

**ROHIT FERRO-TECH LIMITED**

(Incorporated in India on April 07, 2000 as Rohit Ferro-Tech Private Limited under the Companies Act, 1956 with Registration No. 21-91629 with Registrar of Companies, West Bengal. The Company subsequently became a public Company under the name of Rohit Ferro-Tech Limited with effect from 24th June 2004)

Registered Office: 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012
 Tel.: +91 33 22119805/9806/8807, Fax: +91 33 22256143 / 22119834
 e-mail: ipo@rohitterrotech.com Website: www.rohitterrotech.com
 Contact Person: Mr. Pramod Kumar Jain, Compliance Officer

Issue of 1,69,47,667 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 20/- per Equity Share aggregating Rs.5084.30 lacs.

The Issue is being made in terms of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, as amended from time to time, wherein the "Project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the Issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded. In case of delay, if any in refund, Rohit Ferro Tech Limited (The Company) shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE COMPANY HAS NOT OPTED FOR GRADING OF THE ISSUE

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Rohit Ferro-Tech Limited, there has been no formal market for the Equity shares of the Company. The face value of the shares is Rs.10/- and the issue price is 3 times of the face value. The issue price (as determined by the Company in consultation with the Lead Managers, on the basis of assessment of market demand of the equity shares) should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active and/or sustained trading in the equity shares of the Company nor regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The equity shares have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. **Attention of the investors is invited to the Statement of Risk Factors beginning on page nos (v) to (xvii) of this prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through this prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) (The Designated Stock Exchange) and the National Stock Exchange of India Limited (NSE). The Company has received in-principle approvals from these Stock Exchanges for the listing of the Equity Shares pursuant to letters dated 06.10.2005 and 01.12.2005 & 24.02.2006, respectively.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
 <p>MICROSEC MICROSEC CAPITAL LTD SEBI Regn.No INM 000010791 Azimganj House, 2nd Floor 7, Camac Street, Kolkata 700 017 Ph: 91-33-2282 9330 Fax: 91-33-2282 9335 E-Mail: rohitypo@microsec.co.in Website: www.microsec.co.in</p>	 <p>KARVY <small>INVESTOR SERVICES LTD.</small> KARVY INVESTOR SERVICES LTD SEBI Regn. No MB/NM/000008365 46, Avenue-4, Street No.1, Banjara Hills, Hyderabad – 500 034 Tel: (040) 23312454, 23320251-53 Fax: (040)-23374714 E-mail: mbd@karvy.com Website: www.karvy.com</p>	 <p>MAHESHWARI DATAMATICS PVT. LTD SEBI Regn.No INR 000000353 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001 Tel: 91-33-2243-5029/5809,2248-2248 Fax: 91-33-2248-4787 E-mail: mdpl@cal.vsnl.net.in Website: www.mdpl-online.com</p>

ISSUE PROGRAMME

ISSUE OPENS: 7th MARCH, 2006

ISSUE CLOSSES ON: 11th MARCH, 2006

TABLE OF CONTENTS

TITLE	PAGE NO.
Definitions and Abbreviations	
I. Risk Factors	
1. Forward-looking Statements and Market Data	v
2. Risk Factors	v
II. Introduction	
1. Summary	1
2. General Information	5
3. Capital Structure	9
4. Objects of the Issue	16
III. About Rohit Ferro-Tech Ltd	
1. Industry Overview	36
2. Business Overview	39
3. History and Corporate Structure of Rohit Ferro-Tech Ltd	44
4. Management	46
5. Promoter	54
6. Currency of Presentation	60
7. Dividend Policy	60
IV. Financial Statement	
1. Auditors Report	61
2. Financial Information of Group Companies	76
3. Management Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements	85
V. Legal & Other Information	89
VI. Other Regulatory and Statutory Disclosures	93
VII. Issue Information	
1. Terms of the Issue	100
2. Issue Procedure	102
VIII. Main Provisions of the Articles of Association	110
IX. Other Information	
1. List of Material Contracts and Documents for Inspection	117
2. Declaration	118

DEFINITIONS AND ABBREVIATIONS

Conventional Terms

Term	Description
“Rohit Ferro-Tech Limited “ or “the Issuer” or “the Company”, and “RFTL”	Unless the context otherwise requires, refers to, Rohit Ferro-Tech Limited, a public limited Company incorporated under the Companies Act.

Issue Related Terms

Term	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this prospectus
Application Form	The form in terms of which the investors shall apply for the Equity Shares of the Company
Allotment	Issue or transfer, as the context requires, of Equity Shares pursuant to the Offer to the successful applicant as the context requires
Allottee	The successful applicant to whom the Equity Shares are being/have been issued
Articles/Articles of Association	The Articles of Association of Rohit Ferro-Tech Limited
Auditors	The statutory auditors of the Company, viz. S.Jaykishan Chartered Accountants
Bankers to the Issue	HDFC Bank Limited The Hongkong and Shanghai Banking Corporation Limited
Board of Directors/Board	The Board of Directors of Rohit Ferro-Tech Limited or a committee thereof
BSE	The Bombay Stock Exchange Limited
Companies Act/the Act	The Companies Act, 1956, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Stock Exchange	The Bombay Stock Exchange Limited
Directors	Directors of Rohit Ferro-Tech Limited from time to time, unless otherwise specified.
Equity Shares	Equity shares of the Company of Rs. 10/- each unless otherwise specified in the context thereof.
Face Value	Value of paid up equity share capital per Equity Share, in this case being Rs. 10/- each
Fiscal or FY or Financial Year	Twelve months ending March 31 st of a particular year.
Issue/Offer	The issue of 1,69,47,667 Equity Shares of Rs.10 each at the offer price by the Company pursuant to this prospectus
Issue Closing Date	The date on which the Issue closes for subscription
Issue Opening Date	The date on which the Issue opens for subscription
Issue Price	The price of Rs. 30/- per Equity Share as decided by the Company and the Lead Manager for which the Equity Shares shall be issued to the public under this Issue in terms of this prospectus
KISL / Karvy	Karvy Investor Services Limited, Lead Manager to the Issue
Memorandum/MoA/Memorandum of Association	The Memorandum of Association of Rohit Ferro-Tech Limited.



MCL / Microsec	Microsec Capital Limited, Lead Manager to the Issue
Net Offer	The Offer of Equity Shares to the Public
Non Resident	A person who is not a NRI, FII or a person resident in India
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
NRO Account	Non-resident Ordinary Account
NSE	National Stock Exchange of India Limited.
OCB/Overseas Corporate Body	A Company, partnership, society or any other body corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not allowed to invest in this Offer.
Promoter(s)	Promoters shall mean jointly Mr. Suresh Kumar Patni, Mrs. Sarita Patni, Ankit Patni, Rohit Patni, Invesco Finance Pvt Ltd, Poddar Mech Tech Services (P) Ltd and Suanvi Trading & Investment Co Pvt Ltd
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies for the Public issue
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 lacs, pension funds with minimum corpus of Rs. 2500 lacs, and multilateral and bilateral development financial institutions.
Registered Office/ Registered Office of the Company	35,Chittaranjan Avenue, 4th Floor, Kolkata-700 012, India.
Registrar of Companies or RoC	Registrar of Companies, Kolkata, West Bengal.
Registrar/Registrar to the Issue	Maheshwari Datamatics Pvt. Ltd, a SEBI registered Registrar and Transfer Agent, a Company incorporated under the Companies Act, having its registered office at 6,Mangoe Lane, 2 nd Floor, Kolkata – 700 001.
Retail Individual Investors	An investor who applies for securities of or for a value of not more than Rs. 1,00,000/-.
Retail Portion	The portion of the Net Offer being a minimum of 51,69,430 Equity Shares available for allocation to Retail Individual Investor(s).
Stock Exchanges	NSE and BSE

Abbreviation of General Terms

Term	Description
ACCT	Assistant Commissioner of Commercial Taxes
AY	Assessment Year
A/c	Account
1 Metric Ton	1000 kilograms
AGM	Annual General Meeting of the shareholders
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Cum	Cubic Meter
Cfm	Cubic feet/Min
CTO	Commercial Tax Officer
DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended
DG	Diesel Generator
EPS	Earnings per Equity Share
EEFC	Export Earner's Foreign Currency Account
EEPC	Engineering Export Promotion Council
EGM	Extraordinary general meeting of the shareholders
FAQs	Frequently asked questions
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Regulations framed there under.
FeMn	Ferro Manganese
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995), registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board
FY	Financial Year
GESPL	Ghalsasi Engineering Systems Pvt. Limited
GoI	The Government of India
GIR	General Index Registry
GRIDCO	Grid Corporation of Orissa Limited
HNI	High Net-worth Individual
HUF	Hindu Undivided Family
HC FeCr	High Carbon Ferro Chrome
ICDA	International Chrome Development Association
IDCO	Industrial Infrastructure Development Corporation of Orissa
IFAPA	Indian Ferro Alloy Producers Association, Mumbai
IISCO	Indian Iron and Steel Company Limited



I.T. Act	The Income Tax Act, 1961, as amended
IPO	Initial Public Offer
JPC	Joint Plant Committee
KV	Kilo Volt
KW	Kilo Watt
LS	Lump sum
MCL	Microsec Capital Limited
MOIL	Manganese Ore of India Limited
MT	Metric Tons
MTPA	Metric Ton Per Annum
MVA	Mega Volt Ampere
MW	Mega Watt (1000 kilo watts)
NAV	Net Asset Value
NH	National Highway
NHAI	National Highway Authority of India
NESCO	Northern Electric Supply Corporation
NOC	No Objection Certificate
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OERC	Orissa Electricity Regulatory Commission
OMC	Orissa Mining Corporation
OMDC	Orissa Mineral Development Corporation
PAN	Permanent Account Number
P/E	Price Earning Ratio
RBI	The Reserve Bank of India
Rs. / INR	Indian National Rupee
RONW	Return on Net Worth
R&D	Research and Development
SiMn	Silicon Manganese
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
Sq. Mt	Square Meter
TPD	Tons Per Day
TPA	Tonnes Per Annum
TPH	Ton Per Hour
TAN	Tax Account No.
WBIDC	West Bengal Industrial Development Corporation
WBSEB	West Bengal State Electricity Board

I RISK FACTORS:

1. Forward-looking Statements

This prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “expect”, “estimate”, “intend”, “may”, “plan”, “project”, “shall”, “will” or other words or phrases of similar import. Similarly, statements that describe Company’s objectives, strategy, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

1. General economic and business conditions;
2. Company’s ability to successfully implement its strategy and its growth and expansion plans;
3. Factors affecting the ferro alloy industry;
4. Increasing competition in the ferro alloy industry;
5. Increases in labour costs, raw materials prices, prices of Plant & Machineries and Insurance premia;
6. Manufacturers’ defects or mechanical problems with Company’s plant & machineries or incidents caused by human error;
7. Changes in the value of the Indian Rupee and other currencies, in particular, the U.S. Dollar;
8. Cyclical or seasonal fluctuations in the operating results;
9. Amount that the Company is able to realize from the clients;
10. Changes in laws and regulations that apply to the ferro alloy industry;
11. Changes in fiscal, economic or political conditions in India;
12. Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
13. Changes in the foreign exchange control regulations, interest rates and tax laws in India.

For further discussion of factors that could cause Company’s actual results to differ, please see the section entitled “Risk Factors” included in this prospectus. In the light of inherent risks and uncertainties, the forward-looking statements, events and circumstances discussed in this prospectus might not occur and are not guarantees of future performance.

Neither the Company, its directors and officers, any member of the Issue Management Team nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the Lead Managers to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

Market Data

Industry and market data used throughout this prospectus has been obtained from Government of India sources, IFAPA reports and Internal Company reports. Although industry and market data used in this prospectus is reliable, it has not been independently verified. Similarly, Internal Company reports, while believed by the Company to be reliable, have not been verified by any independent sources.



2. RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. The Investors should carefully consider the risks described below before making an investment decision. Risks have been quantified, wherever possible. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline and the Investor may lose a part of or all of his investment.

1) Risk arising out of outstanding litigations against the Company and group companies of the Promoters:

Case/Appeal file by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.in lacs)	
The Company: ROHIT FERRO-TECH LIMITED					
1	C.No.V-72 (4) 11/ Rohit/Dgp-IV/05-06/2607 dated 8 th June 2005	Office of the Commissioner of Central Excise, Anti-evasion unit, Bolpur.	Show cause notice issued to the Company claiming duty of Rs.1.48 lacs on account of 129.0606 MT of Metallurgical Coke imported from China having been found short, and also claiming confiscation of the subject goods and interest & penalty. By it's reply letter, the Company claimed that there was no short receipt of the goods, and also disputed its liability.	Proceeding is still pending	1.48 And Interest & Penalty
2	C.No.II (8)17/AE/ CE/Bol/05 dated 27 th April 2005	Office of the Asst. Commissioner of Central Excise, Durgapur-IV Division.	Show cause notice issued claiming duty of Rs.4.97 lacs and Education Cess of Rs.9,930/- on account of evasion by means of secret removal of Ferro Chrome and also claiming penalty & interest. The Company disputed removal of goods from the factory, and applied for dropping of the proceeding. Subsequently, the Company filed an application for the settlement, which has been finally heard on 06-02-06 before the Settlement Commission, Additional Bench, Kolkata.	Order of the Settlement Commission is still awaited.	5.07 And Interest
3	Application for review U/s 7B(1) of the EPF&MP Act, 1952 filed on 18/05/05	Provident Fund Commissioner	Proceedings under Section 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 initiated against the Company on account of dues for the period from 10/2003 to 02/2004. The vouchers for processing charges issued by the Contractors although produced,	Company has paid the demand as per order dated 19.10.05 passed in pursuance of Review Petition filed by the Company .	3.98

ROHIT FERRO-TECH LIMITED

	Case/Appeal file by/ or against:	Before Department/ Court	Background of the Case	Current Status (Rs.in lacs)	Amount
			but were not included in the order dated 21-04-05/02-05-05 of the PF Commissioner. The Company has made review petition against the said order. The Asst. PF Commissioner on 19-10-05, directed the Company to pay Rs.124,070/- which the Company has paid on 10.11.2005		
Group Company: IMPEX METAL & FERRO ALLOYS PVT. LTD.					
1	Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.1.45 lacs under the CST Act, 1956 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Appeal is still pending for hearing.	1.45 Lacs
2	Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.3.63 lacs on account of Tax, and Rs.1000/- on account of penalty under the WBST Act, 1994 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Appeal is still pending for hearing.	3.62 Lacs for Tax, and Rs.1000/- for Penalty
3	Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT.BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.4.56 lacs on account of Tax, and Rs.250/- on account of penalty under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing	4.56 Lacs for Tax, and Rs.250/- for penalty
4	Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT.BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.01 lacs on account of Tax, and Rs.250/- on account of penalty under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	1.01 Lac for Tax, and Rs.250/- for penalty



Group Company: IMPEX FERROTECH LIMITED					
1	Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT.BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.17.75 lacs on account of Tax and interest under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	17.75 Lac for Tax and interest
2	Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT.BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.32 lacs on account of Tax under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	1.32 Lac for Tax

The Income Tax Authority, Kolkata had conducted a search & seizure operation on 05.01.2004 on the office and factory premises on the Impex group of companies including the residence of its Directors. The Income tax investigation department has prepared their appraisal report and sent the same to the concerned authority for further processing in the above search and seizure matter. An Application U/s 254 C (1) of the Income Tax Act, before the Settlement Commission has been filed in respect of the following:

Sl. No	Name	Status	Date of filing
1.	Impex Ferro Tech Ltd	Group Company	20.01.2006
2.	Impex Metal & Ferro Alloys Pvt. Ltd	Group Company	23.01.2006

Further, a notice U/s 153-C of the Income tax Act has been issued by the Income Tax Department on 27th January 2006 directing the Company to re-file the Income tax Returns for the Assessment Years 1999- 2000 to 2004-05 (six years). In compliance of same, the Company has re-filed the required Income Tax Returns on 10.02.2006.

Notice against the Group Company Impex Ferro Tech Limited

A notice under Section 65(1) read with Section 7 of the West Bengal Sales Tax Act 1994 from Government of West Bengal, Bureau of Investigation was served upon Impex Ferro Tech Limited on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and informations before the department on the hearing dates. The company has paid a sum of Rs. 3.00 lacs to the department voluntarily.

Notice against the Group Company Impex Metal & Ferro Alloys Pvt Limited

A notice under Section 65(1) read with Section 7 of the West Bengal Sales tax Act 1994 from Government of West Bengal, Bureau of Investigation was served upon Impex Metal & Ferro Alloys Pvt. Ltd. Limited on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and informations before the department on the hearing dates.

2) Size of the Project

The Company has embarked upon a Rs.10034 lacs project, which is a substantial increase over its current size of operations. Although the promoters have experience in the Ferro Alloy industry, their competence in handling a project of this magnitude remains to be demonstrated. An equity investor is therefore faced with an uncertainty of performance by the management.

Management Perception

The promoters have experience of over two decades in the Ferro Alloy industry. The Company has already set up two 9 MVA Submerged Arc Furnaces in 2003, and have further made expansion with its 3rd 9 MVA Furnace for manufacturing Ferro Chrome which started production from April '2005 with a total combined Capital cost of Rs.35 Crores approximately. The promoters are therefore confident of managing an expansion of this magnitude. It is pertinent to note that Impex Ferro-Tech Limited (the group Company) also has 4 submerged arc furnaces of 3.6,5,7.5 and 8.25 MVA capacity respectively. The past experience of the Promoters and the group for setting up such Ferro Alloy Plants will ensure smooth implementation of this project also. The Company has also appointed senior and experienced professionals who have the experience of setting up similar facilities in the past.

Moreover, the Company views the present optimistic scenario in the Ferro Alloy manufacturing sector and its downstream industries as an opportunity to enlarge the scale of operations of the group.

3) Risk associated with availability and price fluctuation of raw material and finished product

a. Prices of Raw Material and Finished product:

In the recent past, there have been wide fluctuations in the prices of critical raw materials such as chrome ore, manganese ore, coke, coal etc both at domestic and international levels. Such fluctuations in prices of raw material and the inability to negotiate at optimum market rates may affect the profitability of the Company. Similarly, the prices of finished products have also shown price variations, which may impact the profitability of the Company.

Management Perception

The Company shall source raw material from multiple vendors namely TISCO, Rungta & Co., other private companies in Orissa, MP and Jharkhand and Government Agencies namely OMC, MOIL by entering into long-term yearly contracts thereby receiving competitive prices on a long-term basis. The Company is already receiving quantity discount from some of these suppliers. The Company is also sourcing raw material such as Manganese Ore and Coke/Coal from international market such as China and Australia in bulk quantity which gives the Company a substantial cost advantage. Moreover the risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the Company from fluctuation in raw material prices. Only in case of a severe price fluctuation, profitability will depend upon the extent up to which the Company would be able to pass on the burden of rise in the prices of raw material to the consumers.

b. Supply Chain Management

The Company will be sourcing the critical raw materials like Ores from mines located in Orissa, Maharashtra, and coal from the mines located in West Bengal & Orissa for its Jajpur plant which involves logistic issues and economic decision making in ensuring optimum inventory. Any delay in supply of raw material to the plant may affect the plant's operations in Jajpur, which in turn may hamper the Company's efforts in fulfilling its obligation for supply of ferro alloys for use in the down stream industries. Further, any rise in the transportation cost may in turn lead to a rise in the cost of production. Non-availability of raw material along with logistic issues may force the Company to hold sizeable amount of working capital, which might affect the liquidity position of the Company.



Management Perception

The Company is planning to maintain a minimum inventory of 3 to 6 months for ore and coal/Coke, which it feels would be quite adequate in meeting the input material requirement of the plant in case of logistic delays arising in ordinary course of business or unforeseen contingencies, thereby insulating the profitability and operations. Furthermore, the mines for Chrome Ore and coal are located within a radius of 40 kilometers from the plant site, which ensures efficient logistics. The Paradeep Port is also located at a distance of only 100 kilometer which will help in efficient logistics for import of Manganese Ore and Coke.

The Company has made adequate efforts to cultivate long-standing relationships with suppliers and enter into long term supply contracts.

c. Non-availability of raw material and other resources

Presently, the Company is sourcing its raw materials such as Ores from mines of TISCO and OMC; and Coal/Coke from Coal India Ltd. and other collieries located in the Raniganj area apart from importing high-grade coke from China. Unpredictability in the supply of raw material particularly chrome ore and coke may hamper production process flow. Uncertainty of availability of raw materials and other resources such as water, skilled manpower etc. may also affect the operations and in turn the profitability of the Company.

Management Perception

The basic raw materials Chromite Ore and coal are available from mines located nearby the plant in Orissa. The Company will source Manganese Ore and Coke from international market also such as China, Australia & Africa. The other raw materials are readily available in nearby locations. The proposed site is in close proximity of NH-5, and is well connected with the Paradeep Port. Given the proximity to the city of Bhubaneswar, the availability of manpower of required skill is not expected to be a problem. The requirement of water shall be met by sinking deep tube wells as well as from the IDCOL.

4) Uninterrupted Supply of Power

The Continuous Production Process of the unit requires working on a three-shift basis and as such an uninterrupted power supply is required.

Management Perception

The NESCO has adequate capacities to meet the entire requirement of Power in the project. The Company has already entered into an agreement with NESCO for immediate supply of 40 MVA power with a provision to enhance the power supply as per the future requirement of the project.

5) Time and Cost overrun

In case, there is a delay in the implementation of the Project, it may adversely affect the future profitability of the Company. The increase in the cost of the equipment may result in cost overrun of the project, as they are subject to price variations.

Management Perception

The entire process is streamlined and professionally managed by competent and experienced team of supervisors and engineers. As a result, the management does not foresee any failure in the timely implementation of the project. Moreover, the Promoters have already set up the similar types of plant at Bishnupur, and at Kalyaneshwary (Impex Ferro-Tech Ltd, group Company), both in West Bengal; and therefore, they are confident of implementing the above project successfully as envisaged in the implementation schedule.

For current status of the project, please refer to the paragraph on 'Implementation Schedule' on page 27 of this prospectus.

6) Further equity offerings

The Company may require further infusion of funds to satisfy its capital needs and future growth plans, which the Company may not be able to procure. Any future equity offerings by the Company may lead to dilution of equity and may affect the market price of the Equity Shares.

Management Perception

The entire debt capital requirement for the proposed project is fully tied up and the plans to raise equity has already been fructified. In the near future there are no plans to issue further equity. In case, the Company decides to raise additional funds through the issuance of equity, the same would be done for further value creation for the shareholders of the Company and after taking adequate consent from them.

7) Delay in IPO will impact the Company

The cost of project is to be funded partly from the IPO. Any delay/failure of the IPO will impact the future profitability of the Company.

Management Perception

The management is aware of the fact and will make alternate funding arrangements through a suitable mix of secured/unsecured loans and contribution from the promoters, should there be any eventuality such as delay or failure of IPO.

8) Non-receipt of Government and other regulatory approvals may affect the completion of the proposed project that forms part of the objects of the Issue

The Company is yet to receive approval from the Department of Factories & Boilers for the factory design and related drawings.

Management Perception

The Company has already submitted necessary designs & drawings to the concerned authority, and is expecting to receive approval for the same shortly. For more information, see “Government Approvals” on page 91 of this prospectus. This approval is of routine nature and the Company shall obtain them in due course of time with such modifications as may be deemed necessary by the department.

9) Orders yet to be placed for capital goods relating to project

The Company is yet to place orders for Rs.112.74 lacs being 2.04% of the plant and machinery relating to project. Any delay in placing the order for procurement of the same will inadvertently delay the completion schedule of project and may defer the commercial production of products.

(Rs in lacs)

Particulars	Total Cost	Order not placed	% age of Machinerie not ordered
Plant & Machinery	1183.14	Nil	Nil
Misc Fixed Assets including Additional Capital Expenditures	4323.26	112.74	2.61%
Total	5506.40	112.74	2.04%

Management Perception:

The items for which the orders are not yet placed is readily available in the market and will be required at the time of trial run. The Company shall place order for the remaining capital items as and when required and therefore commercial operation shall not be affected for the same.

10) Dependence on single or few Customers

The Company is largely dependent on few customers, as the top 10 customers constitute 96% of the total revenues.



Management Perception:

The Company has a very large customer base. However, due to large order from some of its customers, the Company is unable to meet the entire demand of its customers. Thus, the Company is setting up this expansion project to feed the increased demand for its end-users.

11) Shares issued by Rohit Ferro-Tech Ltd in the last one year

Details relating to shares issued by RFTL in the last 1 year are as follows:

Date of Allotment	Number of Equity Shares	Issue Price (Rs)	Allotted to	Category
16-May-05	489,000	30	Others	Others
05-May-05	25,000	20	Others	Others
05-May-05	350,000	20	Ankit Patni	Promoter
05-May-05	140,000	20	Suresh Kumar Patni	Promoter
05-May-05	250,000	20	Vasupujya Enterprises Pvt Limited	Promoter Group
29-Mar-05	1,250,000	20	Vasupujya Enterprises Pvt Limited	Promoter Group

All the above allotments have been made for cash for equity shares of Face Value of Rs 10 each.

12) Change in technology

The future success of the Company will depend in part on the ability to respond to technological advances taking place in the Ferro Alloy industry. The development and implementation of such technology entails significant technical & business risk. The Company cannot assure that it will successfully implement new technology effectively or adapt the processing system to emerging industry standards. If the Company is unable for technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, the business, financial performance and the trading price of the equity shares could be adversely affected.

Management Perception

The Manufacturing technology deployed for ferro alloy industry is not subject to rapid changes. The Company will keep itself abreast with the changing world of technology and proposes to update with new technologies on a continuous basis.

13) Critical Risk factors/Weakness/Threats as per the Appraisal Reports of the lending Banks:

STATE BANK OF INDIA:

“The only critical factor, which might affect the financials of the Company, is the cost of power. The power cost is about 40% of the cost of production.

The Company has entered into contract with NESCO for supply of power at Rs. 2.06 per unit for a period of 5 years and thereafter it will continue until either of the parties gives notices of discontinuance of the agreement. The rate will be the lowest available to any bulk consumer in the Eastern Region.”

STATE BANK OF TRAVANCORE

“Critical risk factors:

1. The success of ferro alloys units depends upon the fortunes of the steel industry. The steel industry has a high degree of cyclicity. Till recently, the industry was passing through the demand recession. Weak demand, high domestic production and cheaper imports may adversely affect the small players.

2. A major factor which might affect the financials of the Company is cost of power. The power cost is about 40% of the cost of production.”

UNITED BANK OF INDIA:

“Weakness:

There is no apparent weakness in the proposed project except its dependence on the cyclic nature of the steel industry.

Threats:

The cyclic nature of the steel industry may pose a threat to the Company in future apart from competition from the existing players in the market.”

Management Perception

Agreement with NESCO is valid for a period of 5 years from the date of supply, which is tentatively planned to begin from April 2006. The agreement shall thereafter continue until the same is determined by either party giving the other, two calendar month’s notice, in writing, of its intention to terminate the agreement. After the initial period of agreement, if the power supply remains disconnected for a period of two months for non-payment of tariff or non payment of additional Security Deposit, or non compliance of the directions issued under OERC distribution (Conditions of Supply) Code 1988, the power supply shall terminate on expiry of the 2 months period from the date of disconnection without further notice.

- 14) The success of the Company depends on its management team and the loss of team members may adversely affect its business.**

Management Perception

The Company is dependent on its management team, consisting of experienced and technically qualified professionals. If one or more members of the management team are unable or unwilling to continue in their present positions due to any reason, the Company would try to replace them by other competent persons or promote the second-line for higher responsibilities to them.

- 15) The Company is dependent on its promoters and any inability on their part to contribute to the business may affect its performance.**

The Company is dependent on the experience and the continued efforts of its promoters who have been associated with the Company since it’s inception. The promoters have been involved with critical functions like marketing, and other operations of the Company.

Management Perception

The Company has a qualified team of marketing executives, finance professionals and other professionals who are involved in the day to day operations of the Company. This reduces the Company’s dependence on the promoters to manage the operations of the Company.

- 16) In a business marked by high working capital components due to the need of high quantity of raw material, inefficient fiscal control could affect profitability.**

Management Perception

The Company is strengthening its fiscal control through a progression towards value-addition, cost reduction, a tight control on receivables, a stronger negotiation with banks leading to a reduced cost of funds and a comfortable loan repayment schedule.

- 17) Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

Management Perception

The Company has been handling labour and related issues efficiently and this has contributed to the smooth functioning of the operations. The Company has cordial labour relationships, and have never faced any labour



problem in the past. The Company is conscious about the need for introducing more automation in the operations. Labour intensive operations call for good monitoring and maintenance of labour relations.

18) The contingent liabilities of the Company as on 30th September 2005 as certified by the auditors for which no provision has been made by the Company are as follows:

(Rs in lacs)

Particulars	Amount
In respect of Bank Guarantees given	Nil
In respect of Bills discounted with Banks	1262.02
In respect of Letter of Credits	1940.42
Commitments against Capital Expenditure (Net of Advances)	3386.21

Any shortfall in the Company's cash flow shall adversely impact the Company's ability to honour payment of the above contingent liabilities on due dates. However, the Company has been meeting all its obligations under BGs, LCs, discounted bills and commitment to its Creditors.

19) Restrictive covenants in the agreements may impact the rights of the shareholders of the Company.

There are restrictive covenants in agreements the Company has entered into with its Bankers for Short-term and Long-term borrowings relating to right to declare dividends, capital restructuring etc. that are subject to the consent of the said Banks, and to such extent, would affect the rights of the Shareholders of the Company. These restrictive covenants are enumerated as follows:

- i. Effect any change in the Company's capital structure, formulate any scheme of amalgamation or reconstruction
- ii. Permit any transfer of the controlling interest or make any drastic change in the management set up.
- iii. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern including group companies.
- iv. Enter into borrowing arrangement either secured or unsecured with any bank, financial institution, Company or otherwise or accept; undertake any guarantee obligation on behalf of any other Company.
- v. Declare dividends for any year except out of the profits relating to that year after making due all any necessary provisions and provided further that no default has occurred in any repayment obligations.
- vi. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, Company, firm or persons.
- vii. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank, enter into any contractual obligation of a long term or affecting the Company financially to a significant extent.

20) Promise Vs Performance of Impex Ferro-Tech Limited (Group Company)

Impex Ferro-Tech Ltd.

The Company has made an IPO in December'2004 of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs.

Plant & machinery and other equipments were installed in August 2004 as against the original implementation schedule of July 2004 as mentioned in the prospectus. Similarly trial run and commercial production also got delayed and it started in September 2004 as against the original schedule of August 2004. Barring the delay of one month, the Company has successfully implemented the project as projected in the prospectus.

21) Common Pursuits in the group

Impex Ferro-Tech Limited, one of the group companies is engaged in the production of Ferro Manganese and Silico Manganese, products that the Issuer Company shall also manufacture in addition to Ferro Chrome in

the proposed expansion plan. This may affect the market share of Rohit Ferro Tech Ltd due to potential conflict of interest between the two companies. Moreover, there is no non-compete agreement between the two companies.

Management Perception

The demand for both these products is very high in both the Indian and the Global Markets. At present, Impex Ferro Tech Limited is not able to fulfill this demand. With the Company producing, these products, it would be catering to the fulfillment of demand of the market.

22) Loss making ventures of the promoters

Subham Complex Pvt Limited, Divine Trading Company Pvt Limited and M/s Impex Industries has incurred losses to the tune of Rs. 0.06 Lacs, Rs. 0.08 lacs and Rs 2.64 Lacs respectively in FY 2004-05.

23) Rent Agreement with the Promoter director of the company

The company has entered into a Leave and Licence agreement for its registered office with Mrs. Sarita Patni, promoter director @ Rs. 5000/- month vide agreement dated 2nd January 2006 for a period of 11 months renewable for further period of 11 months with mutual consent.

24) Delay in implementation of tranches of proposed expansion project

The company has revised the implementation schedule of the project and the current plan is as follows;

Particulars	Proposed Commencement	Revised Commencement	Proposed Completion	Revised Completion
Civil & Structural Works	Feb' 05	Feb' 05	Jan ' 06	Mar ' 06
Purchase of Plant & Machinery	Jan' 05	Jan' 05	Dec' 05	Feb' 06
Installation & Commissioning	Dec' 05	Dec' 05	Jan'06	Mar' 06
Trial runs	Feb' 06	Mar' 06	Mar'06	Mar' 06

Management Perception

The company expects that the installation and commissioning to be delayed by two months from the original schedule, however it expects to achieve the trial runs and subsequently the commercial production as per the initial time schedule.

EXTERNAL RISKS BEYOND THE CONTROL OF THE COMPANY:

1) Dependency on Steel, Casting and other downstream Industries

Ferro Alloys are used in the production of all grades of steel including stainless steel, special steel, casting and engineering industry. Any downturn on these industries shall affect the business of the Company accordingly.

Management Perception

With the general buoyancy in steel and engineering sector, the management is confident that there will be a strong demand growth for ferro alloy products. The market is also continuously displaying an upward trend and the requirement of Ferro alloys will also increase accordingly

2) Changes in Government Policies and political situation in India

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. There is no assurance that these liberalization policies will continue in future. Protest against liberalization could slowdown the pace of economic development. The rate of economic liberalization could change, specific laws and policies could change, and foreign investment, currency exchange rates and other matters affecting investing in the securities could change as well.



Any adverse change in Government policies relating to the steel industry in general and stainless steel and, ferro alloys, in particular may have an impact on the profitability of the industry. Such changes are not limited to but may be in respect of:

- a) Excise Duty
- b) Sales Tax
- c) Customs Duty
- d) Import/Export restriction

3) Risk Caused by Competition

The Company operates in a globally competitive business environment. Growing competition may force the Company to reduce prices of its products, which may impact margins and market share.

Management Perception

The Company has an edge over its competitors as its products are mainly targeted to domestic consumption. Moreover, the Company has an excellent reputation in the International Market as well. The Company has exported more than 40% of its existing production in the year 2004-05 to European, Chinese, Middle-east & Asian Countries.

4) After this Offer, the price of Company's equity shares may be highly volatile, or an active trading market for its equity shares may not develop

The prices of Company's equity shares on the Indian stock exchanges may fluctuate after this Offer as a result of several factors, including:

- (a) Volatility in the Indian and global securities market;
- (b) Company's results of operations and performance, in terms of market share;
- (c) Performance of its competitors in the Ferro Alloy industry and the perception in the market about investments in the ferro alloy sector;
- (d) Changes in the estimates of its performance or recommendations by financial analysts;
- (e) Significant developments in India's economic liberalization and deregulation policies;
- (f) Significant developments in India's fiscal and environmental regulations

There has been no public market for Company's equity shares and the prices of it equity shares may fluctuate after this Offer. There can be no assurance that an active trading market for Company's equity shares will develop or be sustained after this Offer or that the Offer Price or the price at which it equity shares are initially traded will correspond to the prices at which it equity shares will trade in the market subsequent to this offering.

5) Political, economic and social developments in India could adversely affect Company's business

Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The new Government that has been formed as a result of the 2004 general elections in India consists of a coalition of political parties. The new Government may change economic policies followed by previous Governments. The rate of economic liberalization in India could change, as could specific laws and policies affecting ferro alloy companies, foreign investment, currency exchange rates and other matters affecting an investment in the Company's equity shares. Further, the withdrawal of support from one or more of the coalition parties from the current Government could result in political instability. Significant changes in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and affect Company's business adversely.

6) Change in Regulations

Changes in regulatory environment relating to manufacturing and marketing in and outside the country will significantly impact the business of the Company.

Management Perception

The Company keeps itself abreast of the various developments in the regulatory environment and gears itself to comply with the dynamics. The Company shall be able to adapt to any change in the regulatory environment.

7) Regulation of Exports and Imports

Any change in regulations, domestic or international, having an impact on the ferro alloy market in general, will affect the industry as a whole. Such changes may be in the nature of introduction of quota, tariff barrier, subsidies, anti-dumping duties etc.

8) Risks arising from changes in taxation policies

Statutory taxes and other levies may affect the margin in the event of the Company's inability to factor such expense in the trading margin. Any increase in taxes and/ or levies or the imposition of new taxes and/or levies in the future, may have a material adverse impact on the business results of operations and financial condition.

9) The Company is subject to risk arising from exchange rate fluctuations

The exchange rate between the rupee and other currencies is variable and may continue to fluctuate in the future. Fluctuations in the exchange rates may affect the Company to the extent of Company export possibilities and cost of imported raw material being bought from overseas vendors for the Company's products.

Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since a part of its raw material will be purchased in foreign currency.

