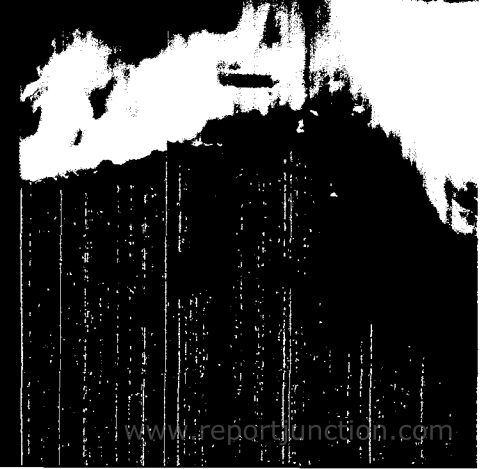
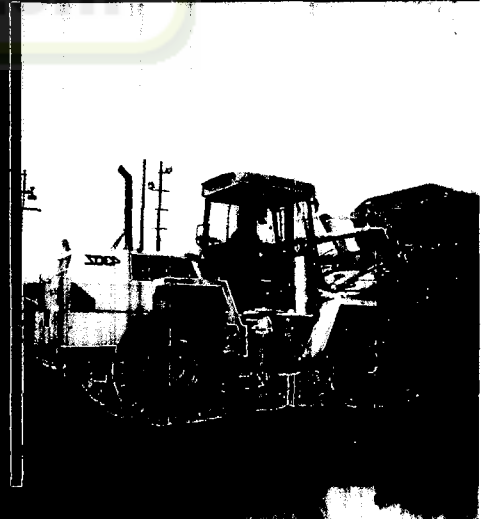


