

Corporate Information

Board of Directors

Executive Chairman

Dr B Panda

Vice Chairman

Mr Baijayant Panda

Managing Director

Mr Subhrakant Panda

Director (Corporate)

Mr J K Misra

Directors

Mrs Paramita Mahapatra

Mr G L Tandon, Padmabhusan

Mr D Bandyopadhyay

Major R N Misra (Retd)

Mr H Biswas (Nominee Director of IDBI)

Dr S Acharya

Mr N R Mohanty, Padma Shri

Mr S K Pattanaik

Mr Alexius Markus Amrein

Mr S P Mathur

General Shankar Roychowdhury (Retd)

Sr Vice President (Finance) & Company Secretary

Mr Prem Khandelwal

Auditors

M/s Raghu Nath Rai & Co.

Chartered Accountants

New Delhi

Term Lenders

IDBI Bank Ltd

Canara Bank

Punjab National Bank

State Bank of India

Bankers

Indian Overseas Bank

State Bank of India

Standard Chartered Bank

Registered Office

Bomikhal, P.O. Rasulgarh

Bhubaneswar – 751010, Orissa

Plants

Therubali, Dist: Rayagada, Orissa

Choudwar Dist: Cuttack, Orissa

Mines

Sukinda, Dist: Jajpur, Orissa

Mahagiri, Dist: Jajpur, Orissa

Chingudipal, Dist: Jajpur, Orissa

Nuasahi, Dist: Keonjhar, Orissa

Bangur, Dist: Keonjhar, Orissa

Registration & Share Transfer Work

Members are requested to correspond directly with Company Secretary at the Registered Office of the Company

e-mail: pkhandelwal@imfa.in

Managing Director's overview

Q What are the reasons for being satisfied / dissatisfied in 2009-10 ?

A. 2009-10 was a very challenging year for all commodity companies and IMFA was no exception. The first half saw the lingering effects of the global economic meltdown and capacity utilisation remained low as producers worldwide cut back on production in order to adjust stock levels. As such, it is a reflection of our inherent strength that besides paring down debt substantially we were able to minimise losses in the first half and subsequently effect a turnaround for the full year as the economic recovery gained momentum. To go through such a turbulent period and come out stronger gives me immense satisfaction.

Obviously, it is disappointing to report a sharp reduction in turnover and profits but the industry touched rock bottom and things can only get better !

Q How has the Company emerged stronger ?

A. As has almost been our tradition, we seized upon the opportunity provided by the economic downturn to expand capacity - in this case, going ahead with the 120 MW captive power plant - at a very competitive cost. This project was derisked by a preferential issue of Rs 96.75 crores to Reliance Capital and will stand us in very good stead. Besides, with ferro chrome demand recovering substantially - although there will still be ups & downs - the new 30 MVA furnace will be coming on line at the right time.

The preferential issue in a challenging environment reflects the confidence in IMFA and, indeed, investors have recognised this with our share price moving up sharply thereafter. It is now incumbent upon us to deliver results and we are going to do our best in this regard. In this context, 2010-11 represents an inflection point with our expansion projects coming on line, work starting on a near doubling of power generation capacity and, if all goes well, coal mining set to commence at the end of the year.

Q How has the global environment for ferro chrome evolved ?

A. While the ferro chrome industry is cyclical in nature, in effect reflecting the trend of stainless steel, overall I see a bright future

particularly given the strong demand emanating from China and more so with India also poised to provide a fillip. Indeed, per capita consumption of stainless steel - and, thus, ferro chrome - is set to go up substantially and we are gearing up to service the anticipated increase in domestic demand.

Globally, South Africa is facing certain structural problems shortage of electricity, pressure on transport infrastructure, etc - which cannot be easily addressed particularly in the short to medium term. As such, India is gaining in importance as a niche supplier. In fact, CRU - a leading industry publication - has assessed that for the first time integrated Indian producers have a more competitive cost structure than the average cost of production in South Africa.