10) The Company is subject to risk arising from changes in interest rates and banking policy

11) Failure to comply with environmental laws, rules and regulations may adversely affect the business or operations of the Company.

12) Any downgrading of India's debt rating by an international rating agency could have a negative impact on the business and could materially affect the future financial performance, and the trading price of the equity shares.

13) Any disruption in supply of power, basic infrastructural facilities, telecom lines could adversely affect the business and production process of the Company or subject it to excess cost.

NOTES:

- i) Present Issue of 1,69,47,667 equity shares of Rs. 10/- each for cash at a premium of Rs. 20 per share aggregating Rs. 5084.30 lacs. Net Offer to Public is 103,38,860 equity shares of Rs.10/- each for cash at a premium of Rs. 20 Per share aggregating Rs. 3101.66 lacs of which 10,33,886 equity shares being 10% of the net offer to the public to be compulsorily allotted to QIBs.
- ii) The project has Rs. 5900 lacs as Term Loan from a consortium of four Banks details of which are provided on page 17 of the prospectus.
- iii) The Net worth of the Company as on 30th September 2005 is Rs.5143.61 lacs.
- iv) The Book Value per equity share of face value of Rs. 10/- each as on 30th September 2005 is Rs.29.37



- v) The average cost of acquisition of Equity Shares by the Promoters and Promoter Group is as below:

Particulars	No. of Shares	Average Cost (Rs)
Promoter:		
Suresh Kumar Patni	895,100	11.56
Sarita Patni	180,100	10.00
Rohit Patni	15,000	10.00
Ankit Patni	350,000	20.00
Invesco Finance Pvt. Ltd.	4,237,500	10.00
Suanvi Trading & Investment Co. Pvt. Ltd.	6,445,000	10.00
Poddar Mech-Tech Services Pvt. Ltd.	1,955,000	10.00
Promoter-Group:		
Vasupujya Enterprises Pvt. Ltd.	1,500,000	20.00
To be further contributed in the issue		
Promoters	3,558,807	30.00
Promoter Group	1,750,000	30.00
Average Cost of Acquisition		16.04

- vi) The Company has allotted further 740,000 equity shares to the Promoter & Promoter group at the rate of Rs.20/- per share after 31st March '2005.
- vii) Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 31 before making an investment in the issue.
- viii) Investors may note that in case of over subscription, the allotment shall be on proportionate basis and for details; reference may be made to the Para "Basis of Allotment" given on page 28 of this prospectus.
- ix) Investors may note that allotment and trading in shares of the Company shall be done only in dematerialized form.
- x) Investors are free to contact the Lead Managers and the Compliance Officer for any clarification or information, who will be obliged to attend the same.
- xi) The Company was incorporated as a Private Limited Company on April 07, 2000. On June 21, 2004, it got converted into Public Limited Company and consequently the name of the Company was changed from Rohit Ferro-Tech Private Limited to Rohit Ferro-Tech Limited. For further details please refer to the Chapter on "The History & Corporate Structure of Rohit Ferro-Tech Ltd." on Page 44.
- xii) The transactions with group companies during the last year, the nature of transactions and the cumulative value of the transactions involved has been indicated on page 70 under heading "Related Party transactions" of the Prospectus.
- xiii) The registered office of the issuer company is taken on lease from one of its promoters Mrs. Sarita Patni for Rs. 5000/- per month for a period of eleven months renewable for a further period with mutual consent.

II INTRODUCTION

1) SUMMARY

The Investor should read the following summary with the Risk Factors included from page numbers v to xvii and the more detailed information about the Company and the financial statements included in the prospectus.

The Industry

One of the most useful and versatile material, steel is considered to be the backbone of human civilization. Ferro-alloys are used in the manufacture of all grades of steel including stainless steel, alloy steel, castings and other engineering products. Ferro alloys are alloys of iron with a high proportion of elements such as manganese, silicon, chromium, and molybdenum. Each alloy is generally named after the added metal – for example, Ferro Chrome, Ferro Manganese, Ferro Silicon etc. Ferro alloys can be further classified as bulk and noble ferro alloys. India has one of the largest deposits of manganese ore and chrome ore in the world.

Growth of ferro alloy industry is directly linked to growth of stainless steel industry, which plays a very significant role in the development of both the industrial and construction sector of the country.

Steel Production in India (in Million Tonnes):

Year	Main Producers	Secondary Producers	Grand Total
1991-92	7.96	6.37	14.33
1992-93	8.41	6.79	15.20
1993-94	8.77	6.43	15.20
1994-95	9.57	8.25	17.82
1995-96	10.59	10.81	21.40
1996-97	10.54	12.18	22.72
1997-98	10.44	12.93	23.37
1998-99	9.91	13.91	23.82
1999-00	9.37	16.29	25.66
2000-01	9.70	17.26	26.96
2001-02	11.46	18.98	30.44
2002-03	14.39	19.29	33.68
2003-04	15.12	21.00	36.12

Business Overview

1. The Company is part of the eastern India based Impex Group having interest in Ferro Alloys, Sponge Iron and Steel.
2. Mr. Suresh Kumar Patni, Chairman Cum Managing Director of the Company, has more than two decades of experience in Ferro Alloys industry.
3. The Company has carved a niche market for itself, and is currently a significant producer of High Carbon Ferro Chrome. The plant situated at Bishnupur, Dist: Bankura, West Bengal has an installed capacity of 40,000 TPA of High Carbon Ferro Chrome.
4. The Company supplies High Carbon Ferro Chrome to leading Stainless Steel manufacturers in the country. The Company is regularly exporting High Carbon Ferro Chrome to overseas market, thereby netting valuable Foreign Exchange. The Export comprises over 40% of the total turnover of the Company during FY 05.
5. The Company has got One Star Export House status, which entails the Company an added advantage over it's competitor exporters in terms of additional incentives & simplified procedural formalities.
6. The Company is an ISO 9001:2000 certified Company which ensures that product is consistently within the specification parameters providing customers with reassurance and confidence.
7. The Company is setting up state-of-the-art 4 Nos. Submerged Electric Arc Furnace of 16.5 MVA each at Kalinganagar Industrial Complex, Jajpur, in the state of Orissa. The unit shall have installed capacity of 25,426 TPA of Silico Manganese, 52,124 TPA of Ferro Chrome and 35,947 TPA of Ferro Manganese.



THE ISSUE

Equity Shares offered:	
Present Issue	169,47,667 Equity Shares
Of which:	
Participation by Promoters and others	66,08,807 Equity Shares
Net Offer to the Public	103,38,860 Equity Shares
Qualified Institutional Buyers portion (10% of the net offer to public)	Minimum of 1,033,886 equity shares to be compulsorily subscribed and allotted
Non Institutional portion (40% of the net offer to public)	Not more than 41,35,544 Equity Shares (allocation on a Proportionate basis)
Retail portion (50% of the net offer to public)	At least 51,69,430 Equity Shares (allocation on a Proportionate basis)
In case of Under-subscription in the Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded. Under-subscription, if any, in the Non Institutional portion and Retail Portion shall be allowed to be met with spillover from the other categories, at the sole discretion of the Company and LMs.	
Equity Shares outstanding prior to the Issue	1,75,15,200 Equity Shares
Equity Shares outstanding after the Issue	3,44,62,867 Equity Shares
Use of proceeds	The net proceeds of the issue will be used by the Company for financing the proposed Project. For further details of the Object of the issue, refer to page 16.
<p>Corporate InformationThe Company was incorporated as Rohit Ferro-Tech Private Limited on April 07, 2000, under the Companies Act, 1956. The Company subsequently became a Public Company under the name of Rohit Ferro-Tech Limited with effect from 21st June 2004.</p> <p>Registered & Corporate Office: 35, Chittaranjan Avenue, 4th Floor, Kolkata-700 012, India Tel.: +91 33 22119805/06 Fax: +91 33 2225 6143, 2211 9834 E-mail: ipo@rohiferrotech.com Website: www.rohiferrotech.com</p> <p>Contact Person: Pramod Kumar Jain, VP-Finance, Company Secretary & Compliance Officer</p>	

Summary of Financial and Operating Information

The summary of financial and operating information presented below should be read in conjunction with the Financial Statements, the notes thereto included in the "Financial Statements" and "Management' Discussion and Analysis of Financial Condition and Results of Operations" on pages 61 and 85 respectively in the Prospectus.

Summary of Restated Profit and Loss account

Rs in Lacs

PARTICULARS	For the half-year ended	For the year ended				
	30.09.2005	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Income						
Sales						
Sales – Trading	–	–	0.12	0.33	–	–
Sales – Manufacturing Export	2,732.93	4,666.09	933.47	–	–	–
Domestic	4,225.58	5,456.83	2,456.10	–	–	–
Export Incentives	117.18	193.79	85.38	–	–	–
Sub Total	7,075.69	10,316.71	3,475.07	0.33	–	–
Other Income	39.30	40.74	6.87	–	–	–
Increase in Inventories	603.12	152.97	368.45	–	–	–
TOTAL INCOME	7,718.11	10,510.42	3,850.39	0.33	–	–
Expenditure						
Trading Purchases	–	–	0.12	0.29	–	–
Raw Materials consumed	3,436.98	3,680.09	1,033.34	–	–	–
Manufacturing expenses	2,070.43	3,266.20	1,679.11	–	–	–
Payments to and prov. for employees	45.03	61.11	19.64	–	–	–
Central Excise Duty	667.16	586.72	337.37	–	–	–
Administrative & Other Expenses	353.24	476.99	215.10	–	–	–
TOTAL EXPENDITURE	6,572.84	8,071.11	3,284.68	0.29	–	–
Net profit before interest, depreciation, Tax and extraordinary items	1,145.27	2,439.31	565.71	0.04	–	–
Interest	163.56	263.64	106.61	–	–	–
Depreciation	77.55	96.58	40.21	–	–	–
Net Profit before tax and Extraordinary Items	904.16	2,079.09	418.89	0.04	–	–
Provision for Taxation	76.08	169.50	26.53	0.02	–	–
Provision for Deferred Tax	34.59	101.64	60.87	–	–	–
Provision for FBT	1.08	–	–	–	–	–
Extraordinary items (net of tax)	–	–	–	–	–	–
Net Profit after Extraordinary Items as per audited Balance Sheet(A)	792.41	1,807.95	331.49	0.02	–	–
Adjustment on account of change in Accounting Policy (B)	–	–	–	–	–	–
Adjusted Profit & Loss (A-B)	792.41	1,807.95	331.49	0.02	–	–
Previous Year Surplus	2,139.46	331.51	0.02	–	–	–
Balance Carried to Balance Sheet	2,931.87	2,139.46	331.51	0.02	–	–



SUMMARY OF RESTATED ASSETS AND LIABILITIES

Rs in Lacs

Particulars	As At					
	30.09.2005	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Fixed Assets:						
Gross Block	3,654.91	2,583.09	1,891.16	53.10	–	–
Less: Depreciation	215.25	138.14	41.43	1.52	–	–
Net Block	3,439.66	2,444.95	1,849.73	51.58	–	–
Less: Revaluation Reserve	–	–	–	–	–	–
Net Block after adjustment for Revaluation Reserve	3,439.66	2,444.95	1,849.73	51.58	–	–
Capital work-in progress	1,495.15	1,385.50	396.70	901.02	–	–
Total Fixed Assets (A)	4,934.81	3,830.45	2,246.43	952.60	–	–
Investments (B)	–	–	–	–	–	–
Current Assets, loans and Advances:						
Inventories	2,132.08	2,686.96	1,286.15	–	–	–
Sundry Debtors	403.80	213.04	186.86	–	–	–
Cash & Bank Balances	431.64	431.61	247.21	83.31	0.01	0.05
Loans and Advances	4,301.45	1,767.46	454.27	335.46	–	–
Total (C)	7,268.97	5,099.07	2,174.49	418.77	0.01	0.05
Liabilities and Provisions:						
Secured Loans	4,201.15	2,583.83	1,558.60	622.17	–	–
Unsecured Loans	384.75	421.36	291.78	–	–	–
Current Liabilities and Provisions	2,277.17	1,888.56	878.80	105.77	0.01	0.01
Deferred Tax Liability	197.10	162.51	60.87	–	–	–
Total (D)	7,060.17	5,056.26	2,790.05	727.94	0.01	0.01
Net worth (A+B+C-D)	5,143.61	3,873.26	1,630.87	643.43	0.01	0.04
Represented by						
1. Share Capital (A)	1,751.52	1,626.12	1,305.62	601.42	0.02	0.02
2. Reserves	3,231.16	2,264.46	331.51	0.02	–	–
Less: Revaluation Reserve	–	–	–	–	–	–
Reserves (Net of Revaluation Reserves) (B)	3,231.16	2,264.46	331.51	0.02	–	–
Share Application Pending Allotment (C)	190.00	–	–	47.00	0.20	0.20
Miscellaneous Expenditure (D)	29.07	17.32	6.26	5.01	0.21	0.18
Net worth (A+B+C-D)	5,143.61	3,873.26	1,630.87	643.43	0.01	0.04

2) GENERAL INFORMATION



ROHIT FERRO-TECH LIMITED

Registered Office: 35,Chittaranjan Avenue, 4th Floor, Kolkata-700 012, West Bengal, India
Tel.: +91 33 22119805/06, **Fax:** +91 33 22256143, 22119834; **e-mail:** ipo@rohiferrotech.com
Website: www.rohiferrotech.com
Company Registration Number 21-91629 of 2000

BOARD OF DIRECTORS OF THE COMPANY

Name of the Director	Designation	Status
Mr. Suresh Kumar Patni	Chairman-cum-Managing Director	Executive Director
Mrs. Sarita Patni	Director	Non-Executive Director
Mr. Binit Jain	Executive Director	Executive Director
Mr. Kailash Chand Jain	Director	Non Executive Independent Director
Mr. Jayanta Chatterjee	Director	Non Executive Independent Director
Mr. Jatindra Nath Rudra	Director	Non Executive Independent Director

For details of Board of Directors, please refer Page 46 of this prospectus.

BRIEF DETAILS OF THE EXECUTIVE DIRECTORS

Mr. S. K. Patni, Chairman cum Managing Director

Mr. Suresh Kumar Patni, S/o of Shri Dharam Chand Patni, aged about 45 years, is the Chairman Cum Managing Director of the Company. He is a Commerce graduate and has wide experience of more than two decades in Ferro Alloy Industry. He has promoted Impex Metal & Ferro Alloys Pvt. Ltd. in 1991 to import & trade in ferro alloys; and Impex Ferro-Tech Limited in 1998 for manufacturing of Manganese based ferro alloys viz. Ferro Manganese & Silico Manganese. In 2002, he conceptualized to set-up another ferro alloy plant to manufacture High Carbon Ferro Chrome, and promoted RFTL. The Company started its operations in October 2003. He looks after the overall management of the Company.

Mr. Binit Jain, Executive Director

Mr. Binit Jain, S/o of Shri Vijay Kumar Jain, aged about 27 years, is an Executive Director of the Company. He is a commerce graduate and looks after the overall operations of the company's Bishnupur plant. He is associated with the Bishnupur Plant of the Company since its inception, and was instrumental in the overall commissioning of the Plant. Having rich experience of setting up the existing plant at Bishnupur, he is also actively involved in the setting up of the Ferro Alloy Plant at Jajpur, Orissa.

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Pramod Kumar Jain
Rohit Ferro-Tech Limited

35,Chittaranjan Avenue,
 4th Floor, Kolkata-700 012, India
 Tel.: (033) 22119805/9806/9729
 Fax: (033) 22256143/22119834
 Email: ipo@rohiferrotech.com
 Website: www.rohiferrotech.com

Note: Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment/share certificates/credit of securities in depositories beneficiary account/refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.



REGISTRAR TO THE ISSUE



MAHESHWARI DATAMATICS PVT. LTD

6, Mangoe Lane, 2nd Floor,
Kolkata – 700 001
Tel: 91-33-2243-5029/5809, 2248-2248
Fax: 91-33-2248-4787
E-mail: mdpl@cal.vsnl.net.in

LEGAL ADVISOR TO THE ISSUE

B. K. JAIN

Solicitor & Advocate
6-A, Kiran Sankar Roy Road
Kolkata-1
Tel: 91-33-2248-3457/6660
Fax: 91-33-2248-7695
E-mail: sansony@vsnl.net, sansony@eth.net

AUDITORS

M/s. S. Jaykishan
Chartered Accountants
12, Ho Chin Minh Sarani
Suit No.2d and 2E 2nd floor
Kolkata: - 700 071
Tel: 91-33-2282-4942/4974
Fax: 91-33-2282-3424
E-mail: info@sjaykishan.com

BANKERS TO THE ISSUE

HDFC Bank Ltd.

"Central Plaza"
2/6, Sarat Bose Road,
Kolkata- 700 020
Tel: 91-33-24858360
Fax: 91-33-2485 8383
E-mail: preetti.sharma@hdfcbank.com

The Hongkong and Shanghai Banking Corporation Limited

Hongkong House,
31, BBD Bagh
Kolkata -700 001
Tel: 91-33-2243-8585
Fax: 91-33-2248-5686
Email: kunalwadhwa@hsbc.co.in

BANKERS TO THE COMPANY

State Bank Of India

N.S. Road Commercial Branch
8, N.S. Road Branch.
Kolkata-700001.
Tel: 91-33-2242-0452
Fax: 91-33-2242-0450
E-Mail: sbi.04125@sbi.co.in

State Bank of Travancore

Lake Market Branch
91, Rash Behari Avenue
Kolkata- 700 026
Tel: 91-33-2464 3138
Fax: 91-33-2466-8956
E-Mail: lakemarket@sbt.co.in

State Bank of Hyderabad

113, Park Street, Poddar Point
Park Street Branch
Kolkata-700 016
Tel: 91-33-2229-8694/8697
Fax: 91-33-2229-1090
E-Mail: sbhprkcal@sify.com

United Bank of India

Old Court House Street Branch
11, Hemanta Basu Sarani,
Kolkata- 700 001
Tel: 91-33-2248-6285
Fax: 91-33-2248-2549
E-Mail: utbihoc@vsnl.com

APPRAISING AGENCIES

All the four Bankers to the Company have appraised the project. For details please refer Bankers to the Company.

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

LEAD MANAGERS (LMs)



MICROSEC CAPITAL LIMITED

Azimganj House, 2nd Floor
7, Camac Street,
Kolkata-700 017
Ph: +91-33-22829330
Fax: + 91-33- 22829335
E-Mail: rohitipo@microsec.co.in
Contact person: Mr. Kamlesh Agarwal



KARVY INVESTOR SERVICES LTD

46, Avenue-4, Street No.1
Banjara Hills, Hyderabad – 500 034
Tel: (040) 23312454, 23320251-53
Fax: (040)-23374714
E-mail: mbd@karvy.com
Contact person: Mr. T.R. Prashanthkumar

(Hereinafter jointly referred to as the LMs)



Allotment of inter- se Allocation of Responsibility

The responsibilities and co-ordination for various activities in this Issue to be carried out by the LM and the LMs are as under:

Particulars	Responsibility	Coordinator
1 Capital structuring with the relative components and formalities such as type of instruments.	MCL/KARVY	MCL
2 Due diligence of the Company's operations/management/business plans/legal etc. Drafting and design of the Draft Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The LM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same including finalization of Prospectus and RoC filing of the same.	MCL/KARVY	MCL
3 Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, road show presentations, FAQs, corporate films etc.	MCL/KARVY	MCL
4 Appointment of other intermediaries viz. Registrar, Printers, Advertising Agency and Bankers to the Issue.	MCL/KARVY	MCL
5 Institutional Marketing of the Issue, which will cover, inter alia, Finalize the list and division of investors for one to one meetings; and Finalize road show schedule and investor meeting schedules	MCL/KARVY	KARVY
6 Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia, Formulating marketing strategies, preparation of publicity budget; Finalise Media & PR strategy; Finalise centres for holding conferences for brokers etc.; Finalise collection centres; and Follow-up on distribution of publicity and issue material including form, prospectus and deciding on the quantum of the Issue material.	MCL/KARVY	KARVY
7 The post activities including management of accounts coordinate non-institutional allocation, intimation of allocation and dispatch of refunds to applicants etc. The post issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	MCL/KARVY	MCL

IPO GRADING

The Company has not opted for grading of the Issue.

CREDIT RATING

This being an Issue of Equity Shares, credit rating is not required.

TRUSTEE

This being an Issue of Equity Shares, appointment of Trustee is not required.

MONITORING AGENCY

The Company has appointed State Bank of India to monitor the utilization of funds.

UNDERWRITING

As the underwriting being optional, the Company does not propose to underwrite the issue.

3) CAPITAL STRUCTURE

	Particulars		Nominal Value (Rs in lacs)	Aggregate Value (Rs in lacs)
A.	AUTHORISED CAPITAL			
	40,000,000	Equity shares of Rs 10/-each	4,000.00	4,000.00
B.	ISSUED, SUBSCRIBED AND PAID UP			
	17,515,200	Equity Shares of Rs 10/- each <i>(Out of which, 20,15,000 Equity Shares of Rs.10/- had been issued at a premium of Rs.10/- and 4,89,000 Equity Shares at a premium of Rs.20/-)</i>	1,751.52	2,050.82
C.	PRESENT ISSUE			
	16,947,667	Equity Shares of Rs 10/- each	1,694.77	5,084.30
D.	OUT OF WHICH			
	6,608,807	Equity shares of Rs 10/- each to be issued to promoters, directors, friends, relatives and associates before the issue.	660.88	1,982.64
E.	NET OFFER TO THE PUBLIC			
	103,38,860	Equity shares of Rs.10/- each	1033.89	3,101.66
F.	OUT OF WHICH			
	1,033,886	10% to be compulsorily to allotted to QIBs	103.39	310.17
	9,304,974	Remaining to all other categories of Public	930.50	2,791.49
G.	EQUITY CAPITAL AFTER OFFER			
	34,462,867	Equity Shares of Rs 10/- each	3,446.29	7,135.12
H.	SHARE PREMIUM ACCOUNT			
	Before the Issue			299.30
	After the Issue			3,688.83

Notes forming part of the Capital Structure

1. Details of the Increase in Authorised Capital

The following is the increase in the share capital of the Company, which has taken place during the tenure of the Company:

SI No.	Particulars of Increase	Date of the resolution being passed
1.	Rs.10 lacs	On Incorporation
2.	From Rs. 10 lacs to Rs.1 Crore	13-May-2002
3.	From Rs.1 Crore to Rs.3Crores	17-June-2002
4.	From Rs.3 Crores to Rs.5 Crores	26-Aug-2002
5.	From Rs.5 Crores to Rs.8 Crores	04-Feb-2003
6.	From Rs.8 Crores to Rs.9.5 Crores	18-Sep-2003
7.	From Rs.9.5 Crores to Rs.13.5 Crores	03-Mar-2004
8.	From Rs.13.5 Crores to Rs. 16 Crores	04-Sep-2004
9.	From Rs.16 Crores to Rs. 20 Crores	27-Dec-2004
10.	From Rs 20 Crores to Rs 40 Crores	31- Mar 2005



2. The existing share capital of the Company has been subscribed and allotted as under:

Date of Allotment/ fully paid up	No. of equity shares	Cumulative No. of shares	Face Value (Rs)	Issue Price (Rs)	Consi-deration	Reasons for allotment	Cumulative securities Premium Account	Cumulative Paid -up capital
07-Apr-00	200	200	10	10	Cash	Subscribers to the Memorandum	–	2,000
20-Aug-02	27,44,000	2,744,200	10	10	Cash	Further Allotment	–	27,442,000
17-Feb-03	32,70,000	6,014,200	10	10	Cash	Further Allotment	–	60,142,000
24-Apr-03	9,20,000	6,934,200	10	10	Cash	Further Allotment	–	69,342,000
19-May-03	7,85,000	7,719,200	10	10	Cash	Further Allotment	–	77,192,000
28-Mar-04	53,37,000	13,056,200	10	10	Cash	Further Allotment	–	130,562,000
06-Sep-04	19,55,000	15,011,200	10	10	Cash	Further Allotment	–	150,112,000
29- Mar-05	12,50,000	16,261,200	10	20	Cash	Further Allotment	12,500,000	162,612,000
05- May-05	765,000	17,026,200	10	20	Cash	Further Allotment	20,150,000	170,262,000
16- May-05	489,000	17,515,200	10	30	Cash	Further Allotment	29,930,000	175,152,000

3. Promoter Contribution and Lock In

Date of allotment/ purchase	Consideration	No. of Shares	Face Value	Issue Price/ Transfer Price	% of post issue capital	Lock In Period
7-Apr-00	Cash	200	10	10	0.00%	1 year
20-Aug-02	Cash	2,240,000	10	10	6.50%	1 year
17-Feb-03	Cash	3,270,000	10	10	9.49%	1 year
24-Apr-03	Cash	890,000	10	10	2.58%	1 year
19-May-03	Cash	715,000	10	10	2.07%	1 year
28-Mar-04	Cash	2,208,734	10	10	6.41%	1 Year
28-Mar-04	Cash	1,378,766	10	10	4.00%	3 Years
6-Sep-04	Cash	1,955,000	10	10	5.67%	3 years
29-Mar-05	Transfer	330,000	10	10	0.96%	1 year
5-May-05	Transfer	600,000	10	10	1.74%	1 year
5-May-05	Cash	490,000	10	20	1.42%	1 year
To be Allotted	Cash	3,558,807	10	30	10.33%	3 years
		17,636,507			51.18%	

Note: All ineligible shares as per Clause 4.6 of SEBI DIP Guidelines have been locked in for 1 year and shares eligible for contribution of 20% shares to be brought in by the promoters shall be locked in for 3 years. The lock in period shall commence from the date of allotment of shares in the public issue or commencement of commercial production whichever is letter.

ROHIT FERRO-TECH LIMITED

Promoters' Contribution and lock-in period in respect of promoters whose name appears in the prospectus as promoters in the paragraph on "Promoters and their background":

Details of aggregate shareholding of the promoters

SL no.	Date of allotment/purchase	Consideration	No.of Shares	Face Value	Issue Price/ Transfer Price	% of post issue capital	Lock In Period
	Name						
1	Suresh Kumar Patni						
	7-Apr-00	Cash	100	10	10	-	1 year
	20-Aug-02	Cash	5,000	10	10	0.01%	1 year
	29-Mar-05	Transfer	150,000	10	10	0.44%	1 year
	5-May-05	Cash	140,000	10	20	0.41%	1 year
	5-May-05	Transfer	600,000	10	10	1.74%	1 year
	To be Allotted	Cash	125,000	10	30	0.36%	3 years
	Sub-total		1,020,100			2.96%	
2	Sarita Patni						
	7-Apr-00	Cash	100	10	10	-	1 year
	29-Mar-05	Transfer	180,000	10	10	0.52%	1 year
	To be Allotted	Cash	500,000	10	30	1.45%	3 years
	Sub-total		680,100			1.97%	
3	Rohit Patni						
	20-Aug-02	Cash	15,000	10	10	0.04%	1 year
	To be Allotted	Cash	500,000	10	30	1.45%	3 years
	Sub-total		515,000			1.49%	
4	Ankit Patni						
	5-May-05	Cash	350,000	10	20	1.02%	1 year
	To be Allotted	Cash	33,807	10	30	0.10%	3 years
	Sub-total		383,807			1.12%	
5	Invesco Finance Pvt Ltd						
	20-Aug-02	Cash	70,000	10	10	0.20%	1 year
	17-Feb-03	Cash	130,000	10	10	0.38%	1 year
	24-Apr-03	Cash	100,000	10	10	0.29%	1 years
	19-May-03	Cash	350,000	10	10	1.02%	1 years
	28-Mar-04	Cash	2,208,734	10	10	6.41%	1 years
	28-Mar-04	Cash	1,378,766	10	10	4.00%	3 years
	To be Allotted	Cash	800,000	10	30	2.32%	3 years
	Sub-total		5,037,500			14.62%	
6	Poddar Mech Tech Services (P) Ltd						
	6-Sep-04	Cash	1,955,000	10	10	5.67%	3 years
	To be Allotted	Cash	1,500,000	10	30	4.35%	3 years
	Sub-total		3,455,000			10.02%	
7	Suanvi Trading & Investment Co Pvt Ltd						
	20-Aug-02	Cash	2,150,000	10	10	6.24%	1 year
	17-Feb-03	Cash	3,140,000	10	10	9.11%	1 year
	24-Apr-03	Cash	790,000	10	10	2.29%	1 year
	19-May-03	Cash	365,000	10	10	1.06%	1 year
	To be Allotted	Cash	100,000	10	30	0.29%	3 years
	Sub-total		6,545,000			18.99%	
	TOTAL (A)		17,636,507			51.18%	



The details of the aggregate shareholding of the Promoter Group

SL no.	Date of allotment/purchase	Name	Consideration	No.of Shares	Face Value	Issue Price	% of post issue capital	Lock In Period
1		Vasupujya Enterprises Pvt Ltd						
	29-Mar-05		Cash	1,250,000	10	20	3.63%	1 year
	05-May-05		Cash	250,000	10	20	0.73%	1 year
	To be Allotted		Cash	1,750,000	10	30	5.08%	1 year
	Total (B)			3,250,000			9.43%	
	Grand Total (A + B)			208,86,507			60.61%	

Total number of shares required to be locked in for 3 years is calculated as follows:

68,92,573 equity shares brought in (along with to be brought-in) by the promoters being 20% of the post issue equity share capital of 344,62,867 equity shares will be locked in for a period of 3 years.

Note: The lock in period shall commence from the date of allotment of shares in the public issue or commencement of Commercial Production whichever is later.

Shares held by persons other than the promoters, prior to Initial Public Offering, which are subject to lock in as per extant SEBI (DIP) Guidelines, may be transferred to any other person holding shares which are locked in, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

Shares held by the promoter(s) which are locked in as per the relevant provisions of Chapter IV of the SEBI (DIP) Guidelines, may be transferred to and amongst promoter/promoter group or to a new promoter or persons in control of the Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

The entire pre-issue capital, other than that locked-in as promoter's contribution, shall be locked-in for a period of One year from the date of allotment in the present issue, or the date of Commercial Production, whichever is later.

Shares to be issued on firm allotment basis to non – promoters shall be locked –in for a period of one year from the date of commencement of commercial production or the date of allotment in the public issue which ever is later.

4. The following Directors of Promoters where promoter is a Company hold shares in the Company as follows.

Details of the holding of Directors of the Promoting Companies in the Issuer Company

	No. Of Shares
Suanvi Trading & Investment Co. Pvt. Ltd.	
Mr. Suresh Kumar Patni	895100
Mrs. Sarita Patni	180100
Poddar Mech Tech Services Pvt. Ltd.	
Mr. Suresh Kumar Patni	895100
Mrs. Sarita Patni	180100
Invesco Finance Pvt. Ltd.	
Mr. Suresh Kumar Patni	895100
Mrs. Sarita Patni	180100

5. The following Equity Shares have been purchased or sold by the promoter or any director of promoter where promoter is a Company during a period of six months preceding the date on which the prospectus is filed with the Board.

Name of Shareholder	Date of Purchase/ Transfer	No of Shares	Price paid per Share
Suresh Kumar Patni	05-May-2005	600000	10

6. The promoters' contribution which has been brought-in is not less than the specified minimum lot of Rs.25,000/- per application from each individual and Rs.1,00,000/- from companies.

7. Equity Shares held by top 10 shareholders

The top ten shareholders and the Equity shares held by them on the date of filing the prospectus with ROC are as follows:

SI No	Name of Shareholder	No of shares
1	Suanvi Trading & Investment Co Pvt Ltd	6,445,000
2	Invesco Finance Pvt Ltd	4,237,500
3	Poddar Mech Tech Services (P) Ltd	1,955,000
4	Vasupujya Enterprises Pvt Ltd	1,500,000
5	Panchmukhi Agro-Chem Pvt Ltd	1,419,500
6	Suresh Kumar Patni	895,100
7	Ankit Patni	350,000
8	Sarita Patni	180,100
9	Rochak Distributors Pvt. Ltd.	100,000
10	Shreenath Invest Pvt. Ltd.	35,000

The top ten shareholders and Shares held by them ten days prior to the date of filing the prospectus with ROC are as follows:

SI No	Name of Shareholder	No of shares
1	Suanvi Trading & Investment Co Pvt Ltd	6,445,000
2	Invesco Finance Pvt Ltd	4,237,500
3	Poddar Mech Tech Services (P) Ltd	1,955,000
4	Vasupujya Enterprises Pvt Ltd	1,500,000
5	Panchmukhi Agro-Chem Pvt Ltd	1,419,500
6	Suresh Kumar Patni	895,100
7	Ankit Patni	350,000
8	Sarita Patni	180,100
9	Rochak Distributors Pvt. Ltd.	100,000
10	Shreenath Invest Pvt. Ltd.	35,000

The top ten shareholders and shares held by them two years prior to the date of filing the prospectus with ROC are as follows:

SI No	Name	No of Shares
1.	Suanvi Trading & Investment Co Pvt Ltd	64,45,000
2.	Invesco Finance Pvt Ltd	6,50,000
3.	Panchmukhi Agro-Chem Pvt Ltd	70,000
4.	Sweety Prahladka	61,000
5.	Banthia Fintrade Pvt Ltd	50,000
6.	Glorious Traders Pvt Ltd	50,000
7.	Rekhakunj Pvt Ltd	50,000
8.	Vijay Fin trade Pvt Ltd	50,000
9.	Pramod Kumar Agarwal	45,000
10.	Sweety Trade & Agency Pvt Ltd	44,000
11.	Asha Trade Comm. Pvt Ltd	30,000
12.	Candid Electronics	25,000
13.	Nuwad Sales Pvt Ltd	25,000
14.	Pichu Sleepers Pvt Ltd	25,000
15.	Sumeet Trading Pvt Ltd	25,000
16.	Veena Fiscal Services Pvt Ltd	20,000



8. Shareholding Pattern

The Pre-issue and Post-issue share holding pattern of the Promoters and Promoter group is as under:

	Pre-issue		Post-Issue	
Promoter:				
Suresh Kumar Patni	895,100	5.11%	1,020,100	2.96%
Sarita Patni	180,100	1.03%	680,100	1.97%
Rohit Patni	15,000	0.09%	515,000	1.49%
Ankit Patni	350,000	2.00%	383,807	1.11%
Invesco Finance Pvt. Ltd.	4,237,500	24.19%	5,037,500	14.62%
Suanvi Trading & Investment Co. Pvt. Ltd.	6,445,000	36.80%	6,545,000	18.99%
Poddar Mech-Tech Services Pvt. Ltd.	1,955,000	11.16%	3,455,000	10.03%
Sub-Total (a)	14,077,700	80.37%	17,636,507	51.18%
Promoter-Group:				
Vasupujya Enterprises Pvt. Ltd.	1,500,000	8.56%	3,250,000	9.43%
Sub-Total (b)	1,500,000	8.56%	3,250,000	9.43%
Promoter & Promoter Group total Shareholding				
(a+b) = (A)	15,577,700	88.94%	20,886,507	60.61%
Non-Promoters	1,937,500	11.06%	3,237,500	9.39%
QIBs	–	–	1,033,886	3.00%
Other Public Category	–	–	9,304,974	27.00%
Sub-Total (B)	1,937,500	11.06%	13,576,360	39.39%
Grand Total [A+B]	17,515,200	100.00%	34,462,867	100.00%

As on the date of this prospectus, there are no outstanding warrants, options or right to convert debentures, loans or other financial instruments into Equity Shares

Note:

- Neither the Company, its promoters, its directors, nor the LMs have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company offered through this prospectus.
- The Company has not raised any bridge loan from any Bank against the proceeds of this issue.
- There is no Employee Stock-Option Scheme or Plan as on date.
- The securities offered through this public issue will be made fully paid up.
- The Company undertakes that it shall not make further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, or public issue or otherwise during the period commencing from the submission of offer document to the Board on behalf of the Company for this public issue, till the securities offered to in the said document have been listed or the application moneys refunded on account of non-listing or under-subscription, etc
- The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the issue, by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that the Company may issue options to its employee pursuant to any employee stock option plan, or if the Company goes for acquisitions and joint ventures it might consider raising additional capital to fund such activity or use share as currency for acquisition and/or participation in such joint venture.
- The Company has not issued any Equity shares out of revaluation reserves or for consideration other than cash.