IMPEX FERRO TECH LIMITED

Annual Report 2007-2008



Board of Directors

Mr. Vimal Kumar Patni
Chairman

Mr. Suresh Kumar Patni
Managing Director

Mr. Virendra Kumar Jain
Whole time Director

Mr. Ajit Kumar Patni

Mr. Chhatar Singh Dugar

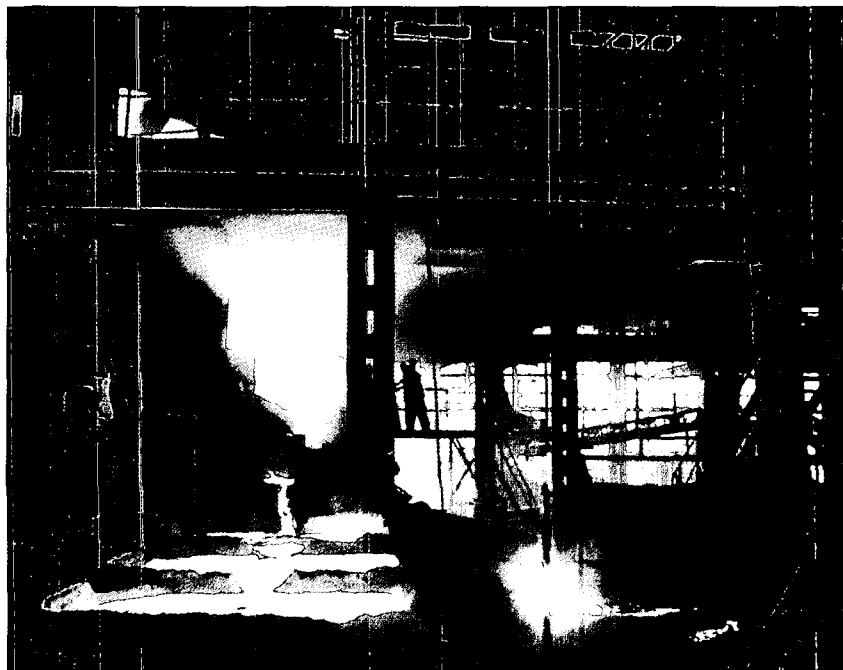
Mr. Krishna Kumar Chanani

Mr. Prem Narayan Khandelwal

Mr. Ashok Kumar Jain

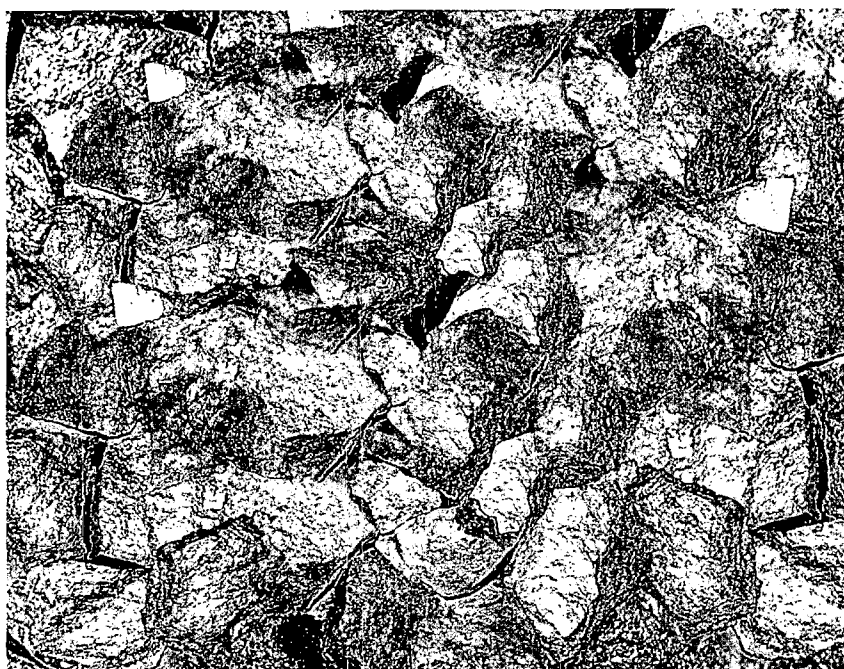
Company Secretary

Mr. Pradip Kumar Agarwal



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Banker

State Bank of India
Bank of Baroda
Punjab National Bank

Auditors

M/s S. Jaykishan
12, Ho Chi Minh Sarani
Kolkata-700 071

notice

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held at KALA KUNJ (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata - 700 017 on Saturday, September 20, 2008 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, 2008 and the Profit & Loss Accounts for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Krishna Kumar Chanani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prem Narayan Khandelwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration. The retiring Auditors, M/s S. Jaykishan, Chartered Accountants, being eligible offers themselves for re-appointment.

Special Business

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

"RESOLVED THAT Mr. Ashok Kumar Jain who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company and shall be liable to be retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr. Suresh Kumar Patni as Managing Director for a further period of 5 (Five) years and the

remuneration payable on such re-appointment and other terms and conditions, as set out in the agreement dated 30th June, 2008 entered into between the Company and Mr. Suresh Kumar Patni, copy of which is placed before the meeting be and is hereby approved."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any modification(s) thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and condition in accordance with the law in force from time to time and to take all such steps as may be considered necessary to give effect to the above resolution."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr. Virendra Kumar Jain as Whole time Director for a further period of 5 (Five) years and the remuneration payable on such re-appointment and other terms and conditions, as set out in the agreement dated 30th June, 2008 entered into between the Company and Mr. Virendra Kumar Jain, copy of which is placed before the meeting be and is hereby approved."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any modification(s) thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and condition in accordance with the law in force from time to time and to take all such steps as may be considered necessary to give effect to the above resolution."

Registered Office :
35, C. R. Avenue
4th Floor, Kolkata - 700 012
Date : August 22, 2008

By Order of the Board of Directors

P. K. Agarwal
Company Secretary

notice (contd.)**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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. Proxies in order to be effective should be completed, stamped, signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

3. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Businesses at item no. 5, 6, & 7 of the notice is annexed hereto.

4. The Register of Members and Share Transfer Books will remain closed from 13th September, 2008 to 20th September, 2008 (both days inclusive).

5. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed to the notice.

6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least ten days before the meeting, so that the same could be complied in advance.

7. Members/Proxies should bring their attendance slip sent herewith, duly filled in, for attending the meeting.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956**Item No. 5**

The Board of Directors of the Company under Section 260 of the Companies Act, 1956 appointed Mr. Ashok Kumar Jain as an additional Director of the Company w.e.f. 11th June, 2008. In terms of Section 260 of the Companies Act, 1956, Mr. Ashok Kumar Jain holds the office up to the date of this Annual General Meeting. The Company has received a notice from a member along with requisite deposit proposing the candidature of Mr. Ashok Kumar Jain for the office of Director of the Company under Section 257 of the Companies Act, 1956.

