

Growing the number game



FORWARD LOOKING STATEMENT

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

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

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

CONTENTS

Notice	2	Directors' Report	5	Management Discussion and Analysis Report	9
Report on Corporate Governance	17	Auditors' Report	27		
Balance Sheet	30	Profit & Loss Account	31	Cash Flow Statement	32
Schedules	33	Balance Sheet Abstract	48		

Corporate Information

BOARD OF DIRECTORS

Mr. Suresh Kumar Patni

Non-Executive Chairman

Mr. Ankit Patni

Managing Director

Mr. Rohit Patni

Joint Managing Director

Mr. Kailash Chand Jain

Director

Mr. Jatindra Nath Rudra

Director

Mr. Vijay Kumar Jain

Director

COMPANY SECRETARY

Mr. Chandra Kumar Jain

AUDITORS

R. Kothari & Company

Chartered Accountants

16A, Shakespeare Sarani

Kolkata - 700 071

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

Unit : Ankit Metal & Power Limited

59C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

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

Email : kolkata@linkintime.co.in

BANKERS

State Bank of India

Andhra Bank

Syndicate Bank

IDBI Bank Limited

State Bank of Travancore

Indian Overseas Bank

State Bank of Mysore

State Bank of Bikaner & Jaipur

State Bank of Indore

United Bank of India

REGISTERED OFFICE

35, Chittaranjan Avenue

Kolkata - 700 012

Phone : +91 33 2211 9805/9806

Fax : +91 33 2211 4134

E-mail : cs@ankitmetal.com

Website : www.ankitmetal.com

CORPORATE OFFICE

33, Chittaranjan Avenue

Kolkata - 700 012

Phone : +91 33 2211 0523/0524

Fax : +91 33 2211 0522

PLANT INFORMATION

Jorehira

Mouza : Burat & Jorehira

P.S. Chhatna

Dist. : Bankura, West Bengal

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board
For **ANKIT METAL & POWER LIMITED**
Chandra Kumar Jain
Company Secretary

Place : Kolkata
Date : 10th August, 2010

NOTES :

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

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

Item No. 4

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

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

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

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

Item No. 5

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

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

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

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

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

ADDITIONAL INFORMATION

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

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

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

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

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

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

DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL RESULTS

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

(Rs. in Lacs)

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

DIVIDEND

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

FINANCIAL & OPERATIONAL REVIEW

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

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

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

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

NEW PROJECT & EXPANSION

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

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

PUBLIC DEPOSIT

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

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

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

SOCIAL OBLIGATION

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- That Directors have taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

Particulars of energy, technology absorption and foreign exchange earning and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the annexure attached hereto and forms part of the report.

PARTICULARS OF EMPLOYEES

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

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

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

AUDITORS AND AUDITORS' REPORT

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

DIRECTORS

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

ACKNOWLEDGMENT

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

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

For and on behalf of the Board
Suresh Kumar Patni
Chairman
 Kolkata, 10th August, 2010

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure :

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

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

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

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

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

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

B. TECHNOLOGY ABSORPTION

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

FORM A

(Disclosure of Particulars with respect to conservation of energy)

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

* used in production of Sponge Iron & Power Plant.

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

FORM - B

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

A. RESEARCH AND DEVELOPMENT (R&D)

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

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

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

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

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

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

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

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

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

b) Details of Foreign Exchange used and earned :

(Rs. in Lacs)

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

For and on behalf of the Board
Suresh Kumar Patni
 Chairman

Kolkata, 10th August, 2010