8. At any given point of time, there shall be only one denomination for the Equity Shares of the Company and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
9. The Company has 40 (forty) members as on the date of filing of the prospectus with SEBI.
10. There are no transactions in the securities of the Company during preceding 6 months which were financed directly or indirectly by the promoters, their relations, their group Companies or associates or by the above entities directly or indirectly to other persons.
11. The shareholders of the Company do not hold any warrant, option or convertible loan or any debentures, which would entitle them to acquire further shares of the Company.
12. Written consent for lock-in has been obtained from the persons whose shares form part of promoters' contribution and form part of lock in.
13. The equity shares to be held by the promoters, their relatives & associates under the lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, inter se transfers between the promoters themselves as such would be permitted, provided that the requirement of lock-in period guidelines continues to apply, to the extent initially prescribed.
14. The locked-in equity shares held by the promoters can be pledged only with Banks/Financial Institutions, provided the pledge of shares is one of the terms of sanction letter.
15. Applications should be for minimum of 200 Equity Shares and in multiples of 200 Equity Shares hereafter. In case of reserved categories, a single applicant can make an application for that number of Equity Shares that exceeds the reservations
16. An applicant in the net public category cannot make an application for a number of securities, which exceeds the net offer to the Public.
17. In case of Under-subscription in the Qualified Institutional Buyers portion (i.e. subscription less than 10% mandatory of the net offer to the public), the same shall not be available to other categories and full subscription monies shall be refunded.
18. Further, spill over from QIBs' category, shall, at the sole discretion of the Company in consultation with the Lead Managers, be allowed to meet under-subscription, if any, in categories for Non-Institutional Investors and Retail Individual Investors. Also, unsubscribed portion in either of Non-Institutional Investors or Retail Individual Investors category shall be added to the other category interchangeably.



4) OBJECTS OF THE ISSUE

The net proceeds of this Issue after deduction of Issue Management fees, Selling fees and all other Issue related expenses payable by the Company is estimated at Rs. 4834.30 lacs. The Company intends to utilize the entire net proceeds of this Issue towards part funding of the proposed Ferro Alloy project at Jajpur, Orissa. In case of surplus if any, the same shall be utilised for meeting the need-based working capital requirement of the Company.

The Main Objects of the issue are:

- A. To Part-finance the installation of four Submerged Arc Furnace of 16.5 MVA each along with other allied facilities like raw material handling system, Briquetting plant, substation for receiving power, pollution control equipments and facilities for Research and Development etc for manufacturing High Carbon Ferro Chrome, Silico Manganese and Ferro Manganese.
- B. To meet additional Capital Expenditure.
- C. To meet the Public Issue related expenses and list the shares on BSE and NSE.

The main object clause along with the other object clauses of the MOA enable the Company to undertake the activities for which the funds are being raised in the present issue.

FUNDING REQUIREMENT

The break up of the various objects under the various heads has been estimated as under:

(Rupees in lacs)

Sl. No.	Particulars	Total	Total
A: Ferro Alloy Plant at Jajpur, Orissa (As appraised by the Bank)			
	a) Land & Site Development	367.10	
	b) Building & Civil Construction	1395.55	
	c) Plant & Machinery	1183.14	
	d) Misc Fixed Assets	3823.26	
	e) Technical Consultancy Fees	30.00	
	f) Preliminary expenses	72.06	
	g) Pre operative Expenses	766.94	
	h) Contingencies	727.09	
	Capital Cost	8365.14	
	Margin For Working Capital	1668.85	
	Sub-total		10034.00
B: Additional Capital Expenditure			
	a) Long-term deposit to GRIDCO for Power	700.00	
	b) Spare parts and Accessories for Furnaces, Power Pack Hydraulic equipments and Electrical Installations including Line drawing charges from the utility's Bay to the project site.	550.00	
	c) General Corporate Purposes	152.12	1402.12
C: Public Issue Expenses and listing at BSE and NSE			250.00
	GRAND TOTAL (A+B+C)		11686.12

MEANS OF FINANCE

The Project is proposed to be funded from Promoter's contribution, Private Placement of equity shares, Public Issue and term loans from Banks/Financial Institutions.

The proposed means of the finance for the Project is as under:

(Rs in Lacs)

Particulars	Amount	Amount
A. Equity		
Promoter's Contribution (already allotted)		701.82
Offer through this Prospectus		
a) Contribution by promoters, friends, relatives, associates and others (in the issue)	1,982.64	
b) Public Issue	3,101.66	5,084.30
Total Equity (A)		5786.12
Term Loan from Banks (B)		5,900.00
Total project Cost (A+B)		11,686.12

Equity

The total equity requirement for the Project is projected at Rs.5634 lacs. This is proposed to be funded as follows:

Contribution by promoters and its group

The promoters along with their group & others has already brought in about Rs.701.82 lacs as on 15th June, 2005 through subscription to 1,521,200 equity shares of Face Value of Rs.10 each at par; 2,015,000 equity shares of Face Value of Rs.10 each at a premium of Rs.10 and 489,000 equity shares of Face Value of Rs.10 each at a premium of Rs.20 each. For details of the contribution by promoter group and others please refer to the note 3 to Capital Structure on page 9 of this Prospectus. Further, till 3rd of February, the promoters with their group & others have brought-in Rs.964.80 lacs as share application money out of Rs.1982.64 lacs towards their Contribution in this issue.

Public Issue

The Company proposes to use net proceeds of the issue for funding its proposed Projects and for meeting its long-term working capital requirement.

Term Loan and Working capital

The details of the term loan and working capital loans sanctioned are as follows:

The entire debt component of the proposed project has been already tied up and the details of the various term loans sanctioned and disbursed by the Banks to the Company upto 03.02.2006 are as follows:

Term Loan sanctioned by Banks:

Rs. In Lacs

Name of Bank	Amount Sanctioned	Date of Sanction	Amount Disbursed till 03.02.2006
State Bank of India	1250	10.06.2005	675.39
United Bank of India	2650	22.06.2005	1038.78
State Bank of Travancore	1000	29.06.2005	684.11
State Bank of Hyderabad	1000	01.07.2005	539.02
Grand Total	5900		2937.30



Working Capital Loans Sanctioned by Banks

The total fund based and non-fund based limits sanctioned to the Company and their outstanding position as on 3rd February 2006 is given below:

Rs in Lacs

Name of Bank	Amount Sanctioned	Date of Sanction	Balance as on 03.02.2006
United Bank of India (cash Credit)	1550	22.06.2005	Nil
United Bank of India (LC/BG)	1200	22.06.2005	Nil
State Bank of Travancore (Cash Credit)	1000	29.06.2005	Nil
State Bank of Travancore (LC/BG)	1000	29.06.2005	Nil
Grand Total	4750		Nil

For major terms and conditions of Term Loan and Working Capital, please refer to Page 73 under the heading “*Principal Terms of Loan and Assets charged as security*”

Undertaking By the Issuer Company

The Company hereby confirms that firm arrangements of finance through verifiable means towards 100% of the stated means of Finance, excluding the amount to be raised through the proposed public issue have been made.

APPRAISAL

State Bank of India, United Bank of India, State Bank of Hyderabad, and State Bank of Travancore have appraised the project and sanctioned loans to the Company and have given their appraisal reports and their consent for their name being included in the prospectus and for their name being included as appraising agencies and for their appraisal report being used in this document.

The appraisal report given by the various banks in regard to the above issue is listed as under:

Name of the Bank	Amount of Term Loan Sanctioned	Date of Appraisal Note
State Bank of India	1250	25 th April, 2005
United Bank of India	2650	7 th June, 2005
State Bank of Hyderabad	1000	2 nd , June, 2005
State Bank of Travancore	1000	31 st May, 2005

The salient points and the areas of strength and weaknesses as mentioned in the Appraisal reports have been reproduced below:

1. STATE BANK OF INDIA:

SWOT ANALYSIS

The only critical factor, which might affect the financials of the Company, is cost of power. The power cost is about 40% of the cost of production.

The Company has entered into a contract with Northern Electric Supply Corporation (NESCO) for supply of power at Rs. 2.06 per unit for a period of 5 years and thereafter it will continue until either of the parties gives notices of discontinuances of the agreement. The rate will be the lowest available to any bulk consumer in the eastern region.

2. STATE BANK OF TRAVANCORE

Critical risk factors:

1. The success of ferro alloys units depends upon the fortunes of the steel industry. The steel industry has a high degree of cyclicality. Till recently, the industry was passing through the demand recession. Weak demand, high domestic production and cheaper imports may adversely affect the small players.
2. A major factor which might affect the financials of the Company is cost of power. The power cost is about 40% of the cost of production.

Mitigation:

The group has been in the marketing of Ferro Alloy products for quite a long time and has established a steady market for its products. The Company has been able to export over 40% of its production in 2004-05. With large-scale capacity addition taking place in the steel industry, the demand for Ferro alloys are bound to increase.

The Company has entered into a contract with Northern Electricity Supply Corporation, (NESCO) for supply of power at Rs 2.06 per unit for a period of 5 years and thereafter it will continue until either of the parties gives notice of discontinuance of the agreement.

3. UNITED BANK OF INDIA:

SWOT ANALYSIS

Strengths:

1. The promoters have satisfactory experience in the proposed line of activity and their existing manufacturing unit at Bankura is not only running profitably but also undergoing expansion of capacity.
2. The location of the proposed project at Jajpur, Orissa will facilitate easy availability of raw materials and will also save freight costs considerably. Further, the designated industrial area where the proposed plant will be set up have adequate infrastructure facilities.
3. The proposed project has a low capital-gearing ratio, which may help it to withstand adverse market fluctuation.

Weakness:

There is no apparent weakness in the proposed project except its dependence on the cyclic nature of the steel industry.

Opportunities:

1. The rate of growth in domestic demand of ferro chrome is estimated at around 5% per annum and with a gap in demand & supply, as mentioned above and the Company's prospects appears to be satisfactory.
2. The ferro alloys have considerable export potential.

Threats:

The cyclic nature of the steel industry may pose a threat to the Company in future apart from competition from the existing players in the market.

A. DETAILS OF THE PROJECT FOR SETTING UP THE FERRO ALLOY PLANT

The Company is setting up four furnaces of 16.5 MVA each to manufacture Ferro Alloys as mentioned below:

Products	Capacity
Silico Manganese Furnace	25,426 TPA
Ferro Chrome Furnace	52,124 TPA
Ferro Manganese Furnace	35,947 TPA

a) Land & Site Development

The project is being set up at Kalinganagar Industrial Complex (Growth Centre) Mouza Duburi, Sukhinda tehsil, District: Jajpur, in the state of Orrisa. The unit shall have an installed capacity of 25,426TPA of Silico Manganese, 52124 TPA of Ferro chrome and 35,947 TPA of Ferro Manganese. IDCO has allotted 50 acres of land to the Company on 84 years lease with the right to mortgage the same in favour of Banks and Financial Institutions. Internal roads measuring 5000sq.mt are envisaged for the plant to be built within the factory for the effective movement of raw material and finished goods. The site also has within its periphery a boundary wall of 6750 running feet, 50 nos of compound lighting, sewerage system, hydrant tanks, water pumps etc. Cost of the land have been taken at actual consideration price paid of Rs 115 lacs to IDCO. Legal expenses have to be incurred for land registration etc that is estimated at Rs.16.10 lacs. Cost of site development has been assessed at Rs.236 lacs. The total cost of land and site development works out at Rs.367.10 lacs.

b) Building & Civil Construction

The buildings and other civil work comprise of steel structures of welded construction like main furnace bays, main working platform, charging platform, electrode handling area, top floor winch mechanism, casting and tapping bay, finished goods stripping storage shed, raw material storage charging shed and platform etc. Apart from these, there are



also some RCC brick construction, which include LT Rooms, Substations, Pump Room, Compressor Room, and Battery Room, Water treatment Plant etc. The total estimated cost of the Building & Structures is Rs.1395.55 lacs as per the estimates of chartered engineers.

c) Details for Civil & Structural

SI.No	Description	Unit rate (Rs.)	Estimated Cost (Rs. In lacs)
1	Security cum Time Office – 40 sq M	5000.00	2.00
2	Weigh Bridge With Room – 40 sq M	5000.00	2.00
3	D.G Set LT Room – 400 sq M	3000.00	12.00
4	Office Building With Guest Room Facility 2000Sq M	5000.00	100.00
5	Bore Well including Sub Mercible Pump etc.		5.00
6	Pump House with softening Plant 300Sq M	3500.00	10.50
7	Water Storage Pump Reservoir For Raw & Clean Water 500Cu.M	3500.00	17.50
8	Overhead Emergency Water Tank (Steel Fabricated) 4.Nos		8.00
9	Finished Material (lean shed) Shed with 7"Thk R.C.C & Steel Structural 3000 Sq.M	3000.00	90.00
10	Raw Material Shed 25mx75 m =1875 Sq.M- 3Nos	3000.00	168.75
11	Crane Bay Area With gantry height at 15m for 25T crane. 3000Sq.m	3500.00	105.00
12	Auxiliary Room 6m x 10m =60sq M R.C.C Double story	4000.00	4.80
13	Furnace Shed 5 floors including ground floor20mx120 m =2400 Sqm per floor Steel Structure and R.C.C floor Total Sq.M 12000	7000.00	840.00
14	Shell Foundation 300 Sq.M	LS	20.00
15	Other Machinery Foundations	LS	10.00
	TOTAL		1395.55

d) Plant & Machinery

The plant and machinery which is to be installed in the project consist of four numbers of 16.5 MVA submerged electric arc furnaces including electrode clamping and slipping device, electrode contact clamps, terminal connecting castings, copper flexible cables, tapping gun assembly. The entire furnace will be fabricated at the site itself and shall also include smoke hood, suspension mantle, chimney, cooling cylinders etc all of which would be fabricated. The other major machinery and copper bus tubes, first set of refractory, copper bus bars, hydraulic power pack and cylinders.

The total cost of the plant and machinery has been estimated at Rs.1183.14 lacs including excise and tax, freight and insurance and the cost of erection and commissioning.

Orders placed, but Machinery not received:

(Amount in lacs)

Sl. No	Particulars	Qty (Sets)	Total Value (Estimated)	Name of the Supplier	Qty (Sets)	Amount of Order	Date of Order	Expected Completion Date
1	Electrode clamping and Slipping Device Fabricated Out Of MS Structural Material excluding HYD.Cylinders with necessary valves, power pack and field piping (3.Nos Per Furnace)	4	18.01	M/s. Ghalsasi Engineering Systems Pvt. Ltd., Pune (On turnkey Basis)	4	679.02	01-07-05	10-03-06
2	Electrode contact clamp duly machined along with pressure ring, cooling arrangement etc. (3Nos.per furnace)	4	154.33					
3	Terminal connector castings duly machine made out of 85/15 brass material. (6 Nos. per furnace)	4	20.58					
4	Copper flexible cables of suitable cross section made out of electrolytic cooper and cast terminals end duly machined. (36 Nos.per furnace)	4	46.3					
5	Tapping gun assembly with trolley	4	2.57					
6	Furnace control panel with automatic weighing batching with CT's and computerized control	4	77.16					
7	Fabricated shell smoke hood, suspension mantle, one no. chimney, cooling cylinders charging bins with chutes and misc. fabrication.	4	360.08					



Sl. No	Particulars	Qty (Sets)	Total Value (Estimated)	Name of the Supplier	Qty (Sets)	Amount of Order	Date of Order	Expected Completion Date
8	First set refractories complete	4 sets	257.21	Electrical Micanite Corporation		10.47	03/12/05	15/02/06
				Hi-tech Asbestos		2.65	03/12/05	15/02/06
				Grindwell Norton Ltd.		16.62	31/01/06	15/02/06
				Hindalco Industries Ltd.		44.10	30/01/06	20/02/06
				Bengani Marketing Pvt. Ltd.		5.95	14/01/06	20/02/06
				Ruby Mica Co. Pvt. Ltd.		5.15	14/01/06	20/02/06
				Manishri Refractories & Ceramics Pvt. Ltd.		58.46	28/01/06	25/02/06
				M/s.Mortex India		11.09	28/01/06	25/02/06
				M/s.Mortex India		2.53	28/01/06	25/02/06
9	Copper bus tubes	4	77.16	M/s. Cubex Tubings Ltd.	4 lots	56.51	29/10/05	Supply commenced.
10	Copper Bus-bar with insulating Support/ flexible cable	4	102.88	M/s. Indian Metal & Alloys Mfg Co.	4 lots	90.05	14/01/06 & 19/01/06	Supply commenced
11	Ladle pre heater with pumping and heating unit	4 sets	15.44	S.H. Engineering	4 sets	18.32	03/01/06	10/03/06
12	Cooling water system complete along with the misc items like limit S/W, blowers, thermocouple, control cabling, PR S/W, hyd and water piping, insulation material, arcing gun and complete hardware	4 sets	51.44	Southern Cooling Towers	4 sets without cables	39.10	28/12/05	28/02/06
Total			1183.16					

The specifications and vendors of the plant & machinery mainly depend on the nature of the contract undertaken. Therefore, the above-mentioned specifications & the make of machinery may be subject to variation depending upon the nature of the projects undertaken.

Further, the Company has not bought or does not propose to buy any second hand Plant & Machineries out of the Issue proceeds.

e) Miscellaneous Fixed Assets

Misc. Fixed Assets include Electrical installations and other utilities, furnace transformer, Power substation, circuit breaker, GOD switches, CT/PT, Battery Charger, Main LT Panels, Power distribution boards, capacitor bank, LT system etc, Cooling Towers, Water Pumps, water cooling system, fire fighting equipments, pollution control equipments, fork lift etc. The total cost of Misc. fixed assets including electrical is estimated at Rs.3823.26 lacs.

Orders placed & the Status of delivery:

(Amount in Lacs)

Sl. No	Particulars	Qty	Total Value (Estimated)	Name of the Suppliers	Qty	Amount Landed	Date of Order	Expected Delivery'/ Completion Date
Misc. Fixed Assets:								
1	E.O.T Crane 25/10 MT CAP	3	167.13	WMI Cranes Ltd	3	208.47	31/05/05	1- Feb 1- March 1-April
2	Diesel Generator Set - 125 KV	4	43.29	Elmech Engineers	3	25.25	02-11-04	2-Recd. 1-March
3	Weigh Bridge	2	22.93	Avery India Ltd	1	15.89	23/12/04	Received
4	Pollution Control Equipment with Accessories.	4	440.52	Filter Manufacturing Industries Pvt. Ltd.	2 sets	190.60	27/12/05	31/03/06
	Fabrication & structural items to be done at site including accessories			M/s. Dutson G. Engineers & M/s. Singh Construction	Fabrocaction, civil & structural incl. accessories	200.00		31/03/06
5	Raw-material Handling System	4	440.51	M/s. Amico Engineering- to be fabricated at site on turnkey basis.	4	440.08	16/10/05	31/03/06
6	Cooling Tower, Water Treatment Plant, Pump & valves for the above	4	123.96	Southern Cooling Tower	Cooling Tower	18.57	16/11/05	28/02/06
				Shree Mahavir Service Station	Pumps & Valves	37.02	24/11/05	28/02/06
				M/s. Kemtek India	Water Treatment Plant	16.39	04/02/06	31/03/06
				Tata Steels Ltd.	Pipes	23.84	31/12/05	Received
				Tubes & Pipes (I) Pvt. Ltd.	Pipes	17.82	4/1/06	Received
				B.S. Hardware	Bends	1.36	14/01/06	Received
				M/s. B. Mullick & Co.	Laying & erection job	5.51	31/12/06	15/03/06
7	Hoist 2,8,10 & 15 mt Capacity	4	62.09	Elequip Tools	4	58.00	06/02/06	15/03/06



Sl. No	Particulars	Qty	Total Value (Estimated)	Name of the Suppliers	Qty	Amount Landed	Date of Order	Expected Delivery'/ Completion Date
8	Air Compressor with Air receiver	4	18.68	M/s. Atlas Copco	4	16.50	06/02/05	07/03/06
9	JIB Crain -1mt	2	6.63	M/s. Indian Engineering & Implements Company	2	6.50	06/02/05	15/03/06
10	Lab Equipments	1 set	6.83	M/s. Adair Dutta & Co. (I) Pvt. Ltd.	1 set	6.90	10/02/06	20/03/06
11	Workshop Equipment	1	4.35	M/s. Pathak Machine Tools	1 lot	18.26	23/08/05	Received
12	Forklift	4	43.19	Voltas Ltd.	3	25.84	06/02/06	1-March 1- April 1-May
13	Hydraulic Power Pack & Cylinders	4	65.30	New Hydroequipments Pvt. Ltd.	4	56.20	16/11/06	2-March 2-May
14	Briqueting Plant with accessories	2 sets	401.64	M/s. Maschinenfabrik KOPPERN GMBH & Co. KG, Germany	Roller Press, Mixer & Dosing Station	Euro 515,000 =305.00	12/08/05	15/03/06
				M/s. Ushakiran Industries	Press, Mixer, Belt-bucket elevator, weighing batching system, & other equipments	138.00	24/08/05	31/03/06
				M/s. Trans Technologies Thermal Pvt. Ltd.	Drier	70.86	20/08/05	28/02/06
				M/s. New Allenbry Works	Gearbox	53.76	24/01/06	31/03/06
				M/s. Patel Brothers	Bearing	4.99	01/02/06	15/03/06
				M/s. Electrical & Electronics	Motors	5.16	30/01/06	15/03/06
15	Electricals: Furnace Transformer	13	1,162.17	Transformer & Rectifier (I) Ltd	13	857.72	14/06/05	7-March 6-May
16	Auxiliary Transformer - 2500 KVA	2	26.88	-Do-	2	48.87	16/06/05	28/02/06
17	Capacitor Bank	4	53.76	M/s. ABB Ltd.	4	55.06	27/01/06	28/02/06
18	Cable & Joint Kit, and Internal LT Cable	1 lot	67.20	M/s. Shree Nursing Electric Stores	1 lot	55.60	21/01/06	Supply started

ROHIT FERRO-TECH LIMITED

Sl. No	Particulars	Qty	Total Value (Estimated)	Name of the Suppliers	Qty	Amount Landed	Date of Order	Expected Delivery'/ Completion Date
19	Power Transformer 2 Nos.	2	325.00	Transformer & Rectifier (I) Ltd	2	377.54	14/06/05	15/03/06
20	SF-6 with Accessories & CT-PT, Switchgears & Isolators; Auxiliary Motors, Busbar, starters, switches, controls etc. Additional Capital Expenditure for Electrical Installation at GRIDCO Bay, Line Drawing Charges from the bay to our site, and MRSS at our site.	10 sets	228.48	ABB Ltd.	1 pc. SF-6	16.78	17/01/06	31/03/06
		4 sets		M/s. A. K. Das & Associates Ltd. for GRIDCO Bay Installation & Commissioning except equipments		110.46	13/08/05	28/02/06
				SIEMENS LTD. for MRSS ON turnkey basis. Also, Equipment for GRIDCO bay.		506.31	12/09/05	31/03/06
			500.00	M/s. A.K.Das & Associates for Drawing Transmission line from GRIDCO bay to our Plant on turnkey basis.		142.78	13/08/05	28/02/06
	TOTAL		4210.52					

Orders not placed:

(Amount in lacs)

Sl. No	Particulars	Qty	Total Cost (Estimated)	Name of the Suppliers/ quotations relied upon	Probable date of order	Expected Delivery/ Completion Date
1	Dumper	4.00	46.30	French Motor Car Co. Pvt. Ltd	28/02/06	10/03/06
2	Hydraulic Excavator	1.00	40.11	L&T Komatsu Ltd	28/02/06	10/03/06
3	Wheel Loader	1.00	25.30	Til Limited	28/02/06	10/03/06
4	Fire Fighting equipments Fire Extinguisher			M/S Steelage Industries Limited	01/03/06	10/03/06
	5 Kg Capacity (1435/Each)	36.00	0.66			
	Foam Aff 9 Ltrs Cap. (1299/Each)	6.00	0.10			
	Fire Extinguisher 4.5 Kg Cap (3400/Each)	4.00	0.17			
	Fire Bucket (Rs 157/- Each)	40.00	0.10			
	Total		112.74			



f) Technical Services

The Company has made arrangement with reputed technical consultants, M/s. Ghalsasi Engineering Systems Pvt. Limited of Pune, who will provide technical assistance in setting up the project; stabilisation of various production parameters, maintaining the production schedule and training of the personnel about production and finally trial runs at the plant. They have also set up the existing 3 furnaces of 9 MVA capacity each of the Company; and also 4 furnaces in the group Company M/s. Impex Ferro-tech Ltd. The technical services include know-how and basic engineering, design, engineering and drawing, procurement assistance and inspections, project monitoring, etc. The total cost for availing the technical services is estimated at Rs 23.5 Lacs.

g) Contingency

The technical consultants, who have substantial experience in implementation of Project, have estimated the Project cost. The cost estimate is based on the budgetary quotations for the majority of the capital equipments and no major change in the cost is expected. Considering these factors, provision for contingency has been estimated conservatively at 10% on all main project cost aggregating Rs. 727.09 Lacs

h) Preliminary & Pre-operative Expenditure

Pre-operative expenses comprise interest during construction period (Rs.647 lacs), start-up-expenses (Rs.56 lacs) and the balance is for security deposits, bank commission and insurance during the construction period etc.

i) Margin Money for Working Capital

The working capital margin requirements of the Project is estimated at Rs.4731 lacs, based on the calculations for the first full year of operations for the Project on the basis of 90 days stock of raw material 30 day stock of consumables, 7 days work in progress, 7 days of finished goods stock and 30 days of debtor holding. Margin money for the first year of operation has been estimated at Rs. 1668.85 lacs. The requirement of enhanced margin money in the subsequent years would be met out of the internal accruals.

j) Computation of Working Capital Requirement for the first year of operation i.e. for FY 2006-07:

(Rs in lacs)

PARTICULARS	Norm (days)	Margin (%)	Gross Working Capital	Margin Money
Raw Material	90	25	3266.60	
Suppliers Credit	30		1088.87	
			2177.74	544.43
Consumable Stores	30	25	18.79	4.70
Stock In Process	7	25	308.83	77.21
Finished Goods	7	25	329.53	82.38
Debtors For Domestic Sales	30	30	1895.54	568.66
Fuel	7	25	0.53	0.13
Margin For L/C And B/G				391.33
Total Working Capital Requirement			4730.95	1668.85

IMPLEMENTATION SCHEDULE

The installation of production facilities involves various activities such as Design of Civil & Structural and Construction of Factory and Non-factory Buildings, Utilities & Services, Procurement of equipments, Award of Works Contract, Supervision of construction, erection and commissioning. All these activities which are interlinked require close monitoring to avoid time overrun as well as cost overrun. The project implementation schedule has been drawn-up to maintain a strict time schedule, which is monitored with the help of Bar Chart and networking.

Particulars	Commencement	Completion
Acquisition of land	-	Already acquired
Development of land	-	Already completed
Civil & Structural Works	Feb' 05	March' 06
Purchase of Plant & Machinery	Jan' 05	Feb' 06
Installation & Commissioning	Dec' 05	March' 06
Trial runs	March' 06	March' 06
Commencement of commercial production	Apr' 06	

COST INCURRED TILL DATE

The details of expenditure incurred till 3rd February '2006 as certified by the auditors M/s S.Jaykishan vide their certificate dated 11th February, 2006 is as follows:

(Rs in Lacs)

Particulars	Cost Incurred
Land and site development	350.66
Building	1188.40
Plant & Machinery	1052.61
Miscellaneous Fixed Assets	1881.76
Technical Know-how Fee	12.65
Security Deposit for Power	492.06
Preliminary & Pre-operative expenses	299.58
Total	5277.72

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

The above expenditure has been met out of the following Sources:

(Rs in lacs)

Sources of funds	Amount
Share Capital	402.52
Share Premium	299.30
Share Application Money Pending Allotment (received from Promoters)	964.80
Bank Finance	2937.30
Internal Accruals	673.80
Total	5277.72

INTERIM USE OF FUNDS

Pending use of the proceeds for the above-mentioned project, the Company intends to invest the proceeds from the fresh issue in high quality interest bearing liquid instruments including deposits with banks for the necessary duration. These investments would be authorised by the Board or a duly authorised committee thereof.



BASIC TERMS OF THE ISSUE

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles of the Company and shall rank *pari passu* in all respects including dividend with the other existing Equity Shares of the Company. Allottees of the equity shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of allotment.

Face Value

The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is 3 times of the Face Value. The Issue Price is Rs.30/- per Equity Share of Rs.10/- each.

Rights of the Equity Shareholders

- i. Right to receive dividend, if declared.
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law.
- iii. Right to vote on a poll either personally or by proxy.
- iv. Right to receive offer for rights shares and be allotted bonus shares, if announced.
- v. Right to receive surplus on liquidation.
- vi. Right of free transferability; and

Such other rights, as may be available to a shareholder of a Public Limited Company under the Companies Act, 1956.

Market Lot

As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share. Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 200 Equity Shares.

Minimum Subscription

"If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications or if a minimum of 10% of the net offer to the public is not subscribed by QIBs, then the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956."

Authority for the Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the EGM of the Company held on 31st March 2005. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 28th February 2005.

Minimum and Maximum Application Size

Applications should be for minimum of 200 Equity Shares and in multiples of 200 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Terms of Payment

The entire Issue price of Rs.30/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

Interest on Excess Application Money

Payment of interest at rate of 15% per annum on the excess application money will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange). The Executive Director/Managing Director of BSE along with the Lead Managers and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the relevant guidelines.

Proportionate Allotment Procedure

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 200 Equity Shares.

Reservation for Retail Individual Investor

The above proportionate allotments of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual investors as described below:

- a. A minimum of 10% of the Net Offer to Public i.e. 10,33,886 Equity Shares is to be compulsorily allotted to QIBs
- b. A minimum 50% of the net offer of Equity Shares to the public i.e. 51,69,430 shall initially be made available for allotment to retail individual investors, as the case may be.
- c. The balance net offer of Equity Shares to the public i. e 41,35,544 shall be made available for allotment to:
 - Individual applicants other than retail individual investors, and;
 - Other investors including corporate bodies/ institutions irrespective of the number of shares, debentures, etc. applied for.

The unsubscribed portion of the net offer to any one of the categories specified in (b) or (c) shall / may be made available for allotment to applicants in the other category, if so required. However, in case of under subscription in category (a) specified above, the entire subscription money shall be refunded.

It is further clarified that the words “a minimum of 50% of the net offer to the public” used in sub-clause (b) above means that if the category of retail individual investors was to be entitled to get 70% of the net offer to public in accordance with proportionate formula, the category should get 70%. If the category is entitled to get only 30% of the net offer to the public in accordance with the proportionate allotment formula, there should be a reservation of a minimum of 50% of the net offer to the public.

- d. The unsubscribed portion of the net offer to any one of the categories specified in (b) or (c) shall / may be made available for allotment to applicants in the other category, if so required.

The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of BSE (designated stock exchange).

An illustration explaining the proportionate allotment procedure is given herein below

- 1. Net offer to the public @ Rs. 30/- per share: 103,38,860 Equity Shares. Out of the above, 10,33,886 to be compulsorily subscribed by QIBs.
- 2. Minimum Equity Shares Offered to Retail Category: 51,69,430 Equity Shares
- 3. Application can be made for a minimum of 200 Equity Shares and in multiples thereof.
- 4. Sample of the applications received:

	Retail	Non Retail including QIBs	Total
No. of shares initially available	5,169,430 (Minimum Reserved)	5,169,430 (Maximum)	10,338,860 –
No. of shares applied for	76,094,010	37,943,616	114,037,626
No. of Times oversubscribed	14.72	7.34	11.03
As a % of Total no. of shares applied for	66.73%	33.27%	100.00%
No of shares to be allotted in the category	6,899,121	3,439,739*	10,338,860
Ratio in which the shares to be proportionately allotted	11.03	11.03	11.03

* Note: Out of 34,39,739 Equity Shares available for the Non-Retail portion, 10,33,886 Equity Shares have to be compulsorily allotted to QIBs.

- 1. The Net offer to the public is over subscribed 11.03 times whereas the retail category is over subscribed 14.72 times
- 2. As the retail portion is eligible for 66.73% of the net offer to the public the revised ratio now becomes 11.03.



3. Assume three retail investors X, Y & Z. X has applied for 3200 shares. Y has applied for 2400 shares and Z has applied for 600 shares. As per allotment procedure, the allotment to retail individual investors would be on proportionate basis i.e., at 1/11.03th of the total number of shares applied for. The actual entitlement shall be as follows:

Sr. No.	Name of applicant	No. of shares applied for	No. of shares eligible to be allotted
1	X	3200	$3200/11.03=290.12$ shares rounded off to 290 shares being the nearest integer
2	Y	2400	$2400/11.03= 217.59$ shares rounded off to 218 shares
3	Z	600	$600/11.03=54.40$ shares Application liable to be rejected as entitlement is less than the minimum allotment size. However, the successful applicants out of the total applicants shall be determined by drawl of lots.

The basis of allotment shall be signed as correct by the Executive Director/Managing Director of BSE (Designated Stock Exchange) and the public representative in addition to the Lead Managers and the Registrar to the Issue.

Mode of making refunds

The Company shall make refunds to applicants using the following modes:-

- In case of applicants residing in any of the centers specified by SEBI, the refunds shall be credited to the bank accounts of applicants through electronic transfer of funds by using Electronic Clearing Service (ECS) Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as is for the time being permitted by the Reserve Bank of India.
- In case of other applicants – by dispatch of refund orders by registered post, where the value is Rs.1500/- or more, or under certificate of posting in other cases.
- In case of any category of applicants specified by SEBI – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by SEBI from time to time

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum or as may be specified by the Board if the allotment letters/ refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue.

BASIS FOR ISSUE PRICE

Qualitative Factors

- a) The Company is part of the eastern India based Impex Group having interest in Ferro Alloys, Sponge Iron and Steel.
- b) The promoters have wide experience in the Ferro Alloy industry for more than two decades.
- c) The Company is an existing profit making enterprise.
- d) The Company is ISO-9001: 2000 certified.
- e) The Company is a status holder of One Start Export House.
- f) The entire project has been financially closed, with a consortium of bankers lending Rs 5900 lacs to Company.
- g) Domestic as well as export demand for Ferro alloys augurs well for the Company. India is a major exporter of ferro alloys. Based on the demand and availability projections the Company shall bridge the demand supply gap.

Quantitative Factors

Adjusted Earnings Per Share (EPS)

Year	EPS	Weight
2003-04	4.35	1
2004-05	12.75	2
HY ended 05-06 (Annualised)	9.19	3
Weighted Average	9.57	
Price Earning Ratio in relation to issue price of Rs 30/-		
Based on 2005-06 HY EPS (Annualised) of Rs. 9.19	3.26	
Based on weighted average EPS of Rs. 9.57	3.13	
Industry P/E		
Highest	19.30	
Lowest	4.70	
Average	8.57	

Return on Net Worth

Year	RONW (%)	Weight
2003-04	20.32%	1
2004-05	46.68%	2
HY ended 05-06 (Annualised)	30.81%	3
Weighted Average	34.35%	
Post Issue RONW required to maintain EPS of Rs. 9.19	32.36%	
Net Asset Value (NAV)		
As at 31.03.2005	23.82	
As on Sept 30, 2005	29.37	
Post Issue	28.40	
Issue Price	30.00	

Notes:

- a) The Earnings per Share and the average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ prior period items pertaining to the earlier years.



- b) The denominator considered for the purpose of calculating Earnings per Share is the weighted average number of Equity Shares outstanding during the year.
- c) Net Asset Value Per Share represents Shareholder's Equity as per restated financial statements less miscellaneous expenditure as divided by number of shares outstanding at the end of the period.

Comparison of the accounting ratios of the issuer Company as mentioned above with the industry average with the accounting ratios of the peer group (i.e. companies of comparable size in the same industry for the period ended ending 30th September, 2005 is as follows.

Peer	Equity Capital (Rs Cr)	Book Value (Rs)	Sales (Rs Cr)	EPS (Rs)	P/E	Market Price on 23/01/06
Nav Bharat Ferro Alloys Ltd.	13.41	39.30	408.00	16.40	4.70	52.00
Indsil Electros melt Ltd.	9.45	25.20	67.30	9.20	5.20	39.00
VBC Ferro Alloys Ltd.	4.05	344.40	128.10	18.00	7.83	141.00
Impex Ferrotech Ltd.	25.00	15.00	129.80	1.80	11.10	17.00
GMR Industries Ltd.	32.19	31.00	297.80	5.10	19.30	176.00
Rohit Ferro Tech Ltd.	17.52	29.37	70.76	9.19*	3.26	30.00

(Source: Capital Market Vol. XX/24; Jan 30- Feb 12 2006)

*Annualised

The face value of the shares is Rs.10/- and the Issue price is 3 times of the face value.

The Lead Managers believe that the Issue Price of Rs.30/-is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report in the Prospectus to have a more informed view of the investment proposition.