The Board of Directors recommend the resolution set out at item no. 5 for your consideration and approval.

None of the Directors of the Company except Mr. Ashok Kumar Jain himself is concerned or interested in the resolution.

Item No. 6

The terms of office of Mr. Suresh Kumar Patni as Managing Director expired on 30th June 2008. Subject to the approval of the members, the Board of Directors of the Company at its meeting held on 30th June, 2008, re-appointed Mr. Suresh Kumar Patni as Managing Director for a period of 5 (five) years from 1st July, 2008 on the terms and conditions mentioned in the agreement entered into between the Board and Mr. Suresh Kumar Patni including his remuneration based upon the recommendation made by the Remuneration Committee.

An abstract pursuant to the provision of Section 302 of the Companies Act, 1956 setting out the material terms of Mr. Suresh Kumar Patni as provided in the agreement dated 30th June, 2008 in respect of his re-appointment and remuneration payable was sent to all the members in July, 2008.

The material terms and remuneration payable in terms of agreement dated 30th June, 2008 are as follows :

Subject to the approval of the members in the General Meeting, Mr. Suresh Kumar Patni is re-appointed as Managing Director of the Company for a further period of 5 (Five) years effective from 1st July, 2008.

1. Remuneration :

Salary : Rs. 1,00,000/- per month with such revision as the Board may approve from time to time in the salary grade of Rs. 1,00,000/- to Rs. 2,00,000/-.

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

2. Perquisites :

a) Leave encashment : As per applicable Rules of the Company.

corporate governance report

I. Philosophy

The Company has always believed in good Corporate Governance which involves transparency, accountability, integrity and fairness in all facts of its operations and in its all transactions with the shareholders, employees, lenders and the Government.

II. Board of Directors

The Board of the Company comprises of eight members. The Board has two Executive and six Non-Executive directors. The Chairman of the Company is a Non-Executive director. The composition of the Board during the year was in conformity with Clause 49 of the Listing Agreement executed with the Stock Exchanges. The Company is in compliance with the recent amendment of Clause 49 of the Listing Agreement pertaining to composition of Board of Directors.

None of the Director on the Board is a member of more than ten Committees and Chairman of more than five Committees (Committees being Audit Committee and Shareholders/Investors' Grievance Committee) across all the public Companies of which he is a Director. The necessary disclosures regarding other directorships and committee memberships have been made by all the directors.

During the year 11 Board Meetings were held on 28.05.2007, 29.06.2007, 26.07.2007, 21.08.2007, 28.09.2007, 31.10.2007, 03.12.2007, 11.12.2007, 14.01.2008, 29.01.2008 and 17.03.2008. The details of the composition of the Board, attendance at the Board meeting during the year and at the last Annual General Meeting, number of directorship, membership/chairmanship in other public companies are as follows :

Sl. No.	Name of the Director	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorships in Public Limited Companies incorporated in India	No. of other Committees Memberships \$	
						As Member	As Chairman
1	Mr. Vimal Kumar Patni #	Promoter/ Non-Executive	11	Yes	8	1	-
2	Mr. Suresh Kumar Patni #	Promoter/ Executive	6	No	5	2	-
3	Mr. Virendra Kumar Jain #	Promoter/ Executive	7	Yes	2	-	-
4	Mr. Ajit Kumar Patni #	Promoter/ Non-Executive	11	Yes	7	-	-
5	Mr. Prem Narayan Khandelwal	Independent Non-Executive	5	No	-	-	-
6	Mr. Chhatar Singh Dugar	Independent Non-Executive	10	No	1	1	-
7	Mr. Krishna Kumar Chanani	Independent Non-Executive	10	Yes.	-	-	-
8	Mr. Ashok Kumar Jain *	Independent Non-Executive	N.A.	N.A.	-	-	-

\$ Includes the Membership/Chairmanship of only Audit Committee and Shareholders/Investors' Grievance Committee.

* Appointed as Additional Director with effect from June 11, 2008.

Mr. Vimal Kumar Patni, Mr. Suresh Kumar Patni, Mr. Virendra Kumar Jain and Mr. Ajit Kumar Patni are brothers. None of the other Directors are in any way related to any other Director.

