Power and Fuel	12,107,956	48,158,944
Printing and Stationery	139,362	169,105
Telephone Charges	203,213	300,273
Travelling and Conveyance	347,109	897,160

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(Amount in Rs.)

	2008-09		2007-08	
Motor Car Expenses	199,245		353,372	
Legal and Professional Charges	-		300,000	
Miscellaneous Expenses	16,476		141,362	
Security Charges	351,620		634,110	
Rates and Taxes	-		59,300	
Stores and Spares	-		105,031	
Interest on Term Loan	18,564,047	34,395,243	67,366,312	121,170,061
		213,406,450		226,393,732
Less : Amount Allocated to Fixed Assets		213,406,450		47,382,525
Closing Balance		-		179,011,207

12. Term Loans obtained from respective banks have been rescheduled subsequent to the Balance Sheet date. Amount of such loans repayable within one year as on 31st March, 2009 has been calculated considering the effect of such re-schedulement.

13. There are no transactions which are required to be disclosed under Clause 32 of the Listing Agreement.

14. No forward contracts/hedging instruments are outstanding at the Balance Sheet date. Unhedged foreign currency exposure as at 31.03.09 is Nil.

15. 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 has been recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the profit & loss account and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

16. Disclosure pursuant to accounting Standard-15 (Revised)-“Employee Benefits”

Defined Contribution Plan :

(Amount in Rs.)

	31.03.2009	31.03.2008
Contribution to Provident and Other Funds	2,265,527	1,683,592

Defined Benefit Plan :

The employee gratuity fund scheme managed by SBI Life Insurance Company Ltd. (insurer) 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 2009, which recognizes 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.

(Amount in Rs.)

	31.03.2009	31.03.2008
(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation :		
Defined Benefit obligation at beginning of the year	549,893	160,101
Current Service Cost	267,644	110,551
Interest Cost	43,991	12,808
Actuarial (Gain)/Loss	142,282	266,434
Benefits paid	-	-
Settlement cost	-	-
Defined Benefit obligation at the year end	1,003,811	549,893
(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets :		
Fair value of plan assets at beginning of the year	821,748	237,147
Expected return on plan assets	65,740	41,401
Actuarial Gain/(Loss)	1,232	(17,533)
Employers' contribution	-	560,733

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(Amount in Rs.)		
	31.03.2009	31.03.2008
Benefits paid	-	-
Settlement cost	-	-
Fair value of plan assets at the year end	888,720	821,748
Actual return on plan assets	66,972	23,868
(iii) Reconciliation of fair value of assets and obligation :		
Fair value of plan assets	888,720	821,748
Present value of obligation	1,003,811	549,893
Amount recognized as asset / (liability) in Balance Sheet	(115,091)	271,855
(iv) Expenses recognized during the year in the Profit & Loss Account : (shown in Schedule -16 under the head 'Gratuity')		
Current Service Cost	267,644	110,551
Interest Cost	43,991	12,808
Expected return on plan assets	(65,740)	(41,401)
Actuarial (Gain)/Loss	141,050	283,967
Net Cost	386,946	365,924
(v) Break-up of Plan Assets as a percentage of total plan assets :		
Insurer Managed Funds	100%	100%
(vi) Actuarial Assumptions :		
Mortality Table (IAL)	1994-96 Modified Ultimate	
Discount rate (per annum)	8.50%	8%
Expected return on plan assets (per annum)	8%	8%
Rate of escalation in salary (per annum)	10%	10%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical results of return on plan asset and the Company's policy for plan assets management.

The above information is certified by the actuary.

17. Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard-17, the Company is predominantly engaged in a single reportable segment of Iron and Steel during the year. The risks and returns of existing captive power plant are directly associated with the manufacturing operations of Iron & Steel and hence treated as a single reportable segment as per Accounting Standard-17. There is no separate geographical segment.