TAX BENEFITS

To

The Board of Directors
Rohit Ferro-Tech Ltd.
35, C.R.Avenue
Kolkata: 700 012.

Dear Sir,

That under the current provisions of the Income Tax Act, 1961 and other applicable laws for the time being in force, the following benefits are available to the Company and to the members of the Company:

A. BENEFITS AVAILABLE TO THE COMPANY

1. As per the provisions of Section 80IB of the Income Tax Act 1961, the Company is entitled to 100% income tax exemption for the first five years effective from F.Y. 2003-04 and 30% thereafter for the next five years, in respect of its existing unit.
2. a) Under Section 32 of the Income Tax Act, 1961, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc. if acquired after 31st March, 1998.
b) In terms of Clause (iia) of Sub-section (1) of Section 32 of the Act, the Company is entitled to further deduction of 20% as additional depreciation on new plant & machinery acquired and installed after 31st March 2005, subject to conditions specified therein.
c) The Company can carry forward and set-off the unabsorbed depreciation allowance, if any, against its income of the future years. The Company is also entitled to carry forward and set-off its unabsorbed business losses for a period upto eight subsequent years for set-off against its business income.
3. Under Section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure of the nature specified in the said Section, including expenditure incurred on present issue, such as brokerage and other charges, by way of amortization over a period of 5 successive years, beginning with the previous year in which the new unit commences production, subject to the stipulated limits.

B. BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

i) All Members

1. By virtue of section 10(38) of the Income Tax Act, income arising from transfer of long-term capital asset, being an equity share in the Company is exempt from tax, if the transaction of such sale has been entered into on or after 1.10.2004 and such transaction is chargeable to the securities transaction tax.
2. By virtue of section 111A of the Income Tax Act, short term capital gain on transfer of equity share in the Company shall be chargeable to tax @ 10%, if the transaction of such sale has been entered into on or after 1.10.2004 and such transaction is chargeable to securities transaction tax. However, where the income includes any such short-term capital gain, it shall not be considered for deduction under chapter VIA of Income tax Act, 1961.
3. By virtue of section 10(34) of the Income Tax Act, income earned by way of dividend from a domestic Company referred to in section 115O of the Income Tax Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), is exempt from tax in the hands of the shareholders.

ii) Resident Members

1. In terms of Section 10(23D) of the Income Tax Act, 1961 all Mutual Funds set up by Public Sector Banks or Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorised by the Reserve Bank of India, subject to the conditions specified will be exempt from Income Tax on all their income, including income from investment in the shares of the Company.
2. Under section, 54EC of the Income Tax Act, 1961, Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company will be exempt from capital gains tax to the extent such gains are invested within six months from the date of transfer in the purchase of any specified bonds issued by the National Bank for Agriculture and Rural Development (NABARD), the National Highway Authority of India (NHAI), National Housing Bank (NHB), Rural Electrification Corporation Ltd. (REC), and Small Industries Development Bank of India (SIDBI).



3. Under section 54ED of the Income Tax Act, 1961 Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in equity shares of an Indian Company forming part on an eligible issue of capital.
4. Under section 54F of the Income Tax Act 1961 Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company held by an individual or Hindu Undivided Family (HUF) shall be exempt from capital gains tax subject to the provisions of the said section, if the net sales consideration is utilized within a period of one year before or two years after the date of transfer in the purchase of a new residential house or for construction of a residential house within a period of 3 years after the date of transfer.
5. Under section 112 of the Income Tax Act, 1961 and other provisions of the Act, long term capital gains, (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be concessionaly taxed at the flat rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder.

iii) Non-Resident Indians/ Non-Residents [Other than FIIs and Foreign Venture Capital Investors]

1. A Non-Resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 viz. "Special Provisions relating to certain incomes of Non-Residents".
 - a. Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non-Resident Indian, long term capital gains arising to the non-resident on transfer of shares shall (in case not covered under Section 10 (38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against Foreign Exchange Fluctuation.
 - b. Under provisions of section 115F of the Income Tax Act, 1961, long term capital gains (not covered under section 10 (38) of the Act) arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only a part of the net consideration is so reinvested the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
 - c. Under provisions of section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
 - d. Under section 115-I of the Income Tax Act, 1961, a Non Resident Indian may elect not to be governed by the provisions of chapter XIIA for any assessment year by furnishing the return of income under section 139 of the Income Tax Act declaring therein that the provisions of this chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him and instead the other provisions of the Act shall apply.
2. As per the provision of the first proviso to section 48 of the Income Tax Act, capital gains arising from transfer of equity shares acquired by non-resident in foreign currency are to be computed by converting the cost of acquisition/ improvement, expenditure incurred wholly and exclusively in connection with such transfer and full value of consideration received or accruing into the same foreign currency as was initially utilized in the purchase of equity shares and the capital gain so computed in such foreign currency shall then be reconverted into Indian currency. Cost indexation benefits will not be available in such cases.
3. Under section, 54EC of the Income Tax Act, 1961, Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company will be exempt from capital gains tax to the extent such gains are invested within six months from the date of transfer in the purchase of any specified bonds issued by the National Bank for Agriculture and Rural Development (NABARD), the National Highway Authority of India (NHAI), National Housing Bank (NHB), Rural Electrification Corporation Ltd. (REC), and Small Industries Development Bank of India (SIDBI).
4. Under section 54ED of the Income Tax Act, 1961 Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in equity shares of an Indian Company forming part on an eligible issue of capital.

5. Under section 54F of the Income Tax Act 1961 Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company held by an individual or Hindu Undivided Family (HUF) shall be exempt from capital gains tax subject to the provisions of the said section, if the net sales consideration is utilized within a period of one year before or two years after the date of transfer in the purchase of a new residential house or for construction of a residential house within a period of 3 years after the date of transfer.
6. Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the act, long term capital gains (not covered under section 10 (38) of the Act) arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso of section 48 or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the shareholders. (Indexation will not be available if investments are made in foreign currency in accordance with the first proviso to section 48 of the Income Tax as stated above).

iv) Foreign Institutional Investors (FIIs)

1. As per section 115AD of the Income Tax Act, long-term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares purchased by FIIs, in convertible foreign exchange, are taxable at the rate of 10 % (plus applicable surcharge and education cess). Cost indexation benefits will not be available.
2. Under Section 196D of the Income-tax Act, no deduction of tax at source will be made in respect of dividends referred to in Section 115-O and Capital Gains arising from the transfer of the equity shares referred to in Section 115AD, payable to Foreign Institutional Investors.

v) Venture Capital Companies/Funds

In terms of section 10(23FB) of the Income Tax Act, 1961 all venture capital companies / funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend and income from sale of shares of the Company.

Wealth Tax

Shares of the Company held by the shareholders are not treated as assets within the meaning of section 2 (ea) of Wealth Tax Act, 1957; hence the value thereof is not includible in the net wealth chargeable to Wealth Tax.

Gift Tax

Gifts of the shares of the Company made on or after October 1, 1998 are not liable to Gift Tax.

Notes:

- i) All the above benefits are as per the current tax law as amended by the Finance Act, 2005.
- ii) The stated benefits will be available only to the sole/first named holder in case joint holders hold the shares.
- iii) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
- iv) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

Yours faithfully,

For S. Jaykishan
Chartered Accountants

(Vivek Newatia)
Partner
M.No. 062636

Place: Kolkata

Dated: 11th February 2006



III ABOUT ROHIT FERRO-TECH

1. INDUSTRY OVERVIEW

INTRODUCTION

FERRO ALLOYS

Ferro Alloys, as the name indicates are the alloys of Chromium, Manganese, Silicon etc. Ferro Alloys are used in steel making as an additive for imparting strength and quality required in a particular grade of Steel. Ferro Manganese, Silicon Manganese & Ferro Silicon are used in the Steel making in different proportion depending upon the grade of the Steel. Ferro Chrome is used for manufacture of various grades of Stainless Steel and other chromium bearing Alloy Steel.

Ferro Alloys can be classified as bulk ferro alloys and noble ferro alloys. The latter are used in a small quantity. Noble ferro alloys are produced in India by Alumna Thermit process. Ferro Titanium, Molybdenum, Vanadium falls under the category of Noble Ferro Alloys. Growth of Ferro Alloys Industry is directly linked to growth of Steel Industry. Consumption of Ferro Chrome is linked with growth of Stainless Steel and other Alloy Steel.

Capacity and Performance of the Industry

Ferro alloys industry is a power intensive industry. The total load of the Industry has grown almost 8 to 9 times from 130 MVA in the mid sixties to over 1000 MVA. The installed capacity of the Industry is now 1.9 million tonnes of bulk and noble ferro alloys.

The capacity of manganese alloys is around 11,89,000 tonnes and ferro chrome/charge chrome about 7,02,000 tonnes The production has gone up from 1.02 million tonnes in 2002-03 to 1.24 million tones in 2003-04, an increase of 21.93%.

The ferro alloys units have incorporated the latest technology in order to use low grade ores both lumps as well as fines, after necessary beneficiation and agglomeration by installing in-house Beneficiation Plant and Briquetting Plant. The Units have also incorporated effective pollution control measures, in the form of gas cleaning, deoxidizing and waste heat recovery.

Ferro alloys Production during the last five years is given hereunder:

(In lakh tonnes)

Year	Quantity
1999-00	7.39
2000-01	8.96
2001-02	8.21
2002-03	10.03
2003-04	12.17

(Source: *Indian Ferro Alloys Producers' Association, Mumbai*)

Export of Ferro Alloys

Exports, which were around 15% of the production when the liberalized policy was introduced in 1991-92, are now around 35% of the total production. In terms of value, exports, which were about Rs.25000 Lacs, had crossed Rs.50000 Lacs in 1997-98. However, there was a slow down in the exports during 1999- 2000; dropping to Rs.39250 Lacs due to global recession in the steel industry. The export of ferro-alloys touched an all time high of Rs.55460 Lacs during 2000-2001. However, it dropped to Rs. 27310 Lacs in 2001-2002 as it was unable to compete in the international market due to high power tariff. The Industry has already established itself as a regular exporter of high carbon ferro chrome/charge chrome and silico manganese. It has potential to export manganese alloys, ferro silicon, ferro vanadium, silico magnesium, etc.

Details of export of ferro alloys for last five years are given hereunder:

Year	Quantity (in lacs tonnes)
1999-00	2.06
2000-01	2.65
2001-02	1.52
2002-03	1.82
2003-04	2.52

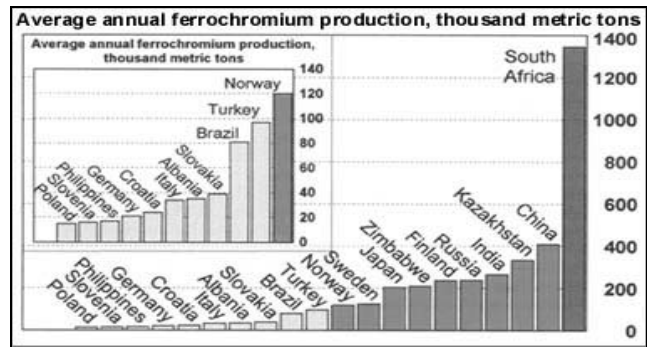
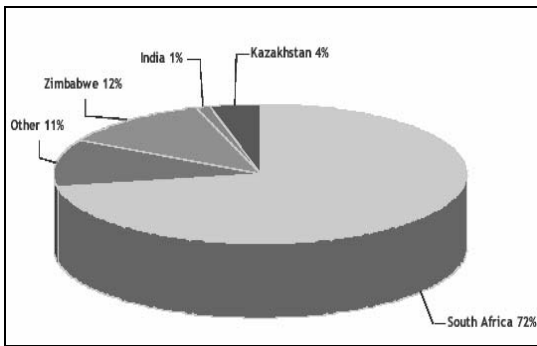
Source: *Indian Ferro Alloys Producers' Association, Mumbai*

FERRO CHROMIUM

Ferrochromium, also called ferrochrome, is an alloy of iron-chromium. It is used for production of Stainless Steel and other chrome bearing alloy steel. Chromium chemicals are also used in the leather industries. Chromium ore basically comprises of chrome in the oxide form and iron having chemical notation Fe_2O_3 , Cr_2O_3 . The oxides are reduced with the help of reduction agent like coke & coal in the Submerged Electric Arc Furnace. The carbon content in the reductant reacts with the ore whereby the oxides are reduced to Ferro Chrome. Carbon Monoxide (CO), Carbon Dioxide (CO_2) and liberated Carbon Monoxide being combustible burns to Carbon dioxide, which is allowed to escape through chimney after passing through the gas cleaning plant.

The Changing Global Scenario Of Ferro Chrome

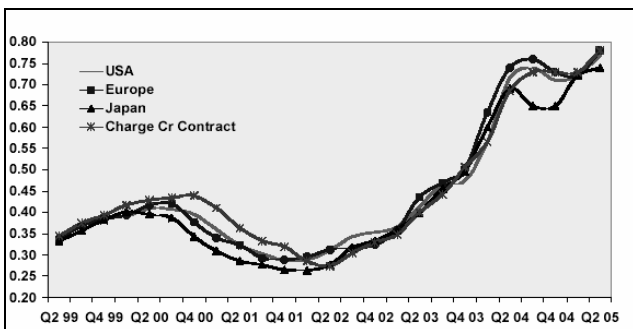
- i) The Ferro-chrome prices to peak in Q2 2005.
- ii) The prices of ferro chrome are to remain above historical averages throughout the year.
- iii) The outlook for the chromium metal market is for increasing growth over the next five years, due to the upturn in the international aerospace and industrial gas turbine markets.
- iv) Consumption is estimated to have risen by 15% in 2004, and could increase by a further 25% to 25,000 tpy in the late 2000s.



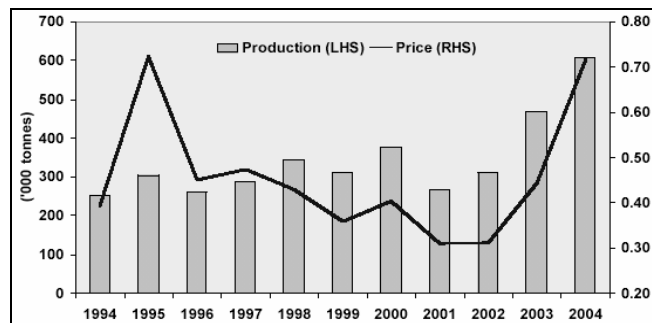
DISTRIBUTION OF CHROME ORE RESERVES GLOBAL FERRO CHROME PRODUCTION

THE DEMAND SUPPLY FACTOR

The combination of strong demand, tight supply and sharp rises in the costs of freight, energy and chromite raw materials, meant ferro-chrome prices reached their highest levels for ten years in early 2005, at US72-74/lb. This represents a significant recovery from early 2002 when prices of US27-29lb were at their lowest level for 30 years and some 1.3Mtpy ferro-chrome capacity was idled. The bullish recovery in the ferro-chrome market was primarily due to growth in stainless steel production, which is forecast to maintain strong growth through the mid-2000s, led by Asian demand.



CHANGE IN INTERNATIONAL CHROME PRICES



INDIAN FERRO CHROME PRICES VS DEMAND



PROPOSED EXPANSION OF CHROME & MANGANESE ALLOYS MANUFACTURING FACILITIES IN INDIA

The recent high prices and expectations of continued growth in demand of ferro chrome have encouraged plans for significant capacity expansion all over the world including India. The cyclical nature of the ferro-chrome market has resulted in a high degree of vertical integration between chromite mining and ferro-chrome production, and concentration of production among relatively few countries and producers.

(Capacity in MVA)

S. N	Name of the Organisation	Location	No. of Furnaces	Furnace Capacity	Total Capacity	Product	Expected date of Commencement
1.	Rohit Ferro-Tech Ltd	Duburi	4	2X16.5	33.0	Ferro Chrome	Commercial production April '06
				1X16.5	16.5	Ferro Manganese	Commercial production April '06
				1X16.5	16.5	Silico Manganese	Commercial production April '06
2.	Dawdee Steels Pvt Ltd	Durgapur	2	2x9.0	18.0	Ferro Manganese	Commercial production '06
3.	Indian Charge Chrome Ltd	Chowdwar	1	1X24	24.0	Ferro Chrome	Commercial production Sep '05
4.	Visa Industries Ltd	Duburi	2	2X16.5	33.0	Ferro Chrome	Commercial production June '06
5.	Rawmet Pvt Ltd	Duburi	2	2X16.5	33.0	Ferro Chrome	Commercial production June '06
6.	Tirumala Ferro Alloys (Bhaskar Srachi Ltd)	Raigarh	2	2X9.0	18.0	Ferro Manganese	Commercial production December '06
7.	Maharashtra Electros melt	Chandrapur	1	1X36	36.0	Ferro Manganese	Commercial production '06
8.	S.A.L. Steel Ltd	Kutch	4	2X9.0	18.0	Ferro Chrome	Commercial production '06
				2X9.0	18.0	Ferro Manganese	Commercial production '06
9.	Corporate Ispat Alloys Ltd	Chattisgarh	3	3X9	27.0	Ferro Manganese	Commercial production '06
10.	Cosmic Ferro Alloys Ltd	Barjora	2	2x9	18.0	Ferro Manganese	Commercial production '06
11.	Sri Kasani Alloys Pvt Ltd	Khurda Road	1	1x5.0	5.0	Ferro Chrome	Commercial production Sept'05
12.	Misrilal Jain	Duburi	3	1x5.0	5.0	Ferro Chrome	Commercial production '07
				1x9.0	9.0		
				1x16.0	16.0		
13.	The Tata Iron & Steel Co. Ltd	Bamnipal	1	1x30	30.0	Ferro Chrome	Commercial production '07
14.	Jindal Stainless Ltd	Duburi	5	2x60	120.0	Ferro Chrome	Commercial production '06
				3x16.5	49.5	Ferro Manganese	Commercial production '06
TOTAL			33		543.5		

Source: Company's in-house generated reports

2. Business Overview

Rohit Ferro-tech Limited is operating a Ferro Alloy Plant comprising of 3 Nos. Sub-merged Arc Furnaces of 9 MVA capacity each to produce 40,000 TPA of High Carbon Ferro Chrome at Bishnupur, West Bengal. The commercial production of first two furnaces started in October, 2003, and the third one started its' commercial production from April, 2005 only. The Company is now planning to set-up another Ferro Alloy Plant in the state of Orissa at Kalinganagar industrial complex, Jajpur which will increase its total combined capacity to more than 150,000 TPA of Ferro Alloys comprising of High Carbon Ferro Chrome, Silico Manganese & Ferro Manganese.

The details of Company's registered office and factories are provided below:

Sr. No	Location	Utilization	Nature of Possession
1.	35, Chittaranjan Avenue, Kolkata-700 012	Registered Office	Rented
2.	WBIIDC Growth Centre, Bishnupur, Bankura West Bengal	Factory	99 years Lease
3.	Kalinganagar Industrial Complex, Jajpur, Orissa	Factory	84 years Lease

Location of the Plants

The Company has a land admeasuring 16 acres at Bishnupur. The Company initially established a ferro alloy manufacturing unit with two 9 MVA furnaces at Bishnupur, West Bengal. Recently, it has expanded its capacity by setting up it's third 9 MVA furnaces at the same site, which started its commercial production from April 2005. The Company is currently manufacturing only High Carbon Ferro Chrome.

The Company is presently operating three Sub-merged Arch Furnaces of 9 MVA each at Bishnupur with facilities like Raw-material Handling System, Briquetting Plant, Pollution Control Equipments, Pump House, Laboratories, Fully Automated Control System for Furnaces & weighing-batching, EOT Cranes, In-house Power Sub-station with 25 MVA Power Transformer etc.

The Company now proposes to further expand its production capacity by installing four furnaces of 16.5 MVA each at Kalinganagar Industrial Complex, Jajpur, in the state of Orissa. The unit shall have an installed capacity of 25,426 TPA of Silico Manganese, 52124 TPA of High Carbon Ferro Chrome and 35,947 TPA of Ferro Manganese.

Competitive Advantage

The Company has also applied for mining lease to the State Government of Orissa for Chrome Ore as well as Manganese Ore which is located within a radius of 50 Kilometers from the proposed project site at Jajpur.

Power consists of about 40% of the manufacturing cost in the Ferro Alloy Industry. The present plant at Bishnupur is enjoying a lower effective power tariff of Rs.2/- per unit. The Company has tied-up with NESCO for supply of high-quality un-interrupted power supply at the proposed Jajpur Plant at a special tariff rate (currently at Rs.2.30/unit) compared to Rs.3.00 to 3.50 in other states.

Manufacturing Process

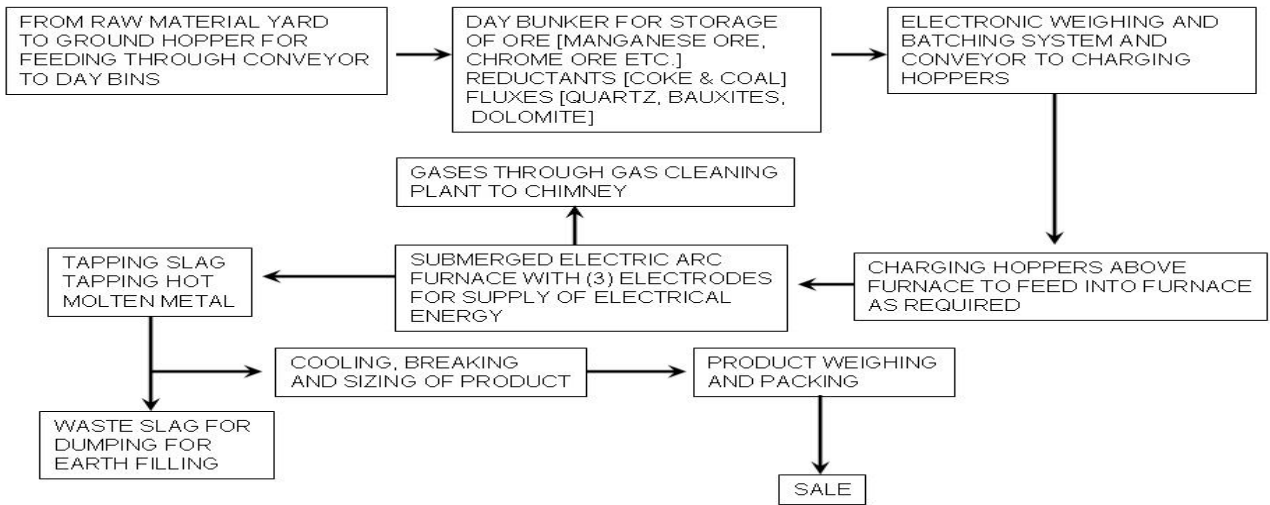
The most common method of production of High Carbon Ferro Alloys is through Submerged Electric Arc Furnace route. Mineral Ore like Chrome Ore, Manganese Ore, Quartz etc. depending upon item of Ferro Alloys manufactured along with coke and coal as a reducing agent and fluxes are fed into the furnaces in required proportion. Electrical Energy at high amperage is induced from the furnace transformer through electrodes which results into generation of heat at a high temperature ranging upto 1600 - 1800 Degree Centigrade. The reaction takes place inside the furnace hearth at a high temperature when carbon content in Coke & Coal reacts with the oxides which are reduced to metal by liberation of Carbon monoxide and Carbon dioxide. The impurities in the ore are separated by use of fluxes and forms slag which being lighter floats over the molten metal. Slag is tapped into the slag pot and dumped into the slag yard except in the case of Ferro Manganese where the slag is utilised as input material for production of Silicon Manganese. Molten Metal is tapped in the ladles for further handling, breaking and sizing to buyers requirement. Quality control is exercise right at the Raw Material stage as well as intermediate stage by spoon analysis and finally testing of the finished product in the laboratory.

The gaseous matter and fumes generated in the furnace is treated through pollution control equipment and clean gas is allowed to escape to the atmosphere through chimney. The process is highly power intensive and cost of electrical energy forms a major component of the production cost. Therefore, every care is taken for conservation of the energy.



PROCESS FLOW CHART FOR MANUFACTURING OF FERRO ALLOY PRODUCTS

The typical flow chart for manufacturing of Ferro Alloys is as under:



Technology

The Company has selected Submerged Arc Furnace route for producing Ferro Alloys, which is relatively less expensive and mature technology and can be indigenously sourced. This process is widely used for manufacturing high & medium Carbon Ferro Alloys.

Quality Control

The Company has state-of-the-art Quality Control Laboratory with modern equipments like Spectrophotometer, C.S. Apparatus and digital heat analyzer coupled with strict quality assurance procedures. Stringent Metallurgical control is maintained right from the receipt of raw materials to finished products. The Company’s quality management program of ISO Accreditation ensures that the product is consistently within the specification parameters providing the customers with reassurance and confidence.

Research & Development (R & D)

The Company carries out intensive research & development activities on a continuous basis. The key areas of Research & Development resources and initiatives are focused on improving and optimizing furnace efficiency, developing process for pre-heating and pre-reduction of mineral inputs, constant process of improvement for increasing output quality to customers’ specification, and finally for upgrading and developing new products.

Collaboration

The Company has not entered into any Collaboration.

Geographies

Area wise break-up of Export Sales for the FY 04 , FY 05 & for the period ending Sep 05 is a follow:

(Rupees in Lacs)

Financial Year	Upto Sept 2005	2005	2004
Europe	26.91	253.75	675.39
Middle-East	202.55	10.83	81.81
Korea	0	0	47.18
China	2483.32	4384.64	63.98
Japan	20.14	16.87	65.11
Total:	2732.92	4666.09	933.47

A. Infrastructure Facilities for raw materials and utilities like water, electricity, etc

i) Availability of Raw material

Raw material plays a major part in the successful execution of any ferro alloy plant. The Company ensures the procurement of raw materials at competitive rates from neighbouring areas. The major raw materials required for Ferro Alloys are Chrome Ore, Quartz, Electrode Paste, Coke Breeze, Dolomite, Charcoal, Electrode casting, Manganese Ore, H.R. Sheet, M.S. Rounds, Lancing Pipe etc.

Coke/coal is sourced from Coal India Limited, IISCO and other suppliers from North-East states like Assam & Meghalaya. Coal is also imported from China in bulk quantity. Currently the Company is procuring Chrome Ore from the mines of TISCO located in Sukinda, and from OMC located in Orissa. Manganese ore and Chrome ore would be sourced from the Company's captive mines for the proposed Jajpur site to be allocated by Govt. of Orissa in addition to OMC, TISCO, MOIL, Rungta Mines and other Manganese ore suppliers. The other raw materials, mainly fluxes, are easily available in the country.

ii) Power and fuel

The Company has an uninterrupted power supply from WBSEB for its current plant at Bishnupur. The Company is procuring at an effective power rate of Rs.2/- per unit from WBSEB for its' contracted load of 25 MVA, which completely fulfills the requirement at Bishnupur plant.

The Company would require 66 MVA of power for running 4 furnaces and 4 MVA for other facilities like Briquetting Plant, Raw Material handling system etc. and other auxiliary requirement at the new plant in Jajpur. The Company had already entered into agreement for supply of 40 MVA power initially with NESCO and GRIDCO for starting production from first two furnaces. Afterwards, the contract load shall be enhanced to 70 MVA at the time of starting production from balance 2 furnaces from the substation of NESCO which is located at about 4.5 km. distance from the proposed unit for which GRIDCO has already given "in principle approval". The effective power tariff from NESCO would currently be Rs.2.30/unit. The Company has also made a provision for 4 nos. DG sets of 125 KVA each for auxiliary power requirement.

iii) Water

Water requirement at the existing Bishnupur plant is 300 Cu. Mtr/day and is met through WBIIDC. Requirement of water at proposed plant at Jajpur is estimated at 600 Cu. Mtr/day and the same shall be met from the IDCO.

iv) Manpower

The Company has total of 73 employees on the pay roll of the Bishnupur Plant. The proposed manpower requirement of the project is estimated at 236. The detailed break up is as given below:

Persons	Ferro Alloy Plant (Existing) at Bishnupur	Ferro Alloy Plant (proposed) at Jajpur
Managerial	16	2
Supervisors & administrators	10	35
Clerical, stores & other	15	19
Workers:		
Skilled	32	60
Unskilled	0	120
Total	73	236

v) Compressed Air

The existing plant at Bishnupur has 5 Nos. of air compressors of 100 and 180-m³/hr capacity. For the proposed unit at Jajpur, requirement of 3 numbers air compressors of 80 Cfm capacity estimated and the same has been considered in the cost of the project.

vi) Environmental Clearance

In the manufacturing process of Ferro Alloys, Slag is generated as a waste by-product or an effluent. The Slag is not a harmful substance and hence no effluent treatment plant is required. Slag is used in cement clinkers and used by cement industries and also used for road-filling purpose. The Company has also received approvals from Pollution Control Board of West Bengal for its Existing plant at Bishnupur and has also received the NOC for the proposed project at Jajpur from Orissa Pollution Control Board.



B. Products of the Company

The Company is engaged in the manufacture of ferro alloy products for the use of steel plants and foundries. The Company is currently manufacturing one product i.e. Ferro Chrome. The Company proposes to have two more products viz. Ferro Manganese and Silico Manganese. The Company is presently selling its products both to the Integrated Steel Plant Players and to the International Steel Plant players.

The Company has the capability to manufacture products as per the customer's specifications. This is advantageous for the Company to override its competitors.

The Ferro alloy market largely depend on the demand of steel in the country and abroad as the ferro alloys are consumed mainly by the steel plants.

Approach to Marketing and Proposed Marketing Set-up

The domestic marketing is headed by Mr. S.S. Patnaik, Vice President-Marketing and export marketing is looked-after by Mr. Rakesh Agarwal, Vice President-Commercial.

The Company adopts direct marketing approach. The Company is currently selling its products directly through its own sales depot located at Ghaziabad, Faridabad, Mandi Gobindgar, Raipur, Hisar and Ahmedabad.

The other areas are covered directly by the Kolkata Sales Office. The Company sells its products to the Integrated Steel Plant through direct tendering process where it has been enlisted as registered vendors. The Company does not deal through any sole selling agents, dealers or resellers. For international marketing, the company intends to have a warehouse at Rotterdam to cater to the demand for European countries & Middle-East countries. The company is presently exporting to countries like China, Japan, Korea, Taiwan, Turkey, Abu Dhabi, Germany, Mexico, Greece etc.

EXPORT OBLIGATION

There is no export obligation of the Company as on date.

BUSINESS STRATEGY

The Company intends to have a balanced sales strategy for domestic as well as export depending upon the demand.

Considering the existing competition in the industry and future entrants, the Company has focused on the following business strategies:

1. With the intention to tap better margin yielding products and large domestic as well as export opportunities for these products, the company has laid down strategies to manufacture High Carbon Ferro Chrome, Ferro Manganese and Silico Manganese through Submerged Arc Furnace route.
2. All the furnaces shall be used interchangeably for producing any of these products due to its versatile nature of the plant to produce other kinds of ferro alloys.
3. In order to reduce power cost, the company proposes to have its own thermal based Captive Power Plant in future, which will reduce the manufacturing cost significantly.
4. The company has already applied for mining lease for Chrome Ore and Manganese Ore from the State Govt. of Orissa. This shall reduce the raw-material cost which in-turn would reduce the cost of production.
5. As the company is already exporting ferro alloys in their existing operations, addition of proposed capacities would enable the company to exploit the opportunities in the international market.
6. The Company also proposes to enter into quantity based firm tie-up for sale of its products to global clients which will help the company in poor market conditions.
7. The Company intends to manufacture products with specific composition (like low-silica or low-phos) as per the clients' requirement, which will fetch premium in the domestic as well as international market.
8. The Company intends to tap global end-users directly by attending International conferences and fairs.
9. The competitive strength of the company will increase considerably once all its manufacturing facilities are operational.

FUTURE PROSPECTS

The Company looks at future of ferro alloy industry with optimism. Considering the prospects for development of infrastructure, construction and industrial activity in India in the years to come, large scope exists for consumption of long steel products. The ferro alloys are consumed mainly by the steel plant and foundries. The demand for ferro alloys is therefore dependent on

demand for steel in the country. The ferro alloy demand is also expected to grow at an estimated compounded rate of 5-6% per annum in the medium and long term.

Capacity and Capacity Utilisation:

The capacity utilization of Ferro alloys is as follow:

(In Metric Ton)

Particulars Product	Si Mn	HeFeCr	Fe Mn	Total
Installed Capacity (TPA)- Jajpur Unit	25426	52124	35947	113497
Installed Capacity (TPA)- Bishnupur Unit	-	40000	-	40000

Year	2003-04 (Actuals)	2004-05 (Actuals)	2005-06 (Estimated)	2006-07 (Projected)	2007-08 (Projected)	2008-09 (Projected)	2009-10 (Projected)
Proposed Jajpur Plant:							
Capacity Utilisation			100%	75%	80%	85%	85%
Production:-							
- Silico	-	-	-	19070	20341	21612	21612
- Manganese	-	-	-	39093	41699	44305	44305
- Ferro Chrome	-	-	-	26960	28758	30555	30555
- Ferro Manganese	-	-	-				
Existing Bishnupur Plant:	41%	111%	100%	100%	100%	100%	100%
Production:-							
Ferro Chrome	9871.400	26543.170	40000	40000	40000	40000	40000

The Company has a land admeasuring 16 acres at Bishnupur. The Company is currently manufacturing only High Carbon Ferro Chrome. The land is located at the WBIIIDC Growth Centre, Bishnupur, Bankura West Bengal and has been given for a lease of 99 years to the company. The Company acquired the said land free from all encumbrances and subsequently the Company has mortgaged the land to the bankers/ financial institutions as prime security towards the term loan as well as the working capital loan.

Jajpur Plant

The Company has acquired 50 Acres of Factory Land at Duburi, Kalinganagar Industrial Complex, Jajpur in the State of Orissa on 84 years long-term Lease for setting up the proposed Ferro Alloy Plant vide indenture of lease deed dated 2nd March, 2005 entered into between the Government of Orissa and the Company. The Company acquired the said land free from all encumbrances and subsequently the Company has mortgaged the land to the bankers/ financial institutions as prime security towards the term loan as well as the working capital loan obtained for the proposed expansion project. The Company does not propose to purchase or acquire any property, which is to be paid for wholly or partly out of the proceeds of this Issue.

Key Industry Regulation

There are no major Key Industrial Regulations for the Ferro Alloy Industry.



3. History and Corporate Structure of the Company

Incorporation and initial progress:

The Company was incorporated on 7th April 2000 under the Companies Act, 1956, as a Private Limited Company and as such did not require any certificate for the commencement of business. Pursuant to the conversion of the Company from a Private Limited Company to a Public Limited Company on the 24th June 2004, the name of the Company was changed from Rohit Ferro-Tech Private Limited to "Rohit Ferro-Tech Limited".

The Company belongs to Impex Group having interest in Ferro Alloys.

Mr. Suresh Kumar Patni, Chairman cum Managing Director, has promoted the Company, and is well known in the eastern Region Ferro Alloys Industry.

The Company has carved a niche for itself as a leading producer of High Carbon Ferro Chrome. The Company has also got ISO 9001:2000 certification assuring high standard quality adherence for its products.

The Company was promoted with the intention to set up a Ferro Alloy Plant. In the year 2002, on the announcement of industry promotion schemes of the State of West Bengal, mainly beneficial for power intensive industries, the Company decided to set-up a Ferro Alloy Plant with two sub-merged arch furnaces of 9 MVA capacity each at Bishnupur Industrial Growth Centre in Bankura District of West Bengal where the Company was assured of receiving power subsidy for 6 years. Moreover, the Company also got the benefit by the Income Tax Holiday to the extent of 100% for first 5 years, and 30% for the next five years of its operation for setting up the plant at Industrial Backward Area notified by the Central Government.

The Company started commercial production of manufacturing High Carbon Ferro Chrome (HCF_{Cr}) in October 2003 and produced more than 9000 MT during the initial five months of operation ending FY 04. The Company also exported 28% of its production during that financial year. In view of increase in demand for the product both in domestic & international market, the Company thought of expanding its capacity by adding another Furnace of 9 MVA capacity. The 3rd furnace started its production from April '2005.

The Company now proposes to manufacture Ferro Manganese (FeMn) & Silico Manganese (SiMn) at its proposed Jajpur Plant.

Important events in the history of the Company are as follows:

Year	Events
April 2000	Incorporation of the Company
August 2003	IFAPA Membership
October 2003	Commercial Production of First 2 Furnaces
June 2004	Converted into Public Limited Company
August 2004	Accredited ISO 9001:2000 Certificate
January 2005	Awarded One Star Export House Status
April 2005	Commercial Production of 3 rd Furnace
May 2005	ICDA Membership

Main Objects of the Company as set forth in the Memorandum:

To carry on business as manufactures, producers, processors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, stockist, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all classes and kinds of ferrous and non ferrous metals, alloy, pig iron, wrought iron, and steel foundries in all or any of their respective branches, metallurgical prospectors, explorers, contractors, agents and to establish workshop for the manufacture of any equipment required for any of the industries which the Company can undertake and to deal in such equipment.