Board Meetings are held at the Registered Office of the Company. The Agenda along with explanatory notes are sent in advance to the Directors to get their input in the discussion. The informations as required under Annexure IA of Clause 49 is being made available to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify the instances of non-compliances, if any.

corporate governance report (contd.)

III. Code of Conduct

The Code of Conduct is available on the Company's website i.e. www.impexferrotech.com and is applicable to all Directors and Senior Management of the Company. The Board and Senior Management personnel have affirmed the compliances of the Code of Conduct.

Declaration by the CEO under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliances with the Code of Conduct of the Company for the year ended 31st March, 2008.

For **IMPEX FERRO TECH LIMITED**

S. K. Patni

Managing Director

IV. Audit Committee

The Audit Committee comprises of three Directors all of whom are financially literate. The Committee has two Independent/Non-Executive Directors and one Non-Executive Director. During the year six meetings of the Audit Committee were held on 18.05.2007, 28.06.2007, 25.07.2007, 17.08.2007, 29.10.2007 and 28.01.2008. The present composition of the Audit Committee, changes since last Annual Report and the attendance at the meeting are as follows :

Name of the Member	Designation	Category	No. of Meeting attended during 2007-2008
Mr. Krishna Kumar Chanani	Chairman	Independent Non-Executive	6
Mr. Chhatar Singh Dugar	Member	Independent Non-Executive	6
Mr. Ajit Kumar Patni	Member	Non-Executive	6

The Chairman of the Audit Committee has attended the last Annual General Meeting held on 25th September, 2007. The Meeting of the committee is usually attended by the head of the Finance & Accounts department, Internal and Statutory Auditors of the Company. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

Terms of Reference

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with the management, the annual financial statements before submission to the board for approval.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
- Other matters as setout in the listing agreement.

V. Remuneration Committee

The Remuneration Committee of the Board was constituted on June 11, 2008. The Remuneration Committee is constituted to determine the Company's policy on specific remuneration packages to the Executive Directors and to periodically review the remuneration packages of the Executive Directors and recommend suitable revision in the same.

corporate governance report (contd.)

The Committee comprises of three Non-Executive Independent Directors. The present composition of the Remuneration Committee are as follows :

Name of the Member	Designation	Category
Mr. Krishna Kumar Chanani	Chairman	Independent Non-Executive
Mr. Chhatar Singh Dugar	Member	Independent Non-Executive
Mr. Ashok Kumar Jain	Member	Independent Non-Executive

VI. Remuneration of Directors

The Company pays remuneration by way of salary to its Managing and Whole time Director. The remuneration paid is within the limit specified under the Companies Act, 1956 and approved by the Board as well as by the shareholders of the Company. The Company does not have any policy for payment of remuneration to Non-Executive Directors including Non-Executive Independent Directors except by way of sitting fees @ Rs. 1500/- for attending the meeting of the Board or a Committee thereof. No severance fees is payable to the Directors on termination of the employment. The Company has not yet introduced any stock option to its Directors/Employees.

The directors remuneration and sitting fees paid in respect of the Financial Year 2007-2008 is given below :

Managing and Whole time Director :

Name of the Director	Salary (Rs.)	Period of Contract		Notice Period
		From	To	
Mr. Suresh Kumar Patni	90,000/-	01.07.2003	30.06.2008	2 Month
Mr. Virendra Kumar Jain	1,20,000/-	01.07.2003	30.06.2008	2 Month

Subject to the approval of members, during the current year the Managing Director and Whole time director has been re-appointed for a further period of 5 (Five) years in each case w.e.f. 01.07.2008

Non-Executive Directors :

Name of the Director	Sitting Fees paid for Board and Committee meeting (Rs.)	No. of Shares held as on 31.03.2008
Mr. Vimal Kumar Patni	16500/-	235100
Mr. Ajit Kumar Patni	28500/-	175000
Mr. Chhatar Singh Dugar	27000/-	Nil
Mr. Krishna Kumar Chanani	24000/-	Nil
Mr. Prem Narayan Khandelwal	7500/-	Nil

VII. Investors' Grievance Committee

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non receipt of annual reports, non receipt of share certificate, refund warrant and other miscellaneous complaints.

