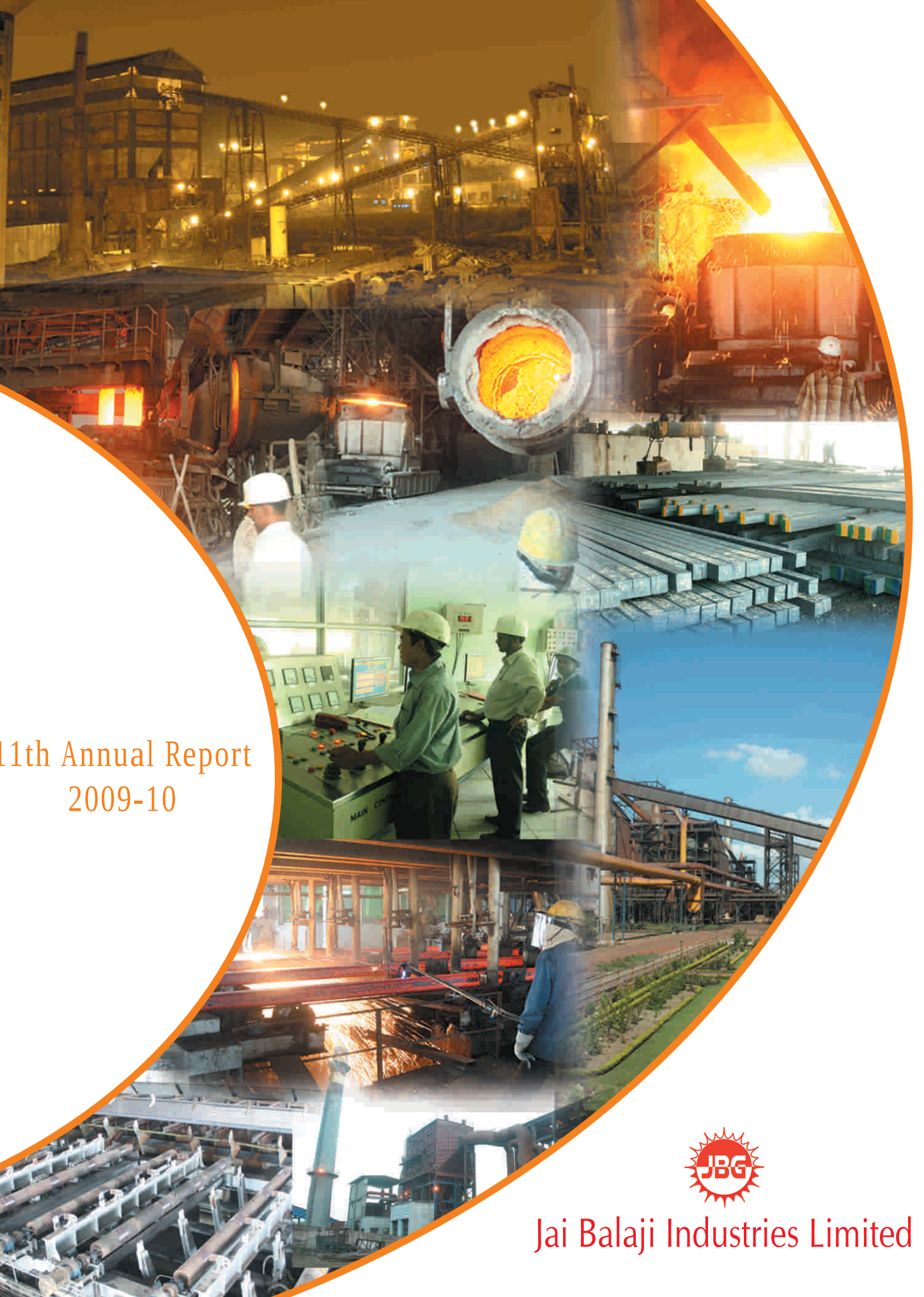

11th Annual Report 2009-10

Jai Balaji Industries Limited

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to help investors to comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe that 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Notice to the Shareholders

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Jai Balaji Industries Limited will be held on Wednesday, the 22nd September, 2010 at 11:00 a.m. at Rotary Sadan (Shripati Singhania Hall), 94/2 Chowringhee Road, Kolkata – 700 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2010 and the Audited Balance Sheet as on that date, together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2010.
3. To appoint a director in place of Shri Gourav Jajodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Satish Chander Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Ashim Kumar Mukherjee, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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 Shri Rajeev Kalra who was appointed by the Board of Directors as an Additional Director of the Company with effect from 26th May, 2010 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 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, not liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT Shri Amit Kumar Majumdar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 10th July, 2010 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 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, liable to retire by rotation."