Changes in the Memorandum of Association:

Since incorporation following changes have taken place in the Memorandum of Association:

ROHIT FERRO-TECH LIMITED

Date of Amendment	Amendment
21-June-2004	Change in the name of the Company pursuant to the change in the status of the Company from Private Limited to Public Limited Company. The certificate for the change of name was issued on June 24, 2004.
13-May-2002	Increase in the authorised share capital of the Company from Rs. 10 lacs to Rs.1 Crore
17-June-2002	Increase in the authorised share capital of the Company from Rs.1 Crore to Rs.3 Crores
26-Aug-2002	Increase in the authorised share capital of the Company from Rs.3 Crores to Rs.5 Crores
04-Feb-2003	Increase in the authorised share capital of the Company from Rs.5 Crores to Rs.8 Crores
18-Sep-2003	Increase in the authorised share capital of the Company from Rs.8 Crores to Rs.9.5 Crores
03-Mar-2004	Increase in the authorised share capital of the Company from Rs.9.5 Crores to Rs.13.5 Crores
04-Sep-2004	Increase in the authorised share capital of the Company from Rs.13.5 Crores to Rs.16 Crores
27-Dec-2004	Increase in the authorised share capital of the Company from Rs.16 Crores to Rs.20 Crores
31- Mar- 2005	Increase in the authorised share capital of the Company from Rs 20 Crores to Rs 40 Crores.

The details of the capital raised are given in the section Capital Structure on page 9 of the prospectus.

Subsidiaries of Rohit Ferro-Tech Limited

The Company has no subsidiaries as on date.

Shareholders' agreement

At present, there are no shareholding agreements between the Company and any other person.

Strategic Partners

The Company as on date has no strategic partners.

Financial Partners

The Company has no financial partners as on date.



4. Management

As per the articles of Association, the Company must have a minimum of three (3) and a maximum of twelve (12) directors. As of March 2005, the Company has six (6) directors.

Board of Directors

The present Board of Directors comprises of the following members:

SL No	Name, Designation, father's Name, Address, Occupation Term, and age	Date of appointment	Other Directorships
1.	Mr Suresh Kumar Patni, Chairman cum Managing Director S/o Dharam Chand Jain "Sarita Kunj"15, Burdwan Road Kolkata- 7000 27 Occupation: Industrialist Age: 45 years	07.04.2000	1. Impex Metal & Ferro Alloys (P) Ltd. 2. Ankit Metal & Power Ltd. 3. Invesco Finance Pvt. Ltd. 4. Impex Ferro Tech Ltd. 5. Poddar Mech Tech Services Pvt. Ltd. 6. Shubham Complex Pvt. Ltd. 7. VSN Agro Products Pvt. Ltd. 8. Impex Industries Ltd. 9. Sarita Steel Tech Pvt. Ltd. 10. Suanvi Trading & Investment Co. Pvt. Ltd. 11. Vasupujya Enterprises Pvt. Ltd.
2.	Mrs Sarita Patni, Director W/o Suresh Kumar Patni "Sarita Kunj"15, Burdwan Road Kolkata- 7000 27 Occupation: Industrialist Age: 40 years	07.04.2000	1. Impex Metal & Ferro Alloys Pvt. Ltd. 2. Ankit Metal & Power Ltd. 3. Invesco Finance Pvt. Ltd. 4. Poddar Mech Tech Services Pvt. Ltd. 5. Shubham Complex Pvt. Ltd. 6. Sarita Steel Tech Pvt. Ltd. 7. Suanvi Trading & Investment Co. Pvt. Ltd.
3.	Mr Binit Jain Executive Director S/o Vijay Kumar Jain "Jayanti Enclave" 28, Apkar Garden Asansol- 713304 Business: Industrialist Age: 26 years	15.10.2004	1. Hira Concast Pvt. Ltd. 2. Jyoti Vyapaar Pvt. Ltd.
4.	Mr. Jayant Chatterjee Non Executive Independent Director S/o Mr H.N. Chatterjee 205B, NSC Bose Road; "Tolly Green" Kolkata- 700 040 Business: Consultant Age: 63 years	16.05.2005	None
5.	Mr. Kailash Chand Jain Non Executive Independent Director S/o Late Ishar Lal Jain"Rajhans" 6, Hastings Park Road; Kolkata-27 Occupation: Tax-Consultant Age: 56 years	29.03.2005	1. Pallavi Manufacturers Pvt. Ltd. 2. Raghav Industries Ltd. 3. Indo-Wagon Engineering Ltd. 4. Jessop Infotech Pvt. Ltd.
6.	Mr Jatindra Nath Rudra Non Executive Independent Director S/o Late Sachindra Kumar Rudra 3/1, B East Road Kolkata-32 Occupation: Retired Age: 69 years	29.03.2005	None

Brief profile of the Directors

Please refer to the section on “the Promoters” for brief profile of Mr. Suresh Kumar Patni, Mrs Sarita Patni; and “General Information” on page 5 for Mr Binit Jain.

Kailash Chand Jain

Mr. Kailash Chand Jain is an Independent Director on the Board of the Company.

He is a Commerce graduate with Honours (Gold Medalist) from the University of Guwahati, Assam. He secured First Class First position with distinction in the Advanced Accountancy, Secretarial Practice and Auditing subjects.

He has obtained the degree of Bachelor of Law (LLB) from Calcutta University.

He is a Fellow member of the Institute of Chartered Accountants of India (FCA); Fellow Member of the Institute of Company Secretaries of India (FCS) and Fellow Member of the Institute of Cost & Works Accountants of India (FICWA).

He is also a member of the Institute of Internal Auditors, Florida, USA (IIA); and Indian Management Association (IMA), New Delhi and takes active part in it's activities.

He has been the Regional Council Member of the ICAI for 6 years, and Chairman of the EIRC of the ICAI of India. He has been the President of the Direct Tax Professional's Association.

He has long corporate experience of about 34 years in various positions ranging from Administrative Officer to Company Secretary, Chief Executive, Director and Chairman. He has supervised the activities like Accounts, Secretarial, Taxation, Finance, Legal, Administration, HR, Purchase, Stores, Production, General Management, Marketing etc. in Industrial and Commercial business houses engaged in diversified activities.

Jayanta Chatterjee

Mr. Jayanta Chatterjee is an Independent Director on the Board of the Company, He is an expert in the field of ferro alloys, coal & coke.

He is a Science graduate from Calcutta University, and possesses a Post-graduate degree in Metallurgy from Jamshedpur Institute of Technical education, and a degree from AIMM. He has a wide experience of over 40 years in the steel & mining Industry.

He was associated with TISCO in as Senior Metallurgist in Charge of Blast Furnace, Sinter Plant, and Coke-Oven plant; and is retired from TISCO in the capacity of Chief of Marketing (Ferro Alloys & Minerals Division). Presently, he is working as an Advisor to M.D. in Metal Junction- a Tata Steel Joint Venture Company.

He is also associated as a consultant in IFAPA.

Jatindra Nath Rudra

Mr. Jatindra Nath Rudra is an Independent Director on the Board of the Company.

He is Bachelor of Civil Engineering from Jadavpur University, and have has done his Master of Engineering from Calcutta University. Life Member of Institute of Surveyors, India.

He was the CEO of WBIIDC, Govt. of West Bengal; the Chief Valuer of Calcutta Improvement Trust, Govt. of West Bengal; and Town Engineer, Kabwe, Republic of Zambia, Africa for 6 year on being deputed by Govt. of India.

Presently, he is a Life Fellow Member of Institution of Public Health Engineers (India), and Member of India Life Saving Society, Kolkata.

Terms of appointment & compensation of Managing Director

Mr. Suresh Kumar Patni was appointed as Managing Director in the Extraordinary General Meeting held on 30th July '2004 and payment of remuneration to him w.e.f. 1st July, 2004 for a period of 5 years on the terms & conditions as approved in the said meeting. The proposal had been approved by the Board of Directors at it's meeting held on 1st July, 2004. In accordance with the resolution adopted at the General Meeting of the shareholders of RFTL, he is entitled to withdraw his salary and benefits as per his service conditions as stated hereunder:

1. The Chairman cum Managing Director shall, subject to the provisions of the Companies Act, 1956, the Articles of Association for the Company and to the terms of Agreement with the Board of Directors shall have the whole, or substantially the whole of the management, control and superintendence for the affairs of the Company.



Provided that Chairman cum Managing Director shall exercise his powers subject to the superintendence, control and direction of the Board of Directors. He shall further exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter the Board) shall from time to time determine subject to any directions and restrictions given or imposed by the Board.

2. The Company shall pay to the Chairman cum Managing Director during the continuance of this Agreement in consideration of the performance of his duties, the following remuneration as follows:

- a) Period: 5 years, with affect from 1st July 2004.
- b) Remuneration: Rs.50, 000/- per month.

In case of loss or inadequate profit in any year, remuneration shall be paid as per limits specified under Section-II of part-II of Schedule-XIII of Companies Act 1956.

3. In the event of any amendment made by the Government in the guidelines or ceiling on the managerial remuneration including perquisites during the proposed terms of his appointment, the Board of Directors be and is hereby authorized to alter or vary the remuneration including perquisites within the ceiling as laid down in Schedule XIII of the Companies Act, 1956.
4. The Managing Director shall be entitled to exercise all the General Powers under section 191(1) & 191(2) and restriction thereon and certain power that vested in section 292 as applicable if any, of the Companies Act, 1956.
5. The Managing Director shall perform all the duties as may be delegated by the Board of Directors, Committee of Directors subject to the provisions of the Companies Act, 1956, Articles of Associations of the Company and under any Acts.
6. The Company shall be entitled to terminate the Agreement in the event of the Managing Director being guilty of misconduct or such intention to or negligence in the discharge of duties or any breach of this agreement that in opinion of the Board renders his retirement from the office of the Managing Director.
7. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving six months notice in writing.

Terms of appointment & compensation of, Mr. Binit Jain-Executive Director

Mr. Binit Jain was appointed as Executive Director in the Board Meeting held on 16th May 2005 effective from 1st June, 2005 for a period of 1 year on the terms & conditions as approved in the said meeting which was ratified by the members in the Annual General Meeting held on 5th September 2005. the summarized terms and conditions of his appointment is given below.

1. The Company shall pay to the Executive Director as Salary a sum of Rs. 25,000/- (Rupees Twenty Five Thousand Only) per month.
2. The Executive Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof from the date of his appointment.
3. The Executive Director shall be the occupier of the factory as defined in the Factories Act, 1948 and entitled to exercise the powers as detailed in the agreement.
4. Executive Director shall not as long as he functions as the Executive Director become interested or otherwise concerned directly or through his wife or children in any selling agency of the company without the prior approval of the Central Government.
5. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving two months notice in writing.
6. The Executive Director shall perform all the duties as may be delegated by the Board of Directors, Committee of Directors and the Managing Director from time to time subject to the provisions of the Companies Act, Articles of Association of the Company and under any other Acts.
7. In the event of absence or inadequacy of profits in any financial year the remuneration by way of salary payable to Executive Director shall be reduced according to profits and in case of loss(es), no amount shall be paid to the Executive Director. However, the amount payable shall not exceed the limits prescribed under the Companies Act, 1956 and the Rules made there under or any statutory modification or re-enactment thereof.

Corporate Governance

The directions issued by the SEBI under Clause 49 of the Listing Agreement in respect of Corporate Governance will be applicable to the Company immediately upon listing of the Equity Shares on the various stock exchanges. The Company has

already undertaken steps in this direction to ensure compliance with the requirements pertaining to Corporate Governance as would be applicable to the Company upon listing of the shares. In this regard, the Company has taken steps to further broaden its Board of Directors and also set up the necessary committees as per the requirements of the directions such as shareholding/ investor grievance committee and audit committee.

Audit Committee

Vide Board Resolution dated 16th May, 2005 an Audit Committee in compliance with section 292A of the Companies Act and clause 49 of the Listing Agreement has been formed. The audit committee has been constituted with the following directors:

Chairman: Mr. Kailash Chand Jain (Independent Director having financial and accounting knowledge)

Members: Mr. Jatindra Nath Rudra (Independent Director)

Mr. Jayant Chatterjee (Independent Director)

Mr. Pramod Kumar Jain, the Company Secretary, shall assist the committee in the proceedings.

The audit committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

The scope of Audit Committee shall be:

- a) to investigate any activity within its terms or reference
- b) to seek information from any employee
- c) to obtain outside legal or other professional advice
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee also has powers as provided in Clause 49A of the Listing Agreement.

Chairman of the Audit Committee shall attend the annual general meetings of the Company to provide any clarifications on matters relating to audit as may be required by the members of the Company.

Shareholders Grievance Committee

Shareholders' Grievance Committee has been formulated vide Board Resolution dated 16th May 2005, consisting of the following directors viz.

Chairman: Mr. Jayanta Chatterjee (Independent Director)

Members: Mr. Suresh Kumar Patni (Executive Director)

Mr. Jatindra Nath Rudra (Independent Director)

Shareholders' Grievance Committee shall have the power to make decisions relating to redressal of Shareholders' grievances, which includes the duty:

- To dispose off the Shareholders' complaints, within 7 days from the date of receipt, in connection with non-receipt of shares, non-receipt of dividends, non-receipt of Annual Reports and general inquiry about the status of the shares.
- To communicate to the concerned Stock Exchange and related parties replying to status of the respective complaints.
- Communication to the SEBI explaining satisfactory withdrawal of Shareholders' complaints.
- Any other matter related to Shareholders' grievances/complaints.
- Shareholders' Grievance Committee shall review the minutes of the meeting of the delegated authority who shall meet fortnightly for the redressal of the shareholders, grievances.



Shareholding of the Directors

The shareholding of the directors on the date of issue of the prospectus is as follows:

SI No	Director	No of shares	Date acquired
1.	Mr. Suresh Kumar Patni	895,100	7-Apr-00 20-Aug-02 29-Mar-05 5-May-05
2.	Mrs. Sarita Patni	180,100	7-Apr-00 29-Mar-05
3.	Mr. Binit Jain	NIL	
4.	Mr. Kailash Chand Jain	NIL	
5.	Mr Jayanta Chatterjee	NIL	
6.	Mr. Jatindra Nath Rudra	NIL	

Interest of Directors

All the non executive directors of Rohit Ferro-Tech Ltd. may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may also be regarded as interested in the shares & dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by Rohit Ferro-Tech Ltd. with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

The Managing Director of Rohit Ferro-Tech Ltd is interested to the extent of remuneration paid to him for services rendered to the Company (For more details, please refer "Related Party Disclosures" as mentioned under Sr. No. 4(d) of the Auditors' Report given in this prospectus). Further, the directors are interested to the extent of equity shares that they are holding and or allotted to them out of the present Issue, if any, in terms of the prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

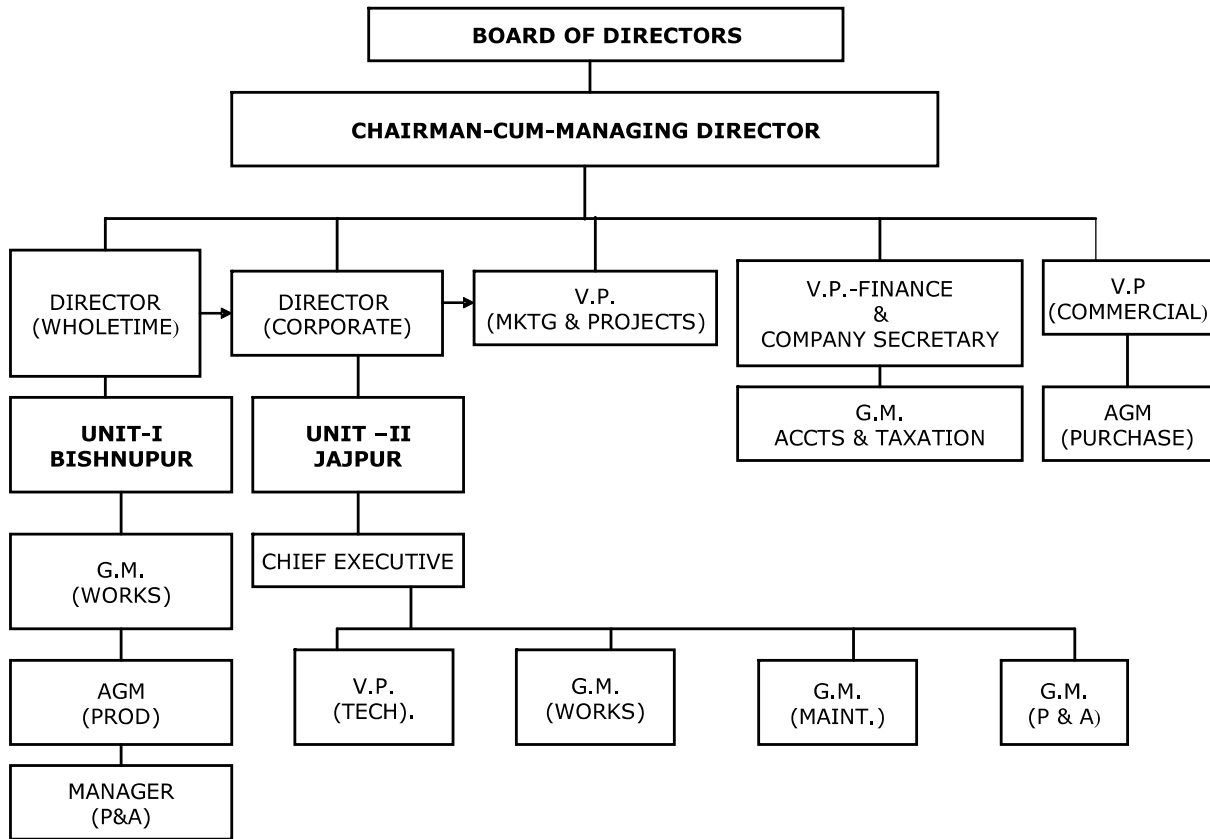
The registered office of the issuer company is taken on lease from one of its promoters Mrs. Sarita Patni for Rs. 5000/- per month for a period of eleven months renewable for a further period with mutual consent.

The Company has not entered into any other contract, agreements or arrangements during the preceding two years from the date of the prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

Changes in the Board of Directors in the last three years are as follows:

Name	Date of appointment	Date of Cessation	Reason
Mr. Binit Jain	15.10.2004		Appointment as Additional Director
Mr. Rohit Patni	15.10.2004	29.03.2005	Ceased to be director due to resignation
Mr. Ankit Patni	03.05.2004	29.03.2005	Ceased to be director due to resignation
Mr. Kailash Chand Jain	29.03.2005		Appointment as Additional Director
Mr. Jatindra Nath Rudra	29.03.2005		Appointment as Additional Director
Mr Vijay Kumar Jain	29.03.2005	16.05.2005	Ceased to be director due to resignation
Mr. Jayanta Chatterjee	16.05.2005		Appointment as Additional Director

Management Organisation Structure:



Key Management Personnel

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production/finance/distribution/marketing and corporate laws. The following key personnel assist the management.

Details of the key managerial personnel are as follows:

Sl No	Name	Age	Qualification	Designation	Responsibility	Total Exp (yrs)	Date of Joining	Previous Employment
1	Mr. S. Nandi	58	B.Com Dip. In M.Engg	Director-Corporate	Implementation of Ferro alloys project Jajpur unit	38	01/10/04	Sri Vasavi Industries Ltd
2	Mr. M. R. Mishra	48	B.E.(Production) M.Tech (Industrial)	Chief Executive	In-charge of Jajpur unit	21	01/11/04	Ferro Alloys Corporation Ltd., & Hindustan National Glass Company Ltd.
3	Mr. Pramod Kumar Jain	31	B.com (Hons) A.C.A. A.C.S.	VP Finance & Company Secretary	Secretarial affairs and Financial Management	7	01/06/02	Kolmak Chemicals Ltd., Impex Metal & Ferro Alloys Pvt. Ltd.
4	Mr. S. S. Patnaik	49	B.com	VP (Marketing & Projects)	Market Development, Sales management Project coordination & Implementation	30	01/07/05	Impex Ferro-tech Ltd and Ispat Alloys Ltd.



SI No	Name	Age	Qualification	Designation	Responsibility	Total Exp (yrs)	Date of Joining	Previous Employment
5	Mr. Rakesh Agarwal	37	B.Com	VP (Commercial)	Procurement of Major raw material, Vendor development, Supply chain management & other commercial activities	22	01/07/03	Sri Vasavi Industries Ltd., & Ferro Alloys Corpn Ltd
6	Mr. P. K. Mohanty	64	B.Sc.Engg(Mech)	VP(Technical)	In-charge and over all coordination of All mechanical engineering relatee activities. Jajpur Unit	40	16/09/05	Sri Vasavi Industries Ltd and Ferro Alloys Corporation Ltd.
7	Mr. Vinay Kumar Goel	56	B.Tech(Hons)	GM(Works)	Overall coordination of Civil, Mechanical, Fabrication & construction activities of Jajpur Unit	30	12/09/05	Shyam DRI Power Ltd, & SKL Exports
8	Mr. Ch.V.V.V. Prasad	45	B.Tech (Mtlgy) M.Tech (Indl. Melgy)	General Manager (Works)	Over all in-charge of Production & Maintenance of Bishnupur Unit.	25	01/12/05	Jindal Steel & Power Ltd., Ferro Alloys Corpn Ltd.
9	Mr. A. Ghosh	50	B.E.(Electrical)	GM (Maintenance)	Maintenance of Electrical & mechanical Equipment. (Bishnupur unit)	26	19/01/05	Ispat Alloys Ltd, Cosmic Alloys Ltd
10	Mr Vikas Jain	31	A.C.A.	GM (Accounts & Taxation)	Accounts and Taxation	3	01/04/03	NIL
11	Mr. R. B. Das	64	B.A.	GM(Personal & Administration)	Personnel Management & Over All Administration. (Jajpur Unit)	43	01/02/04	Sri Vasavi Industries Ltd & Ferro Alloys Cron.Ltd
12	Mr R. K. Rathi	47	B.com	AGM (Purchase)	Procurement of Project Equipments & General Stores	26	01/05/02	Usha Martin Industries Ltd
13	Mr. T. K. Dhal	42	M.Sc. (Mathematics) PGD in systems management	AGM (Production)	Production (Bishnupur Unit)	19	08/09/03	Shyam Ferro Alloys Ltd & Kartik Ferro Alloys Ltd
14	Mr. S. K. Singh	42	M.A. (labour & Social welfare)	Manager (P & A)	Personal Mgmt Administration (Bishnupur Unit)	22	01/05/03	Kumardubhi Metal Castings & Engineering Ltd.

All the above employees, Key Managerial Personnel are the permanent employees.

Shareholding of the Key Managerial Personnel

The following is the shareholding of the Key Managerial Personnel as on the date of the filing of the prospectus:

SI. No.	Name of the Employee	No. of Shares	Date Acquired
1	Pramod Kumar Jain	10000	05-05-2005
2	Rakesh Agarwal	10000	05-05-2005

Bonus or profit sharing plan for the Key Managerial Personnel

There is no profit sharing plan for the key managerial personnel. The Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Changes in key managerial personnel

Following key managerial have joined the Company during the last one year.

SI.No	Name	Designation	Date Of Joining
1	Mr. S. Nandi	Director (Corporate)	01.10.2004
2	Mr. M. R. Mishra	Chief Executive	01.11.2004
3	Mr. S. K. Bishoi	General Manager (Engineering)	01.07.2004
4	Mr. C.S.S.R. Varma	General Manager (Works)	14.05.2005
5	Mr. A. Ghosh	General Manager (Maintenance)	19.01.2005
6	Mr. V. K. Goel	General Manager (Works)	12.09.2005
7.	Mr. P. K. Mohanty	Vice President (Technical)	16.09.2005
8.	Mr.Ch.V.V.V.Prasad	General Manager (Works)	01.12.2005

Following key managerial have left the Company during the last one year.

SI.No	Name	Designation	Date Of Joining
1	Mr. P. K. Das	Company Secretary	28.02.2005
2	Mr. S. K. Bishoi	General Manager (Engineering)	14.09.2004
3	Mr. C.S.S.R. Varma	General Manager (Works)	10.11.2005
4	Mr. T.R. Rath	AGM (Engineering)	01.12.2005

Family relation with the Key Managerial Personnel (KMP)

No family relation exists between the promoters and KMP

Employees

Disclosure Regarding Employees Stock Option Scheme/ Employees Stock Purchase Scheme

Till date, the Company has not introduced any Employees Stock Option Scheme/ Employees Stock Purchase Scheme, as required by the guidelines or regulations of SEBI relating to Employees Stock Option Scheme and Employee Stock Purchase Scheme.

Payment or benefit to the officers of the Company

Except the payment of salaries and perquisites, the Company makes ex-gratia payments to its officers as and when it deems fit.



5. PROMOTERS

Mr. S.K. Patni, Mrs. Sarita Patni, Mr. Rohit Patni, Mr. Ankit Patni along with Poddar Mech Tech Services (P) Limited, Invesco Finance Pvt Limited, and Suanvi Trading & Investment Co Pvt Ltd have promoted the Company-Rohit Ferro Tech Limited. A brief profile of promoters is given herewith:

PROMOTERS AND THEIR BACKGROUND

Mr. Suresh Kumar Patni (Managing Director)





Mr. Suresh Kumar Patni, son of Shri Dharam Chand Patni, aged about 45 years, is the Chairman Cum Managing Director of the Company. He is a Commerce graduate and has wide experience of more than two decades in Ferro Alloy Industry. He has promoted Impex Metal & Ferro Alloys Pvt. Ltd. in the year 1991 (to import & trade in ferro alloys) and Impex Ferro-Tech Limited in the year 1998 (to manufacture Manganese based ferro alloys viz. Ferro Manganese & Silico Manganese). In 2002, he conceptualized to set-up another ferro alloy plant to manufacture High Carbon Ferro Chrome, and promoted RFTL. Presently, he is also setting up an Integrated Steel Plant in Ankit Metal & Power Limited comprising of Sponge Iron, Captive Power Plant, Induction Furnace & Re-rolling Mill.

Mrs. Sarita Patni

Mrs. Sarita Patni, wife of Mr. Suresh Kumar Patni, aged about 40 years, is a director on the Board of the Company. Besides RFTL, she has co-promoted Impex Metal & Ferro Alloys Pvt. Ltd. and Ankit Metal & Power Limited.

Mr. Rohit Patni, son of Mr. Suresh Kumar Patni, aged about 22, is undergoing Engineering at PESIT, Bangalore.

Mr. Ankit Patni, son of Mr. Suresh Kumar Patni, aged about 21 years, is undergoing graduation from Calcutta University. He is also pursuing CFA from the Institute of Chartered Financial Analysts of India, Hyderabad

Name of the Promoter	Mr. Suresh Kumar Patni	Mrs. Sarita Patni	Mr. Rohit Patni	Mr. Ankit Patni
Photo of the promoters				
Driving License No.	WB-01-251116	-	-	-
Passport Details	Z022307	Z022166	T-147166	Z022261

The Company confirms that the permanent account number, Bank account number, passport number and voter ID No. of Mr. Suresh Kumar Patni, Mrs. Sarita Patni, Mr. Rohit Patni, Mr. Ankit Patni have been submitted to the NSE and BSE at the time of filing of this document with them.

Poddar Mech Tech Services (P) Limited

The Company was incorporated on 21.03.1996 having its registered office at 35.C. R. Avenue, Kolkata-700012 as Pvt. Limited. The Company is a Non- Banking Financial Company.

Date of Incorporation	21.03.1996
Registration No	21-78292
Nature of Business	Investment
NBFC No.	B-05-03217
PAN No.	AABCP75342
Banker	HDFC BANK
Account No.	0082320008281

ROHIT FERRO-TECH LIMITED

The present directors of the Company are:

Name of Director	Date of Appointment
Suresh Kumar Patni	04.08.2003
Sarita Patni	04.08.2003

Shareholding Pattern:

The Shareholding Pattern of the Company as on 31.12. 2005 is as below:

Sl. No.	Name of the shareholders	No. of Shares
1	Suresh Kumar Patni	758,700
2	Sarita Patni	123,000
3	Apsara Fintreade Pvt Ltd	10,000
4	Abinandan holding Pvt. Ltd.	5,000
5	Anurag Securities Pvt. Ltd.	10,000
6	Baid India Pvt. Ltd.	135,000
7	Charter house International ltd.	25,000
8	Cube communications Ltd.	15,000
9	Dilsa Tie-Up Pvt. Ltd.	10,000
10	Dunstan Goods pvt. Ltd.	10,000
11	Ess Emm Enclasive pvt. Ltd.	85,000
12	Hooghly Vinimay Pvt. Ltd.	20,000
13	PNR Holding Pvt. Ltd.	10,000
14	Rajesh Trexem pvt. Ltd.	10,000
15	Rajhanse Business & Finance Ltd.	5,000
16	RGF Capital Markets Ltd.	20,000
17	RGF Real Estates Pvt. Ltd.	25,000
18	Sugam Commodeal Pvt. Ltd.	10,000
19	TOTAL	1,286,700

The financials for the last 3 years are given below:

Year ended March 31	Rupees in Lacs		
	2005	2004	2003
Equity Capital	128.67	88.17	88.17
Reserves (Excluding Revaluation Reserve)	771.49	404.67	404.41
Total Income	171.95	402.19	32.43
Profit After Tax (PAT)	2.32	0.26	0.08
Earning Per Share (EPS)	0.18	0.03	0.00
Net Asset Value (Nav) Per Share In Rs.	69.92	55.85	55.80

Source: Audited Financial Statements



Invesco Finance Pvt Limited

The Company was incorporated on the 16.02.1995 having its registered office at 35, C. R. Avenue, Kolkata-700 012. The Company is a Non- Banking Financial Company.

Date of Incorporation	16.02.1995
Registration No	21-68360
Nature of Business	Investment
NBFC No.	B-05-0337
PAN No.	AAACI5663E
Banker	CANARA BANK
Bank Account No.	11456

The present directors of the Company are:

Name of Director	Date of Appointment
Suresh Kumar Patni	4.08.2000
Sarita Patni	4.08.2000

Shareholding Pattern:

The shareholding pattern of the Company as on 31.12.2005 is as below:

Sl. No.	Name of the shareholders	No. of Shares
1	Suresh Kumar Patni	338,500
2	Sarita Patni	243,500
3	BKN Consultancy Services Pvt. Ltd.	12,500
4	Arati Finvest (P) Ltd.	25,000
5	Manav Sales (P) Ltd.	12,500
6	Preka Investments (P) Ltd.	12,500
7	Dipika Finance (P) Ltd.	12,500
8	RKP Consultancy Services Pvt. Ltd.	12,500
9	Vee Point Commerce Pvt. Ltd	67,500
10	Mahawala Agency Services Pvt. Ltd.	50,000
11	Tealsy Marketing & Consultancy Pvt. Ltd.	10,000
12	Abhiyan Vyapaar (P) Ltd.	12,500
13	Kotyark Ditributors (P) Ltd	10,000
14	GIR Marketing & Trading Co.Ltd.	12,500
15	Free Wings Exports Limited	87,500
16	Ideal Goods & Services (P) Ltd	12,500
17	Poddar Mech Tech Services Pvt. Ltd.	25,000
18	Ralli Wolf dealcom (P) Ltd.	12,500
19	Asha tradecom Pvt. Ltd.	5,000
20	Abhinamdan Holdings Pvt. Ltd.	12,500
21	Bajrang Marbles Pvt. Ltd.	60,000

ROHIT FERRO-TECH LIMITED

Sl. No.	Name of the shareholders	No. of Shares
22	Bakliwal Finvest Pvt. Ltd.	37,500
23	Bhavsagar Vinimay Pvt. Ltd.	87,500
24	Bircost Vincan Pvt. Ltd.	12,500
25	Carol Barter Pvt. Ltd.	12,500
26	Chandrapsrbhu Fincom Pvt. Ltd	37,500
27	Chiragsale Sales Pvt. Ltd.	25,000
28	RGF Capital Market Ltd.	40,000
29	SCM Holdings Pvt. Ltd.	50,000
30	RGF Real Estates Pvt. Ltd.	45,000
31	Sharp Investment Ltd.	40,000
32	SHP Financial Services Pvt. LTd	45,000
33	Sunirmiti Mercantiles Pvt. Ltd.	87,500
34	Corbal Suppliers Pvt. Ltd.	25,000
35	Cosmos Real Estates Pvt. Ltd.	25,000
36	Cube Communication Pvt. Ltd.	62,500
37	Enrzier Commerce Pvt. Ltd.	10,000
38	Gangadhan Tracom Pvt. Ltd.	50,000
39	Investwell Pvt. Ltd.	12,500
40	Montex Commercial Pvt. Ltd.	25,000
41	NKP Holding Pvt. Ltd.	62,500
42	Pacific Manamgment Pvt. Ltd.	12,500
43	Patni Holdings Pvt. Ltd.	12,500
44	Prompt Fincom Pvt. Ltd.	12,500
45	Raunak Vypar & Viniyog Pvt. Ltd.	25,000
	Total	1,902,000

The financials for the last 3 years are given below:

Year ended March 31	Rupees In Lacs		
	2005	2004	2003
Equity Capital	190.20	88.95	86.45
Reserves (Excluding Revaluation Reserve)	424.68	120.28	112.47
Total Income	2.56	2.21	0.84
Profit After Tax (PAT)	0.65	0.31	0.03
Earning Per Share (EPS)	0.03	0.03	0.00
Net Asset Value (NAV) per share in Rs.	32.29	23.47	22.94

Source: Audited Financial Statements



Suanvi Trading & Investment Co Pvt Limited.

The Company was incorporated on the 02.04.1996 having its registered office at 35, C.R. Avenue, Kol-12. The Company is a Non- Banking Financial Company.

Date of Incorporation	02.04.1996
Registration No	21-78986
Nature of Business	INVESTMENT
NBFC No.	B-05-04569
PAN No.	AADCS67311
Banker	PUNJAB NATIONAL BANK
Bank Account No.	0091002100891788

The present directors of the Company are:

Name of Director	Date of Appointment
Suresh Kumar Patni	18.05.2002
Sarita Patni	18.05.2002

Shareholding Pattern:

The Shareholding Pattern of the Company as on 31.12. 2005 is as below:

Sl. No.	Name of the shareholders	No. of Shares
1	Suresh Kumar Patni	40,100
2	Sarita Patni	50,725
3	Invesco Finance Pvt. Ltd	665,725
4	Altos Tradefin (P) Ltd	12,500
5	Apsara Trex (P) Ltd	87,500
6	Apurva Finance (P) Ltd	25,000
7	Chiki Finance (P) Ltd	37,500
8	Drola Agencies (P) Ltd	20,000
9	Kamna Commercial (P) Ltd	50,000
10	Mirik Vinimay (P) Ltd	25,000
11	Novel Finvest (P) Ltd	25,000
12	Presitige Finvest (P) Ltd	12,500
13	Rajesh Trexim (P) Ltd	75,000
14	Ramoli Vinicom (P) Ltd	17,500
15	Rekha Kunj (P) Ltd	12,500
16	Abhishek Viniyog (P) Ltd	25,000
17	Sumangal Fincom (P) Ltd	12,500
18	Super Fast Tour & Travels	12,500
19	Vee Point Commerce (P) Ltd	18,750
20	Vijay Fintrade (P) Ltd	12,500
21	Antriksh Commerce pvt.ltd.	12,500
22	Apsara Fintrade Pvt. Ltd.	65,000
23	Atlanta Commodities Pvt.Ltd.	12,500
24	Fun N Food Pvt. Ltd.	42,500

ROHIT FERRO-TECH LIMITED

Sl. No.	Name of the shareholders	No. of Shares
25	GIR Marketing & Tra. Pvt Ltd.	12,500
26	Kotyark Distributors Pvt. Ltd.	7,500
27	Norcross Commercial Pvt. Ltd.	7,500
28	Simpro Vanijya Pvt. Ltd.	50,000
29	Strong Construction Pvt. Ltd.	25,000
30	Tip-Top Commercial Pvt. Ltd.	12,500
31	Gowaraja Suppliers Pvt. Ltd.	12,500
32	Kuswaha Construction Co. Pvt. Ltd	17,500
33	Metlax Goods& Services Pvt. Ltd.	25,000
34	Shweta Trade Services Pvt. Ltd.	12,500
35	Clarion Merchants Pvt. Ltd.	25,000
36	Bakliwala Finvest Pvt. Ltd.	37,500
37	SCM Holding Pvt. Ltd.	15,000
38	Sunny Fincom Pvt. Ltd.	10,000
39	Macro Leafin Pvt. Ltd.	10,000
40	Lyton Consultants Pvt. Ltd.	10,000
41	Dabriwal Investment & Financial (p) Ltd.	10,000
42	Cube Trafin Pvt. Ltd.	15,000
43	Perfect Commerce Pvt. Ltd.	5,000
44	Unilever Enterprises Pvt. Ltd.	10,000
45	Polo Secto Tie-up Pvt. Ltd.	10,000
46	Star Trafin Pvt. Ltd.	15,000
47	Rajesh Vanija Pvt. Ltd.	15,000
48	Vertex Trade Pvt. Ltd.	10,000
	Total	1,750,300

The financials for the last 3 years are given below:

Year ended March 31	Rupees In Lacs		
	2005	2004	2003
Equity Capital	175.03	99.91	99.91
Reserves(Excluding Revaluation Reserve)	611.89	295.54	295.32
Total Income	3.59	12.44	165.86
Profit After Tax (PAT)	0.97	0.22	0.12
Earning Per Share (EPS)	0.06	0.02	0.01
Net Asset Value (NAV) per share in Rs.	44.92	39.55	39.51

Source: Audited Financial Statements

The Company confirms that the permanent account number, Bank account number, the Company registration numbers and the addresses of the Registrar of Companies where the above promoter companies have been registered, have been submitted to the NSE and BSE at the time of filing of this document with them.