Q What are the Company's learnings from the last year ?

A. Despite all efforts to the contrary, some flab tends to build up during good years particularly given the euphoria surrounding the so-called "commodity super cycle". The challenging circumstances of last year enabled us to refocus on cost reduction and also take some hard decisions like suspending production of ferro silicon. We also took pre-emptive steps to ensure cashflows were maintained and all financial commitments were honoured. As such, we have emerged stronger from the crisis.

Q What can shareholders look forward to in 2010-11 ?

A. As I said earlier, 2010-11 is an inflection point for IMFA. While capacity expansion in both power & ferro chrome will provide an immediate boost to our performance, further backward integration into coal mining is an important step given our ambitious plans for the power sector. We are also looking to spread our wings globally and hope to make a breakthrough during the current year.

Subhrakant Panda
Managing Director

INDIAN METALS & FERRO ALLOYS Ltd

Regd. & Head Office: Bomikhal, Rasulgarh (PO), Bhubaneswar - 751 010

AGM Notice

Notice is hereby given that the 48th Annual General Meeting of the members of INDIAN METALS & FERRO ALLOYS LIMITED will be held at the Registered Office of the Company at Bomikhal, PO: Rasulgarh, Bhubaneswar – 751010, Orissa on Saturday, the 17th July, 2010 at 12.30 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr N R Mohanty, Padma Shri who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mrs Paramita Mahapatra who retires by rotation and being eligible, offers herself for re-election.
5. To appoint a Director in place of Major R N Misra (Retd) who retires by rotation and being eligible, offers himself for re-election.
6. To appoint Auditors for the financial year 2010-2011 on a remuneration to be fixed by the Board of Directors of the Company. M/s. Raghunath Rai & Co., Chartered Accountants, the retiring auditors, are eligible for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr S K Pattanaik, a Director, who retires by rotation at this meeting, be not re-appointed and resulting vacancy be not filled up and that the number of Directors be reduced accordingly.”

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

“RESOLVED THAT Articles of Association of the Company be altered in the following manner:

That the existing Article 112A to 112E of Articles of

Association be deleted and in its place the following new article shall be substituted.

112A : The Company may agree with any financial institution(s), bank(s), company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of directors on the Board of Directors of the Company as may be agreed and from time to time, remove and re-appoint/replace them and to fill in the vacancy caused by such directors otherwise ceasing to hold office. Such nominated directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The director appointed under this Article is hereinafter referred to as “Nominee Director.”

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

“RESOLVED THAT pursuant to the provisions of Sections 314 of the Companies Act, 1956 (“The Act”) read together with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Act and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mrs Shaifalika Panda, a relative of Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director of the Company, to hold an office or place of profit as Chief of CSR (Special Initiatives) or with such other designation as the Board may decide from time to time commencing from 1st April 2010 or from such other date as the Central Government may approve, on the following terms and conditions:

(I) SALARY:

Rs 70,000/- (Rupees seventy thousand only) per month with normal increment as per general policy of the Company as applicable to other employees in E-14 grade.

(II) PERQUISITES:

- (a) Dearness & Additional Dearness Allowance
Rs1421/- (Rupees one thousand four hundred twenty one only) per month.

- (b) Dress/Soft Furnishing/Education Allowance
Rs1674/- (Rupees one thousand six hundred seventy four only) per month.
- (c) Transport Allowance
Rs 800/- (Rupees eight hundred only) per month.
- (d) Goodwill
Rs 4000/- (Rupees four thousand only) per annum.
- (e) Company's contribution towards Provident Fund and Superannuation Fund.