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 Section 31, 258, 259 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approval(s), consent(s), permission(s), sanction(s) of the Central Government and/or appropriate authority(ies) under the Companies Act, 1956 and other applicable statues, if any, the maximum number of directors permitted to be appointed in the Company pursuant to Article 111(1) of the Articles of Association of the Company be and is hereby increased from 12 (twelve) to 16 (sixteen) and that accordingly the existing Article 111(1) be substituted by the following article

   111 (1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors excluding Debenture and Alternate Directors, if any, shall not be less than three and not more than sixteen."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any committee thereof, constituted or to be constituted) be and is hereby authorized to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate for the purpose of giving effect to this resolution and to do all such acts, deeds and things connected therewith or incidental thereto."

10. To consider and, if thought fit, to pass the following resolution, with or without modifications, as Special Resolution :

    "RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 (including any statutory modification or re-enactment thereof, for the time being in force), and the applicable Rules, Guidelines, Regulations, Notifications and Circulars, if any, of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), the Stock Exchanges where the securities of the Company are listed (including provisions of listing agreement with them) and any other concerned and relevant authorities, and other applicable laws, if any, and the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s) of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and any other concerned and relevant authorities, institutions or Bodies whether in India or abroad (hereinafter collectively referred to as the "Appropriate Authorities") as may be required, and subject to such conditions and modifications as may be prescribed by anyone of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "Requisite Approvals"), which may be agreed to by the Board of Directors

Notice to the Shareholders

of the Company (hereinafter called "the Board" which term shall be deemed to include person(s) authorized and/or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot on behalf of the Company in one or more tranche(s) (including with provisions for reservations on firm and/or competitive basis, of such part of the issue and for such categories of persons as may be permitted)of one or more public and/or private offerings in domestic and/or one or more international markets, any securities including equity shares, fully convertible debentures, partly convertible debentures, Foreign Currency Convertible Bonds (FCCBs)/Foreign Currency Convertible Notes (FCCNs)/Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs), Secured Premium Notes (SPNs) and/or any other financial instruments (OFIs) convertible into or exchangeable with equity shares or linked to equity shares/preference shares whether cumulative/redeemable/convertible at the option of the Company and/or the option of the holders of such securities and/or equity shares or debentures or securities linked to equity shares/preference shares and/or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants or such similar instruments convertible into depository receipts with underlying equity shares/preference shares, (hereinafter referred to as the "Securities") with or without an overallotment/green shoe option (not exceeding 15% or as may be permitted) provided however that the total amount raised through the aforesaid securities shall not exceed US$ 100 million (US Dollars One hundred Million only) or its equivalent in one or more currencies (inclusive of such premium as may be determined by the Board) to be subscribed by foreign/domestic investors/institutions and/or corporate bodies/entities including mutual funds, banks, insurance companies, qualified institutional buyers as defined by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 pursuant to a qualified institutional placement, as provided under Chapter VIII of the SEBI (ICDR) Regulations, 2009 and/or individuals or otherwise, whether or not such persons/entities/investors are members of the Company, whether in one or more currency, such issue and allotment to be made at such time or times in one or more tranche(s), at par or at such price or prices and on such terms and conditions and in such manner as the Board may, in its absolute discretion think fit, in consultation with lead managers, underwriters, advisors or other intermediaries or otherwise."

''RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to such approvals, consents, permissions, if any, of any government body, authority or requlatory institution including any conditions as may be prescribed in granting such approvals or permissions by such government authority or requlatory authority, the aforesaid securities may have such features and attributes or any term or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such securities that are not subscribed.''

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of securities may have all or any terms or combination of terms in accordance with prevalent domestic and/or international market and for the purpose of giving effect to any issue or allotment of securities, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement with institution/trustees/agents and similar agreements and to remunerate the Managers, Underwriters and all other agencies/intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of securities with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorized by the Company for issue of securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the domestic and/or international practice and regulations, and under the norms and practices prevalent in securities markets and also to seek the listing of such securities representing the same in one or more stock exchanges whether in India or outside India as may be required by applicable laws and/or as the Board may deem fit."