Common Pursuits

Impex Ferro Tech Limited, one of the group companies is engaged in the production of Ferro Manganese and Silico Manganese, products that the Issuer Company shall also manufacture in addition to Ferro Chrome in the proposed expansion plan. This may affect the market share of Impex Ferro Tech Ltd due to potential conflict of interest between the two companies. Moreover there is no non-compete agreement between the two companies.

The demand for both these products are very high. At present, Impex Ferro Tech Limited is not able to fulfill the demand. With the Company producing these products, it would be catering to the fulfillment of demand of the market.



Interest of the promoter

The promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding directorship in the Company. The registered office of the issuer company is taken on lease from one of its promoters Mrs. Sarita Patni for Rs. 5000/- per month for a period of eleven months renewable for a further period with mutual consent. The promoters are not interested in any property acquired by RFTL within two years from the date of the prospectus. The promoters are not interested in any loans and advances given by the Company, neither are they beneficiary of any such loans or advances.

The following companies/ventures promoted by the promoters of Company and the promoters may be deemed to be interested in these companies:

Name of the concern	Type of concern	Interested Party
VSN Agro Products Limited	Company	Mr. Suresh Kumar Patni
Sarita Steel-Tech Pvt Limited	Company	Mr. Suresh Kumar Patni Mrs Sarita Patni
Impex Ferro-Tech Limited	Company	Mr. Suresh Kumar Patni
Ankit Metal & Power Limited	Company	Mr. Suresh Kumar Patni Mrs Sarita Patni Mr. Ankit Patni Mr. Rohit Patni
Impex Metal & Ferro Alloys Pvt Limited	Company	Mr. Suresh Kumar Patni Mrs Sarita Patni
Impex Industries	Proprietorship	Mr. Suresh Kumar Patni
Impex Mineral & Chemical Company	Proprietorship	Mr. Suresh Kumar Patni
Vasupujya Enterprises Pvt Ltd	Company	Mr. Suresh Kumar Patni Mr. Ankit Patni
Subham Complex Pvt. Ltd.	Company	Mr. Suresh Kumar Patni Mrs Sarita Patni
Nutech Multimax Pvt Ltd	Company	Mr. Ankit Patni Mr. Rohit Patni
Pioneer Multimax Pvt Ltd	Company	Mr. Ankit Patni Mr. Rohit Patni
Greetamax Estates Pvt Ltd	Company	Mr. Ankit Patni Mr. Rohit Patni
Divine Trading Co Pvt Ltd	Company	Mr. Ankit Patni Mr. Rohit Patni

Except as disclosed above and related party transaction on page 70, the promoters of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefit if any.

Payment or benefit to promoters of the Company

The promoters have been paid interest on unsecured loans, as and when provided by them. Mrs. Sarita Patni, is being paid rent @ Rs. 5000/- per month for the office which has been leased to the company.

Related party transactions

For details of the related party transaction, please refer to page 70 of the prospectus.

6. Currency of Presentation

In this prospectus, all references to “Rupees” and “Rs.” and “ Indian Rupees” are to the legal currency of the Republic of India.

7. Dividend Policy

The Company in general meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in general meeting may declare a smaller dividend. Dividends shall be paid out of profits only. The Company has declared no dividend till date. The dividend shall rank *pari-passu* in all respects with the existing issued capital of the Company.

IV FINANCIAL STATEMENTS

1. AUDITORS' REPORT

To

The Board of Directors
Rohit Ferro Tech Ltd.
35,C.R.Avenue, Kolkata- 700 012

Reg. Initial Public Offer of Rohit Ferro Tech Limited – Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956

Dear Sirs,

1. We have examined the financial information of Rohit Ferro Tech Ltd (the Company) annexed to this report which has been prepared in accordance with requirements of :
 - a. Part II of Schedule II of the Companies Act, 1956
 - b. The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and
 - c. The terms of reference received from the company, requesting us to carry out the work, proposed to be included in the prospectus of the company in connection with its public issue.
2. We have examined the attached restated summary statement of assets and liabilities of the Company as at 31st March 2001, 2002, 2003, 2004, 2005 and as at 30th September, 2005 and the attached restated summary statement of profit and loss for each of the years/period ended on those dates ("summary statements") (see Annexure I and II) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and groupings as in our opinion appropriate and more fully described in the notes appearing in Annexure III to this report. We have also examined and found correct the accounts of the Company for the period from 1st April 2005 to 30th September 2005 prepared and approved by the Board of Directors of the Company. These summary statements have been extracted from the financial statements for the years ended 31st March 2001 and 2002 audited by other auditors and for the years ended 31st March, 2003, 2004 and 2005 audited by us and adopted by the Board of Directors / members for the respective years.
3. Significant accounting policies adopted by the Company and the notes pertaining to the audited financial statements are enclosed as Annexure IV.
4. We have examined the following other financial information of the Company proposed to be included in the Prospectus as approved by the Board of Directors and annexed to this report.
 - a. Accounting ratios based on the restated profits relating to earning per share, net asset value and return on net worth are enclosed in Annexure V;
 - b. "Capitalization statement" and "Tax Shelter Statement" as at 30th September, 2005 are enclosed in Annexure VI and Annexure VII respectively;
 - c. Details of secured and unsecured loans for the years ended 31st March 2001, 2002, 2003, 2004 & 2005 and for the period ended 30th September 2005 appearing in Annexure VIII.
 - d. Details of the Related Party Transactions for the years ended 31st March 2001, 2002, 2003, 2004 & 2005 and for the period ended 30th September 2005 appearing in Annexure IX.
 - e. Details of loans and advances as at 31st March 2001, 2002, 2003, 2004, 2005 and 30th September 2005 appearing in Annexure X.
 - f. Details of Sundry Debtors as at 31st March 2001, 2002, 2003, 2004, 2005 and 30th September 2005 appearing in Annexure XI.
 - g. "Cash Flow Statement" enclosed as Annexure XII.
5. We further confirm that the Company does not have any subsidiary within the meaning of section 4 of the Companies Act, 1956.
6. This report is intended solely for your information for inclusion in the Prospectus for the proposed Public Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

**For S. Jaykishan
Chartered Accountants**

**(Vivek Newatia)
Partner M.No. 062636**

**Date: 11th day of February, 2006
Place: Kolkata**



ANNEXURE-I

STATEMENT OF ASSETS & LIABILITIES AS RESTATED

The assets and liabilities of the company as at the end of each five financial years ended on 31 March, 2001, 2002, 2003, 2004 and 2005 and as on 30th September, 2005 are as set out below. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are, in our opinion, appropriate.

(Rs. In Lacs)

Particulars	As At					
	30.09.2005	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Fixed Assets:						
Gross Block	3,654.91	2,583.09	1,891.16	53.10	-	-
Less: Depreciation	215.25	138.14	41.43	1.52	-	-
Net Block	3,439.66	2,444.95	1,849.73	51.58	-	-
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	3,439.66	2,444.95	1,849.73	51.58	-	-
Capital work-in progress	1,495.15	1,385.50	396.70	901.02	-	-
Total Fixed Assets (A)	4,934.81	3,830.45	2,246.43	952.60	-	-
Investments (B)	-	-	-	-	-	-
Current Assets, loans and Advances:						
Inventories	2,132.08	2,686.96	1,286.15	-	-	-
Sundry Debtors	403.80	213.04	186.86	-	-	-
Cash & Bank Balances	431.64	431.61	247.21	83.31	0.01	0.05
Loans and Advances	4,301.45	1,767.46	454.27	335.46	-	-
Total (C)	7,268.97	5,099.07	2,174.49	418.77	0.01	0.05
Liabilities and Provisions:						
Secured Loans	4,201.15	2,583.83	1,558.60	622.17	-	-
Unsecured Loans	384.75	421.36	291.78	-	-	-
Current Liabilities and Provisions	2,277.17	1,888.56	878.80	105.77	0.01	0.01
Deferred Tax Liability	197.10	162.51	60.87	-	-	-
Total (D)	7,060.17	5,056.26	2,790.05	727.94	0.01	0.01
Net worth (A+B+C-D)	5,143.61	3,873.26	1,630.87	643.43	0.01	0.04
Represented by						
1. Share Capital (A)	1,751.52	1,626.12	1,305.62	601.42	0.02	0.02
2. Reserves	3,231.16	2,264.46	331.51	0.02	-	-
Less: Revaluation Reserve	-	-	-	-	-	-
Reserves (Net of Revaluation Reserves) (B)	3,231.16	2,264.46	331.51	0.02	-	-
Share Application Pending Allotment (C)	190.00	-	-	47.00	0.20	0.20
Miscellaneous Expenditure (D)	29.07	17.32	6.26	5.01	0.21	0.18
Net worth (A+B+C-D)	5,143.61	3,873.26	1,630.87	643.43	0.01	0.04

ANNEXURE-II

SUMMARY STATEMENT OF PROFITS & LOSSES AS RESTATED

We report that the profits of the company for the five financial years ended on 31st March 2001, 2002, 2003, 2004 and 2005 and for half-year ended 30th September, 2005 are as set out below. The Profit and Loss Account read with significant accounting policies and notes annexed hereto have been arrived at after charging all expenses of manufacture, working and management including depreciation and after making such adjustments and regroupings as are, in our opinion, appropriate.

(Rs. In Lacs)

PARTICULARS	For the half-year ended	For the year ended				
	30.09.2005	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Income						
Sales						
Sales – Trading	-	-	0.12	0.33	-	-
Sales – Manufacturing Export	2,732.93	4,666.09	933.47	-	-	-
Domestic	4,225.58	5,456.83	2,456.10	-	-	-
Export Incentives	117.18	193.79	85.38	-	-	-
Sub Total	7,075.69	10,316.71	3,475.07	0.33	-	-
Other Income	39.30	40.74	6.87	-	-	-
Increase in Inventories	603.12	152.97	368.45	-	-	-
TOTAL INCOME	7,718.11	10,510.42	3,850.39	0.33	-	-
Expenditure						
Trading Purchases	-	-	0.12	0.29	-	-
Raw Materials consumed	3,436.98	3,680.09	1,033.34	-	-	-
Manufacturing expenses	2,070.43	3,266.20	1,679.11	-	-	-
Payments to and prov. for employees	45.03	61.11	19.64	-	-	-
Central Excise Duty	667.16	586.72	337.37	-	-	-
Administrative & Other Expenses	353.24	476.99	215.10	-	-	-
TOTAL EXPENDITURE	6,572.84	8,071.11	3,284.68	0.29	-	-
Net profit before interest, depreciation, Tax and extraordinary items	1,145.27	2,439.31	565.71	0.04	-	-
Interest	163.56	263.64	106.61	-	-	-
Depreciation	77.55	96.58	40.21	-	-	-
Net Profit before tax and Extraordinary Items	904.16	2,079.09	418.89	0.04	-	-
Provision for Taxation	76.08	169.50	26.53	0.02	-	-
Provision for Deferred Tax	34.59	101.64	60.87	-	-	-
Provision for FBT	1.08	-	-	-	-	-
Extraordinary items (net of tax)	-	-	-	-	-	-
Net Profit after Extraordinary Items as per audited Balance Sheet(A)	792.41	1,807.95	331.49	0.02	-	-
Adjustment on account of change in Accounting Policy (B)	-	-	-	-	-	-
Adjusted Profit & Loss (A-B)	792.41	1,807.95	331.49	0.02	-	-
Previous Year Surplus	2,139.46	331.51	0.02	-	-	-
Balance Carried to Balance Sheet	2,931.87	2,139.46	331.51	0.02	-	-



ANNEXURE-III

NOTES TO ADJUSTMENTS AND GROUPINGS

Depreciation amounting to Rs.0.09 lacs excess charged in the financial year ending 31st March, 2004 and written back in the year ended 31st March, 2005, has been adjusted in the periods to which it relates.

Power incentive receivable by the Company (sanctioned vide notification no. 276-CI/O/Incentives/052/05/I dt.19.05.2005) under the provisions of West Bengal Incentive to Power Intensive Industries Scheme, 2005 amounting to Rs. 1128.21 lacs relating to the financial year ended 31st March, 2005 accounted for in the period ended 30th September, 2005 has been adjusted in the periods to which it relates. Accordingly, provision for tax amounting to Rs. 94.94 lacs excess charged in the period ended 30th September, 2005 has been adjusted in the period to which it relates.

ANNEXURE-IV

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

- a) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles & the provisions of the Companies Act, 1956
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

2. Fixed Assets

- a) Expenses which are of Capital nature are capitalized at a cost which comprises of purchase price and all other expenditure directly attributable to the cost of bringing the assets to its working condition for the intended use. Assets under Erection/installation are shown as Capital Work-In-Progress. Capital assets and Capital work-in-progress are net of CENVAT credit availed / available thereon.
- b) Incidental Indirect Expenses including interest on loan relating to the project are apportioned amongst the Fixed Assets on the basis of their Cost of Erection/acquisition on commencement of commercial production.

3. Depreciation

The Company follows the Straight-line method of charging depreciation on the Fixed Assets at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956

4. Recognition of Income & Expenditures

Revenue / Income and Cost / Expenditures are generally accounted for on accrual basis as they are earned or incurred.

5. Inventories

Inventories are valued at Lower of Cost and Net Realisable Value.

6. Purchases

Purchases are net of CENVAT Credit and Discount received from the parties. High Seas purchases are recognised on clearing from Customs.

7. Sales

Sales are inclusive of Excise Duty but net of Sales Tax and are recognised at the time of passage of the title that generally coincides with there delivery.

8. Subsidy

- a) The Company is registered under the **West Bengal Incentive Scheme, 2000** promulgated by The Director of Industries, Government of West Bengal. Under the said scheme the Company is entitled to receive Capital Investment Subsidy, Interest Subsidy, Employment Generation Subsidy, waiver of Electricity Duty, Remission of stamp duty & registration fees which, except Electricity Duty, shall be accounted for in the year of receipt. Electricity duty Refundable has been accounted for in the books on accrual basis.

- b) The Company has been granted eligibility certificate under the **West Bengal Incentive to Power Intensive Industries Scheme, 2005**, promulgated by the Department of Commerce & Industries, Government of West Bengal, vide notification no. 276-CI/O/Incentives/052/05/I dt.19.05.2005, effective from 1st April, 2004. Under the said scheme, the Company is entitled to receive incentive on energy charges, which has been accounted for in the books on accrual basis.

9. Foreign Currency Transactions

Foreign Currency transactions are recorded in the books at the prevailing bank rates as on the date of transaction. Export Sales in Foreign exchange are converted at the exchange rates fixed by the CBE&C prevailing on the date of removal of goods from the factory premises. The difference in the exchange between the date of transaction and the date of realisation / payment is Debited / Credited to the Foreign Exchange Fluctuation Account. The Foreign Exchange receivables are stated at the buying rate of RBI prevailing on the Balance Sheet Date.

10. Tax on the Incomes

- a) The Company is enjoying the benefit of Section 80 IB of the Income Tax act, 1961. The Current Tax liability is provided for in the books as per the provisions of Section 115 JB of the Income Tax Act, 1961.
- b) Deferred Tax Assets / Liabilities are recognised at the substantively enacted tax rates on the timing difference between the taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

11. Export Incentives:

The Export Incentives arising out of Export Sales under the **Duty Entitlement Pass Book Scheme & Duty Free Replenishment Credit**, shown under the head **Export Incentive** are accounted for on accrual basis.

12. Preliminary Expenses

Preliminary Expenses are amortised over a period of 5 years as applicable U/s 35D of the Income Tax Act, 1961.

B. NOTES ON ACCOUNTS (for the period ended 30th September, 2005)

1. Certain balances of the Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to Confirmation.
2. Stock of Finished Goods lying at the end of the half year is valued inclusive of excise duty having effect of increase in the value of the Finished Goods by Rs. 43,33,407/- (P.Y- 6,37,227/-) with corresponding increase in Current liabilities by the unpaid amount of excise duty as on 30.09.2005. This method has no impact on the Profit and Loss of the Company for the year.

3. Contingent Liabilities not provided for in the books of Accounts **(Rs in Lacs)**

SL No	Particulars	30 th September 2005	31 st March 2005
1.	In respect of Bank Guarantees given	Nil	468.00
2.	In respect of Bills discounted with Banks	1262.02	873.40
3.	In respect of Letter of Credit opened	1940.42	1304.72
4.	Commitments against Capital Expenditure (Net of Advances)	3386.21	523.94

4. In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary source of business at least equal to the amount at which they are stated in the accounts.
5. The Company has taken into account power incentive amounting to Rs. 2,257.87 lacs (Rs. 1128.21 lacs for the financial year ended 31st March, 2005 and Rs. 1129.66 lacs for the period ended 30th September, 2005) under the provisions of West Bengal Incentive to Power Intensive Industries Scheme, 2005, disbursement in respect of which will be made by WBIDC Ltd., on availability of funds from the State Government.

6. Related party disclosure as per AS – 18

Refer Annexure IX

7. The Company has adopted Accounting Standard – 22, “Accounting for Taxes on Income”, and accordingly, the Company has provided deferred tax liability of Rs. 60.87 lacs and Rs. 101.65 lacs for the financial years ended 31st March, 2004 and 31st March, 2005 respectively.



Components of Deferred tax liabilities / assets as on 30.09.2005 are as under:

Components of Deferred Tax Liability:

Difference in the WDV as per IT rules and as per Companies Act, 1956 Rs. 197.10 Lacs
(P.Y.- Rs 162.51 lacs)

Components of Deferred Tax Assets:

Nil

Net Deferred Tax Liability

Rs. 197.10 lacs
(P.Y- Rs 162.51 lacs)

8. Segment Reporting (AS-17)

Since the Company is dealing in a single product, Segment Reporting as per AS-17 is not applicable.

9. Capacity, Production, Sales & Stock

Licensed Capacity: N.A.

Installed Capacity: HC Ferro Chrome 36,400 M.T. Per Annum (P.Y- 24,000 M.T.)

(Installed Capacity has been certified by the management and not verified by the auditors being a technical matter)

	For the Half Year Ended 30.09.05		For the Year Ended 31.03.05	
	H.C. FERRO-CHROME		H.C. FERRO-CHROME	
	Qty (M.T)	Value (Rs Lacs)	Qty (M.T)	Value (Rs Lacs)
Opening Stock	532.25	200.49	594.15	179.45
Production	19744.90	N.A.	26543.17	N.A.
Sales	17703.00	6958.50*	26605.07	10122.92*
Closing Stock	2574.15	853.65	532.25	200.49

* Includes Excise Duty amounting to Rs. 603.05 lacs (Previous Year Rs.565.84 lacs)

Raw Materials Consumed

	For the Half Year Ended 30.09.05		For the Year Ended 31.03.05	
	Qty (M.T)	Value (Rs Lacs)	Qty (M.T)	Value (Rs Lacs)
Chrome Ore	48175.57	1959.44	74000.96	1575.97
Coke	13767.89	1272.82	19524.7	1775.26
Others		204.72		328.86
Total		3436.98		3680.09

Materials Consumed

Particulars	Value (Rs Lacs)	%	Value (Rs Lacs)	%
Imported	1091.59	31.78%	1379.97	37.50%
Indigenous	2345.39	68.22%	2300.13	62.50%
Total	3436.98	100.00%	3680.10	100.00%

10. Expenditure in Foreign Currency: NIL

11. Earning in Foreign Currency

FOB Value of Exports

Rs 2725.80 lacs (Previous Year - Rs. 4664.92 lacs)

12. Earnings Per Share (EPS)

Particulars	Unit	30 th Sept. 2005	31 st March 2005	31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001
Adjusted Profit used as Numerator for calculating Basic and Diluted EPS	Rs. in lacs	792.41	1,807.95	331.49	0.02	-	-
Weighted Average No. of shares used as Denominator for calculating Basic EPS	No. of shares	17,245,970	14,175,200	7,616,482	2069422	2000	2000
Weighted Average No. of Potential shares (due to Share Application pending Allotment) used as Denominator For calculating Diluted EPS	No. of shares	17,393,056	14,175,200	7,616,482	2070710	2000	2000
Nominal Value of Shares	Rs.	10	10	10	10	10	10
Basic EPS	Rs.	9.19*	12.75	4.35	0.001	-	-
Diluted EPS	Rs.	9.11*	12.75	4.35	0.001	-	-

*Annualised

ANNEXURE-V

SUMMARY OF ACCOUNTING RATIOS:

Accounting Ratios	30 th Sept. 2005	31 st March 2005	31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001
Earnings per share (Rs)*	9.19*	12.75	4.35	0.001	-	-
Return on Net worth %	30.81%*	46.68%	20.32%	0.00%	-	-
Net Asset Value per share (Rs)	29.37	23.82	12.49	10.70	-	-
No. of equity shares of Rs.10 each	17,515,200	16,261,200	13,056,200	6,014,200	200	200

+ Calculated as per AS-20

* Annualised

ANNEXURE-VI

CAPITALISATION STATEMENT

Rs. in lacs

Particulars	PRE ISSUE AS AT 30.09.2005	POST ISSUE (AT AN OFFER PRICE OF RS. 30)
Short Term Debt	1660.68	1660.98
Long term debt	2925.22	7285.75
Total debt	4,585.90	8946.43
Shareholders fund		
Share capital	1,751.52	3446.29
Reserves and surplus	3,231.16	6620.69
Sub-Total	4,982.68	10066.98
Less: Miscellaneous Expenditure	29.07	279.07
Total shareholders fund	4,953.61	9787.91
Long term Debt/Equity	0.59	0.74



ANNEXURE-VII

TAX SHELTER STATEMENT

Rs. in lacs

PARTICULARS	30.09.2005	31.03.2005	31.03.2004	31.03.2003
Tax rate (Including Surcharge)	33.66%	36.5925 %	35.875 %	36.750 %
Tax rate as per MAT (including surcharge)	8.415%	7.84125 %	7.6875 %	7.875 %
Profits (as per audited statements of accounts)	2032.37	950.88	418.89	0.04
Tax at Notional rate	684.10	347.95	150.28	0.02
Difference between Tax Depreciation & Book Depreciation	104.06	313.20	168.94	-
Other Adjustments	1928.31	637.68	249.95	-
Net adjustments	2032.37	950.88	418.89	-
Tax saving thereon	684.10	347.95	150.28	-
Taxation	-	-	-	0.02
Tax Adjustments*	171.02	74.56	26.54	-
Total taxation	171.02	74.56	26.54	0.02

* Tax has been paid U/s 115JB of the Income Tax Act on Book Profits in respect of financial years 2003-04 & 2004-05 and for the period ended 30th September, 2005.

ANNEXURE-VIII

DETAILS OF SECURED & UNSECURED LOANS:

Secured Loans:

(Rs. in lacs)

Particulars	As at 30th Sept. 2005	As at 31st March 2005	As at 31st March 2004	As at 31st March 2003	As at 31st March 2002	As at 31st March 2001
(A) Secured Loans						
From Banks for Working Capital						
State Bank of India	762.38	584.16	401.27	-	-	-
Term Loans from Banks						
State Bank of India	1985.92	1,543.00	1,150.00	617.99	-	-
State Bank of Travancore	517.02	-	-	-	-	-
State Bank of Hyderabad	171.12	-	-	-	-	-
United Bank of India	200.40	-	-	-	-	-
Bridge Loan						
WBIDC Ltd.	125.00	-	-	-	-	-
Equipments/Car Finance Loan						
HDFC Bank Limited	4.27	5.89	2.51	4.18	-	-
ICICI Bank Limited	-	3.05	4.82	-	-	-
ICICI Bank Limited	11.95	15.18	-	-	-	-
Kotak Mahindra Bank	5.83	7.22	-	-	-	-
Magma Leasing Limited	28.70	36.25	-	-	-	-
Others- FCNRB Loans						
State Bank of India	388.54	389.08	-	-	-	-
Total	4201.15	2,583.83	1,558.60	622.17	-	-

Note:

- Term Loans are secured by charge on land & building, Plant & Machinery and other Fixed Assets at the Company's factory.
- Working Capital and FCNR (B) loans are secured by charge on Inventories, Book Debts and other Current Assets with collateral charge on Company's Fixed Assets, Office Premises and Personal Guarantee of two Directors and Corporate Guarantee of M/s. Shubham Complex Private Limited.

ROHIT FERRO-TECH LIMITED

Unsecured Loans:

(Rs in Lacs)

Unsecured Loans	As at 30 th Sept. 2005	As at 31 st March 2005	As at 31 st March 2004	Rate of Interest	Terms of Repayment
A.D. Finance & Leasing Pvt Ltd	-	4.00	-	9.00%	Within a year
Ahinsa Traders Pvt Ltd	5.35	5.35	-	9.00%	Within a year
Badhawar Leasing & Finance Co. (p) Ltd.	7.00	-	-	13.50%	Within a year
Banani Trading Pvt. .td.	10.00	-	-	12.00%	Within a year
Biosphere Vanijya Pvt Ltd	5.35	5.35	-	9.00%	Within a year
Bonanza Investment Pvt Ltd	5.00	5.00	-	12.00%	Within a year
Classic Capital Markets Ltd	10.00	11.00	-	9.00%	Within a year
Damin Commerce (p) Ltd	10.00	-	-	9.00%	Within a year
Ess Dee Em Fincom (p) Ltd	6.00	-	-	9.00%	Within a year
G.B. Business Ltd	10.00	10.00	-	13.50%	Within a year
G.S.Fertilisers Pvt. Ltd.	40.00	-	-	9.00%	Within a year
Invesco Finance Pvt. Ltd.	50.00	-	-	9.00%	Within a year
Innocent merchandise (p) Ltd	10.00	-	-	9.00%	Within a year
Kamod Finvest Pvt Ltd	-	14.50	-	12.00%	Within a year
M.S.Finvest Pvt Ltd	25.00	25.00	-	10.00%	Within a year
MNP Ispat Pvt. Ltd.	25.00	-	-	9.00%	Within a year
Pan Emami Cosmed Ltd.	25.00	-	-	13.50%	Within a year
S.A.Trading Co Pvt Ltd	-	225.00	-	9.00%	Within a year
Shiyaji Silk Mills (p) Ltd.	10.00	-	-	12.00%	Within a year
Singhi Finalease (p) Ltd.	25.00	-	-	9.00%	Within a year
Suanvi Trading & Investment Co. (p) Ltd.	50.00	-	-	9.00%	Within a year
Succulent Mercantiles Pvt Ltd	5.35	5.35	-	9.00%	Within a year
Swarup Commercial Co Pvt Ltd	5.35	5.35	-	9.00%	Within a year
Swadist sweets (p) Ltd	10.00	-	-	9.00%	Within a year
Tanah Holdongs Pvt Ltd	-	25.39	-	9.00%	Within a year
Wrinkia Marketing Pvt Ltd	5.35	5.35	-	9.00%	Within a year
Yash Properties (p) Ltd.	10.00	-	-	9.00%	Within a year
Zenon India Pvt Ltd	-	74.71	-	9.00%	Within a year
Panchmukhi Agrochem Pvt. Ltd.	-	-	120.69	9.00%	Within a year
Poddar Mechtech Services Pvt. Ltd.	-	-	105.13	9.00%	Within a year
Saraswati Vincom Pvt. Ltd.	-	-	15.09	12.00%	Within a year
Siddhant Financial Services Pvt. Ltd.	-	-	15.09	12.00%	Within a year
Suanvi Trading & Invest. Co. Pvt. Ltd.	-	-	15.65	12.00%	Within a year
Yashman Vyapaar Pvt. Ltd.	-	-	20.13	12.00%	Within a year
Zoom Industrial Services Ltd.	20.00	-	-	13.50%	Within a year
Total	384.75	421.36	291.78		

Note: No unsecured loan was outstanding as on 31st March, 2001, 2002 and 2003



ANNEXURE-IX

Related Party Transactions (As per AS-18)

A. List of related parties over which control of the company exists – None

B. Names of the related Parties with whom the transaction were carried out with the Company.

Name of the Related Parties	Relationship
Suresh Kumar Patni	KMP
Binit Jain	KMP
Impex Metal & Ferro Alloys Pvt Ltd	Control of KMP
Invesco Finance Pvt. Ltd.	Control of KMP
Poddar Mech Tech Services Pvt Ltd	Control of KMP
Suanvi Trading & Investment Company Pvt Ltd	Control of KMP

Note: KMP means Key Managerial Personnel

Transactions with Related Parties:

(Rs Lacs)

Sl. No	Particulars	30.09.05	31.03.05	31.03.04
	Transactions During the year			
1	Sales During the year			
	Impex Metal & Ferro Alloys Pvt Ltd	68.06	57.13	52.47
2	Remuneration During the year			
	Suresh Kumar Patni	3.00	4.50	-
	Binit Jain	1.00	-	1.72
3	Interest Paid			
	Poddar Mech Tech Services Pvt Ltd	-	5.96	6.39
	Suanvi Trading & Investment Co. Pvt Ltd	1.70	0.88	0.83
	Impex Metal & Ferro Alloys Pvt Ltd	-	-	1.03
	Invesco Finance Pvt. Ltd.	0.02	-	-
	Loans taken			
	Poddar Mech Tech Services Pvt Ltd	-	-	105.13
	Invesco Finance Pvt. Ltd.	50.02	-	-
	Suanvi Trading & Investment Co. Pvt Ltd	51.42	-	15.66

Note: No transactions were entered into with related parties for the financial years ended on 31st March, 2001, 2002 and 2003

ANNEXURE-X

Details of Loans & Advances

Rs In lacs

	As at 30 th Sept. 2005	As at 31 st March 2005	As at 31 st March 2004	As at 31 st March 2003	As at 31 st March 2002	As at 31 st March 2001
Advances recoverable in cash or in kind or for value to be received						
For Capital Goods	953.01	38.95	39.26	289.17	-	-
To Suppliers & Others	45.66	123.91	9.12	-	-	-
Advance Against Land	-	-	69.76	-	-	-
Security & Other Deposits	495.35	39.28	6.03	1.78	-	-
Cenvat on Capital Goods Receivable	135.67	33.60	51.50	44.51	-	-
Balance lying with Excise Department	15.60	13.88	37.77	-	-	-
Deferred Premium on Forward Contract	0.35	2.46	-	-	-	-
DEPB Receivable	164.29	99.01	85.38	-	-	-
Electricity Duty Refundable	191.00	191.00	89.30	-	-	-
Insurance Claim Receivable	-	-	3.33	-	-	-
Power Subsidy Receivable	2257.87	1128.21	-	-	-	-
Accrued Interest on FDR	26.29	19.57	7.74	-	-	-
Pre-paid Expenses	15.94	77.59	54.86	-	-	-
Welfare Cess Receivable	0.42	-	0.22	-	-	-
	4301.45	1767.46	454.27	335.46	-	-

ANNEXURE-XI

DETAILS OF SUNDRY DEBTORS:

Rs. in lacs

	30 th September, 2005	31 st March, 2005	31 st March, 2004	31 st March, 2003	31 st March, 2002	31 st March, 2001
Secured	176.91	182.31	178.16	-	-	-
Unsecured:						
Less than 6 months	220.04	28.40	8.70	-	-	-
More than 6 months	6.85	2.33	-	-	-	-
Total	403.80	213.04	186.86	-	-	-



ANNEXURE-XII

CASH FLOW STATEMENT FROM THE RESTATED FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2005 AND FOR THE YEAR ENDED 31ST MARCH 2005.

Rs. in lacs

	30 th Sept, 2005	31 st March, 2005
A. Cash Flows from Operating Activities		
Net Profit before Tax & Extraordinary Items	904.16	2079.09
Adjustments for:		
Depreciation	77.55	96.58
Interest Income	(22.87)	(40.74)
Interest Expenses	163.56	263.64
Loss on sale of Assets	0.66	-
Exchange Fluctuation (Gain)	(9.03)	-
Preliminary Expenses written off	1.13	2.26
Operating Profit before Working Capital Changes	1115.16	2400.83
Adjustments for:		
Trade & Other Receivables	(1345.61)	(1339.36)
Inventories	554.88	(1400.81)
Trade Payables & Other Liabilities	230.52	918.65
Cash Generated from Operations	554.95	579.31
Income Taxes Paid	(27.14)	(73.34)
Net Cash from Operating Activities	527.81	505.97
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets (incl. Advances) & Capital W.I.P	(1994.21)	(1680.60)
Interest Received	22.87	35.68
Insurance Claim Received	5.66	-
Deposits	(314.67)	(168.00)
Net Cash from Investing Activities	(2280.35)	(1812.92)
C. Cash Flows from Financing Activities		
Issue of Share Capital	299.70	445.50
Share Application Money	190.00	-
Proceeds from Borrowings	1580.71	1154.81
Share Issue Expenses	(12.89)	(13.32)
Interest Paid	(163.56)	(263.64)
Net Cash used in Financing Activities	1893.96	1323.35
Net Increase/(Decrease) in Cash and Cash		
Equivalents (A+B+C)	141.42	16.40
Cash and Cash Equivalents at the beginning of period	40.11	23.71
Cash and Cash Equivalents at the end of period	181.54	40.11

Note:

The above Cash Flow has been prepared under "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.

PRINCIPAL TERMS OF LOAN AND ASSETS CHARGED AS SECURITY

The Company has been sanctioned long-term financial assistance from State Bank of India, Union Bank of India and United Bank of India. SBI and UBI have sanctioned the working capital facilities.

The details of these loans are as under:

1) State Bank of India

Nature of facility

Term Loan (FCNR-B)

Purpose

Part Financing of setting up of 113047 MTPA Ferro Alloy Plant at Jajpur, Orissa

Amount

Rs. 1250 lacs (US\$ 2.88 Million)

Date of sanction

10.06.2005

Security

Primary- Pari-Passu 1st charge over all the Fixed Assets (present and future) of the Company

Collateral-

- i) Extension of charge on all Fixed Assets of the Company on pari passu basis with other working capital bankers.
- ii) Equitable mortgage of office spaces of the Company on pari passu basis
- iii) Equitable mortgage of landed property with building at Jajpur on pari passu basis
- iv) Charge over current assets on pari passu basis to be extended to cover the Term Loan facility.

Interest

0.75% over SBAR [PLR], applicable to SB-1 credit rating, minimum 11% p.a, at monthly rests

Repayment:

To be repaid in 20 quarterly instalments @ Rs 62.50 lac per quarter commencing from December 2006.

Margin

34%

2) United Bank of India

Nature of facility

Term Loan – Rs. 2650 lacs

Cash Credit- Rs. 1550 lacs

L/C (I& F) – Rs. 1200 lacs

(B/G facility within LC facility –Rs 1200 lacs)

Purpose

Part Financing of setting up of 113047 MTPA Ferro Alloy Plant at Jajpur, Orissa and meeting the working capital requirement

The L/C facility will be utilised for procurement of raw materials and coke (fuel). The BG facility within the L/C facility will be utilised in lieu of L/C facility as when required by the suppliers.

Amount

Rs. 2650 lacs

**Date of sanction**

22.06.2005

Security

Primary- first charge on the entire fixed assets of the proposed project, both existing and future (mortgage charge on immovable assets and hypothecation charge on movable as sets) ranking pari-passu with other consortium members to secure the term loan limit

For Working Capital facility: 1st charge on the entire current assets of the proposed project to secure the W/C (FB) limit ranking pari passu with other consortium members.