During the year under review, two meetings of the Investors' Grievance Committee were held on June 25, 2007 and December 20, 2007. The Composition of the Committee, changes since last annual report and the attendance at its meeting is given hereunder :

Name of the Member	Designation	Category	No. of Meeting attended during 2007-2008
Mr. Chhatar Singh Dugar	Chairman	Independent Non-Executive	2
Mr. Suresh Kumar Patni	Member	Executive	2
Mr. Ajit Kumar Patni	Member	Non-Executive	2

Mr. Pradip Kumar Agarwal, Company Secretary of the Company is the Compliance Officer.

As per clause 47(f) of the Listing Agreement with the Stock Exchanges, the Company has designated a separate e-mail-id (investors@impexferrotech.com) exclusively for redressal of investors' complaints.

corporate governance report (contd.)

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

Number of complaints received from the shareholders	1
Number of complaints redressed	1
Number of complaints not solved	Nil

VIII. General Body Meetings

Location and time of last three Annual General Meetings

Date	Financial Year	Venue	Time	Special Resolution Passed
August 10, 2005	2004-2005	Aikatan, EZCC, IA-290, Sector-III, Saltlake, Kolkata - 700097	10.30 A.M.	None
September 13, 2006	2005-2006	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III Saltlake, Kolkata - 700106	11.00 A.M.	None
September 25, 2007	2006-2007	Purbashree, Bharatiyam Cultural Multiplex, EZCC, IB-201, Sector-III Saltlake, Kolkata - 700106	11.30 A.M.	None

No Special Resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

During the year under review one Special Resolution under Section 81, 81 (IA) was passed through Postal Ballot 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 Special Resolution is given hereunder :

Particulars of Resolution	Resolution passed on	Applicable Section of the Companies Act, 1956	No. and % of Votes in favor	No. and % of Votes in against
Authority to Board of Directors to issue and allot not more than 27000000 Equity Shares of the Company of the face value of Rs. 10/- each for cash at par or at such premium and in such proportion as may be decided by the Board, to the members on rights basis, aggregating not more than Rs. 40 Crores	July 11, 2007	Section 81, 81(IA) and other applicable provisions, if any of the Companies Act, 1956	13923921 99.96%	5248 0.04%

The Postal Ballot result was declared on 11.07.2007 at the Registered Office and was also put on the Company's website.

Mr. Abhijeet Jain, Partner of A J & Associates, Practicing Company Secretaries, was appointed as Scrutinizer for conducting the Postal Ballot process which was conducted in terms of the procedures laid down in the Companies (Passing of Postal Ballot) Rules 2001, read with relevant provision of the Companies Act, 1956.

IX. Disclosures

- There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Directors periodically disclosed their interest in different companies which are noted by the Board. The related party transactions are given in the notes No. B16 of Schedule 19 to the Annual Accounts for the year 2007-2008. There was no other material pecuniary transaction with any Non-Executive Director of the Company that requires a separate disclosure.

corporate governance report (contd.)

- b. 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.
- c. The Company has complied with various rules and regulations prescribed by regulatory authorities on capital market and no penalties or Strictures have been imposed by them on the Company in the last three years.
- d. The Board has received disclosures from the key managerial personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.
- e. The Company has laid down procedures to inform the Board members about the risk assessment and risk management mechanism which is periodically reviewed and reported to the Board by the senior executives.
- f. The Company does not presently have a Whistle Blower Policy.
- g. The requisite certification from the Managing Director and the V.P. (F& A) of the Company heading the finance function for the financial year 2007-2008 required to be given under Clause 49(V) has been placed before the Board of Directors of the Company.
- h. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The non-mandatory requirements, to the extent followed by the Company have been stated in this report.
- i. The Company does not have any Subsidiary.
- j. Details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting as required under Clause 49 of Listing Agreement is annexed to the Notice convening the Annual General Meeting.

X. Means of Communication

The Quarterly/Half yearly/Annual results are regularly submitted to Stock Exchanges and published in news papers in accordance with the Listing Agreement. The Company also regularly posts the information as specified in Clause 41 of the Listing Agreement on the Electronic Data Information Filing System (EDIFAR) of Securities and Exchange Board of India. Hence, the quarterly/half yearly results are not sent to all households of shareholders. The Company is also going to incorporate a column for the important announcements, presentation to analysts and official news releases made by the Company from time to time to be posted on the Company's website for the interest of the investors and public at large.