"RESOLVED FURTHER THAT the relevant date for determination of applicable price for issue of the Securities shall be as per the regulations/guidelines prescribed by Securities & Exchange Board of India, Reserve Bank of India, Government of India through its various departments or any other regulator and the pricing of any equity shares

Notice to the Shareholders

issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and guidelines."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds and things including but not limited to finalization and approval of preliminary and final offer document(s), deciding the form and manner of the issue, including the class of investors to whom the securities are to be issued and allotted, number of securities to be allotted, issue price, face value, premium amount on issue/ conversion of securities, if any, rate of interest, execution of various transaction, documents, creation of mortgage/ charge in accordance with the provisions of Section 293(1)(a) of the Companies Act, 1956, in respect of any securities as may be required either on *pari passu* basis or otherwise, it may in its absolute discretion deem fit and to settle all questions, difficulties, or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such consultants, lead managers, legal advisors, underwriters, guarantors, depositories, custodians, registrars, stabilising agent, trustees, bankers, advisors, merchant bankers, and all such agencies as may be required for such offering of securities and to remunerate them by way of commission, brokerage, fees or in such manner and to enter into and execute all such contracts, arrangement, agreements, memoranda, documents etc., with such agencies and intermediaries and to seek listing of such securities on one or more national and/or international stock exchange(s)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offerings, all such Equity Shares ranking *pari passu* with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be provided under the terms of the issue and in the offering documents."

"RESOLVED FURTHER THAT the Board is be and hereby authorized to delegate all or any of the powers herein conferred to any committee of directors, directors, company secretary, such officer(s) of the Company any intermediary of such other person and to generally do all such acts, deeds and things as may be necessary or incidental for the aforementioned purposes."

By Order of the Board
For **Jai Balaji Industries Limited**

Ajay Kumar Tantia
Company Secretary

Place : Durgapur, West Bengal
Date: 3rd August, 2010

Registered Office:
5, Bentinck Street,
Kolkata – 700 001

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item no. 7 to 10 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 18th September, 2010 to Wednesday, 22nd September, 2010 (both days inclusive).
4. The dividend on Equity Shares of the Company for the financial year ending March 31, 2010, if declared at this Meeting, will be paid on or after 22nd September, 2010 :
   - to those Members, holding shares in physical form, whose names appear in the Register of Members of the Company on Wednesday, 22nd September, 2010, after giving effect to all valid transfers in physical form lodged with the Company on or before Friday, 17th September, 2010.
   - in respect of shares held in electronic form, on the basis of beneficial ownership, at the close of business hours on Friday, 17th September, 2010, as per details furnished by the Depositories for this purpose.
5. Members desirous of obtaining any information concerning the accounts of the Company are requested to send their queries to the Company at least seven days before the meeting so that the information required by the members may be made available at the meeting.
6. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 11.00 a.m. to 1.00 p.m. up to the conclusion of this Annual General Meeting.
7. Members holding shares in physical form can avail of the nomination

Notice to the Shareholders

facility by submitting Form no. 2B of the Companies (Central Government's) General Rules and Forms, 1956 with the Company or its Registrar & Share Transfer Agents. Blank forms will be made available on request. In case of shares held in demat form, the nomination has to be lodged with their Depository Participant.

8. Members are requested to bring their copy of Annual Report at the Meeting.
9. Members / Proxy-holders are requested to produce at the entrance, the attached Attendance Slip duly filled in, for admission to the meeting hall.
10. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, brief profile of the Directors seeking appointment / re-appointment at the Annual General Meeting is annexed to this Notice.

By Order of the Board
For **Jai Balaji Industries Limited**

Ajay Kumar Tantia
Company Secretary

Place : Durgapur, West Bengal
Date : 3rd August, 2010

Registered Office:
5, Bentinck Street,
Kolkata – 700 001

Annexure to the Notice

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

Item No. 7

Shri Rajeev Kalra was appointed as Additional Director of the Company w.e.f. 26th May, 2010 to hold office till the date of the ensuing Annual General Meeting pursuant to the nomination made by the investor namely Citi Venture Capital International. The Company has received a Notice in writing along with requisite deposit under Section 257 of the Companies Act, 1956, proposing the appointment of the said candidate as a Director of the Company.