As per rules of the Company subject to a ceiling of 12% of salary for Provident Fund and 15% of salary for Superannuation Fund.
- (f) Gratuity
As per provisions of the Payment of Gratuity Act.
- (g) Medical Reimbursement
Reimbursement of expenses incurred for self and family subject to a limit of Rs15,000/- per annum as per rules of the Company.
- (h) Leave Travel Concession
For self and family as per rules of the Company.
- (i) Earned/Privilege Leave
On full pay as per rules of the Company.
- (j) Leave encashment
In accordance with the rules of the Company.
- (k) Executive Incentive Scheme
 - (i) Quarterly Incentive Payable as per rules of the Company as applicable to other employees in E-14 grade.
 - (ii) Subjective Incentive to be decided by Remuneration Committee subject to a maximum of Rs 5,00,000/- (Rs five lac only) per annum.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE SUPPORTED BY PROXY FORM (SENT HEREWITH) WHICH SHOULD BE LODGED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Disclosure pursuant to clause 49 of the listing agreement with respect to the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

3. The Register of Members of the Company shall remain closed from 13th July, 2010 to 17th July, 2010 both days inclusive.
4. Dividend, if declared, will be paid to those members whose names shall appear on the Register of Members as on 12th July, 2010 in respect of those shareholders holding the shares in physical form. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as on that date.
5. Members are requested to furnish their Bank Account details, change of address etc to the Company in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
6. (a) Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) wherever available. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.

(b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to Company in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment.
7. Members who desire to have any information/clarification as regard the audited annual accounts for the year ended 31st March, 2010 are requested to write to the Company Secretary at least 7 days before the date of meeting.
8. Members are requested to bring their copy of the Annual Report along with attendance slip (sent herewith).
9. The Company has complied with all provisions relating to unpaid dividends of the previous years under section 205A and other applicable provisions of the Companies Act, 1956. Dividend for the financial year ended 31st March, 2003 which remains unclaimed, will be due for transfer to the Investor Education Protection Fund of the Central Government (IEPF) pursuant to the provisions of Section 205A of the Companies Act, 1956. Members who have not

encashed their dividend warrants for the financial year ended 31st March, 2003 or any subsequent financial year, are requested to correspond with the Company. Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.

11. The Board recommends Resolutions 1 to 9 above for the approval of the Members.

By Order of the Board of Directors
For Indian Metals & Ferro Alloys Limited

(Prem Khandelwal)

Place: New Delhi
Date: 11th May 2010

Sr Vice President (Finance) &
Company Secretary

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

Item No. 7

Mr S K Pattanaik, Director who is retiring at this Annual General Meeting had informed the Company that he does not wish to seek re-election. Hence, the proposed resolution is being placed before the shareholders for their approval as an ordinary resolution.

None of the Directors of the Company is in any way concerned or interested in the Resolution under item No. 7.

Item No. 8

As per the existing Articles of Association of the Company, Govt of Orissa, Industrial Development Corporation of Orissa Limited, Industrial Credit and Investment Corporation of India Limited and Industrial Finance Corporation of India have the power to appoint "Nominee Director" on the Board of the Company. As the Company is expanding and availing loan from other Term Lender(s)/Financial Institution(s)/Bank(s) it has become necessary to appoint nominee directors from these Term Lender(s)/Financial Institution(s)/Bank(s), hence the Articles of Association of the Company have to be suitably amended.

None of the Directors of the Company is in any way concerned or interested in the Resolution under item No. 8.

Item No. 9

Mrs Shaifalika Panda has to her credit a degree in Business Administration with specialization in Marketing & International Management from the School of Management, Boston University where she graduated with honours *cum laude* in 1992. She joined the organisation in January 1998 as Advisor (Imports & Exports). She is a relative of Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director of the Company and her remuneration was within the limit prescribed under Section 314 of the Companies Act, 1956. Her appointment was approved by the shareholders at the Annual General Meeting held on 26th September 1998 and from the Department of

Company Affairs vide letter No.RD/T/1787 dated 31st March 1998 under section 297 of the Companies Act, 1956. Subsequently, the Board of Directors of the Company in their meeting held on 22nd January 2010 redesignated Mrs Shaifalika Panda as Chief of CSR (Special Initiatives) with effect from 1st February 2010 on the same terms and conditions with a view to bringing about greater focus on the Company's CSR & Community Development activities while also broadening its scope.