18. Related party disclosures

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 | None |
| b) Entities/Individuals owning directly or indirectly an interest in the voting power that gives them control | None |

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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

<p>a) Key Managerial Personnel (KMP) & Relatives of KMP</p>	<p>Mr. Vikash Patni, Managing Director Mr. Vimal Kumar Patni, Director Mr. Akash Patni, Director Mrs. Premlata Patni, Mother of MD Mrs. Sunita Patni, wife of MD</p>
<p>b) Enterprises owned or significantly Influenced by (a) above</p>	<p>Impex Infotech Ltd. Brahmand Udyog Ltd. Swami Vinimay Ltd. Impex Ferro-tech Ltd. Vikash Smelters Ltd. Unilever Enterprises Ltd. Sahyogi Distributors Ltd. Vikash Ores Ltd.</p>

Transactions with related parties referred to above are as under :

(Amount in Rs.)

Nature of transactions	Referred in ii(a) above		Referred in ii(b) above	
	2008-09	2007-08	2008-09*	2007-08
Purchase of Goods				
Brahmand Udyog Ltd.			106,832,638	70,877,261
Impex FerroTech Ltd.			25,483,166	37,752,438
Sale of Goods				
Brahmand Udyog Ltd.			126,739,568	123,105,017
Impex FerroTech Ltd.			71,056,359	10,653,350
Vikash Smelters Ltd.			57,332	-
Sahyogi Distributors Ltd.			9,010,327	98,110,814
Loans Taken				
Vikash Patni	1,000,000			
Vimal Kumar Patni	-	6,050,000		
Premlata Patni	400,000	-		
Sunita Patni	500,000	-		
Brahmand Udyog Ltd.			221,730,000	393,155,000
Vikash Smelters Ltd.			151,727,193	231,824,000
Sahyogi Distributors Ltd.			209,540,000	246,365,000
Unilever Enterprises Ltd.			-	12,400,000
Loan Repaid				
Vikash Patni	1,000,000			
Vimal Kumar Patni	2,700,000	3,350,000		
Premlata Patni	400,000	-		
Sunita Patni	500,000	-		
Brahmand Udyog Ltd.			46,064,523	321,600,000
Vikash Smelters Ltd.			44,190,000	139,131,807
Sahyogi Distributors Ltd.			69,191,738	-
Unilever Enterprises Ltd.			-	12,400,000
Loan Given				
Impex Infotech Ltd			-	3,110,000

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(Amount in Rs.)

Nature of transactions	Referred in ii(a) above		Referred in ii(b) above	
	2008-09	2007-08	2008-09*	2007-08
Loan Refunded				
Impex Infotech Ltd			-	3,110,000
Advances given and refunded				
Swami Vinimay Ltd			3,125,000	-
Impex Infotech Ltd.			125,000	-
Unilever Enterprises Ltd.			12,010,000	-
Managerial Remuneration				
Vikash Patni	1,800,000	360,000		
Purchase of Fixed Assets				
Impex Infotech Ltd			-	400,000
Rent Paid				
Swami Vinimay Ltd.			600,000	600,000
Share Application Money Given				
Vikash Ores Ltd.			450,000	-
BALANCES AT YEAR-END				
Loans Taken at Credit				
Brahmand Udyog Ltd.			175,665,477	77,855,000
Vikash Smelters Ltd.			107,537,193	92,692,193
Sahyogi Distributors Ltd.			140,348,262	79,290,000
Vimal Kumar Patni	-	2,700,000		
Security Deposit paid				
Swami Vinimay Ltd.			4,500,000	4,500,000
Sundry Creditors				
Brahmand Udyog Ltd.			-	1,552,261
Swami Vinimay Ltd.			39,700	79,400
Impex FerroTech Ltd.			-	9,911,462
Sundry Debtors				
Brahmand Udyog Ltd			-	559,854
Sahyogi Distributors Ltd.			-	26,411
Advance from parties				
Impex FerroTech Ltd.			-	1,319,732
Share Application Money given				
Vikash Ores Ltd.			450,000	-

* Figures for loans and advances given/taken represent maximum amount involved at any time during the year.

19. Earnings Per Share (EPS)	31.03.2009	31.03.2008
a) Net Profit for the year attributable to equity shareholders (Rs.)	62,125,751	125,911,063
b) Weighted Average Number of Equity Shares for Basic EPS	35,120,100	35,120,100
c) Weighted Average Number of Equity Shares for Diluted EPS	35,120,100	35,120,100
d) Nominal Value of Equity Shares (Rs.)	10.00	10.00
e) Earnings Per Share (Basic) in Rs.	1.77	3.59
f) Earnings Per Share (Diluted) in Rs.	1.77	3.59

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

20. Components of Deferred tax liability as on 31st March, 2009 are as follows : (Amount in Rs.)

	As on 31st March, 2009	As on 31st March, 2008
Components of Deferred Tax Liability		
Depreciation	177,142,612	94,185,581
Components of Deferred Tax Assets		
Unabsorbed Depreciation	47,459,675	-
Net Deferred Tax Liability	129,682,937	94,185,581

Deferred tax asset on account of unabsorbed depreciation has been recognised as there exists virtual certainty of realisation on reversal of deferred tax liability in future years on account of depreciation.