Shri Rajeev Kalra, aged about 41 years is a B.Com(H), CFA and CA. He has vast and rich experience in Finance.

The Board recommends the resolution set out in item no.7 of the notice for your approval.

Except Shri Rajeev Kalra who is concerned or interested in the resolution at item no. 7 of the accompanying notice, relating to his own appointment no other director is concerned or interested in the said resolution.

Item No. 8

Shri Amit Kumar Majumdar was appointed as Additional Director of the Company w.e.f 10th July, 2010 to hold office till the date of the ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a Notice in writing along with requisite deposit under Section 257 of the Companies Act, 1956, proposing the appointment of the said candidate as a Director of the Company.

Shri Amit Kumar Majumdar, aged about 72 years is a B.Sc (Allahabad University) & B.Sc (Metallurgical Engineering) from Banaras Hindu University. He is a well known and reputed metallurgist and steel industry professional of the country. He has extensive professional experience spanning nearly five decades in the operations and management of iron and steel plants. He has held key positions in Steel Authority of India Limited, where he worked for 30 years across three plants and its corporate headquarters in Delhi where as head of the Chairman's Secretariat, he was responsible for Corporate Planning and Total Quality. As Chief Executive he is credited with turning around SAIL's ailing speciality steel plant, Visvesvaraya Iron & Steel Co. Ltd., in Bhadravati, Karnataka. He has been the architect of setting up the Aparant Iron and Steel Plant in Goa for the reputed industrial house of Dempo Group, of which he was the Managing Director till 2002. He continues to be an Independent Director of the Company as also of some other companies in the coal, coke, steel and chemical sectors.

Widely regarded for his foresight and knowledge, he is an acknowledged expert in matters related to the iron and steel industry, a fact borne out by the fact that, in 1992, he was chosen by the Government of Karnataka to be its Chief Technical Expert for advising the government for selecting the futuristic "COREX" technology.

The Board recommends the resolution set out in item no. 8 of the notice for your approval.

Except Shri Amit Kumar Majumdar who is concerned or interested in the resolution at item no. 8 of the accompanying notice, relating to his own appointment no other director is concerned or interested in the said resolution.

Item No. 9

The present strength of the Board consists of twelve directors of which

- 4 directors belong to promoter group;
- 2 directors are appointed / nominated by investors in terms of agreement executed with them and provisions of Chapter II and Chapter III of Articles of Association of the Company; and
- 6 directors are independent directors.

The present composition is as per clause 49 of the listing agreement, and is within the maximum ceiling as prescribed under Section 259 of the Companies Act, 1956. However, it is anticipated that the Company may be required to further broad base the Board of Directors by appointing further directors, either nominated by investors / lenders or independent and for the same ceiling of the total strength of the Board requires to be enhanced.

As a part of various modes of fund raising programme for the upcoming projects including Purulia Project, the investors / lenders / venture partners / collaborators and others may require appointment / nomination of their representative directors on the Board of the Company. And there is a possibility that such representative directors may not be independent directors in terms of Corporate Governance norms, requiring appointment of further independent directors on the Board to comply with the said norms.

The Board is also of the view that the present composition and ceiling as per Article 111(1) of the Articles of Association restricts the broad basing of the Board. The Board is of the belief that sharing of collective vision and expertise of people of diverse fields will be conducive for the Company's growth and expansion and also for successful implementation of its various upcoming Greenfield and

Notice to the Shareholders

brownfield projects of steel, cement and power.

As such to have optimal combination of independent directors, representative directors and promoter directors and to be able to continue to comply with corporate governance norms the enhancement of present ceiling of maximum number of Directors is required.

The present resolution is an enabling resolution and to amend the Articles of the Company so as to increase the maximum number of directors that can be appointed in the Company.

The Board of Directors recommend the special resolution for the approval of the Members.

None of the Directors of the Company are deemed to be interested or concerned in the resolution.