Keeping in view her experience of more than 17 years and long association with the Company, the Board recommends the revision in the salary, perquisites and allowances with effect from 1st April, 2010 as recommended by the Remuneration Committee and detailed in the Resolution under Item No.9. The proposed remuneration to Mrs Shaifalika Panda is commensurate with her experience and is in line with industry standards.

The resolution is required to be passed as a Special Resolution pursuant to the provisions of Section 314 of the Companies Act, 1956 and shall be subject to prior approval of Central Government and shall take effect from such date as may be approved.

None of the Directors except Dr B Panda, Executive Chairman, Mr Baijayant Panda, Vice Chairman, Mr Subhrakant Panda, Managing Director and Mrs Paramita Mahapatra, Director are concerned or interested in the resolution under item No.9.

The Board recommends resolutions 1 to 9 above for the approval of the members.

By Order of the Board of Directors
For Indian Metals & Ferro Alloys Limited

(Prem Khandelwal)

Place: New Delhi
Date: 11th May 2010

Sr. Vice President (Finance) &
Company Secretary

Annexure to Notice

Details of Directors seeking re-appointment at the Annual General Meeting

1. Mr N R Mohanty, Padma Shri	
Father's Name	Late Gaurang Charan Mohanty
Date of Birth	8th November, 1944
Nationality	Indian
Date of Appointment	7th January, 2005
Qualifications	Mechanical Engineering from REC (now called NIT), Rourkela.
Expertise in specific functional areas	Vast and rich experience in the field of defence, ferro alloys, mining and corporate management (former Chairman of HAL).
Directorships held in other Companies	1) National Aluminium Company Ltd (NALCO) 2) KIOCL, Bangalore 3) Mahanadi Coalfields Ltd (MCL) 4) Textron India Private Ltd 5) Sankhya Infotech Ltd
Member of Committees of the Board	Nil
Member of Committees in other Companies	Chairman of the Audit Committee of KIOCL, Bangalore. Chairman of HR Committee of NALCO Audit Committee of NALCO Audit Committee of MCL.
Shares held in IMFA	Nil
2. Mrs Paramita Mahapatra	
Father's Name	Dr B Panda
Date of Birth	19th January, 1965
Nationality	Indian
Date of Appointment	27th May, 1985
Qualifications	Post Graduate Degree in Personal Management & Labour Welfare from Utkal University. A gold Medalist having secured the first position in Post Graduation.
Expertise in specific functional areas	Vast and rich experience in the field of human resources, ferro alloys and corporate management.
Directorships held in other Companies	1) Utkal Manufacturing & Services Ltd Managing Director 2) Goal Oriented Advisory & Legal Services Pvt Ltd 3) B Panda & Co Pvt Ltd 4) Orissa Media Ventures Pvt Ltd 5) Paramita Investment & Trdg Co Pvt Ltd 6) Barabati Investment & Trdg Co Pvt Ltd 7) K B Investments Pvt Ltd 8) Madhuban Investments Pvt Ltd 9) Paramita Realtors Pvt Ltd 10) Orissa Television Ltd 11) Utkal Housing and Infrastructure Development Ltd 12) Utkal Green Energy Ltd 13) Barunei Farm & Nature Resorts Pvt Ltd 14) Star One Projects Pvt Ltd 15) Commercial City Center Pvt Ltd 16) IMFA Alloys Ltd 17) Utkal Real Estate Pvt Ltd
Member of Committees of the Board	Audit Committee, Shareholder / Investor Grievance Committee, Finance Committee
Member of Committees in other Companies	NIL
Shares held in IMFA	217539
3. Major R N Misra (Retd)	
Father's Name	Late Lingaraj Misra
Date of Birth	14th March, 1938
Nationality	Indian
Date of Appointment	30th September, 1993
Qualifications	Degree in Engineering (First Class) from the College of Military Engineering, Pune and obtained MBA degree from University of Pune with First Class with distinction. He is a fellow member of the Institution of Engineers India. He is also a certified Chartered Engineer.
Expertise in specific functional areas	Vast and rich experience in the field of ferro alloys, mining, power and corporate management.
Directorships held in other Companies	Nil
Member of Committees of the Board	Audit Committee and Remuneration Committee
Member of Committees in other Companies	Nil
Shares held in IMFA	Nil