21. **Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956**

a. Quantitative information in respect of Production, Purchases, Sales and Stocks : (Rs in '000)

Class of Goods	Installed Capacity# Qty. (MT)	Actual Production Qty. (MT)	Opening Stock		Purchases		Sales		Closing Stock	
			Qty. (MT)	Value	Qty. (MT)	Value	Qty. (MT)	Value	Qty (MT)	Value
Sponge Iron	130000 (130000)	59496.000 (65030.000)	590.661 (25.730)	5873 (202)	Nil (Nil)	Nil (Nil)	45894.160 (26249.390)	605539 (301215)	543.970 (590.661)	6683 (5873)
Ingots / Billets	114000 (85500)	23651.760 (38491.470)	327.322 (196.830)	6957 (3012)	Nil (Nil)	Nil (Nil)	19490.930 (35924.320)	539203 (777574)	435.140 (327.322)	12603 (6957)
TMT Bars	150000 (150000)	35701.947 (2022.553)	144.463 (Nil)	5059 (Nil)	Nil (Nil)	Nil (Nil)	33849.140 (1878.090)	987836 (51368)	1982.730 (144.463)	54785 (5059)
Pig Iron	15400 (N.A)	2258.270 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	38.820 (Nil)	1625 (Nil)
Ferro Alloys		214.00 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	66.000 (Nil)	2150 (Nil)	5.200 (Nil)
Steel Scrap*	N.A. (N.A)	5378.330 (800.991)	611.656 (23.727)	9743 (308)	Nil (Nil)	Nil (Nil)	1059.424 (Nil)	23591 (Nil)	3534.648 (611.656)	85495 (9743)
Power	10 MW (N.A.)	10319489 kwh (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	Nil (Nil)	Nil (Nil)	N.A. (N.A.)	N.A. (N.A.)
Iron & Steel Products	N.A. (N.A.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	94780.801 (77827.727)	3460097 (1976458)	94780.801 (77827.727)	3787977 (2149538)	Nil (Nil)	Nil (Nil)
Coal	N.A. (N.A.)	Nil (Nil)	15155.290 (16577.760)	46611 (56381)	Nil (Nil)	Nil (Nil)	12891.690 (1422.470)	32590 (12507)	2263.600 (15155.290)	4165 (46611)
Iron ore	N.A. (N.A.)	Nil (Nil)	Nil (17737.320)	Nil (65178)	49537.940 (18827.650)	150264 (56845)	49537.940 (36564.970)	188925 (133518)	Nil (Nil)	Nil (Nil)
Others (each item being less than 10% of Total)						Nil (785)		Nil (12298)		
Total				74243 (125081)		3610361 (2034088)		6167811 (3438018)		165637 (74243)

NOTES :

Licensed Capacity - Not Applicable.

Per annum on continuous process basis, as certified by the Management and not verified by the auditors being a technical matter.

* Steel Scrap represents quantity generated out of production, available for reprocessing/sale.

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Production includes quantity used for captive consumption/reprocessing :

	Quantity
Sponge Iron (MT)	13648.531 (38215.679)
Ingots/Billets (MT)	4053.012 (2436.658)
TMT Bars (MT)	14.540 (Nil)
Pig Iron (MT)	2219.450 (Nil)
Ferro Alloys (MT)	142.800 (Nil)
Steel Scrap (MT)	1395.914 (213.062)
Power (Kwh)	10319489 (N.A.)

b. Raw Materials consumed :*

Items	Quantity (M.T.)	Amount (Rs. in '000)
Iron Ore	128787.830 (119754.611)	409877 (310388)
Coal	123764.590 (122282.040)	207338 (163534)
Pig Iron & Scrap	14824.564 (11496.906)	316668 (172173)
Billets & Ingots	35241.639 (Nil)	742003 (Nil)
Others (each item being less than 10% of total consumption)	-	77309 (60337)
Total		1753195 (706432)

* excludes materials used for captive consumption/processing.