For LC/(I & F)

- i) Document of title to goods under LC Bills under the credits will be accompanied by BL/RR/MTRs/AW bills covering inward consignment of raw materials/stores. MTRs to be of approved transport companies only and stocks to be insured against prescribed risks. In case of Usance bills against acceptance, documents may be delivered against acceptance.
- ii) Extension of charge over current assets and fixed assets.
- iii) Application cum indemnity letter
- iv) Bank Guarantee (within LC facility) omnibus counter guarantee of the Company

Collateral-

The charge will be extended to secure the term Loan & working capital limit ranking pari passu with other consortium members.

Interest**Term Loan-**

BPLR-0.25% p.a. (present 10.5%) with monthly rests

Cash Credit

BPLR- 0.25% p.a (Presently 10.5%) with monthly rests

Repayment:

- i) Repayment of existing TL will continue as per existing repayment schedule
- ii) TL of Rs 2650 lacs to be repaid in 20 quarterly instalments @ Rs 132.50 lac commencing from Jan. 2007 i.e. after a moratorium period of nine months from the scheduled date of commencement of commercial production, April 2006

Margin

T/L 41%

C/C-Stocks comprising raw materials, work-in-progress & finished goods, consumables, etc.-25% Books Debts- 30% & Fuel- 25%

LC (I & F) and B/G –15%

3) State Bank of Travancore**Nature of facility****(Rs in Lacs)**

Facility	Limits
Term Loan	1000.00
FB- Working Capital Limits	1000.00
NBF- Letter of Credit limit	1000.00
Total	3000.00

Purpose

Part Financing of setting up of 113047 MTPA Ferro Alloy Plant at Jajpur, Orissa.

Date of sanction

29.06.2005

Security

Primary- Pari-Passu 1st charge over all the entire fixed assets of the proposed unit at Jajpur, Orissa including equitable mortgage of factory land & building

Collateral-

1. Pari passu first charge over the fixed assets of the Company at the existing unit at Bishnupur, West Bengal.
2. Equitable mortgage on pari-passu basis of landed properties with building at 1/26 Vidhya Nagar, Jajpur held in the name of Subham Complex Pvt Ltd.
3. Equitable mortgage on pari passu basis of office space located at C.R. Avenue, Kolkata
4. Extension of pari passu charge over all the current assets of the Company.

Interest

11.50% p.a. (0.50% p.a above SBT PLR) at monthly rests

Repayment:

Period 6^{1/2} years: Start up period 1^{1/2} years

Repayable in 20 quarterly instalments @ Rs 50 lac each beginning from the 3rd quarter of 2006-07

Margin

FBWC limits (RM, SIP, FG and Book debts (Cover period of 60 days)	25%
Letter of Credit	25%
Term Loan	41%

4) State Bank of Hyderabad

Nature of facility

Facility	Limits
Term Loan	1000.00

Purpose

Part Financing of setting up of 113047 MTPA Ferro Alloy Plant at Jajpur, Orissa

Date of sanction

01.07.2005

Security

Primary- Hypothecation of P & M present and future and LM of factory Land & Building at Bishnupur, West Bengal and Jajpur, Orissa by way of 1st charge on pari passu basis.

Collateral-

1. EM on pari-passu basis of landed properties with building at 1/26 Vidhyadhar Nagar, Jajpur held in the name of Subham Complex Pvt Ltd.
2. EM on pari passu basis of office space located at C.R. Avenue, Kolkata
3. Extension of pari passu charge over all the current assets of the Company.

Interest

11.50% p.a. (0.50% p.a above SBT PLR) at monthly rests

Margin

34%



2. FINANCIAL INFORMATION OF GROUP COMPANIES

The information for the last 3 years based on the audited statements in respect of all the Companies, firms, ventures, etc. promoted by the promoters irrespective of whether these are covered under section 370 (1)(B) of the Companies Act, 1956 or are given in the Offer document under the head "Financial Information of Group Companies".

1. Impex Ferro-Tech Limited

The Company has been incorporated on June 07, 1995 with its registered office at 35, Chittaranjan Avenue, Kolkata-700 012 with the intention to set up a plant for manufacturing Silico Manganese and Ferro Manganese. In the year 1997-98, the Company set up two numbers submerged Arc furnaces of 3.6 & 5 MVA rating plant for manufacturing Silico Manganese and Ferro Manganese at Kalyaneswary, Mouza Debipur, near Kulti, District Burdwan, West Bengal. The Company further went for expansion in the year 2000-01, when the third furnace having a rating of 7.5 MVA was installed and the same commenced production in April 2002. The Company has been awarded ISO 9001: 2000 certification for manufacture and supply of different types of ferro alloy metals like ferro-manganese, silico-manganese. Encouraged by the market acceptance for its products the Company has further installed fourth submerged arc furnace of 8.25 MVA capacity for manufacturing High Carbon Silico Manganese and converting a part of High Carbon ferro manganese output into medium carbon ferro manganese through SSM converter route. The fourth furnace of the Company commenced commercial production in September 2004.

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Vimal Kumar Patni	Chairman
Mr. Suresh Kumar Patni	Managing Director
Mr. Virendra Kumar Jain	Whole Time Director
Mr N.K. Jain	Director
Mr. C.S. Dugar	Director
Mr. V.M. Lodha	Director
Mr. P. N Khandelwal	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2005 (Audited)	2004 (Audited)	2003 (Audited)
Total Income	14287.05	7200.63	6373.56
Profit after tax (PAT)	456.71	241.81	176.65
Share Capital ⁽¹⁾	2500.00	1634.20	1350.00
Reserves (excluding revaluation reserve)	1259.65	808.32	566.49
Miscellaneous Expenses	75.17	9.37	5.76
Earnings per share (EPS)	2.48	1.68	1.41
Net Asset Value (NAV) per share	14.74	14.89	14.15
Networth	3684.48	2433.15	1910.73

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 10
2. For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

Share Quotation

Highest and lowest price of equity as quoted on BSE (Designated stock Exchange) in the last six months

Month	High (Rs.)	Low (Rs.)
August 2005	30.75	25.55
September 2005	33.80	24.10
October 2005	25.75	19.00
November 2005	21.95	17.20
December 2005	18.70	15.00
January 2006	19.75	15.75

Source www.bseindia.com

Market value on the filing date of the Prospectus with the Registrar of Companies (will be updated)

Last issue by Impex Ferro-Tech Limited

In December 2004, Impex Ferro-Tech Ltd made a public issue of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs.

Current market price

The scrip was trading at a price of Rs.16.00 as on 10.02.2006.

Particulars of changes in Capital Structure since the date of issue

There has been no change in the capital structure of the Company since the date of the issue.

Statement regarding cost and progress of implementation schedule

The Funds requirement

Particulars	Amount (Rs. in lacs)
Installation of SSM Converter and 8.25 MVA Furnace.	1312.70
Repayment of unsecured loan	225.00
Issue and listing expenses	49.92
Total	1587.62

Utilisation of issue proceeds

Issue Proceeds	800.00
Installation of 8.25 MVA Furnace	525.08
Repayment of unsecured loan	225.00
Issue and listing expenses	49.92

Implementation Schedule

The project was being implemented at the existing plant site and there being sufficient place for installation of the 4th Furnace having the capacity of 8.25 MVA

The schedule of implementation of the project is given as follows:

Particulars	Schedule for implementation
Construction of Building and Civil Works	May 2004
Installation of Plant & Machinery and other equipments	July 2004
Trial Run	August 2004
Commercial Production	August 2004



2. Ankit Metal & Power Limited

The Company was incorporated on 7th August 2002 under the Companies Act, 1956 as a Private Limited Company under the name & style of Ankit Steel Works Private Limited. Subsequently, the name of the Company was changed to Ankit Metal & Power Private Limited on 9th July 2004. Later, the status of the Company was changed from Private Limited to Public Limited with effect from 31st day of August 2004. The Company is presently setting up an Integrated Steel Plant comprising of Sponge Iron, Captive Power Plant, and Induction Furnaces & Re-rolling Mill with a total estimated outlay of Rs.95 Crores.

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Mrs. Sarita Patni	Director
Mr. Sanjay Singh	Director
Mr. Rohit Patni	Director
Mr. Ankit Patni	Whole-time Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005 (Audited)	2004 (Audited)	2003 (Audited)
Equity Capital	1291.05	629.56	1.00
Reserves (Excluding Revaluation Reserve)	945.05	283.51	0.00
Total Income	0.32	0.08	0.00
Profit After Tax (PAT)	0.04	0.01	0.00
Earning Per Share (EPS)	0.00	0.00	0.00
Net Asset Value (NAV) per share in Rs.	17.24	14.42	4.45

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 10
2. For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

3. Impex Metal & Ferro Alloys Pvt Limited

Impex Metals & Ferro Alloys Pvt. Ltd. was incorporated on 31.05.1991 under the Companies Act 1956 as a private limited Company. The Company is engaged in trading and import of FERro Alloys, Metals and Minerals.

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Mrs. Sarita Patni	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005 (Audited)	2004 (Audited)	2003 (Audited)
Equity Capital	176.40	152.65	152.65
Reserves (Excluding Revaluation Reserve)	286.32	146.23	83.70
Total Income	8235.22	7010.73	6303.03
Profit After Tax (PAT)	72.76	63.66	35.78
Earning Per Share (EPS)	41.25	41.70	23.44
Net Asset Value (NAV) per share in Rs.	262.31	195.79	154.83

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 100
2. For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

4. VSN Agro Products Pvt. Ltd.

The Company was incorporated on 7th November 1996 under the Companies Act, 1956 as a Private Limited. The Company was incorporated with the main object of carrying out business in agro products and investments.

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Vimal Kumar Patni	Director
Mr. Suresh Kumar Patni	Director
Mr. Naresh Kumar Jain	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005(Audited)	2004(Audited)	2003(Audited)
Equity Capital	93.08	93.08	62.78
Reserves (Excluding Revaluation Reserve)	121.39	121.33	0.07
Total Income	0.28	0.29	0.09
Profit After Tax (PAT)	0.06	0.07	0.01
Earning Per Share (EPS)	0.00	0.00	0.00
Net Asset Value (NAV) per share in Rs.	23.01	22.99	9.99

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 10
2. For the calculation of Earnings Per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.



5. SARITA STEEL-TECH PRIVATE LIMITED

The Company was incorporated on 13th February 2004 under the Companies Act, 1956 as a Private Limited Company with an object to deal & manufacture in the Iron & Steel sector. The Company has not started any operations, and thus, there is no Profit & Loss account is prepared for the year ended 31st March '2005.

The following are the Board of Directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Mrs. Sarita Patni	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005 (Audited)
Equity Capital	1.00
Reserves (Excluding Revaluation Reserve)	0.00
Total Income	0.00
Profit After Tax (PAT)	0.00
Earning Per Share (EPS)	0.00
Net Asset Value (NAV) per share in Rs.	3.86

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985

6. IMPEX MINERAL & CHEMICAL COMPANYY

Impex Mineral & Chemical Company is a proprietorship firm set up by Mr. Suresh Kumar Patni in the year 1982. The firm is engaged in the trading of Silica Ramming Mass and other various kinds of minerals & refractory products.

The financials of the firm for the last 3 years are as follows:

(Rs in lacs)

Year Ended March 31	2005(Audited)	2004(Audited)	2003(Audited)
Sales	4.68	9.34	1.09
Profit/ Loss before Tax	0.81	2.40	(1.52)
Proprietor's Capital Account	(4.98)	(0.16)	(7.77)

Source: Unaudited financial Statements

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the firm Impex Mineral & Chemical Company.

7. Impex Industries

Impex Industries is a proprietorship firm set up by Mr. Suresh Kumar Patni in the year 1991. The firm is engaged in the trading of Ferro Silicon & other misc. ferro alloys.

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005(Audited)	2004(Audited)	2003(Audited)
Sales	-	7.56	1.91
Profit/ Loss before Tax	(2.64)	5.17	(0.51)
Proprietor's Capital Account	(9.62)	0.07	(2.11)

Source: Unaudited financial Statements

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the firm Impex Industries.

8. Vasupujya Enterprises Pvt. Ltd.

The Company was Incorporated on 28th day of February 1995, The Company is a Non Banking Finance Company (NBFC)

Date of Incorporation	2/28/1995
Registration No.	21-068371
Nature Of Business	Finance & Investments
NBFC No.	B-05.03821
Pan No.	AACV8958M
Banker	HDFC Bank Ltd.
Bank Account No.	82320011656

The following are the Board of Directors:

Name	Designation
Suresh Kumar Patni	Director
Ankit Patni	Director
Radha Kant Tiwari	Director
Sagar Mal Nahata	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005(Audited)	2004(Audited)	2003(Audited)
Equity Capital	149.99	84.01	30.02
Reserves (Excluding Revaluation Reserve)	6201.84	2645.51	0.00
Total Income	1.04	0.05	0.40
Profit After Tax (PAT)	0.46	(0.20)	0.04
Earning Per Share (EPS)	0.03	0.00	0.00
Net Asset Value (NAV) per share in Rs.	423.45	324.78	9.97

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985



9. GREETAMAX ESTATES PVT. LTD.

The company was incorporated on 19th February 1991, under the companies Act, 1956 as a private limited company for investing and dealing in real estate.

The following are the Board of Directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005(Audited)	2004(Audited)	2003(Audited)
Equity Capital	9.92	9.92	9.92
Reserves (Excluding Revaluation Reserve)	-	-	-
Total Income	0.83	0.83	0.20
Profit After Tax (PAT)	0.30	0.23	(0.32)
Earning Per Share (EPS)	0.30	0.23	-
Net Asset Value (NAV) per share in Rs.	9.77	9.46	9.23

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act,1985

10. PIONEER MULTIMAX PVT. LTD.

The company was incorporated on 19th February 1991, under the companies Act, 1956 as a Private Limited Company for investing and dealing in real estate.

The following are the Board of Directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2005(Audited)	2004(Audited)	2003(Audited)
Equity Capital	9.92	9.92	9.92
Reserves (Excluding Revaluation Reserve)	0.00	0.00	0.00
Total Income	0.83	0.83	0.20
Profit After Tax (PAT)	0.26	0.24	(0.35)
Earning Per Share (EPS)	0.26	0.24	0.00
Net Asset Value (NAV) per share in Rs.	9.76	9.50	9.26

Source: Audited financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985

11. NUTECH MULTIMAX PVT. LTD.

The company was incorporated on 20th March 1991, under the companies Act, 1956 as a private limited company for investing and dealing in real estate.

BOARD OF DIRECTORS

The following are the board of directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

The financials for the last 3 years are given below:

Rupees In Lacs

Year ended March 31	2005	2004	2003
Equity Capital	9.92	9.92	9.92
Reserves (Excluding Revaluation Reserve)	0.00	0.00	0.00
Total Income	0.83	0.83	0.20
Profit After Tax (PAT)	0.28	0.24	(0.32)
Earning Per Share (EPS)	0.28	0.24	0.00
Net Asset Value (NAV) per share in Rs.	9.94	9.66	9.42

Source: Audited financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985

12. SUBHAM COMPLEX PVT. LTD.

The company was incorporated on 17th December 1998, under the companies Act, 1956 as a private limited company for investing and dealing in real estate.

BOARD OF DIRECTORS

The following are the board of directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Ms. Sarita Patni	Director



The financials for the last 3 years are given below:

Rupees In Lacs

Year ended March 31	2005	2004	2003
Equity Capital	7.22	7.22	7.22
Reserves (Excluding Revaluation Reserve)	-	-	-
Total Income	-	-	-
Profit After Tax (PAT)	(0.06)	(0.07)	(0.11)
Earning Per Share (EPS)	-	-	-
Net Asset Value (NAV) per share in Rs.	9.36	9.42	9.49

Source: Audited financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985

13. DIVINE TRADING CO. PVT. LTD.

The company was incorporated on 7th August 1995, under the companies Act, 1956 as a Private Limited Company for investing and dealing in real estate & others.

BOARD OF DIRECTORS

The following are the board of directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

The financials for the last 3 years are given below:

Rupees In Lacs

Year ended March 31	2005	2004	2003
Equity Capital	7.77	7.77	7.77
Reserves (Excluding Revaluation Reserve)	0.62	0.70	0.28
Total Income	2.78	3.45	3.97
Profit After Tax (PAT)	(0.08)	0.42	0.43
Earning Per Share (EPS)	-	0.54	0.55
Net Asset Value (NAV) per share in Rs.	10.78	10.88	10.34

Source: Audited financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985

3. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION AS REFLECTED IN THE FINANCIAL STATEMENTS

Overview of the business of the Company

The Company entered the business of manufacturing High Carbon Ferro Chrome (HCFerCr) since October '2003 by installing two Nos. 9 MVA Sub-Merged Arch Furnaces with a capacity to produce 24000 MTPA. In the first five months of its operation ending on 31st March 2004, it had produced 9871.4 MT of HCFerCr. In the financial year ended 31st March 2005, the Company achieved full capacity utilization to produce 26543 MT of HCFerCr. During the current half-year ended 30th September, 2005, the Company has achieved it's targeted production, and manufactured 19745 mt of HCFerCr by fully utilizing its 2 existing and 1 new furnace which became operational during the year 05-06.

Cash Flow

The table below summaries the cash flow for half year ended September 30, 2005, year ended March 31, 2005 and March 31, 2004.

(Rs in lacs)			
Particulars	Half Year ended September 30, 2005	Financial Year Ended March 31st 2005	Financial Year Ended March 31st 2004
Cash Flow from Operating Activities	527.81	505.97	(284.72)
Cash Flow from Investing Activities	(2280.35)	(1812.92)	(1475.43)
Cash Flow from Financing Activities	1893.96	1323.35	1776.05
Net Cash Inc/(Decrease) in Cash & Cash Equivalents	141.42	16.40	15.90

Significant developments subsequent to the last audited period:

There has been only one significant event subsequent to the audited period of HY 2005-06 wherein the Company has been granted a Bridge Loan of Rs. 7.30 Crores against claim of subsidy under West Bengal Incentive to Power Intensive Industries Scheme, 2005.

Factors that may affect results of operations

- Fluctuation and increase in raw material prices.
- Non-availability of raw material and other resources
- Any unusual increase in power cost would affect profitability
- New Competitive businesses.
- Government rules and regulation relating to Ferro alloys and Steel Industry.
- Any slowdown in the economic growth in general and infrastructural growth in particular.
- Change in technology
- Loss of Key Management Persons



Discussion on results of operation

A summary of the past financial results based on the restated accounts are given below:

Rs in Lacs

Particulars	Half Year ended 30.09.2005	31.03.2005	31.03.2004	31.03.2003
Production (In MT)	19744.9	26543.17	9871.4	-
Income				
Sales:				
Domestic	4,225.58	5,456.83	2,456.10	0.33
Export	2,732.92	4666.09	933.47	
Export Incentives	117.18	193.79	85.38	
Other Income	39.30	40.74	6.87	-
Increase (Decrease) in Inventories	603.12	152.97	368.45	Nil
Total (A)	7,718.10	10,510.42	3,850.27	0.33
Expenditure				
Purchases	-	-	0.12	0.29
Raw Material consumed	3,436.98	3,680.09	1,033.34	-
Manufacturing expenses	2,070.43	3,266.20	1,679.11	-
Central Excise Duty	667.16	586.72	337.37	-
Administrative expenses	353.24	476.98	215.1	-
Staff costs	45.03	61.11	19.64	-
Total Expenditure	6,572.84	8,071.10	3,284.68	0.29
EBIDTA	1,145.26	2,439.32	565.59	0.04
Interest	163.56	263.64	106.61	-
Depreciation	77.55	96.58	40.21	-
PBT	904.15	2,079.10	418.77	0.04
Provision for taxation	111.75	271.14	87.4	0.02
PAT	792.40	1,807.96	331.37	0.02

Comparison of Half Year Ended September 30, 2005 with F.Y. ended 31st March 2005

Sales Revenue:

The Company continues to report impressive performance in the half year ended September 30, 2005 and has already achieved turnover of Rs. 6958.49 Lacs as compared to 10122.92 Lacs in the FY 2004-05.

Raw Material Consumption:

Raw Material consumed as a percentage of sales has gone up from 36.35 % in FY 04-05 to 49.39 % during the half year ended September 30, 2005. This was due to the fact that raw material consumed during the period ended Sept 05 was procured during the 4th Quarter of FY 04-05 and the 1st Quarter of the FY 05-06 when prices of Iron and Chromium ore were quoting at higher levels.

Manufacturing expenses:

Manufacturing expenses as a percentage of sales has reduced from 32.27 % in FY 04-05 to 29.75 % for the half-year ended September 30, 2005. This was due to increased operational activity, efficient utilization of resources at the factory level and cost control system implementation.

Profit after Tax:

Profit after tax for half year ended September 30, 2005 was Rs 792.40 Lacs as against Rs 1807.96 lacs for the FY ended 04-05. The annualized profit for the half-year is lower by 12% compared to FY 04-05 because during the FY ended 04-05 the company had received a power subsidy to the tune of Rs 1039.74 Lacs net of taxes that has been reduced from its manufacturing expenses. After adjusting for the subsidy the profit would work out to Rs 768.22 Lacs for the year, which has already been improve upon during the half-year ended 05-06.

Comparison of FY ended 31st March 2005 with F.Y. ended 31st March 2004**Sales Revenue:**

Sales for FY 05 was Rs.10122.92 lacs as against Rs.3389.69 lacs in FY 04. On an annualised basis there has been a growth of 198.64%. The domestic sales have gone up by 122.17% whereas export sales have gone up by 400%.

The Company was in operation for the entire year in FY 2005 against only five months of operation in FY 2004; thereby production had increased by 169% in the FY 2005. Better realization in the international market helped the Company to achieve a growth of 400% in exports.

Raw Material Consumption:

Raw Material consumed as a percentage of sales has gone up to 36.35 % in FY 04-05 from 30.49 % in FY 03-04. In 2003-04 raw material prices had peaked and both iron as well as chromium ore were quoting at all time high levels.

Manufacturing Expenses:

The manufacturing expenses in FY 05 w.r.t. FY 04 has increased by 161.71%.

The production of the Company has increased by 169% in FY 05 compared to FY 04; and the manufacturing expenses are commensurate with the increased volume of production.

Profit after Tax:

The PAT for the FY 2005 was Rs 1807.96 lacs as against Rs 331.49 lacs in FY 2004; a growth of 445.60% on an annualised basis as against 198.64% growth in sales.

The higher growth in PAT compared to sales is due to better price realization and higher sales volume, the power subsidy to the tune of Rs. 1039.74 lacs net of taxes also helped improve Profit dramatically. The power cost of the Company has increased by around 55% in FY 05 compared to FY 04

Comparison of FY ended 31st March 2004 with F.Y. ended 31st March 2003

The financials of FY 04 w.r.t. FY 03 is not comparable, as the commercial operation of the manufacturing unit of the Company had not been started in FY 03. While the Company was implementing project of Rs.1821 lacs for setting up 2 Nos Submerged Arch Furnaces to produce High Carbon Ferro Chrome in the FY 03, the Company has undertaken some trading activities resulting Sales turnover of Rs. 0.33 lacs and in the distributable profit of Rs. 0.02 lacs.

Information required as per Clause 6.8 of SEBI Guidelines:**1. Unusual or infrequent events or transactions**

There have been no events, other than as described in the prospectus in section "Financial Statements", which may be called "unusual" or "infrequent".

2. Significant economic changes that materially affected or are likely to affect income from continuing operation

With an overall upsurge in the Indian economy, the demand of Iron and Steel is at an all time high. This increase has resulted into demand of Ferro Alloys as it is used in the production of iron & steel. It is used by the major integrated steel plant and also the secondary steel manufacturers Viz; induction and arch furnaces for manufacturing all grades of steel including structural tool grade and special steel.

The thrust of the government in the infrastructure development has also lead to high requirement of steel products leading to demand for ferro alloys.

3. Known trends or Uncertainties

Uncertainty exist over the availability and price of the raw materials namely Chrome ore, Manganese ore, coal etc, The risk on account of the above price fluctuation is reduced to a significant extent considering the fact that a rise in the price of basic raw material will be passed on in the form of increased price of the finished product. There are no known trends and uncertainties that have or had or are expected to have a material adverse impact on revenue or income of the Company from continuing operations.

4. Future relationship between costs and income

Change in cost of the raw materials has a direct impact on the revenue of the Company. However, any such increase in cost will be passed on the consumers by increasing the prices of the products. Power constitutes the major portion of manufacturing cost.



5. Total turnover of each major industry segment in which the Company operates

The Company is operating in only single-segment as on September 30, 2005 as follows:

Major Segment	Sales (Rs. in Lacs)	% age
Ferro Alloy	6958.49	100%

6. New Products or business segments.

The Company is presently manufacturing only High Carbon Ferro Chrome (HCFerCr); and proposes to manufacture Ferro Manganese (FeMn) & Silico Manganese (SiMn).

7. Seasonality of business

The business of the Company is not seasonal.

8. Dependence on single or few suppliers/customers

Currently there are many suppliers of ores and coal/coke in India and dependence on few suppliers is not likely to occur.

Top ten customers constitute 96% of the total revenues. The Company has large number of customers, but is not able to fulfill the demand of others due to huge orders of its top customers. The setting up of the new Ferro Alloy plant will allow the Company to cater to a larger market.

9. Competitive Conditions:

The Company is suitably placed to have a competitive edge over its competitors due to the following reasons:

- i. Market reputation of the promoters.
- ii. Established product quality among the customers in domestic as well as international market
- iii. Versatility of furnaces to produce any of the products
- iv. Pan-India marketing network having sales depots at Hisar, Ahmedabad, Mandi Gobindgarh, Ghaziabad and Raipur.

V LEGAL AND OTHER INFORMATION

1. Litigation involving the Company

There are no outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).

No disciplinary action/investigation has been taken by Securities and Exchange Board of India (SEBI)/ Stock Exchanges against the Company, its directors, promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.

Except as provided below there are no other outstanding litigations including statutory dues, commercial disputes, patent disputes etc. No Criminal proceedings have been launched against the Company or any of the Directors for any of the offenses under the enactment specified in paragraph 1 of schedule XIII of the Companies Act 1956.

The Company has not defaulted in any economic dues, statutory dues, Bank dues, institutional dues and any dues to instrument holders

Contingent Liabilities:

As on September 30, 2005 the contingent liability outstanding against the Company is as follows:

Rs in Lacs

In respect of Bank Guarantees Given	Nil
In respect of Bills Discounted with Banks	1262.02
In respect of Letter of Credits	1940.42
In respect of commitments against Capital Expenditure (Net of Advances)	3386.21

Litigations against the Company and group companies

	Case/Appeal file by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.in lacs)
The Company: ROHIT FERRO-TECH LIMITED					
1	C.No.V-72 (4) 11/Rohit/Dgp-IV/ 05-06/2607 dated 8 th June 2005	Office of the Commissioner of Central Excise, Anti-evasion unit, Bolpur.	Show cause notice issued to the Company claiming duty of Rs.1.48 lacs on account of 129.0606 MT of Metallurgical Coke imported from China having been found short, and also claiming confiscation of the subject goods and interest & penalty. By it's reply letter, the Company claimed that there was no short receipt of the goods, and also disputed its liability.	Proceeding is still pending	1.48And Interest & Penalty
2	C.No.II (8)17/AE/ CE/Bol/05 dated 27 th April 2005	Office of the Asst. Commissioner of Central Excise, Durgapur-IV Division.	Show cause notice issued claiming duty of Rs.4.97 lacs and Education Cess of Rs.9,930/- on account of evasion by means of secret removal of Ferro Chrome and also claiming penalty & interest. The Company disputed removal of goods from the factory, and applied for dropping of the proceeding. Subsequently, the Company filed an application for the settlement, which has been finally heard on 06-02-06 before the Settlement Commission, Additional Bench, Kolkata.	Order of the Settlement Commission is still awaited.	5.07 And Interest
3	Application for review U/s 7B(1) of the EPF&MP Act, 1952 filed on 18/05/05	Provident Fund Commissioner	Proceedings under Section 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 initiated against the Company on account of dues for the period from 10/2003 to 02/2004. The vouchers for processing charges issued by the Contractors although produced, but were not included in the order-dated 21-04-05/02-05-05 of the PF Commissioner. The Company has made review petition against the said order. The Asst. PF Commissioner on 19-10-05, directed the Company to pay Rs.124,070/- which the Company has paid on 10.11.2005	Company has paid the demand as per order dated 19.10.05 passed in pursuance of Review Petition filed by the Company.	3.98



Group Company: IMPEX METAL & FERRO ALLOYS PVT. LTD.					
1	Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.1.45 lacs under the CST Act, 1956 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Appeal is still pending for hearing.	1.45 Lacs
2	Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.3.63 lacs on account of Tax, and Rs.1000/- on account of penalty under the WBST Act, 1994 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Appeal is still pending for hearing.	3.62 Lacs for Tax, and Rs.1000/- for Penalty
3	Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.4.56 lacs on account of Tax, and Rs.250/- on account of penalty under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing	4.56 Lacs for Tax, and Rs.250/- for penalty
4	Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.01 lacs on account of Tax, and Rs.250/- on account of penalty under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	1.01 Lac for Tax, and Rs.250/- for penalty
Group Company: IMPEX FERROTECH LIMITED					
1	Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.17.75 lacs on account of Tax and interest under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	17.75 Lac for Tax and interest
2	Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.32 lacs on account of Tax under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	1.32 Lac for Tax

The Income Tax Authority, Kolkata had conducted a search & seizure operation on 05.01.2004 on the office and factory premises on the Impex group of companies including the resident of directors. The Income tax investigation department has prepared their appraisal report and sent to the concerned authority for further processing in the above search and seizure matter. An Application U/s 254 C (1) of the Income Tax Act, before the Settlement Commission has been filed in respect of the following:

Sl. No	Name	Status	Date of filing
•	Impex Ferro Tech Ltd	Group Company	20.01.2006
•	Impex Metal & Ferro Alloys Pvt. Ltd	Group Company	23.01.2006

Further, a notice U/s 153-C of the Income tax Act has been issued by the Income Tax Department on 27th January 2006 directing the Company to file the Income tax Returns for the Assessment Years 1999- 2000 to 2004-05 (six years). In compliance of same, the Company has filed the required Income Tax Returns on 10.02.2006.

Notice against the Group Company Impex Ferro Tech Limited

A notice under Section 65(1) read with Section 7 of the West Bengal Sales Tax Act 1994 from Government of West Bengal Bureau of Investigation was served upon Impex Ferro Tech Limited on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and information before the department on the hearing dates. The company has paid a sum of Rs. 3.00 lacs to the department voluntarily.

Notice against the Group Company Impex Metal & Ferro Alloys Pvt Limited

A notice under Section 65(1) read with Section 7 of the West Bengal Sales tax Act 1994 from Government of West Bengal Bureau of Investigation was served upon Impex Metal & Ferro Alloys Pvt. Ltd. on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and information before the department on the hearing dates.

Amount Outstanding to SSI Undertaking or other creditors

There are no SSI Undertakings to whom an amount exceeding Rs. 1 Lakh is outstanding for more than 30 days.

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

The directors confirm that there have been no events or circumstances since the date of the last financial statements i.e. 30th September '2005, which materially and adversely affect or is likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next twelve months. The main significant development since the last financial statement date is as below:

The Company has been granted a Bridge Loan of Rs. 7.30 Crores against claim of subsidy under West Bengal Incentive to Power Intensive Industries Scheme, 2005.

2. Government Approvals/Licensing Arrangements

Investment Approvals (FIPB/RBI, etc.)

As per Notification No. FEMA 20/2000 -RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for issue of equity shares to NRIs/FIIs with repatriation benefits. However, the allotment/transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

All Government and Other Approvals

The Company has received all the necessary licenses, permissions and approvals from the Central and State Government and other government agencies/certification bodies required for the business and no further approvals are required by the Company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Central Government, RBI and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and the current business activities and no further major approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Sr. No	Issuing Authority	Registration/License No.	Nature of Registration/ License
i.	Registrar of Companies West Bengal at Kolkata	21-91629	Certificate of Incorporation
ii.	Secretariat for Industrial Assistance	1106/SIA/IMO/2004, dated March 31, 2004	SIA Acknowledgment for the manufacture of Ferro chrome, Ferro manganese and Silico manganese with a proposed capacity of 100000 MT.
iii.	Assistant Commissioner of Central Excise, Balasore	AACCR1593AXM002 dated Nov 30,2004.	Central Excise Registration Certificate
iv.	Joint Director General Of Foreign Trade	No.015266 dated Jan 06,2005.	One Star Export House Certificate
v.	Foreign Trade Development Officer, Kolkata	IEC No.0203006313 dated Nov 18,2004.	Certificate of Importer-Exporter Code
vi.	Engineering Export Promotion Council, Regional Manager, Calcutta	EEPC: K: REG: 220: 2003-2004 dated Dec 02,2003.	Registration-cum-Membership Certificate



Sr. No	Issuing Authority	Registration/License No.	Nature of Registration/License
vii.	Income Tax Department	AACCR1593A	Permanent Account No.
viii.	Assistant Commissioner of Income Tax. Kolkata	CALR03389B dated September 10,2002	Tax Deduction Account No.
ix.	Sales Tax Officer, Jajpur	No.CU-III-4874 dated December 13,2004.	Orissa sales Tax Registration certificate
x.	Sales Tax Officer, Jajpur	No. CU-III C-1839 dated December 13,2004.	Central Sales Tax
xi.	Orissa State Pollution Control Board	No: 19986/Ind-II/ NOC-3424 dated: 04-07-05	No Objection Certificate
12.	Planning Member, KNDA, Jajpur	NO 884/KNDA BP.1.2/96 Dated August 17,2004	NOC from Kalinganagar Development Authority for establishment of Ferro Alloys Plant at Jajpur under Orissa Development Authorities Act 1982.

Applied for, not yet received

Sl. No	Issuing Authority	Status	Nature of Registration/License
1.	Chief Inspector of Factories & Boilers	Applied for dated 03.12.2004 No.RFTL/15/001.	Approval for factory design & drawings.

VI OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue and details of the resolution passed for the Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 31st March, 2005. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 28th February 2005.

Prohibition by SEBI

The Company, its directors, affiliates, group companies, promoters, and the directors of it's group companies, other companies promoted by it's promoters and companies with which Company's directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI/ Government Authorities

The promoters, their relatives (as per Companies Act, 1956) issuer company, group companies, associate companies are not detained as willful defaulters by RBI/Government authorities and there are no violations of securities laws committed by them in the past or pending against them .

Eligibility for the Issue

This Issue is being made in terms of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, wherein:

- a). The "project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.
- b). The minimum post-issue face value capital of the Company shall be Rs. 10 Crores.

The company is eligible for the Issue as it satisfies sub clause (b)(i) of the said Clause 2.2.2 and as per sub clause (a)(ii) the Project has more than 15% participation from Scheduled Commercial Banks, of which the appraisers have undertaken to participate for more than 10% and the company shall ensure minimum of 10% allotment in the public issue to QIBs, failing which the entire subscription monies shall be refunded.

The Company also undertakes that the number of prospective allottees in the Issue shall be at least 1000 failing which the entire subscription amount will be refunded.

The Company fulfils the criteria as stated in clause 2.2.2 (a) (ii) of SEBI (DIP) Guidelines 2000 as amended as in each of the projects individually the participation from the Scheduled Banks/ financial Institutions is above the required limits of 15% and for each project individually and overall the appraisers have participated in excess of 10% of the project cost as required.

Appraising Bank	Amount Sanctioned	% of Total Project Cost
State Bank of India	1250	10.84%
United Bank of India	2650	22.98%
State Bank of Travancore	1000	8.67%
State Bank of Hyderabad	1000	8.67%
Grand Total	5900	51.15%

The participation of each appraising bank is in excess of 10% of the project cost and further the participation of the banks are in excess of 15% of the project cost.