Directors' Report

To the Members

Your Directors are pleased to present the 48th Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March 2010.

Financial Results

(Rs in Crores)

	2009-10	2008-09
1. Gross Sales:	601.23	1012.40
Less : Excise Duty	8.64	18.27
Net Sales	592.59	994.13
2. Other Income	29.63	27.37
Total Revenue	622.22	1021.50
3. Profit before interest, depreciation and taxation	142.27	467.80
4. Interest	44.39	79.52
5. Depreciation	40.39	37.92
6. Profit before Tax	57.49	350.36
7. Tax including Deferred Tax & FBT	16.48	89.72
8. Profit after Tax	41.01	260.64
9. Balance brought forward from previous year	179.30	43.60
10. Amount available for appropriation	220.31	304.24
11. Proposed dividend (including Tax on dividend)	15.40	24.94
12. Transfer to General Reserve	4.10	100.00
13. Balance carried forward	200.81	179.30

As a result of the continuing impact of the global economic meltdown, FY 2009-10 proved to be a challenging year for your Company with the first half witnessing continuing cutback in production. However, there was renewed optimism in the second half as a result of revival in demand for commodities and, as such, gross sales during the year under review was 41% lower at Rs 601.23 crores (previous year : Rs 1012.40 crores) while profit before interest, depreciation & taxes decreased by 70% to Rs 142.27 crores (previous year : Rs 467.80 crores) and profit after tax declined by 84% to Rs 41.01 crores (previous year : Rs 260.64 crores).

Dividend

Keeping in view the profitability of the Company, your Directors are recommending a dividend of Rs 5/- per share for the year ended 31st March 2010 subject to approval of the shareholders at the forthcoming Annual General Meeting and other necessary approvals.

Operations

Ferro Alloys :

The production of ferro chrome during the year under review increased by 18% to 130,758 tonnes (previous year : 111,157 tonnes) as a result of revival in demand during the second half of the year. However, production of ferro silicon remained suspended.

Electricity :

Your Company registered a gross generation of 726 million units during the year under review (previous year : 625 mu's) which translates to a plant load factor of 83% on MER basis. The Company sold 187.36 million units of power during the year under review at an average rate of Rs 3.06 per unit to GRIDCO pursuant to an interim order passed by Orissa Electricity Regulatory Commission facilitating the sale of surplus power from CGP's.

Mining :

The output of chrome ore raised from the captive mines decreased by 34% to 282,836 tonnes (previous year : 427,347 tonnes) in line with budgeted in-house requirement. It is pertinent

Directors' Report

to note here that your Company has consistently followed the practice of value addition thus maximizing both employment and revenue contribution to the exchequer.

Keeping in mind the importance of raw material security your Directors will pursue the allotment of balance 50% captive chrome ore mines and shall take all necessary steps to protect your Company's interests.

Listing

Your Company's shares are listed on Bombay Stock Exchange Limited (stock code : 533047) and the Annual Listing Fee for the year 2010-11 has been paid.

Scheme of Arrangement and Amalgamation

Pursuant to orders of the Hon'ble High Courts of Andhra Pradesh and Orissa dated 6th November, 2009 and 24th November, 2009 respectively, the Ferro Alloys Division (FAD) of Utkal Manufacturing & Services Ltd (UMSL) merged with the Company with effect from the appointed date ie. 1st April 2009. The merger will enable the Company to consolidate its position in the rapidly growing ferro alloys market thereby enhancing the shareholders value.