Item No. 10

Your Company proposes to raise further capital to meet its requirements for capital expenditure, expansions, additional working capital requirements and general corporate purposes. In order to augment its resources to facilitate such purposes, the Company may need to raise funds by issue of equity shares, fully convertible debentures, partly convertible debentures, such other appropriate securities or instruments in the international and / or domestic markets or through issue of FCCB / FCCN / SPN / ADR / GDR and / or such other securities including QIP Placement under Chapter VIII of SEBI (ICDR) Regulations, 2009.

Such securities or instruments may comprise of equity or equity linked instruments and / or debt instruments which may be convertible into equity shares as contemplated in the resolutions and as may be decided by the Board and found to be expedient and in the interest of the Company.

The proposed issue of Securities as above may be made in one or more tranche(s), in the domestic and / or in the international market in one or more currency, such that the securities to be issued shall result in issuing equity shares to the extent of US$ 100 million (including such premium as may be determined by the Board).

The issue price of the Securities to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions and the applicable regulations. The Securities will be listed on such International / Indian Stock Exchanges as the Board may be advised and as it may decide.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and / or such other intermediaries that may be appointed for the issue / offer in accordance with the applicable provisions of law.

This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authorities as need to be consulted including in relation to the pricing of the Issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines, and (b) powers to issue and market any securities issued pursuant to the international offer including the power to issue such securities in such tranche or tranches with / without voting rights.

As required under the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, the consent of the Members is required to make the proposed issue of securities.

The Board of Directors recommends the Special Resolution No. 10 of the accompanying Notice for the approval of the Members.

None of the Director is in any way concerned or interested in the said resolution except to the extent of securities that may be subscribed by them or by Companies or Institutions in which they may be interested as Directors, Members or otherwise.

By Order of the Board
For **Jai Balaji Industries Limited**

Ajay Kumar Tantia
Company Secretary

Place : Durgapur, West Bengal
Date : 3rd August, 2010

Registered Office:
5, Bentinck Street,
Kolkata – 700 001

Annexure to the Notice pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges

Brief Profile of the Directors Seeking Appointment / Re-appointment at the Annual General Meeting

Shri Gourav Jajodia	
Date of Birth	26th September, 1980
Date of Appointment	31st January, 2008
Qualification	B. Com(H)
Expertise in Specific Functional area	Wide experience in Steel Industry
List of other Public Companies in which Directorship held	1) Jain Vanijya Udyog Limited 2) Enfield Suppliers Limited 3) Chandi Steel Industries Limited 4) Jai Balaji Shakti Cement Limited
Chairman / Member of the Committee of Board of Directors of the Company	None
Chairman / Member of the Committee of Board of Directors of other Companies	
a) Audit Committee	None
b) Shareholders' Grievance Committee	Chandi Steel Industries Limited - Chairman
No. of Equity Shares held in the Company	107,666

Notice to the Shareholders

Shri Satish Chander Gupta	
Date of Birth	5th May, 1947
Date of Appointment	30th June, 2008
Qualification	M.Com, CAIIB
Expertise in Specific Functional area	Banking & Finance
List of other Public Companies in which Directorship held	1) Emmsons International Ltd 2) ISMT Ltd 3) Gracious Financial Services Ltd 4) Proactive Universal Group Ltd 5) SMC Wealth Management Services Ltd. 6) Solar Industries Ltd 7) Bindal Papers Ltd 8) Cordia IT Ltd 9) Minda Management Group Ltd
Chairman / Member of the Committee of Board of Directors of the Company	1) Audit Committee-Chairman 2) Remuneration Committee- Member
Chairman / Member of the Committee of Board of Directors of other Companies	
a) Audit Committee	None
b) Shareholders' Grievance Committee	None
No. of Equity Shares held in the Company	Nil

Shri Ashim Kumar Mukherjee	
Date of Birth	1st January, 1942
Date of Appointment	18th August, 2007
Qualification	B. E (Mining), First Class Mine Manager's of Competency to Manage a Metalliferious Mine(Restricted)
Expertise in Specific Functional area	More than 40 years of rich and varied working experience in various capabilities and areas of mining of ferrous minerals.
List of other Public Companies in which Directorship held	Nilachal Iron & Power Limited
Chairman / Member of the Committee of Board of Directors of the Company	1) Audit Committee- Member 2) Remuneration Committee-Member 3) Share Transfer Cum Investor Grievance Committee- Chairman 4) Management (Finance) Committee - Member
Chairman / Member of the Committee of Board of Directors of other Companies	
a) Audit Committee	Nilachal Iron & Power Ltd. - Chairman
b) Shareholders' Grievance Committee	None
No. of Equity Shares held in the Company	NIL