The company shall allot a minimum of 10,33,886 Equity Shares being 10% of the Net Offer to the Public of 103,38,860 Equity Shares to QIBs

As per clause 2.2.2B of SEBI (DIP) Regulations:

- (ii) "Project" means the object for which the monies proposed to be raised to cover the objects of the issue.
- (v) As per Section 2.2.2B(v) of SEBI (Disclosure and Investors' Protection) Guidelines, inserted vide SEBI/CFD/DIL/DIP/ Circular No. 11 dated August 14, 2003, 'Qualified Institutional Buyer' shall mean:
 - a. Public financial institution as defined in section 4A of the Companies Act, 1956;
 - b. Scheduled Commercial banks;



- c. Mutual funds;
- d. Foreign Institutional Investor registered with SEBI;
- e. Multilateral and Bilateral development financial institutions;
- f. Venture Capital funds registered with SEBI;
- g. Foreign Venture Capital investors registered with SEBI;
- h. State Industrial Development Corporations;
- i. Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA);
- j. Provident Funds with minimum corpus of Rs. 25 Crores;
- k. Pension Funds with minimum corpus of Rs. 25 Crores;

Pursuant to Clause 2.8 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 the Company has made firm arrangements for the stated Means of Finance as follows as updated:

Rs in Lacs	
Particulars	TOTAL
a) Total Means of finance required	11686.12
b) Amount to be raised through public issue	3101.66
c) Amount Excluding the public Issue (A-B)	8584.46
Total @ 75% of (C)	6438.35

Particulars	TOTAL
• Loan sanctioned from State Bank of India, United Bank of India, State Bank of Travancore and State Bank of Hyderabad.	5900.00
• Already brought in and equity shares allotted to the Promoters and Promoter Group	701.82
• To be brought in by the promoters and promoter group	1982.64
• Finance arranged through verifiable means	8584.46

*shall be brought in as per final determination of Issue Price.

Based on the above data the Lead Manager has certified that the Company is fulfilling the criteria of eligibility norms for public issue by unlisted company as specified in the Guideline 2.2.2 of SEBI (DIP) Guidelines, 2000.

The Company also undertakes that the number of prospective allottees in the Issue shall be at least 1000 failing which the entire subscription amount shall be refunded. In case of delay, the Company shall pay interest on the application money @15% p.a. for the period of delay.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGERS MICROSEC CAPITAL LTD, AND KARVY INVESTOR SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS MICROSEC CAPITAL LIMITED, AND KARVY INVESTOR SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 26TH JULY '2005 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

(1) "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,

WE CONFIRM THAT:

(A) THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;

(C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELLINFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;

(D) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS."

WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED /SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS."

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE HAS BEEN COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, KOLKATA, WEST BENGAL, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT. THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

CAUTION

The Company and the Lead Managers accept no responsibility for statements made otherwise than in the prospectus or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Managers and Rohit Ferro-Tech Limited.

All information shall be made available by Rohit Ferro-Tech Ltd. and the Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares (permitted insurance companies and pension funds), non-residents including NRIs and FIIs and other eligible foreign investors (viz. Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Financial Institutions. This prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person who is in possession of this prospectus is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kolkata only.



No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that this prospectus has been submitted to the SEBI. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and this prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

A copy of the Prospectus has been filed with the Corporate Finance Department of SEBI at B-Wing, First floor, Mittal Court, Nariman Point, Mumbai-400021 and SEBI, vide its letter No CFD/DIL/ISSUES/PB/PR/59521/2006 dated 03.02.2006 has given its comments. A copy of the Prospectus, along with the documents required to be filed under section 60 of the Companies Act, 1956 has been delivered to the Registrar of Companies, West Bengal located at Kolkata on 24.02.2006 for registration.

Investors may please note that Central Government/RBI does not take any responsibility for the financial soundness or correctness of the statements disclosed in this prospectus.

DISCLAIMER CLAUSE OF THE BOMBAY STOCK EXCHANGE LIMITED (BSE)-The Designated Stock Exchange

As required, a copy of this prospectus has been submitted to the BSE. BSE has given its no objection to the Company vide letter dated 06.10.2005 to use the name of the Exchange in this prospectus as one of the Stock Exchanges on which the Company's securities are proposed to be listed. The Exchange has scrutinized this prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The exchange does not in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this prospectus; nor does it warrant that this Company's securities will be listed or continue to be listed on BSE; nor does it take any responsibility for the financial or other soundness of this Company, Promoters, Management of any Scheme or Project of this Company. And it should not be, for any reason be deemed or construed that this prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do pursuant to independent enquiry, investigation and analysis and shall not have any claim against BSE, whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated in the prospectus or any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this prospectus has been submitted to the NSE. NSE has given vide its letter dated 01.12.2005 and 24.02.2006 permission to the Company to use the Exchange's name in this prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed subject to the Company fulfilling the various criteria for listing including the one related to paid up capital (i.e. the paid up capital shall not be less than 10 crores and market capitalization shall not be less than Rs. 25 crores at the time of listing). The Exchange has scrutinized this prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this prospectus; nor does it warrant that the Company's securities will be listed or continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

UNDERTAKING FROM PROMOTERS AND DIRECTORS

The Company accepts full responsibility for the accuracy for the information given in the prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which make any statement in the prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The Company further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this offer document. The Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of the prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to mis-statement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed /withheld and/or amounts to a mis-statement/ mis-representation, the Promoters/Directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

FILING

A copy of the prospectus has been filed with SEBI (Head Office) Mittal Court, 'B' Wing, 1st Floor, 224 Nariman Point, Mumbai-400 021. A copy of prospectus, along with the documents required to be filed under Section 60 of the Companies Act, would be delivered for registration to ROC, West Bengal located at Nizam Palace, 2nd MSO Building, 2nd floor, 234/4, A.J.C.Bose Road, Kolkata-7000 20

LISTING

Initial listing applications have been made to The Stock Exchange, Mumbai (BSE) (Designated Stock Exchange), and The National Stock Exchange of India Limited (NSE) for permission to list the equity shares and for an official quotation of the equity shares of the Company.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges mentioned above, RFTL should forthwith repay, without interest, all moneys received from the applicants in pursuance of this prospectus. If such money is not repaid within eight days after the date on which the Company become liable to repay it (i.e. from the date of refusal or within 70 days from the date of Issue Closing date, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalization of the basis of allocation for the Issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

“Any person who:

- a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b) Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

MINIMUM SUBSCRIPTION

“If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications or if a minimum of 10% of the net offer to the public is not subscribed by QIBs, then the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956.”

CONSENTS

The written consents of Directors, Company Secretary, Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Auditors, Tax Auditors, Bankers to the Company and Bankers to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the Registrar of Companies, West Bengal located at Nizam Palace, Kolkata as required under Section 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration.

EXPERT OPINION

The Company has not obtained any expert opinions related to the present Issue, except the opinion of the Statutory Auditors, S.Jaykishan, Chartered Accountants on the tax benefits available to the investors.



EXPENSES OF THE ISSUE

Public Issue expenses are estimated as follows:

(Rs. in lacs)

Particulars	Amount	As a % of total expenses	As a % of total Issue
Fees of Lead Managers, Registrar, Legal Advisor, Auditors, Tax Auditors, etc.	63.48	25.39%	2.05%
Printing & Stationery, Distribution, Postage, etc.	60	24.00%	1.93%
Brokerage & Selling Commission	46.52	18.61%	1.50%
Advertisement & Marketing Expenses	50	20.00%	1.61%
Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	20	8.00%	0.64%
Contingencies	10	4.00%	0.32%
Total	250	100.00%	8.06%

Underwriting, Brokerage and Selling Commission

Since the Company does not propose to underwrite the issue there is no underwriting commission being payable. Brokerage will be paid upto 1% on the Issue Price of the equity shares on the basis of allotment made against application bearing the stamp of a member of any recognized exchange in India in the brokers columns. Brokerage at the same rate shall also be payable to the bankers to the issue in respect of allotment made against applications bearing their respective stamps in the brokers columns.

In case of tampering or over stamping of broker/agents codes on the application form, Issuers decision to pay brokerage in respect will be final and no further correspondence will be entertained in the matter.

Previous Rights and Public Issues

The Company has not made any public or rights Issue since its incorporation.

Previous Issues of shares otherwise than for cash

Except as stated in the prospectus under "Capital Structure", the Company has not issued any Equity Shares for consideration otherwise than for cash.

Particulars in regard to Rohit Ferro-Tech Ltd and other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956 that made any capital Issue during the last three years

Impex Ferro-Tech Limited

In December 2004, Impex Ferro-Tech Ltd one of the Group Company made a public issue of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs. The details of which is as follows:

Name of the Company	Impex Ferro-Tech Ltd.
Year of Issue	2004
Type of Issue	Public issue of Equity Shares
Amount of Issue	800 Lacs
Date of closure of Issue	31 st December 2004
Date of completion of delivery of share certificates	28 th February 2005
Date of completion of the project	August 2004
Rate of dividend paid	Nil

Promise Vs Performance

For details please refer page xiv under heading "Promise Vs Performance of Impex Ferro-Tech Limited"

Stock market data

For details please refer page no 77 under heading "Share Quotation".

Outstanding Debentures or Bond Issues or Preference Shares

The Company has no outstanding debentures or bond issues or preference shares.

INVESTOR GRIEVANCE AND REDRESSAL SYSTEM:

RFTL has formed share transfer cum investor grievance committee comprising

Chairman: Mr. Jayanta Chatterjee

Members: Mr. Suresh Kumar Patni

Mr. Jatindra Nath Rudra

This committee specifically looks into the redressing transfer of shares, non-receipt of the declared dividends etc.

The Company shall adhere to the following schedule in respect of below mentioned complaints

Nature of the Complaint	Time Taken
Non-receipt of the refund warrants or share certificates.	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
Change of address notification	Within 7 days of receipt of information
Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Mechanism Evolved for Redressal of Investor Grievances

The Company will settle investor grievances expeditiously and satisfactorily. The agreement between the Company and the Registrar to the Issue will provide for retention of records with the Registrar to the Issue, Maheshwari Datamatics Pvt Limited, for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

The Company estimate that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, the Company or the Registrars will seek to redress these complaints as expeditiously as possible.

The Company has appointed, Mr. Pramod Kumar Jain Company Secretary, Rohit Ferro-Tech Ltd as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems such as non-receipt of allotment advice, refund orders and demat credit, etc. He can be contacted at:

Rohit Ferro-Tech Ltd

35, Chittaranjan Avenue, 4th Floor Kolkata-700 012
 Ph: +91-33- 22119805/6; Fax: +91-33- 2225-6143
 E-mail: ipo@rohitferrotech.com

Change in auditors during last 3 years and reasons thereof

There have been no changes in the auditors of the Company during the past three years.

Capitalisation of Reserves or Profits

The Company has not issued any Equity Shares on capitalisation of profits or reserves.

Revaluation of assets

There has been no revaluation of the assets since incorporation of the Company.



VII ISSUE INFORMATION

1. TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of this prospectus, Application Form, and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

a) Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles and shall rank pari passu in all respects with the other existing shares of the Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of Allotment.

b) Mode of payment of Dividend

The declaration and payment of dividends will be recommended by the Board of Directors of the Company and the shareholders at their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition.

c) Face Value and Issue Price

The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price of Rs. 30/- is 3 times of the Face Value.

d) Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for right shares and be allotted bonus shares, if announced;
- The right of free transferability;
- Right to receive surplus on liquidation; and
- Such other right as may be available to the shareholder of a listed Public Company under the Companies Act and Memorandum and Articles of Association of the Company.

e) Marketable Lot

As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share. Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 200 Equity Shares.

f) Nomination Facility to Investor

In accordance with Section 109A of the Act, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of death of Sole Applicant or in case of joint Applicants, death of all the Applicants, as the Case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall in accordance with Section 109A of the Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed Form available on request at the Registered Office of the Company or at the Registrar and Share Transfer Agent of the Company. In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

g) Minimum subscription

“If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications or if a minimum of 10% of the net offer to the public is not subscribed by QIBs, then the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956.”

If the number of allottees in the proposed offer is less than 1000, the Company shall forthwith refund the entire subscription amount received. If there is a delay 15 days after the Company becomes liable to pay the amount, the Company shall pay the interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

The Company's shares will be traded in dematerialized form only and the marketable lot is one share. Therefore there is no possibility of odd lots.

h) Restrictions, if any, on Transfer and Transmission of Shares and on their Consolidation/Splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading “Main Provisions of the Articles of Association of Rohit Ferro-Tech Limited of this prospectus.



2. ISSUE PROCEDURE

i. Procedure for application forms and mode of payment

The Equity Shares being offered are subject to the provisions of the Companies Act, Memorandum and Articles of the Company, the terms of this prospectus, Application Form, and other terms and conditions as may be incorporated in the Letters of Allotment/Equity Share Certificates or other documents that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the Issue of capital and listing of Equity Shares offered from time to time by SEBI, Government of India, Stock Exchanges, RBI, Registrar of Companies and/or other authorities, as in force on the date of the Issue and to the extent applicable.

ii. Availability of Prospectus and application Forms

Application forms together with Memorandum containing salient features of the Prospectus may be obtained from the Registered Office of the Company, Lead Managers to the Issue, Registrar to the Issue and Bankers to the issue named herein or from their branches as stated on the reverse of the application form.

iii. Application may be made by:

- a. Indian Nationals, who are resident in India and are adult individuals and are not lunatic, in single name or joint names (not more than three)
- b. Hindu Undivided Families through the Karta of the Hindu Undivided Family
- c. Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares
- d. Indian Mutual Funds registered with SEBI
- e. Indian Financial Institutions & Banks
- f. Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.
- g. State Industrial Development Corporations
- h. Insurance Companies registered with Insurance Regulatory and Development Authority
- i. Provident Funds with minimum corpus of Rs.2500 Lacs
- j. Pension Funds with minimum corpus of Rs.2500 Lacs
- k. Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company
- l. Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India
- m. Permanent and Regular employees of the Company
- n. Non-Resident Indians (NRIs) on repatriation / non-repatriation basis
- o. Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis

iv. Applications not to be made by:

1. Minors
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies (OCBs)

v. Applications by Hindu Undivided Families (HUF)

Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

vi. Minimum and Maximum Application Size

Applications should be for minimum of 200 Equity Shares and in multiples of 200 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

vii. Option to Subscribe

As the trading of the Company's shares will be undertaken in dematerialized form only, the Company shall Issue the shares to all applicants who provide their demat account details in dematerialized form only. However, an investor will have an option to hold the shares in physical form or demat form. The Registrar to the Issue will Issue to the said allottee a single certificate for all the shares allotted to the said applicant in case an investor requests for rematerialization of his/her shares.

viii. Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, Lead Managers to the Issue, Registrar to the Issue, and at the collection centres of the Bankers to the Issue, as mentioned on the Application Form.

NRIs/ FIIs/ Indian Mutual Funds & Indian and Multilateral Development Financial Institutions can obtain the Application Form from the registered office of the Company.

ix. Applications under Power of Attorney

In case of applications under Power of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, trustees of trusts, Provident Funds, Superannuation Funds, Gratuity Funds; a certified copy of the Power of Attorney or the relevant authority, as the case may be, must be lodged separately at the office of the Registrar to the Issue simultaneously with the submission of the application form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted.

The Company in its absolute discretion reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form subject to such terms and conditions as it may deem fit.

x. Instructions for Applications by NRIs/FIIs (on Repatriable Basis):

- ✓ As per Notification No. FEMA 20/2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.
- ✓ However, the allotment/transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.
- ✓ In case of application by NRIs on repatriation basis, the payments must be made through Indian rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to NRE or FCNR account.
- ✓ In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.
- ✓ Duly filled Application Forms by NRIs/FIIs will be accepted at designated branches of the Bankers to the Issue as mentioned in the application form.
- ✓ Refunds/dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges/commission. In case of applicants who remit their application money from funds held in NRE/FCNR accounts, such payments shall be credited to their respective NRE/ FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of



remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.

- ✓ Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under this category..

xi. Instructions for applications by Indian Mutual Funds & Indian and Multilateral Development Financial Institutions:

- A separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications. The applications made by the Asset Management Company or Trustees / Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
- Indian Mutual Funds & Indian and Multilateral Development Financial Institutions should apply in this Public Issue based upon their own investment limits and approvals.
- Application forms together with cheques or bank drafts drawn in Indian Rupees for the full amount payable at the rate of Indian Rs. 30 per share must be delivered before the close of subscription list to such branches of the Bankers to the Issue at places mentioned in the application form.
- A separate single cheque/bank draft must accompany each application form.

xii. Terms of Payment

The entire Issue price of Rs.30/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

xiii. General Instructions for Applicants

- a) Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made.
- b) Thumb impressions and signatures other than in English/ Hindi/ Bengali or any other language specified in the 8th Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/ her official seal.
- c) Bank Account Details of Applicant:

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant- Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Applicants such as address, bank account details for making refunds and occupation ("Demographic Details"). Hence, Applicants are advised to immediately update their bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) as appearing on the records of the depository participant, and carefully fill in their Depository Account details in the Application Form. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

xiv. Payment Instructions

- 1. Payments should be made in cash or cheque or bank draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or a sub-member of the Bankers' "Clearing House", located at the Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. In case payment is effected in contravention of the conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon.
- 2. Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.
- 3. A separate cheque / bank draft must accompany each application form.

4. All cheques / bank drafts accompanying the application should be crossed “A/c Payee Only” and made payable to the Bankers to the Issue and marked:

Category of Applications	Cheques/Bank Drafts favouring
Net offer to the Public including NRIs/FIIs on non-repatriation basis	“ ____ Bank A/c RFTL-Public Issue”
NRIs/FIIs on repatriation basis	“ ____ Bank A/c RFTL-Public Issue-NR”
Indian Mutual Funds, Indian & Multilateral Development Financial Institutions, and Scheduled Banks.	“ ____ Bank A/c RFTL-Public Issue-Institutions”

5. A separate cheque/bank draft must accompany each application form.
6. All cheques/bank drafts accompanying the application should be crossed “A/c Payee Only” and made payable to the Bankers to the Issue and marked:
7. Investors will not have facility of applying through stock invest instruments as RBI has withdrawn the stock invest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/2003-04 dated 5/11/2003.

xv. Submission of Completed Application Forms:

All applications duly completed and accompanied by cash/cheques/bank drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. Application(s) should not be sent to the office of the Company or the Lead Managers to the Issue.

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, superscribing the envelope “Rohit Ferro-Tech Limited – Public Issue” so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Kolkata only.

The Company will not be responsible for postal delays and loss in transit. The Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

xvi. Other Instructions

i. Joint Applications in case of Individuals

Applications may be made in single or joint names (not more than three). In case of Joint Applications, refund, pay orders, dividend warrants etc. if any, will be drawn in favour of the first applicant and all communications will be addressed to the first applicant at her/his address as stated in the application form.

ii. Multiple Applications

An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same.

The Company reserves the right to accept or reject, in its absolute discretion, any or all-multiple applications. Unless the Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/ draft must accompany each application form.

iii. PAN/GIR Number

Where application(s) is/are for Rs.50,000 or more, the applicant or in the case of a application in joint Names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicant should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground. In case the Sole/First Applicant and Joint Applicant(s) is/are not required to obtain PAN, each of the Applicant(s) shall mention “Not Applicable” and in the event that the sole Applicant and/or the joint Applicant(s) have applied for PAN which has not yet been allotted each of the Applicant(s) should mention “Applied for” in the Application Form. Further, where the Applicant(s) has mentioned “Applied for” or “Not Applicable”, the Sole/First



Applicant and each of the Joint Applicant(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All applicants are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.

iv. Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- a) a tripartite agreement dated 22nd November 2005 with NSDL, the Company and Registrar to the Issue;
- b) a tripartite agreement dated 17th December 2005 with CDSL, the Company and Registrar to the Issue.

The Company's shares bear an ISIN no. INE 248H01012

1. An applicant has the option of seeking allotment of Equity Shares only in electronic form. However, the allottee has an option to hold shares in physical mode.
2. Separate applications for electronic and physical shares by the same applicant shall be considered as multiple applications and would be liable to be rejected.
3. The applicant seeking allotment of shares in the electronic form must necessarily fill in the details (including the Beneficiary Account No. and Depository Participant's ID no.) appearing under the heading 'Request for Shares in Electronic Form'.
4. An applicant who wishes to apply for shares in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.
5. Shares allotted to an applicant in the electronic account will be credited directly to the respective beneficiary accounts (with the DP).
6. For subscription in electronic form, names in the share application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
7. The Registrar to this Issue will directly send non-transferable allotment letters/refund orders to the applicant.
8. Incomplete/incorrect details given under the heading 'Request for Shares in Electronic Form' in the application form shall be treated as an invalid application and shall be liable to be rejected.
9. The applicant is responsible for the correctness of the applicant's demographic details given in the application form vis-à-vis those with his/her DP.
10. It may be noted that the electronic shares can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL.
11. One time cost of dematerialisation of shares would be borne by the Company. The one time cost refers to the demat charges for the shares opted for in this Issue by an investor in electronic form. Subsequent charges for dematerialisation of physical shares held by the investors would have to be borne by the investor.

Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully

Disposal of Applications and Application Money

The Company reserves, in its own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application money so refunded. Refund will be made by Cheque or demand drafts drawn in favour of the sole/first applicant (including the details of his/her savings/current account number and the name of the bank with whom the account is held) to the Issue and will be despatched by Registered Post/ Speed Post for amounts above Rs.1,500 and by Certificate of Posting otherwise. Such refund orders will be payable at par at all the collection centres.

The subscription received in respect of Public Issue will be kept in a separate bank account and the Company shall not have access to such funds unless approvals for dealing from all the Stock Exchanges, where listing has been proposed has been obtained.

The Company has undertaken to make adequate funds available to the Registrar to the Issue for complying with the requirements of despatch of Allotment Letters/Refund Orders by Registered Post/Speed Post.

INTEREST ON EXCESS APPLICATION MONEY

Payment of interest at rate of 15% per annum on the excess application money, after adjusting the amount due on allotment and unpaid calls will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

BASIS OF ALLOTMENT

In the event of public Issue of Equity Shares being over-subscribed, the allotment will be on a proportionate basis subject to minimum allotment being equal to the minimum application size, i.e. 200 shares as explained below:

For Net Offer to the Public

1. A minimum 50% of the net Issue to the Indian public will be made available for allotment in favour of those individual applicants who have applied for Equity Shares of or for a value of not more than Rs.100,000/-. This percentage may be increased in consultation with the Designated Stock Exchange depending on the extent of response to the Issue from investors in this category. In case, allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis as per relevant SEBI Guidelines. The Executive Director/ Managing Director of the Designated Stock Exchange along with the Lead Managers and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the SEBI Guidelines.
2. The balance of the net Issue to Indian public shall be made available to investors including Corporate Bodies/ Institutions and individual Applicants who have applied for allotment of Equity Shares for a value of more than Rs.100,000/-.
3. The Unsubscribed portion of the net Issue to any of the categories specified in (1) or (2) shall be made available for allotment to Applicants in the other category, if so required.
4. Applicants will be categorized according to the number of Equity Shares applied for.
5. The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category (number of applicants in the category multiplied by the number of shares applied for) multiplied by the inverse of the over subscription ratio.
6. Number of the shares to be allotted to the successful allottees shall be arrived at on a proportionate basis i.e. total number of shares applied for by each Applicant in that category multiplied by the inverse of the over subscription ratio.
7. All the Application Forms where the proportionate allotment works out to less than 200 shares per Applicant, the allotment shall be made as follows:
 - a. Each successful Applicant shall be allotted a minimum of 200 shares; and
 - b. The successful Applicants out of the total Applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (6) above.



8. If the proportionate allotment to an Applicant works out to a number that is more than 200 but is a fraction, then the fraction equal to or higher than 0.50 shall be rounded off to the next integer and If that fraction is lower than 0.50, the fraction shall be ignored.
9. All Applicants in such categories shall be allotted shares arrived at after such rounding off.
10. If the shares allocated on a proportionate basis to any category is more than the shares allotted to the Applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful Applicants in that category.
11. The balance shares, if any, remaining after such adjustment shall be added to the category comprising applicants applying for minimum number of shares.

Payment of Refund

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant-Identification (DP ID) number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, the Applicants bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same

Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference

- I. ECS - Payment of refund would be mandatorily done through ECS for applicants having an account at any of the 15 centers where clearing houses for ECS are managed by Reserve Bank of India, namely Ahmedabad, Bangalore, Bhubneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf, from the depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in I hereinabove. **For all the other applicants, the refund orders would be despatched "Under Certificate of Posting" for refund orders less than Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above.**

Letters of allotment or refund orders

The Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only. In case of other applicants, the Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through "Under Certificate of Posting" intimating them about the mode of credit of refund within 30 days of closure of Issue.

The Company shall ensure despatch of refund orders/refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service as applicable, only at the sole or First Applicants sole risk within 30 days of the Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

- **Allotment shall be made only in dematerialised form within 30 days from the Issue Closing Date;**
- **Despatch of refund orders/refund advice shall be done within 30 days from the Issue Closing Date; and**
- **The Company shall pay interest at 15% per annum (for any delay beyond the 30-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not despatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 30-day time prescribed above.**

The Company and the Refund Banker disclaim all liabilities in the event that the Refund Banker commit default in uploading the refund instructions to the clearing system for reason of loss of database, interruption or stoppage in access to data, failure of connectivity, and such other similar causes outside the control of the Company and the Refund Banker. On the occurrence of events outside the control of the Company and the Refund Banker, the time period of 30 days prescribed above shall stand extended to the extent of the continuance of such events. Further, the neither the Company nor the Bank, nor the LM, nor the Registrar shall be liable to pay any interest or compensation, in respect of the delay caused by occurrence of the said events.

The Company will provide adequate funds required for the cost of despatch of refund orders/ refund advice/ allotment advice or to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e ECS, refunds will be made by cheques, pay orders or demand drafts drawn on the Collection Bank(s) and payable at par at places where applications are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the applicants.

UNDERTAKING BY THE COMPANY:

The Company undertakes:

- a) that the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
- b) that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are to be listed are taken within seven working days of finalisation of basis of allotment.
- c) that the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us;
- d) that where refunds are effected through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund.
- e) that the promoter's contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription.
- f) that the certificates of the Equity Shares/refund orders to the non-resident Indians shall be despatched within specified time.
- g) that no further Issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of the Company certifies that:

- 1. all monies received out of this Issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73;
- 2. details of all monies utilized out of the Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilized; and
- 3. details of all unutilized monies out of the Issue of Equity Shares, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilized monies have been invested.

The Board of Directors of the Company further certifies that:

- a) the utilisation of monies received under promoter's contribution shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised.
- b) the details of all unutilised monies out of the funds received under promoter's contribution shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company undertakes that it shall not access the money raised in the Issue till finalisation of basis of allotment or completion of offer formalities.



VIII MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

4. The Company in General Meeting may, by an Ordinary Resolution from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General meeting resolving upon the creation thereof shall, direct, and if no direction be given, as the Directors shall determine, and in particular, such shares (either redeemable or non-redeemable) may be issued with a preferential right to dividends and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company is increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

INTEREST MAY BE PAID OUT OF CAPITAL

26. Where any shares are issued for the purpose of raising money to defray the expenses of the Construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of the share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

LIEN

38. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest of such shares and equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 thereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time declare any shares wholly or in part to be exempt from the provision of this clause.

FORFEITURE OF SHARE

41. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during some time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
42. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state a day in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

DEMATERIALISATION OF SECURITIES

64A. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

1. For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such With a depository, 'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt With in accordance With the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialise securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted bylaw, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.
5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.
(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
(c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.
6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
7. Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
8. Notwithstanding anything contained in the Act or these Articles, where a depository deals with securities, the Company shall intimate the details thereof to the depository immediately on allotment of such securities. .
9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

TRANSFER OF FULLY AND PARTLY PAID SHARES

52. The Instrument of Transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfer of shares and the registration thereof.
53. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).
61. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
62. For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.

REGISTER OF TRANSFERS

51. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.

TRANSFER FEE

63. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.



DIRECTORS MAY REFUSE TO REGISTER TRANSFER

55. Subject to the provision of section 111 of the act and section 22A of the securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the director shall within 1 month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

REGISTRATION OF PERSONS ENTITLED TO SHARES OTHERWISE THAN BY TRANSFER

59. Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.

PERSONS ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER

60. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, is entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE IN PROHIBITING REGISTRATION OF A TRANSFER

64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the Prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

POWER TO BORROW

66. The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

CONDITIONS ON WHICH MONEY MAY BE BORROWED

67. The Board may raise or secure the repayment of such sum or sums in such; manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.

REGISTER OF MORTGAGES ETC. TO BE KEPT

71. The Board of Directors shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125, 127 and 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they are require to be complied with so far they are ought to be complied with by the Board.

ANNUAL GENERAL MEETING

75. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in anyone Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

EXTRAORDINARY GENERAL MEETING

76. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

REGULATION OF THE MEMBERS TO STATE OBJECT OF MEETING

77. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

ON RECEIPT OF REQUISITIONS DIRECTORS TO CALL MEETING AND IN DEFAULT REQUISITIONISTS MAY DO SO.

78. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of tile delivery of the requisition as aforesaid.

NUMBER OF DIRECTORS

111. 1. Until otherwise determined by a General Meeting of the Company and subject to tile provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors, (if any) shall not be less than three nor more than twelve.

The first Directors of the Company were the following

Mr. Suresh Kumar Patni

Mrs. Sarita Patni

RETIREMENT AND ROTATION OF DIRECTORS

129. At every Annual General Meeting of the Company, one-third if such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.



ASCERTAINMENT OF DIRECTORS RETIRING BY ROTATION AND FILLING OF VACANCIES.

130. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became directors on the same day, those who are to retire, shall, in default of, and subject to any agreement among themselves, be determined by lot.

RETIRING DIRECTOR ELIGIBLE FOR RE ELECTION

131. A retiring Director shall be eligible for re-election.

APPOINTMENT OF ALTERNATE DIRECTOR

114. The Board may appoint an Alternate Director to act for-a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

ADDITIONAL DIRECTORS

115. Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under the Article 111. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

DIRECTORS' POWER TO FILL CASUAL VACANCIES

118. Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

121. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by the Article 111 hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.

SECRETARY

156. The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the Board comprises only three Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be a whole-time Secretary. The Directors may also at any time appoint some person, who need not be Secretary, to keep the registers required to be kept by the Company.

THE SEAL ITS CUSTODY AND USE

157. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
158. Every Deed or other instrument, to which the seal of the Company is required' to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share, the Seal shall be affixed in accordance with the Article 19(a).

ISSUE OF BONUS SHARES

172. Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend a11d in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, a11d that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

UTILIZATION OF UNDISTRIBUTED CAPITAL PROFITS.

173. A General Meeting may resolve that any surplus money arising from the realisation of any capital asset of t11e Company or any investments representing the same, or any other undistributed profits of t11e Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

RESOLVING ISSUES OF FRACTIONAL CERTIFICATES

174. For the purpose of giving effect to any resolution w1der t11e two last preceding. Articles hereof the Board may settle any difficulty which may arise in regard the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capital fund, and such appointment shall be effective.

THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND

160. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

DIVIDEND ONLY TO BE PAID OUT OF PROFITS

161. No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.

If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

INTERIM DIVIDEND

162. The Board may, from time to time, pay to the Members such interim dividend as in their judgment, the position of the Company justifies.

CALLS IN ADVANCE NOT TO CARRY RIGHTS TO PARTICIPATE IN PROFITS

163. Where the capital is paid in advance of calls, such capital may carry interest, but shall not in respect thereof confer a right to dividend or participate in profits.



DIVIDEND TO BE KEPT IN ABEYANCE

165. The Board may retain the dividends payable upon shares in respect of which any person is under Article 60, entitled to become a member on which any person under that Articles is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

DEDUCTION OF MONEY OWED TO THE COMPANY

167. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either along or jointly with any other person or persons; and the Board may deduct form the interest or dividend payable to any member all sums of money so due from him to the Company.

DIRECTORS TO KEEP TRUE ACCOUNTS

175. (1) The Company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act, with respect to
1. all the sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
 2. all sales and purchases of goods by the Company.
 3. the Assets and liabilities of the Company.
- (2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
- (3) The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
- (4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the Article if proper Books of Account relating to tile transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its offices at other place in India, at which the Company's Books of Account are kept as aforesaid.
- (5) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

IX OTHER INFORMATION**1. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The contracts referred to below (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years prior to the date of this prospectus) which are or may be deemed to be material have been entered into by the Company. Copies of these contracts, together with the copies of the documents referred to below, all of which will be attached to a copy of the prospectus, which would be delivered to RoC, may be inspected at the registered office of the Company between 10.00 A.M. and 12.00 Noon on any working day of the Company from the date of the prospectus until the date of closing of the subscription list.

A. Material Contracts

1. Letter dated 21st February '2005 from the Company appointing Microsec Capital Limited and Karvy Investor Services Limited as Lead Manager and their acceptance thereto.
2. The Company's Memorandum of Understanding dated 7th July 2005 entered into among the LMs and the Company.
3. Letter from the Company dated 25th June 2005 appointing Maheshwari Datamatics Private Limited as Registrar to the Issue and their acceptance thereto.
4. Memorandum of Understanding between Maheshwari Datamatics Private Limited and the Company dated 30th June '2005
5. Tripartite Agreement between the Company, NSDL and Maheshwari Datamatics Pvt Limited dated 22nd November 2005.
6. Tripartite Agreement between the Company, CDSL and Maheshwari Datamatics Pvt Limited dated 17th December 2005.

B. Documents

1. The Memorandum and Articles of Association of the Company, as amended from time to time.
2. Resolution of the Board of Directors of the Company, passed at its Meeting held on 28th February, 2005, and in general meeting held on 31st March, 2005 approving this issue.
3. Resolution of the Board of Directors of the Company for formation of the Audit Committee passed at its Meeting held on 16.05.2005
4. Resolution of the Board of Directors of the Company for formation of the Investors Grievance Committee passed at its Meeting held on 16.05.2005
5. Agreements signed by the Company with Managing Director and Executive Director.
6. Final Sanction Letter No. MCG/RM-1/05-06/14 dated 10.06.2005 and Appraisal Report dated 25.04.2005 received from State Bank of India, loan agreement dated 12th August 2005 and charge registered with ROC on 8th September 2005.
7. Final Sanction Letter No. F/RFTL dated 01.07.2005 and Appraisal Report dated 02.06.2005 received from State Bank of Hyderabad, loan agreement dated 18th August 2005 and charge registered with ROC on 19th September 2005.
8. Final Sanction Letter No. CR 57/RFTL dated 29.06.2005 and Appraisal Report dated 31.05.2005 received from State Bank of Travancore, loan agreement dated 18th August 2005 and charge registered with ROC on 16th September 2005.
9. Final Sanction Letter No. OCH/ADV/2005/05 dated 22.06.2005 and Appraisal Report dated 07.06.2005 received from United Bank of India, loan agreement dated 26th July 2005 and charge registered with ROC on 15th September 2005.
10. Copies of Annual reports of the Company for the year ended 31st March 2001, 2002, 2003, 2004 and 2005 and Audit Report for the half-year ended September 30, 2005.
11. The report of the statutory auditors, S. Jaykishan, Chartered Accountant dated 11.02.2006 for the period ended 30.09.2005 prepared as per Indian GAAP and mentioned in the prospectus.
12. Consent dated 11.02.2006 from S. Jaykishan, Chartered Accountant for inclusion of their reports on accounts in the form and context in which they appear in the prospectus.
13. A copy of the Tax Benefit Report dated 11.02.2006 from Company's statutory auditors S. Jaykishan, Chartered Accountant.
14. Consents of Directors, Auditors, Legal Advisors of the Issue, LMs, Registrar to the Issue, Bankers to the Company, Bankers to the Issue, Company Secretary and Compliance Officer as referred to in their respective capacities.
15. General Power of Attorney executed by 4 Directors of the Company in favour of Mr. Suresh Kumar Patni, CMD and Mr. Pramod Kumar Jain, Company Secretary for signing and making necessary changes to the prospectus.
16. Due Diligence Certificate dated 26th July 2005 to SEBI from Microsec Capital Limited and Karvy Investor Services Limited.
17. SEBI observation Letter No. CFD/DIL/ISSUES/PB/PR/59521/2006 dated 03rd February 2006.
18. In-principle listing approval dated 06.10.2005 and 01.12.05 and 24.02.2006 from BSE and NSE respectively.



2. DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be. All the said legal requirements connected with this said issue as also the guidelines; instructions etc. issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We, the directors of Rohit Ferro-tech Limited, hereby declare and confirm that no information/ material likely to have a bearing on the decision of the investors in respect of the Equity Shares issued in terms of the prospectus has been suppressed/ withheld and/or incorporated in the manner that would amount to misstatement/misrepresentation. The Company further certifies that all the statements in this prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Suresh Kumar Patni (Chairman-cum-Managing Director)

Mrs. Sarita Patni

Mr. Binit Jain

Mr. Kailash Chand Jain

Mr. Jatindra Nath Rudra

Mr. Jayanta Chatterjee

SIGNED BY THE VICE PRESIDENT - FINANCE AND COMPANY SECRETARY

Mr. Pramod Kumar Jain

Date: 24th February 2006

Place: Kolkata