Newspapers wherein results are published	Business Standard and Daink Statesman (Bengali)
Display in Website	www.impexferrotech.com (under Investor Link)
Management Discussion and Analysis forms part of Annual Report	Yes, given separately

XI. General Information for Member

Date, Time and Venue of the Annual General Meeting	Saturday, 20th September 2008 at 10.30 A.M. KALA KUNJ (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata - 700 017
Financial Year	1st April to 31st March
Date of Book Closure	Saturday, September 13 2008 to Saturday September 20, 2008 (both days inclusive)
Listing at Stock Exchanges and Stock Code	a) Bombay Stock Exchange Limited (BSE) Stock Code - 532614 b) National Stock Exchange of India Ltd. (NSE) Stock Code - IMPEXFERRO
International Securities Identification Number (ISIN)	INE691G01015

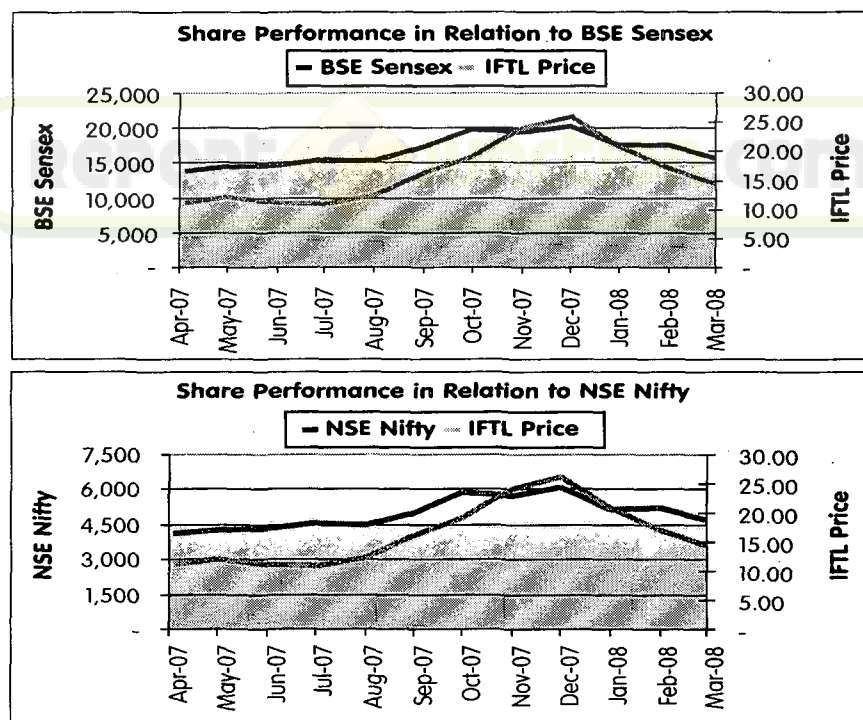
Annual Listing fees for the year 2008-2009 have been paid by the Company to both the Stock Exchanges.

corporate governance report (contd.)

Market Price Data

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High	Low	Volume	High	Low	Volume
April-07	12.30	9.90	228649	12.69	10.00	197733
May-07	13.70	11.15	382149	13.99	11.00	462224
June-07	12.65	10.75	160772	12.50	11.00	155351
July-07	12.75	10.65	365646	13.00	10.55	461723
Aug-07	14.60	9.85	1069971	14.50	10.20	872851
Sep-07	16.90	12.10	1360450	17.03	12.25	1260054
Oct-07	20.50	14.30	2346174	19.95	14.15	2191396
Nov-07	24.10	16.75	1798882	24.00	16.60	1559963
Dec-07	28.00	23.30	1010252	28.40	23.50	1051460
Jan-08	34.30	18.00	988097	34.30	17.55	929436
Feb-08	21.90	16.35	166215	22.15	16.30	173437
Mar-08	17.30	11.10	152270	17.50	11.30	261046

Performance of the Company in comparison with broad based indices



Shareholding pattern as on 31.03.2008

Category	No. of Shares	% of holding
Promoters & Promoter Group	14227800	56.9112
Body Corporate	3756830	15.0273
Indian Public	7004221	28.0169
NRIs/OCBs	11149	0.0446
Total	25000000	100.00