Further Issue of Shares

During the year under review, the Company allotted 25,11,754 equity shares to the shareholders of UMSL pursuant to the merger of its Ferro Alloys Division with the Company.

Further, in terms of the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 29th December 2009, your Company allotted 25,00,000 equity shares of Rs 10/- each on preferential basis at an issue price of Rs 387/- per share to Reliance Capital Trustee Company Ltd a/c Reliance Tax Saver Fund and Reliance Capital Trustee Company Ltd a/c Reliance Equity Opportunities Fund.

Awards & Recognitions

Your Company has been recognised by EEPC India for its outstanding export performance during the year 2007-08 and was presented the prestigious All India Export Award under the category 'Star Performer in Ferro Alloys – Large Enterprise'.

Energy Conservation, Etc.

The information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in an annexure hereto forming part of this report.

Subsidiary Companies

Indian Metals & Carbide Ltd, a subsidiary of your Company, has reported a net loss of Rs 1.24 lakhs as against a net loss of Rs 5.22 lakhs during the previous year. In view of the loss, the Board of Directors of the said Company have not proposed any dividend.

Utkal Power Limited and Utkal Coal Limited, subsidiaries of your Company, are yet to begin operations. Hence, no Profit & Loss Account has been prepared.

Particulars in respect of this Company pursuant to section 212 of the Companies Act, 1956 are appended to the Balance Sheet.

New Projects

Commissioning of the 30 MW dual fuel power plant is behind schedule due to a variety of reasons and the matter has been taken up very strongly with the EPC contractor. The progress has since improved and, as such, the project is likely to be commissioned by June 2010.

Subsequent to financial closure of the 2 x 60 MW CPP, 9th November 2009 was fixed as the "zero date" and progress till date is very encouraging. Significant mobilization in terms of men & material has taken place and major foundation works, etc are likely to be completed prior to the onset of monsoons. A dedicated team has been set up to monitor and facilitate the progress of the project and all efforts will be made to commission it on or ahead of schedule.

Finally, captive coal mining project being taken up under the aegis of Utkal Coal Ltd – a 74% subsidiary of your Company – is at a very advanced stage with all statutory approvals except forest clearance being in place. As such, your Directors are hopeful that mining will commence by the end of the current year.

Particulars of Employees

The statement giving particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, as per the provision of Section 219 (1)(b) (iv) of the Companies Act, 1956, the report and the statement of accounts are being sent to all shareholders excluding the above statement. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary at the registered office of the Company.

Public Deposits

The Company has not accepted any public deposits during the year under review. However, unclaimed deposits pending repayment as on 31st March, 2010 amounts to Rs .0.02 crore.

Observations of the Auditors

Observations of the Auditors on the annual accounts of the Company have been dealt with in the Notes to the Accounts annexed as Schedule 'N' which are self-explanatory.

Directors

Mr N R Mohanty, Padma Shri, Mrs Paramita Mahapatra and Major R N Misra (Retd), Directors retire by rotation at the forthcoming Annual General Meeting (AGM) of the Company and are eligible for re-appointment. The proposals regarding their re-appointment as Directors are placed for your approval. Mr S K Pattanaik, Director, also retires by rotation at the forthcoming AGM but is not seeking reappointment. The Directors convey their gratitude to Mr Pattanaik for his invaluable contribution over the years.

Brief resume/details relating to Directors who are to be re-appointed are furnished in the Explanatory Statement to the Notice of the ensuing AGM as required under the Code of Corporate Governance.

Directors' Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 for the year under consideration;

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2010 on a going concern basis.