Break Up	Amount (Rs. in '000)	Percent (%)
Imported	Nil (Nil)	Nil (Nil)
Indigenous	1753195 (706432)	100.00 (100.00)
Total	1753195 (706432)	100.00 (100.00)

Schedules

Annexed to and forming part of Balance Sheet & Profit and Loss Account for the year ended 31st March, 2009

18 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

c. Stores and Spares Consumed :

Break Up	Amount (Rs. In '000)	Percent (%)
Imported	Nil (Nil)	Nil (Nil)
Indigenous	37178 (13002)	100 (100)
Total	37178 (13002)	100 (100)

d. CIF Value of Imports – Nil (Nil)

e. Foreign exchange earnings and outgo :

(i) Expenditure in Foreign currency :

Particulars	Amount (Rs. in '000)
Travelling	337 (252)

(ii) Earnings in Foreign Currency :

Particulars	Amount (Rs. in '000)
Export of goods on FOB Basis (through third parties)	91821 (303231)

Note : Figures in brackets relate to previous year.

22. Previous year's figures have been reworked, re-grouped, re-arranged and re-classified, wherever considered necessary. 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 the amounts and other disclosures relating to the current year.

For **S. JAYKISHAN**

Chartered Accountants

B. K. Newatia

Partner

Membership No. 050251

Place : Kolkata

Dated : The 30th day of June, 2009

For and on behalf of the Board

Anita Baid
Company Secretary

V. K. Patni
Director

Vikash Patni
Managing Director

Balance Sheet Abstract and Company's General Business Profile

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

i) Registration Details

Registration No. State Code

Balance Sheet Date

ii) Capital raised during the year (Amount in Rs.)

Public Issue Right Issue

Bonus Issue Private Placement

iii) Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserve & Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets Capital Work-in-Progress

Investments Miscellaneous Expenditure to the extent not written off

Net Current Assets

iv) Performance of Company (Amount in Rs.)

Total Income Total Expenditure

Profit before Tax Earning Per Share (Basic) in Rs.

Dividend Rate (%)

vii) Generic Name of Principal Products/Services of the Company (As per monetary terms)

Product Description	Item Code No. (ITC Code)	Product Description	Item Code No. (ITC Code)
SPONGE IRON	7203.10.00	M. S. ROUND	7214.10.90
M. S. BILLET	7207.19.20	SILICO MANGANESE	7202.30.00
TMT BARS	7214.20.90	FERRO MANGANESE	7202.11.00

As per our report of even date attached

For **S. JAYKISHAN**
Chartered Accountants
B. K. Newatia
Partner

Membership No. 050251
Dated : The 30th day of June, 2009
Place : Kolkata

For and on behalf of the Board

Anita Baid
Company Secretary

V. K. Patni
Director

Vikash Patni
Managing Director

VIKASH METAL & POWER LIMITED

Registered Office :

35, Chittaranjan Avenue, 6th Floor, Kolkata - 700 012

Form of Proxy

I/We
of
.....being a Member(s) of the above named Company,
hereby appoint.....
of
or failing him.....
of.....as my/our proxy to vote for me/us on
my/our behalf at the 13th Annual General Meeting of the Company to be held on Tuesday, the 15th September,
2009 at 10.30 a.m. and at any adjournment thereof.

Signed this day of2009

Signature.....



Folio No.

DP ID No.....

Client ID No.....

Note : This Form of Proxy must be deposited at the Registered Office of the Company, 35, Chittaranjan Avenue,
6th Floor, Kolkata - 700 012, not less than 48 hours before the time of holding the meeting.

VIKASH METAL & POWER LIMITED

Registered Office :

35, Chittaranjan Avenue, 6th Floor, Kolkata - 700 012

Attendance Slip

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

I hereby record my/our presence at the 13th Annual General Meeting of the above named Company held
at Purbashree, EZCC, Bharatiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake City,
Kolkata - 700 106 on Tuesday, the 15th September, 2009 at 10.30 a.m.

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

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

Folio No.....

DP ID No.....

Client ID No.....

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

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