Notice to the Shareholders

Shri Rajeev Kalra	
Date of Birth	25th December, 1968
Date of Appointment	26th May, 2010
Qualification	CFA (CFA Institute) CA(ICAI) B.Com (Hons) (Delhi University)
Expertise in Specific Functional area	Vast & Rich experience in the field of Finance
List of other Public Companies in which Directorship held	None
Chairman / Member of the Committee of Board of Directors of the Company	1) Audit Committee - Member 2) Remuneration Committee - Member 3) Share Transfer cum Investor Grievance Committee - Member 4) Management (Finance) Committee - Member
Chairman / Member of the Committee of Board of Directors of other Companies	
a) Audit Committee	None
b) Shareholders' Grievance Committee	None
No. of Equity Shares held in the Company	NIL

Shri Amit Kumar Majumdar	
Date of Birth	16th August, 1938
Date of Appointment	10th July, 2010
Qualification	B.Sc. (Allahabad University) B.Sc. (Metallurgical Engineering) (Banaras Hindu University)
Expertise in Specific Functional area	More than 47 years of experience in Iron & Steel Industry
List of other Public Companies in which Directorship held	1) Gujarat NRE Mineral Resources Ltd 2) KAP Steel Ltd 3) KAP Chem Ltd
Chairman / Member of the Committee of Board of Directors of the Company	1) Audit Committee - Member 2) Remuneration Committee - Member
Chairman / Member of the Committee of Board of Directors of other Companies	
a) Audit Committee	Gujrat NRE Mineral Resources Ltd.- Member
b) Shareholders' Grievance Committee	None
No. of Equity Shares held in the Company	NIL

Directors' Report

Dear Members

Your Directors are pleased to present the eleventh Annual Report of your Company, along with the audited statement of accounts for the year ended 31st March, 2010.

Financial Highlights

Particulars	Year ended March 31st, 2010	Year ended March 31st, 2009
Net Sales and other income	**194,028.21**	**171,782.42**
Less : Total expenditure	167,905.92	152,976.29
Profit before Interest, depreciation and tax	**26,122.29**	**18,806.13**
Less : Interest	14,270.65	13,056.33
Profit before depreciation and taxation	**11,851.64**	**5,749.80**
Less : Depreciation	6,928.95	5,079.37
Profit before Tax	**4,922.69**	**670.43**
Less : Current tax	1,151.67	206.91
MAT credit entitlement	(1,150.86)	(70.32)
Deferred Tax	1,741.03	380.64
Fringe Benefit Tax	–	25.08
Profit after Tax	**3,180.85**	**128.12**
Add : Balance brought forward from previous year	13,883.54	14,010.87
Profit available for Appropriation	**17,064.39**	**14,138.99**
Less : Proposed dividend	255.13	221.94
Tax on dividend	36.57	33.51
Balance carried to Balance Sheet	**16,772.69**	**13,883.54**

Operating Results

During the year, your Company witnessed a robust growth in sales and profit figures. It emerged stronger out of the global economic downturn and delivered healthy profit growth for the year along with improvement in revenue amidst challenging and volatile market conditions.

During the year under review, the total revenue of the Company was Rs.194,028.21 lacs, registering an increase of 13% from Rs.171,782.42 lacs in the financial year 2008-09. The EBIDTA for the year is Rs. 26,122.29 lacs as compared to Rs.18,806.13 lacs for the year 2008-09 representing an increase of 39%. The net profit for the year is Rs. 3,180.85 lacs against Rs.128.12 lacs in the previous year.

Despite high inflationary and cost pressures throughout the year, your Company capitalised on every available opportunity coupled with a robust marketing strategy to exploit the full industry potential, besides making efforts towards cost reduction and improved efficiency at the plant level which enable the Company to grow reasonably well.

Dividend

Your Directors recommend for approval of the Members, a dividend of 4% on equity shares of the Company, i.e., Re. 0.40 per Equity Share of Rs.10 each, for the financial year 2009-10.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

Capital

- **Conversion of Debentures**

  The Company had issued 8,359,000 zero coupon compulsorily convertible