Auditors

M/s Raghu Nath Rai & Co, Chartered Accountants, the Auditors of the Company who are to retire at the ensuing Annual General Meeting, being eligible offer themselves for re-appointment. The Company has received a certificate to the effect that their re-appointment, if made, shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance, a Management Discussion and Analysis, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO & CFO certification have been made a part of the Annual Report.

Industrial Relations

During the year under report, industrial relations at the Company's plants situated at Therubali and Choudwar as well as at the Mines remained cordial.

Acknowledgement

Your Directors would like to place on record their sincere appreciation of the devoted services rendered by the entire workforce during the year under review. Further, your Directors would also like to recognise and appreciate the support received from Term Lenders and Working Capital Bankers. Last but certainly by no means least, your Company would like to thank its shareholders, customers and the public at large for their continued support and confidence.

For and on behalf of the Board

Place: New Delhi
Date: 11th May 2010

Dr. B. Panda
Executive Chairman

Subhrakant Panda
Managing Director

Directors' Report

Annexure to Directors' Report

Particulars required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

A. Conservation of Energy**(a) Energy Conservation Measures Taken****Charge Chrome Plant**

1. The specific power (consumption per tonne of Charge Chrome production) has been brought down by 146 KWH/MT from 3950 KWH / MT to 3804 KWH /MT. This could be achieved by effective process monitoring with better electrode management & furnace availability. This has resulted saving of electrical energy to the tune of 93,03,996 KWH per annum.
2. The Charge Chrome Plant (CCP) furnace bottom cooling fan no.1 was having cast aluminum blades. To achieve energy conservation the cast aluminum blade was replaced with FRP blades. By doing this material modification electrical energy of 35040 KWH per annum is saved.
3. The electrode slipping hydraulic pump is used to slip the electrode in the furnace as per process requirement. Earlier it was running continuously, however its actual operation is required for 20 minute after every 2 hours. A switch has been provided at charge chrome control room desk to control the running time of slipping pump. By doing this electrical energy of 40150 KWH per annum is saved.
4. At raw material handling section the coke crusher & associated conveyor no. 12, 13 & 14 were running continuously during coke feeding to the furnace. It was observed that during smaller size coke feeding the crusher & conveyors were running idle. A by pass switch has been installed with necessary circuit modification at the control desk of Raw material handling section to restrict the idle running of the crusher & associated conveyors when smaller size coke is being fed to furnace. By doing this the electrical energy of 67000 KWH per annum is saved.

Power Plant

1. Replacement with lower capacity energy efficient motors after studying the load pattern at various places at power plant.

- (a) Two nos make up water pump motors of 11 KW were replaced with energy efficient motors of 7.5 KW each at DM plant.

- (b) Two nos LP heater drain pump motors of 11 KW were replaced with energy efficient motors of 7.5 KW each at TG 1 & TG 2 respectively.

By doing these the electrical energy is saved in tune of 91980 KWH per annum.

2. 65 nos (2 x 28 W) energy efficient tube lights fittings were replaced at power plant Boiler house in place of existing (2x40W) capacity tube light fittings. By doing this electrical energy is saved to the tune of 13660 KWH per annum.

Plant at Therubali

Use of LDO oil for preheating of ladles has been brought down to bare minimum.

Mining Division

1. Stopping air leakage in the pipe lines by energy audit saving compressed air and excess running of compressor.
2. Maintenance of de-watering pumps properly to operate the pumps at maximum efficiency.
3. Switching off all lights and fans in the office premises by the people before leaving the office.
4. Supply of drinking water in the Incline & surface through 4 HP pump eliminating running of tipper for carrying drinking water for under ground Mines.
5. Stopping compressors for one Hour in the shift beginning & half hour at the end of shift to reduce energy consumption.
6. Providing tube lights in place of high wattage HPSV & HPMV lamps.
7. Automatic on-off operation of street light through time switch.
8. Daily monitoring of loading & unloading hours of compressors & taking action to reduce unloading hours.